

ANNUAL REPORT 2021



Navana CNG Limited

LETTER OF TRANSMITTAL

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-2021

Dear Sir(s),

Please find herewith 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 Flow for the year ended 30 June 2021 along with notes thereon for your kind information.

Sincerely yours,



(Nafis Ahmed)
Company Secretary

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CORPORATE INFORMATION

Board of Directors

Chairman
Shafiqul Islam

Managing Director
Sajedul Islam

Directors
Khaleeda Islam
Saiful Islam
Farhana Islam

Independent Director
Md. Kausar Alam FCMA
Dr. Melita Mehjabeen

Chief Executive Officer
Farhad F. Ahmad

Company Secretary
Nafis Ahmed

Chief Financial Officer
Noornavi Bhuiyan FCA

Head of Internal Audit and Compliance
Mohammad Rezaul Karim

Principal Bankers
Mutual Trust Bank Limited
Pubali Bank Limited
Dutch Bangla Bank Limited
National Bank Limited
Shahjalal Islami Bank Limited
United Commercial Bank Limited

Plant

Subsidiary Companies of Navana CNG Ltd.

Navana Engineering Limited
Dipnagar, Mirpur, Dhaka & Kaliganj, Gazipur

Navana Welding Electrode Limited
Mirzapur, Gazipur

Navana LPG Limited
Mongla, Bagerhat

Audit Committee
Md. Kausar Alam FCMA- Chairperson
Saiful Islam -Member
Dr. Melita Mehjabeen-Member

Nomination and Remuneration Committee
Dr. Melita Mehjabeen - Chairperson
Saiful Islam -Member
Md. Kausar Alam FCMA -Member

External Auditors
A. Hoque & Co.
Chartered Accountants

Corporate Governance Compliance Auditors
Ahmed Zaker & Co.
Chartered Accountants

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

Corporate Office
205-207, Tejgaon I/A, Dhaka

Main CNG Conversion Centre
205-207, Tejgaon I/A, Dhaka
e-mail: share@navanacng.com
Website: www.navanacng.com



Corporate Chronicles

Navana CNG Limited, a sister concern of Navana Group, is the leading CNG service provider in Bangladesh. It's years of experience is the standard setter of CNG Industry. At present, Navana CNG Limited is running 18 CNG re-fueling stations, 2 LPG stations and 7 CNG & LPG conversion workshops located at various locations in Bangladesh.

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

Date of Incorporation	19th April 2004
Converted into Public Limited Company	8th March 2009
Listing with Dhaka Stock Exchange Limited	2009
Listing with Chittagong Stock Exchange Limited	2009
Registered with Central Depository Bangladesh Ltd. (CDBL)	2009
First AGM after conversion from private limited company to public limited company	22nd July 2010
Renewal of membership certificate from Bangladesh Association of Publicly Listed Companies (BAPLC)	2021
Face value per share	TK. 10/-
Authorized Capital	TK. 1,500,000,000/-
Paid-up Capital	TK. 685,285,920/-
No. of Securities (Shares)	68,528,592

CERTIFICATE OF APPRECIATION



CORPORATE
AWARD 2019

TRADING & ASSEMBLY CATEGORY

BRONZE AWARD

This is to Certify

Navana CNG Limited

that
participated in the **ICMAB Best Corporate Award 2019 Competition**. The company has
been Awarded **BRONZE AWARD** in **TRADING & ASSEMBLY CATEGORY**.
This Certificate of Appreciation has been Awarded on the *25th* day of *February 2021*.



Chairman
Corporate Award Committee

Secretary, ICMAB

President, ICMAB

NOTICE OF THE 17th ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting (AGM) of the Shareholders of Navana CNG Limited will be held on Thursday, 30 December 2021 at 11:30 am under Digital Platform to transact the following business:

01. To receive, consider and adopt the Audited Financial Statements for the year ended 30 June 2021 together with Auditors' Reports and Directors' Reports thereon.
02. To declare Dividend for the year ended 30 June 2021.
03. To re-elect Directors.
04. To approve the appointment of Independent Directors of the Company.
05. To appoint External Auditors of the Company for the year 30 June 2022 and fix their remuneration.
06. To appoint Corporate Governance Compliance Auditors of the Company for the year 30 June 2022 and fix their remuneration.
07. Any other business with the permission of the Chair.

By Order of the Board



(Nafis Ahmed)

Company Secretary

Dated : Dhaka
06 December 2021

Notes:

- a) The Shareholders whose names appeared in the Share Register of the Company and/or Depository Register of CDBL as on record date, i.e. 17 November 2021 will be entitled to attend the AGM and receive dividend.
- b) Attendance to the AGM through log in confirmation under Digital Platform of AGM. Link will be sent through SMS and email to the respective Shareholders'.
- 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-2021 of Navana CNG Limited will be sent to the respective Shareholders' email address available with CDBL on Record Date.
- e) The copy of AGM Notice, Proxy Form and Annual Report- 2021 will also be available in the Company's website at: www.navanacng.com.



MESSAGE FROM THE CHAIRMAN

Dear Shareholders,
Assalamu Alaikum,

I, on behalf of the Board of Directors, would like to welcome you warmly to the 17th 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 2021. It is also the second successive year we are holding Annual General Meeting virtually because of the COVID 19 pandemic.

Your Board of Directors has introduced additional facilities for conversion of vehicles into LPG conversion in the existing CNG conversion workshops of the Company.

Your company has taken initiatives to increase sales of the different products of Navana Engineering Limited, subsidiary of Navana CNG Limited.

The performance of Navana Welding Electrode Limited, a subsidiary of Navana CNG Limited is encouraging. The market share of its products is increasing.

As far as Navana LPG Limited, another subsidiary of Navana CNG Limited, we would like to inform you that the LPG business is running well.

Finally, the success we have achieved so far in our journey would not have been possible without the support of all our business partners, suppliers, shareholders, regulatory authorities and other concern. I expect support from them will continue in the years to come.

A handwritten signature in dark ink, appearing to read 'Shafiu Islam', written in a cursive style.

(Shafiu Islam)
Chairman



চেয়ারম্যান এর বিবৃতি

প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম।

আমি আপনাদেরকে কোম্পানির পরিচালনা পর্ষদের পক্ষ থেকে ১৭তম বার্ষিক সাধারণ সভায় আন্তরিক শুভেচ্ছা জানাচ্ছি। Covid-১৯ এর কারণে পর পর দুই বছর আমরা ভার্চুয়েলীভাবে বার্ষিক সাধারণ সভা করছি। ৩০ শে জুন ২০২১ তারিখে সমাপ্ত অর্থ বছরে কোম্পানির কার্যক্রমের একটি সংক্ষিপ্ত বিবরণী পেশ করছি।

আপনাদের পরিচালনা পর্ষদ বিদ্যমান সি.এন.জি রূপান্তর ওয়ার্কশপে যানবাহন এল.পি.জি-তে রূপান্তরের পদক্ষেপ নিয়েছে।

Navana CNG Limited-এর সাবসিডিয়ারী কোম্পানি, Navana Engineering Limited-এ উৎপাদিত বিভিন্ন সামগ্রীর বাজারজাত করণের ও বিক্রয় বৃদ্ধির জন্য পদক্ষেপ নেয়া হয়েছে।

Navana CNG Limited এর সাবসিডিয়ারী কোম্পানি, Navana Welding Electrode Limited-এর বিক্রয় ক্রমান্বয়ে বাড়ছে।

অপর সাবসিডিয়ারী কোম্পানী, নাভানা এল.পি.জি লিমিটেড-এর ব্যবসা বৃদ্ধি পাচ্ছে।

পরিশেষে, আমি ধন্যবাদ জ্ঞাপন করছি যাদের সহযোগিতা ছাড়া আমাদের এ অর্জন সম্ভব হতো না যথা- আমাদের ব্যবসায়িক সহযোগী, সরবরাহকারী, শেয়ারহোল্ডার, নিয়ন্ত্রক কর্তৃপক্ষ এবং অন্যান্য সংস্থাসমূহ। আমি আশা করি আগামীতেও আপনাদের এই সহযোগিতা ও সমর্থন অব্যাহত থাকবে।

(শফিউল ইসলাম)
চেয়ারম্যান



DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,
Assalamu Alaikum,

We have the pleasure to welcome you on behalf of the Board of Directors at the 17th Annual General Meeting of Navana CNG Limited and present before you to receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30 June 2021 together with the Auditors' Report and Directors' Report thereon, for your kind consideration.

PERFORMANCE

Revenue Earnings

The sales proceeds of 18 CNG re-fueling stations, 2 LPG stations and 7 CNG & LPG conversion workshops and from modern service center, which 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. 120 crore.

Navana Engineering Limited, subsidiary of Navana CNG Limited has been contributed an amount of Tk. 35 crore during the present financial year.

The sale of Navana Welding Electrode Limited, subsidiary of Navana CNG Limited is Tk. 69 crore during the year under review.

Navana LPG Limited another subsidiary of Navana CNG Limited contributed on amount of Tk. 279 crore in the financial year ended 30 June 2021.

Financial Result and Appropriation of Profit:

Amount in taka

Particulars	June 30, 2021	June 30, 2020
Retained Earnings Brought Forward	1,538,647,565	1,519,706,890
Less: Adjustment for the application of IFRS 16 (lease)	96,282	3,521,294
Add: Total Comprehensive income for the year	14,916,454	61,874,134
Less: Cash Dividend 10%	39,412,165	39,412,165
Profit available for appropriation	1,514,055,572	1,538,647,565
Recommended for appropriation:		
Cash Dividend 5%	39,412,165	39,412,165
Inappropriate profit carried forward	1,474,643,407	1,499,235,400
Total	1,514,055,572	1,538,647,565

Segment-wise or product-wise performance

Within the territory of Bangladesh, the Company is operating its business. However, the segment report prepared and mentioned in notes 40.01 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

We prospect the better business of Navana CNG Limited, Navana Engineering Limited, Navana LPG Limited and Navana Welding Electrode Limited in the coming days.

Risks and concerns

Exploration of a new gas field can only improve the present situation. The risk and concern of the CNG business depends on the government's policy e.g., increase of CNG price, tariff on CNG cylinder/kits and market demand etc.

A Discussion on Consolidated Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

Particulars	Amount in taka	
	June 30, 2021	June 30, 2020
Cost of sales	4,042,074,992	4,676,102,307
Gross profit	982,105,374	1,251,950,542
Net profit for the year	14,915,240	61,873,020

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 several 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 following the provisions of 'IAS 24: Related Party Disclosure' disclosed in the note 41 of the notes to the financial statements.

Variance with Quarterly and Annual Financial Statements

There was no event of significant variance between quarterly and annual 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, Managing Director and Chief Financial Officer have given the declaration about the fairness of the financial statements in page no. 20 and report of Compliance Auditors in page no. 21 of this Annual Report-2021.

Books of Accounts

Proper books of accounts of the Company were maintained.

Accounting Policies

Appropriate accounting policies have been consistently applied in the 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 the preparation of the financial statements of the company and any deviation there-from has been adequately disclosed.

Internal Control

The systems of internal controls were sound, implemented and monitored effectively. The Audit committee always gives their suggestion and recommendation to the Board as and when required.

Minority Shareholders' Interest Protection

Rights and interests of the minority shareholders have been duly protected by means of transparent operations and proper disclosure of material information of the Company.

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 next financial year. Accordingly, the financial statements are prepared on a going concern basis.

Five Years Operating and Financial Data

The Key operating and financial data for the last five years have been disclosed at page no. 16

Declaration by the Managing Director and the CFO

Declaration by the Managing Director and CFO has been given on Annexure-A (page no. 20)

Independent Directors

Mr. Md. Kausar Alam FCMA appointed as Independent Director of Navana CNG Limited vide Board resolution dated 04-01-2021 for three years up to 03-01-2024 subject to approval by the shareholders in the ensuing Annual General Meeting.

Mr. Md. Kausar Alam M.Com. (AIS, DU), MBA (IBA), FCS, FCCA (UK), ACA (England & Wales), FCMA, is the Chief Financial Officer and Company Secretary of Seven Circle Cement (Bangladesh) Limited. He is a Fellow member of The Institute of Cost and Management Accountant of Bangladesh, an Associate member of the Institute of Chartered Accountants in England and Wales, a Fellow member of the Institute of Chartered Secretaries of Bangladesh and a Fellow member of the Association of Chartered Certified Accountant of United Kingdom. He has done his Masters in Accounting from the University of Dhaka and MBA from the Institute of Business Administration, University of Dhaka. He has about 25 years professional experience in global multinational, British American Tobacco and large business group, Rahimafrooz Bangladesh in top level finance positions as Head of Manufacturing Finance and Group CFO respectively. He holds vast knowledge in managing Finance and Accounts functions of large manufacturing, trading, retail and distribution businesses. He is a General Body Member of FBCCI for the year 2019-21 as a representative from IPAB. He is a member of Standard Setters Working group (SSWG), Financial Reporting Council (FRC) of Bangladesh. He is also one of the founding members of Intellectual Property Association of Bangladesh (IPAB) and current Executive Board Member and Treasurer of IPAB. He is an honorary Finance and Governance advisor of a reputed Non-Profit Organization, ARK Foundation, working in economic research and social development sectors of Bangladesh. Further, He is a life member of Bangladesh AOTS-HIDA and Bangladesh Japan Training Institute (BJTI). He is a part time faculty member in ICSB, ICMAB and in government and private Universities and contributors in professional Journals.

Dr. Melita Mehjabeen appointed as Independent Director of Navana CNG Limited vide Board resolution dated 04-01-2021 for three years up to 03-01-2024 subject to approval by the shareholders in the ensuing Annual General Meeting.

Dr. Melita Mehjabeen, is an Associate Professor of the Institute of Business Administration (IBA), University of Dhaka. She was the Manager of Global Transaction Services, Citibank, N.A. She has done her MBA from the Institute of Business Administration (IBA), University of Dhaka and PhD from The University of Manchester, UK. She bears 11+ years of experience as an academia in teaching, research work and consultancy coupled with five years' experience in the corporate sector.

Mr. Syed Masud Hasan, Independent Director of the company has resigned on 03-01-2021 from the Board.

Remuneration paid to Directors and Independent Directors

An amount of Tk. 4,65,000 paid to Directors and Tk. 5,000 paid to Independent Directors for attending at Board of Directors meeting held during the financial year ended on 30 June 2021.

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 17th Annual General Meeting. Being eligible under Article 128 of the Articles of Association of the Company, the retiring Directors are eligible for re-election by Rotation of Director.

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

Mr. Saiful Islam

Mr. Saiful Islam an MBA joined the Navana Group in 1996. In the early years, he gained valuable experience by being involved in the management of the Group's diverse business operations. He has been appointed as Managing Director of Aftab Automobiles Limited in 2006. He took various business-related professional courses at home and abroad. He traveled almost all the countries of the world.

At present, Mr. Saiful Islam is the Senior Vice-Chairman of Navana Group, consisting of companies, involved, amongst other, in vehicles assembling, bus body fabrication and trading, real estate, construction, CNG conversion and gas station, car rental, electronics, IT, petroleum and renewable energy.

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., Navana Engineering Limited, Navana Welding Electrode Limited, The Essential Industries Ltd., Biponon Ltd., Navana Taxi Cab Co. Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Paints Ltd. and Navana LPG Ltd.

Membership in committees of the Board - Audit Committee and NRC.

Ms. Farhana Islam

Ms. Farhana Islam a BBA is a young enthusiastic entrepreneur of the country, joined the Navana Group in 2007. In the early years, she gained valuable experience by being involved in the management of the Group's diversified business operations. She took various business-related professional courses at home and abroad. She traveled to many countries in the world.

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 Engineering Limited, Navana Welding Electrode Limited, Navana Furniture Ltd., Navana Interlinks Ltd., Essential Industries Ltd., Biponon Ltd., Navana Taxi Cab Co. Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Paints Ltd., Navana Building Products Ltd. and Navana LPG Ltd.

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

Board of Directors Meetings

Total 21 (twenty-one) meetings held during the year 30 June 2021 by the Board of Directors.

Name of Directors	Position	Number of Board Meeting attended
Mr. Shafiul Islam	Chairman	16
Mrs. Khaleda Islam	Director	21
Mr. Saiful Islam	Director	19
Mr. Sajedul Islam	Managing Director	20
Ms. Farhana Islam	Director	17
Mr. Syed Masud Hasan	Independent Director	1
Mr. Md. Kausar Alam FCMA	Independent Director	-
Dr. Melita Mehjabeen	Independent Director	-

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

Information Regarding Subsidiary Companies:

a) Navana Engineering Limited

The Company earned an amount of Tk.11.01 crore during the year from the sales of HDPE product. Further from PVC Pipe earned an amount of Tk. 11. 93 crore during the year from the sales. Besides, an amount of Tk. 11. 58 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 2021 as follows:

Particulars	Amount of taka	
	June 30,2021	June 30,2020
Turnover	345,204,712	696,863,366
Gross Profit	91,813,018	231,233,709
Net Profit After Tax	(83,953,076)	5,776,110
Earnings Per Share (EPS)	(8.40)	0.58
Net Assets Value Per Share (NAVPS)	43.43	51.83

b) Navana Welding Electrode Limited

The Company is manufacturing and selling various types of electrode for construction, light engineering & ship building industries. During the year Tk. 69 crore added by selling welding electrodes.

The operating results for the year ended 30 June 2021 as follows:

Particulars	Amount of taka	
	June 30, 2021	June 30, 2020
Turnover	693,179,581	512,051,960
Gross Profit	182,849,194	129,805,195
Net Profit After Tax	82,193,216	44,995,940
Earnings Per Share (EPS)	8.22	4.50
Net Assets Value Per Share (NAVPS)	36.38	28.17

c) Navana LPG Limited

During the year under review Navana LPG Limited added Tk. 279 crore by selling LPG.

The operating results for the year ended 30 June 2021 as follows:

Particulars	Amount of taka	
	June 30, 2021	June 30, 2020
Turnover	2,790,185,645	3,372,032,537
Gross Profit	490,199,091	592,822,415
Net Profit After Tax	(24,249,113)	(22,776,432)

Future Prospect

Due to covid-19 pandemic in worldwide, Navana CNG Limited did not achieve its desire goal as assumed. However, we are optimistic that the Company has taken necessary steps to increase production and sales.

Corporate Governance Compliance

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

- 1) Compliance Certificate on Corporate Governance Code in page no. 21 (Annexure-B)
- 2) Corporate Governance Compliance Report in page no. 22 (Annexure-C)
- 3) Pattern of shareholding in page no. 15
- 4) Audit Committee Report in page no. 31

Dividend

The Board of Directors of Navana CNG Limited in its meeting on 26 October 2021 has recommended dividend as follows:

- a) 5% Cash Dividend for the general shareholders only excluding Sponsors and Directors. The Sponsors and Directors are holding 2,91,16,427 shares out of total 6,85,28,592 shares of Navana CNG Limited. Dividend amount payable to the general shareholders only is Tk. 1,97,06,082.50 for 3,94,12,165 shares; and
- b) 5% Stock Dividend for all shareholders including Sponsors and Directors.

The shareholders whose names appeared in the share register of the Company and/or Depository Register of CDBL as on Record Date i.e., 17 November 2021 will be entitled to have the cash and stock dividend, subject to approval in the ensuing Annual General Meeting scheduled to be held on 30 December 2021.

Explanation for reducing profit

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

Corporate Governance Compliance Report

Navana CNG Limited adheres to appropriate good Corporate Governance practices, as described on pages 21 to 30 of this Annual Report. The Company also complied with all the requirements of Corporate Governance Code as required by the Bangladesh Securities and Exchange Commission (BSEC). In accordance with the BSEC Notification on Corporate Governance Compliance Report is shown in Annexure-C of this Report. Further, in compliance with the BSEC notification dated June 3, 2018 AHMED ZAKER & Co., Chartered Accountants issued the Corporate Governance Compliance Certificate which is shown in Annexure- B of this report.

Appointment of External Auditors

Existing External Auditors A. Haque & Co., Chartered Accountants (Panel Auditors of BSEC) have completed their work as Auditors for the year ended 30 June 2021. Being eligible they have shown their interest to continue as External Auditors of the Company for the year 30 June 2022, which is to be placed for approval in the ensuing Annual General Meeting scheduled to be held on 30 December 2021.

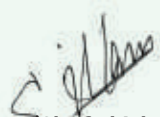
Appointment of Corporate Governance Compliance Auditors

Existing Corporate Governance Compliance Auditors Ahmed Zaker & Co., Chartered Accountants have completed their work as compliance Auditors for year ended 30 June 2021. They have shown their interest to continue as Corporate Governance Compliance Auditor for the year 30 June 2022, which is to be placed for approval in the ensuing Annual General Meeting scheduled to be held on 30 December 2021.

Acknowledgement

On behalf of the Company, we wish to express sincere appreciation to all employees of Navana CNG Limited and its subsidiaries for their contribution and at the same time thanks to all the stakeholders and other concern for their continuous support and confidence even in this situation of COVID-19 pandemic.

On behalf of the Board of Directors



(Shafiul Islam)
Chairman

The pattern of shareholdings of the Directors and others as on 30 June 2021 are as follows:

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

Highlights of Financial and Key Operating Data (Consolidated)

(Taka in 'million')

Particulars	2021	2020	2019	2018	2017
Turnover (net)	5,024	5,928	5,887	4,045	2,597
Gross profit	982	1,252	1,294	1,036	779
Operating Profit / Loss	(68)	(23)	39	281	304
Net profit after tax	15	62	88	179	208
Earnings Per Share	0.22	.90	1.29	2.62	3.03
Net cash operating activities	2.36	9.75	8.41	0.88	1.43

Table: Summary Balance Sheet

Particulars	2021	2020	2019	2018	2017
Authorized capital	1,500	1,500	1,500	1,500	1,500
Paid-up capital	685	685	685	685	685
Reserve and surplus	1,732	1,756	1,739	1,737	1,618
Shareholders' Equity	2,418	2,442	2,424	2,422	2,304
Deferred Tax Assets / liabilities	294	148	8	108	103
Non-current liabilities	5,485	5,189	5,563	4,900	3,170
Current Liabilities	4,839	4,720	4,062	3,430	2,170
Fixed Assets	6,250	6,737	6,696	5,613	1,733
Other Non-current Assets	1,339	1,217	1,347	1,696	3,528
Total Non-current Assets	7,589	7,954	8,043	7,309	5,262
Current Assets	5,152	4,397	4,006	3,443	2,382
Book value per share	35.28	35.63	35.37	35.35	33.62
Cash Dividend	5% <small>(Recommended)</small>	10%	10%	12%	15%
Stock Dividend	5% <small>(Recommended)</small>	-	-	-	-
Numbers of shareholders	10,799	11,744	12,422	12,692	14,454

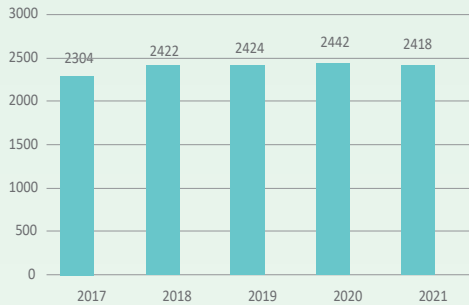
Table: Ratios

Profitability Ratios	2021	2020	2019	2018	2017
Current Ratio	1.06	0.93	0.99	1.00	1.10
Gross profit / Sales (%)	19.55%	21.12%	21.98%	25.61%	29.99%
Operating profit / Sales (%)	(1.35%)	(.38%)	0.66%	6.97%	11.71%
Profit after tax / Sales (%)	.30%	1.03%	1.49%	4.43%	8.00%
Return on Asset (%)	0.12%	1.00%	1.00%	2.00%	2.72%
Return on Equity (%)	1.00%	3.00%	4.00%	7.00%	9.02%

GRAPHICAL PRESENTATION

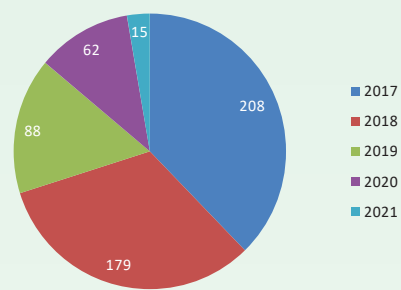
SHAREHOLDERS EQUITY

IN MILLION TAKA



NET PROFIT AFTER TAX

IN MILLION TAKA



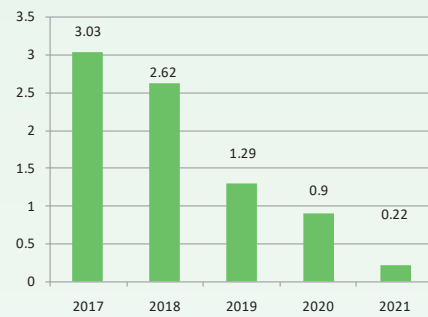
TURNOVER

IN MILLION TAKA



EARNINGS PER SHARE

IN MILLION TAKA



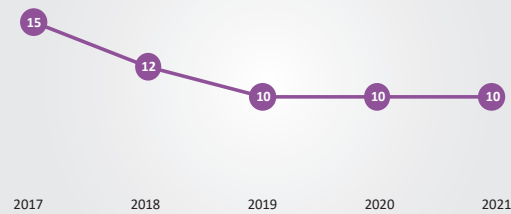
GROSS PROFIT

IN MILLION TAKA



DIVIDEND

IN PERSENTENCE (%)



VALUE ADDED STATEMENT

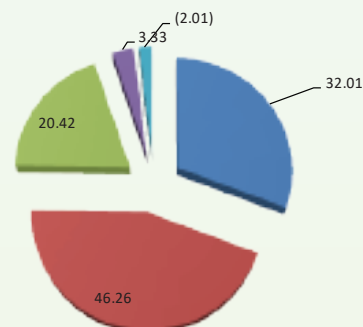
For the year ended June 30, 2021

	Amount in '000' Taka	%
Gross Sale	5,337,912	
Other additions	158,287	
Bought in- Material & Service	4,311,685	
Value Added	1,184,514	
Application		
to National Exchequer	379,129	32.01
to Providers of Loan		
as Interest & Charges	547,915	46.26
to Providers Emp. Salaries		
Wages & other benefits	241,895	20.42
to Providers of Capital- as Dividend	39,412	3.33
Reserve & Surplus including deferred tax	(23,837)	(2.01)
	1,184,514	100.00

VALUE ADDED (%) GRAPH

For the year ended June 30, 2021

IN MILLION TAKA





REPORT ON CORPORATE GOVERNANCE

The Board of Directors of Navana CNG Limited is collectively responsible to shareholders and concern to enhance good governance practice and maintaining effective corporate governance culture of transparency and good governance in the Company.

The Company has complied with all the requirement of Corporate Governance Code-2018

Board of Directors

The Board of Directors comprises of 7 (seven) members including 2 (two) Independent Director. 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.

Policy on appointment of Directors

Companies Act, 1994 and BSEC notification on Corporate Governance Code are followed to appoint the Directors of the Company. Being a member of the Board, a director other than a nominated, Independent and alternate Director, must maintain at least two percent shares of paid-up shares of the company. According to the provision of Companies Act 1994, at least one-third of the Directors retire by rotation in every Annual General Meeting. The tenure of office of an Independent Director is for a period of 3 (three) years and may be extended for 1 (one) more tenure only. With regards to appointment of the directors, the Company follows all relevant rules and regulations.

Independent Directors

The Board of Directors appointed Mr. Md. Kausar Alam FCMA and Dr. Melita Mehjabeen as Independent Director of the Company w.e.f. 04-01-2021. The Board believes that their experience and knowledge will assist to contribution to the Board of Directors.

Independency of Independent Director

As per Corporate Governance Code, one-fifth of the total Directors of the Board shall be Independent Directors. The Company has two (2) Independent Directors out of the total seven (7) Directors. For the purpose of independence, the Board decided that its Independent Directors do not hold any shares of the Company and does not have any other relationship, not a member, Director or officer of any Stock Exchange.

The Role of the Chairman and the Managing Directors

The position of the Chairman and the Managing Director of the company shall be filled by the different individuals who are the member of the Board. There is a division of responsibilities between the Chairman's functions and that of the Managing Director. The responsibility of the Chairman is to provide leadership to the Board and to ensure that the Board works efficiently and discharges their responsibilities effectively. The Chairman shall preside over the meeting of the Board of Directors and General Meeting.

The Managing Director has the overall responsibility for the performance of the Company's business. He is also responsible for establishing and executing the Company's overall strategic and operating plan which is necessary to achieve the Company's objectives.

Financial and Accounting Knowledge and Expertise of the Directors

The Board of Directors consists of members who possess a wide knowledge and experience in finance, management, business administration, rules and regulation as required. They formulate the right policy for the development of the business while having the specialized skills and the ability to foresee development across a larger perspective.

Mr. Md. Kausar Alam FCMA one of the Independent Director are fellow member of The Institute of Cost and Management Accountant of Bangladesh (ICMAB), The Institute of Chartered Secretaries of Bangladesh (ICSB) and an Associate member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Audit Committee

The Audit Committee is a sub-committee of the Board of Directors. The Audit Committee is comprised of three members including two Independent Directors of the Company. Mr. Md. Kausar Alam FCMA, Independent Director, is the Chairperson of the Audit 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 and ensuring a good monitoring system within the business and to oversee the determination of audit fees based on scope and magnitude, level of expertise deployed for effective audit and evaluate the performance of external auditors of the company.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is a sub-committee of the Board of Directors. The Nomination and Remuneration Committee (NRC) is comprised of three members of the Board including 2 (two) Independent Directors. Dr. Melita Mehjabeen is the Chairperson of the NRC. The Nomination and Remuneration Committee is responsible to the Board and to the Shareholders.

Company Secretary

Nafis Ahmed has been appointed as the Company Secretary of Navana CNG Limited. He is responsible for dealing with corporate and various regulatory compliance, 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 defined the respective roles, responsibilities and duties of the Company Secretary in compliance with the Corporate Governance Code of Bangladesh Securities and Exchange Commission(BSEC).

Chief Financial Officer

Noornavi Bhuiyan FCA is the Chief Financial Officer of Navana CNG Limited. He is responsible for accounts and finance activities of the Company. The Board of Directors define the respective roles, responsibilities and duties of the Chief Financial Officer in compliance with the Corporate Governance Code of BSEC.

Head of Internal Audit & Compliance (HIAC)

Mohammad Rezaul Karim is the Head of Internal Audit & Compliance of Navana CNG Limited. He is responsible for management and oversight of the company's Internal Audit activities. The Board of Directors have defined the roles, responsibilities and duties of HIAC in conformity with the Corporate Governance Code.

Financial Reporting

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

Statutory Audit

Statutory Auditor of the Company worked under the Companies Act, 1994, Corporate Governance Code and other applicable laws. The Act and Code provides guidelines for the appointment, scope of work, retirement/re-appointment of auditors and fix their remuneration. Their appointment will be approved by the shareholder of the Company in ensuing Annual General Meeting.

Declaration by Managing Director and Chief Financial Officer

26 October 2021

The Board of Directors
Navana CNG Limited

Subject: Declaration on Financial Statements for the year ended on 30 June 2021.

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 2021 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 2021 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)
Managing Director



(Noornavi Bhuiyan FCA)
Chief Financial Officer

**Head Office :**

89 Kakrail, Green City Edge (Level 10), Dhaka 1000, Bangladesh
 Website: www.azc.com.bd Email: azc@azc.com.bd
 Phone: +88-02-83005014, Fax: +88-02-83005099

[Certificate as per condition No. 1(5) (xxvii)]

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

We have examined the compliance status of the Corporate Governance Code by **Navana CNG Limited** for the year ended June 30, 2021. This code relates to the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities & Exchange Commission (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 with the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance with the conditions of the Corporate Governance Code as well as the provision of relevant Bangladesh Secretarial Standards (BSS) as adopted by the 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 based on available documents:

- (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.

Place: Dhaka
 November 10, 2021.

Ahmed Zaker & Co.
 Chartered Accountants
 (Z A Mirdha, FCA)
 Partner
 Enroll No.:0478

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Status of Compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1 (1)	Board's Size [The total number of members of a Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).]	✓		
1 (2)	Independent Directors			
1 (2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		
1(2)(b)	Independent Directors 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	✓		
1 (2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his/her family members also should not hold above mentioned shares in the company	✓		
1 (2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1 (2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1 (2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
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	✓		
1 (2)(b)(vii)	Who is not a partner or an 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	✓		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies	✓		
1 (2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution	✓		
1 (2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1 (2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days			N/A
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]:			N/A
1 (3)	Qualification of Independent Director			
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 the business.	✓		
1 (3)(b)	Independent Director shall have following qualifications:			
1 (3)(b)(i)	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; or			N/A
1 (3)(b)(ii)	Corporate Leader who is or was a toplevel executive not lower than Chief Executive Officer or Managing Director or Deputy 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; or	✓		
1 (3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			N/A
1 (3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
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 experiences in any field mentioned in clause (b)	✓		
1 (3)(d)	In special cases, the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1 (4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1 (4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) of the company shall be filled by different individuals.	✓		
1 (4)(b)	The Managing Director (MD) 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.	✓		
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 Board's meeting the reason of			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (5)	The Directors' Report to the Shareholders			
1 (5)(i)	An industry outlook and possible future development in the industry	✓		
1 (5)(ii)	The 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 Margin and Net Profit Margin, where applicable	✓		
1 (5)(v)	A discussion on continuity of any extra-ordinary activities and their implications (gain or loss)			N/A
1 (5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1 (5)(vii)	A statement of Utilization of proceedsraised through public issues, rights issues and/or any others 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 the directors including independent directors	✓		
1 (5)(xi)	A statement that the financial statements prepared present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1 (5)(xii)	Proper books of accountshave 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/IFRS, as applicable in Bangladesh, have been followed withadequate disclosure;	✓		
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			N/A
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:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details)	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name-wise details)	✓		
1(5)(xxiii)(c)	Executives	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		
1(5)(xxiv)	Disclosure on appointment/re-appointment of Director:			
1(5)(xxiv)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board.	✓		
1(5)(xxv)	A 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;	✓		
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	✓		
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	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		
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	✓		
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	✓		
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 .	✓		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings.	✓		
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	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		
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	✓		
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	✓		
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 Provided that the MD, CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
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 For ensuring good governance in the company, the Board shall have at least following sub-committees:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee			
5 (1)	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 Board 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 be responsible to the Board; 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	✓		
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive 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 members to 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 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;			N/A
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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5 (5)(d)	Oversee hiring and performance of external auditors;	✓		
5 (5)(e)	Hold meeting with the external auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5 (5)(f)	Review the annual financial statements before submission to the Board for approval;	✓		
5 (5)(g)	Review 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 and Analysis before disclosing in the Annual Report;	✓		
5 (5)(j)	Review statement of all related party transactions;	✓		
5 (5)(k)	Review Letter of Internal Control weakness issued by statutory auditors;			N/A
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.			
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			N/A
5 (6)(a)(ii)(a)	Report on conflicts of interests			N/A
5 (6)(a)(ii)(b)	Suspected or presumed fraud or irregularity 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; and			N/A
5 (6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			N/A
5 (6)(b)	Reporting to the Authorities			N/A
5 (7)	Reporting to the Shareholders and General Investors	✓		
6	Nomination and Remuneration Committee (NRC)			
6 (1)	Responsibility to the Board of Directors			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as 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).	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		
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
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.	✓		
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;			N/A
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 under condition 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)	Formulation 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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		
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 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			N/A
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.			N/A
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.	✓		
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 REPORT

The Audit Committee is a sub-committee of the Board of Directors of Navana CNG Limited. In compliance with the Corporate Governance Code, the Board of Directors of the Company appointed 3 (three) members of the Audit Committee including 2 (Two) Independent Directors. The Audit Committee shall assist the Board of Directors 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. Md. Kausar Alam FCMA	Independent Director	Chairperson
Dr. Melita Mehjabeen	Independent Director	Member
Mr. Saiful Islam	Non-Executive Director	Member

The Audit Committee attended the meeting of Audit Committee during the year ended on 30 June 2021. Mr. Nafis Ahmed, 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;
- Oversee hiring and performance of external auditors;
- Review the quarterly and annual financial statements before submission to the Board for approval;
- Review the adequacy of internal audit function;
- Review statement of related party transactions;
- Audit committee shall submit their recommendation to the Board regarding the change or addition of any accounting principle if they think necessary;
- The Audit committee shall disclose to the Board immediately on any matter if deems necessary; and
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed for effective audit and evaluate the performance of external auditors.

Activities of the Audit Committee carried out

The Audit Committee of Navana CNG Limited carried out works during the reporting period for the year ended 30 June 2021 as follows:

- Reviewed the Financial Statements of Navana Engineering Ltd., Navana Welding Electrode Ltd., and Navana LPG Ltd., subsidiaries of Navana CNG Limited for the year ended 30 June 2021 and found adequate arrangement to present a true and fair view of the financial statements of the Companies.
- Reviewed the procedure and task of the internal audit, financial audited report prepared by the external auditors on the consolidated financial statements of Navana CNG Limited for the year ended 30 June 2021 and forwarded the same to meeting of the Board of Directors.
- Reviewed procedures to ensure compliance with regulatory and financial reporting requirements.
- The Committee reviewed un-audited quarterly financial statements.
- Oversee the determination of audit fees based on scope and magnitude, expertise deployed for effective audit and evaluate the performance of external auditors.



(Md. Kausar Alam FCMA)
Chairperson
Audit Committee

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee is a sub-committee of the Board of Directors of Navana CNG Limited, constituted pursuant to the Corporate Governance Code of the Bangladesh Securities and Exchange Commission (BSEC). The Committee is accountable to the Board and to the shareholders.

The main activities of NRC are to assist and advise the Board. The Committee discharge the responsibility and oversee the function as defined in the Corporate Governance Code of BSEC.

The Nomination and Remuneration Committee consists of the following:

Dr. Melita Mehjabeen	Independent Director	Chairperson
Mr. Md. Kausar Alam FCMA	Independent Director	Member
Mr. Saiful Islam	Non-Executive Director	Member

Mr. Nafis Ahmed, Company Secretary, acts as the Secretary of the Committee.

Role of the NRC

- NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- Devising a policy on Board diversity taking into consideration age, gender, experience and nationality;
- Identifying persons who are qualified to become directors/ top level executive and recommend their appointment/ removal;
- Assess as to whether the level and composition of remuneration is reasonable and efficient to attract, retain and motivate suitable Directors to run the Company successfully;
- Evaluate as to whether remuneration of Directors, top level executive involved a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goal;
- Identify the Company's need for employees at different levels and determine their selection, transfer or replacement and promotion criteria.

Melita Mehjabeen
(Dr. Melita Mehjabeen)
Chairperson

NAVANA CNG LIMITED

Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer/Managing Director

In compliance with the Notification dated 3 June 2018 of Bangladesh Securities and Exchange Commission on Corporate Governance Code under Condition 1.(7)(b), the Board laydown a code of conduct as determined by the Nomination and Remuneration Committee (NRC) as follows:

This code of conduct is a guideline for the Chairperson, other Board Members and Chief Executive Officer/Managing Director of the Company.

Code of Conduct

1. Prudent conduct and behavior

- a) The Chairperson, other Board Members and Chief Executive Officer/Managing Director shall act honestly, ethically, in good faith and for the greater interest of the Company;
- b) They shall dedicate, attention to ensure diligent performance of his/her duties and responsibilities as set forth in the Company's Memorandum of Association, Articles of Association and Corporate Governance Code;
- c) They shall be free from exercising in any discriminatory practice or behavior based on race, gender, age, color, ethnic or national origin, religion;
- d) They shall conduct themselves in a professional, courteous & respectful manner and shall not take any improper advantage of their position;
- e) They shall use Company's assets, properties, intellectual rights for business purposes of the Company not for any personal benefits or gains;
- f) They shall comply with all applicable laws, regulations, confidentiality, obligations and corporate policies;
- g) They shall aware of the Countries/Foreign business policies, new innovations, future prosperity/prospect and so more; and
- h) The Chairperson shall preside over all the meetings of Board of Directors and General Meetings.

2. Confidentiality

- a) Directors shall be aware of confidential information concerning the affairs and business transaction of the Company;
- b) Directors neither disclose any information to persons outside of the Company, nor they use information for their personal benefits or for the benefit of any person/concern outside of the Company; and
- c) All confidential information must be held in confidence unless authorized by the Board for public dissemination, permissible in accordance with the Corporate Governance Code of BSEC, Listing Regulations of the Exchange(s) or any applicable rules and laws.

3. Conflict of Interest

- a) The Chairperson, Chief Executive Officer/Managing Director and other Board Members shall not enter into any transaction which is may likely to have a conflict with the interest of the Company.
- b) All transaction having conflict of interest, if any, be carried out in accordance with the law and rules fully disclosed to the Board.

4. Compliance with Laws, Rules and Regulations

- a) The Chairperson, Chief Executive Officer/Managing Director and other Board Members shall ensure compliance with relevant legal/regulatory requirements, as applicable to/from the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are considered;
- b) They shall adhere to the laws of the Government and compliance with regulatory requirements applicable for the business. This includes compliance with Company's Act, Regulatory Directives, notification/orders, Income Tax Laws, VAT Act/Rules, Labour Laws, Industry Laws, Trade & Finance Laws, Securities Laws, Copyright Act, Employment Policy, Health & Safety Laws, Environmental Laws, Legal Laws and other applicable rules and regulations; and
- c) They shall comply/implement all applicable laws, rules and regulations in order to assist the Company in promoting lawful and ethical behaviors, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board.

5. Prohibition of insider trading

- a) Insider trading means using confidential material information about the Company to achieve an unfair advantage in the buying or selling of the company's share/securities. Material Information is usually defined as information which, if publicly disclosed, would reasonably be expected to influence decision to investor to buy, hold or dispose of securities/shares of the Company;
- b) Insider trading is both unethical and illegal. It is also illegal to pass on undisclosed material information in the necessary course of business;
- c) All these materials are subject to take necessary action against who is involves and may be taken prosecutions; and
- d) They shall comply applicable rules and regulations, notifications/orders issued by the regulatory authorities.

6. Relationship with employees

- a) They shall strive for causing the Company to maintain cordial employee relation;
- b) They shall build competency based on human resource systems and maintain human resource policies that have been directed at managing the growth of the Company efficiently; and
- c) They shall assist the Company in future aligning its human resources policies, process and initiatives to meet the business needs.

7. Relationship with shareholder/investor

They shall preserve the lawful benefits and interests of its shareholders/investors. They shall provide with accurate, relevant, transparent, information on Company's operation/business. They shall make utmost endeavor to maximize the project.

8. Relationship with customer

They shall maintain a good business relationship and liaison with its customers through proper business communication, manufacture and market its products of the highest quality and standards as per customer needs backed by efficient market analysis and review with the requirements of the customers to ensure their total satisfaction.

9. Relationship with suppliers

They shall ensure that the suppliers are committed to supply the raw-materials persistently to keep the production stream moving, as well as consider the availability, quality, price of raw materials.

10. Relationship with environments

Environmental and climate protection are among the most pressing global challenges of the time. Risks inherent to environment and social events/activities need to be taken consideration.

11. Independency

- a) They shall remain independent in all material aspects;
- b) They shall works with independency in every sphere of activities, business of the Company; and
- c) They shall ensure the independency of employees at their workplace with a view to deriving the best performance from them that will influence the growth proceeds of the business of the Company.

GLIMPSES OF 16th ANNUAL GENERAL MEETING

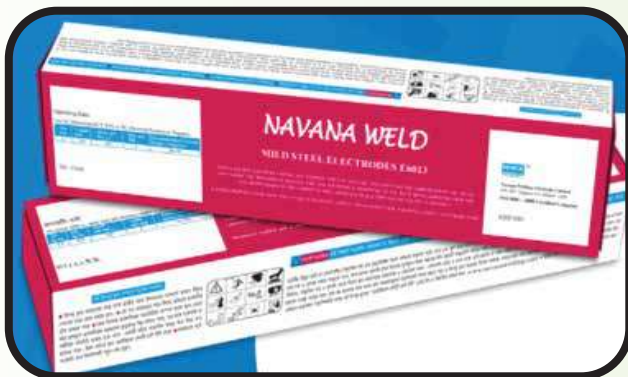




Navana CNG Limited



Products of Navana Engineering Limited



Products of Navana Welding Electrode Limited



Navana LPG Limited

INDEPENDENT AUDITORS' REPORT

To

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Navana CNG Limited and its Subsidiaries (the Group) which comprise the Consolidated Statement of Financial Position as at 30th June, 2021 the consolidated Statement of Profit or Loss and Other Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended and notes to the consolidated Financial Statements including a Summary of Significant Accounting Policies and other explanatory information disclosed in notes 1 to 57 and Annexure-A, B & C.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30th June, 2021 and there consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

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

Other Matter

The financial statements of Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited, all are subsidiary companies of Navana CNG Limited for the year ended 30th June, 2021 were audited by another auditor and give fair opinion.

Key Audit Matters

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

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

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

Key Audit Matters	How our audit addressed the key audit matters
<p>The company has reported a revenue of Taka 5,024,180,366 for the year ended 30th June, 2021.</p> <p>Following the application of the revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the Company adopted its accounting policies.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service to a customer.</p> <p>Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).</p> <p>The sales of the company are derived from a large number of CNG stations located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</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's different CNG stations. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods.</p> <p>See note no. 3.06 and 29.00 to the financial statement</p>	<p>Our procedures included obtaining an understanding of management's revenue recognition process, we tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in note 3.06 and 28 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>With regard to the implementation of IFRS 15 we verified management's conclusion on assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p> <p>These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> * Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. * We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoices and depot wise sales bank reconciliation report, bank statement and also, we confirmed selected customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amount outstanding with those customers.

Key Audit Matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> * We specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off. * We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers. * Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Valuation of Inventory	How our audit addressed the key audit matters
<p>The Company had inventory of Taka 2,511,747,923 at 30th June, 2021 held in different depot and warehouses.</p> <p>Inventories consisting of raw materials, working process, finished goods, spare parts, fuel and stock in transit are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.</p> <p>Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value.</p> <p>Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</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>See note no. 3.07 and 11.00 to the financial statements.</p>	<p>We tested the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> * evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse, and sales depots; * evaluating internal controls to monitor or keep track of Inventory Movement; * attending inventory count on 30th June, 2021 and reconciling the count results to the inventory listing to test the completeness of data; * comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; * reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; * challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete; * evaluating the correctness of the batch wise costing of final products; * evaluating the correctness of the valuation of raw materials and packing material as per weighted average method; * reviewing the calculation of standard labour hours and their regular comparison with actual labour hours of production; and reviewing the process of valuing work-in-process; * We have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.

Current Tax Provisioning	How our audit addressed the key audit matters
<p>Current Tax provision amounting Tk. 65,396,946</p> <p>At the year end the company reported total income tax expense (Current Tax) of BDT. 65,396,946. The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies.</p> <p>We have determined this to be a key audit matter, due to the complexity in income tax provisioning.</p> <p>See note no. 3.13 (a) and 34.01 to the Financial Statements.</p>	<p>Our audit procedure in this area included, among others:</p> <p>Use of own tax specialist to assess the company's tax computation. Our tax specialists were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation.</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>Evaluating the adequacy of the financial statement disclosure, including disclosure of key assumption judgments and sensitive related to tax.</p>
Measurement of Deferred Tax Assets	How our audit addressed the key audit matters
<p>The Company reported net deferred tax asset totalling Tk. 294,184,804 as at 30th June, 2021. Significant judgement is required in relation to deferred tax assets as the asset is dependent on forecasts of future profitability over a number of years.</p> <p>See note no. 3.13 (b) and 9.00 to the financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable income/expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense/income.</p> <p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Asset.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax asset balances and the level of estimation involved.</p> <p>We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
Valuation of defined benefits obligation	How our audit addressed the key audit matters
<p>The Company operates different types of defined benefit schemes such as Contributory Provident Fund, Gratuity Fund</p> <p>And Workers Profit Participation Fund (WPPF) which in total are significant in the context over all financial position. At the year end the company reported a net defined benefit scheme liability of Tk. 85,575,382.</p>	<p>Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan.</p> <p>We obtained sufficient audit evidence to conclude that the inputs and methodologies used to determined the liability for defined benefit plan.</p>

Valuation of defined benefits obligation	How our audit addressed the key audit matters
<p>Liability for the following funds is provided at the following rates:</p> <p>(i) CPF @ 10% of basic salary;</p> <p>(ii) GF @ 1 no. basic of salary;</p> <p>(iii) WPPF @ 5% on net profit after charging such charge;</p> <p>Therefore, valuation of benefits payable provision is considered as a key audit matter.</p> <p>See note no. 3.15 and 28.00 to the financial statements.</p>	<p>We assessed the design and operating effectiveness of the Company's key controls supporting the identification, measurement and oversight of valuation of the defined benefits payable provision.</p> <p>We examined the basis on which WPPF and Welfare expense are payable to the employees and is worked out the liability for WPPF and Welfare on the presumption that all employees are entitle to participate to WPPF and Welfare on the balance sheet date.</p> <p>We ensured that the basis of computing WPPF and Welfare is valid; verify the computation of liability on aggregate basis.</p> <p>Employee data used calculating obligation is also tested and appropriateness and presentation of disclosures against IAS 19: Employee Benefits were assessed.</p>
Consolidation of the financial statements	How our audit addressed the key audit matters
<p>The Company has prepared consolidated financial statements of the group as whole by taking consideration of three subsidiaries named Navana Engineering Ltd., Navana Welding Electrode Ltd. and Navana LPG Ltd. with 99.95% shares.</p> <p>The key risk is that whether the consolidated financial statements of the company are prepared in compliance with</p> <p>IFRS 10: Consolidated Financial Statements and IFRS 3: Business Combination and provide adequate disclosure required in this standards.</p>	<p>We have obtained a good understanding of the structure of the group, the significance (i.e. materiality) of each component of the group, the methodology of the consolidation process, and the risk of material misstatement presented by each of the company's financial statements. We have also established materiality level for the group in aggregate, and for the individually significant components. The types of audit procedures that was performed include:</p> <ul style="list-style-type: none"> checking of the figures taken into the consolidation have been accurately extracted from the financial statements of the components. evaluating the classification of the components of the group for example, whether the components have been correctly identified and treated as subsidiaries, associates. reviewing the disclosures necessary in the group financial statements, such as related party transactions and minority interests. gathering evidence appropriate to the specific consolidation adjustments made necessary by financial reporting standards, including, for example: <ul style="list-style-type: none"> the calculating of goodwill and its impairment review cancellation of inter-company balances and transactions provision for unrealized profits, if any, as a result of inter-company transactions fair value adjustments needed for assets and liabilities held by the component.

Other Information

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

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

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

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

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

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

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

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

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 : 26.10.2021
Place : Dhaka, Bangladesh


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

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

Particulars	Notes	Amount in Taka	
		30.06.2021	30.06.2020
Assets			
Non-Current Assets:			
Property, Plant & Equipment	4.00	6,249,649,132	6,737,120,036
Intangible Assets	5.00	21,605,274	23,775,675
Right of Use Asset	6.00	8,013,284	19,934,974
Capital Work-in-Progress	7.00	968,885,418	978,936,390
Long Term Security Deposit	8.00	43,197,516	44,377,166
Deferred Tax Assets	9.00	294,184,804	147,797,623
Investment in Shares	10.00	3,259,076	2,525,882
		7,588,794,504	7,954,467,746
Current Assets:			
Inventories	11.00	2,511,747,923	2,214,595,794
Accounts Receivables	12.00	1,097,184,386	861,651,071
Other Receivables	13.00	195,125,054	194,847,420
Advance against Land		15,000,000	15,000,000
Advances, Deposits & Pre-Payments	14.00	1,147,579,654	950,290,616
Cash and Cash Equivalents	15.00	185,936,814	160,250,107
		5,152,573,831	4,396,635,008
Total Assets		12,741,368,335	12,351,102,754
Shareholders' Equity and Liabilities:			
Authorized Capital:		1,500,000,000	1,500,000,000
150,000,000 Ordinary Shares of Tk. 10/- each.			
Shareholders' Equity:			
Share Capital	16.00	685,285,920	685,285,920
Tax Holiday Reserve		216,004,824	216,004,824
Fair Value Reserve	17.00	2,364,961	1,705,086
Retained Earnings	18.00	1,514,055,572	1,538,647,565
Equity Attributable to Owners of Company		2,417,711,277	2,441,643,395
Non-Controlling Interest		(7,414)	(6,200)
Non-Current Liabilities:			
Lease Liability	19.00	5,857,056	16,289,100
Security Retention Money	20.00	591,239,387	650,239,387
Loan from Others	21.00	50,000,000	50,000,000
Long Term Loan-Net of Non-Current Portion	22.00	4,837,599,450	4,472,861,608
		5,484,695,893	5,189,390,095
Current Liabilities:			
Long Term Loan-Current Portion	23.00	1,360,852,732	1,238,620,849
Short Term Loan	24.00	2,883,450,404	2,426,210,433
Provision for Income Tax	25.00	329,400,956	271,316,851
Current Account with Group Companies	26.00	-	444,499,607
Unclaimed Dividend Account	27.00	42,554,496	45,798,322
Payables & Accruals	28.00	222,709,991	293,629,402
		4,838,968,579	4,720,075,464
Total Liabilities		10,323,664,472	9,909,465,559
Total Shareholders' Equity & Liabilities		12,741,368,335	12,351,102,754
Net Assets Value (NAV) per Share	38.00	35.28	35.63

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

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


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

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


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

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

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

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

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

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



Managing Director



Director



Director



Company Secretary



Chief Financial Officer



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

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

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

Particulars	Share capital	Tax Holiday Reserve	Fair Value Reserve	Retained Earnings	Attributable to Owners of the Company	Non-Controlling Interests	Total
Balance at 1st July, 2019	685,285,920	216,004,824	2,662,147	1,519,706,890	2,423,659,781	(5,086)	2,423,654,695
Adjustment of IFRS-16 (Lease)	-	-	-	(3,521,294)	(3,521,294)	-	(3,521,294)
Fair Value Reserve	-	-	(957,061)	-	(957,061)	-	(957,061)
Net Profit for the year	-	-	-	61,874,134	61,874,134	(1,114)	61,873,020
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance at 30th June, 2020	685,285,920	216,004,824	1,705,086	1,538,647,565	2,441,643,395	(6,200)	2,441,637,195
Balance at 1st July, 2020	685,285,920	216,004,824	1,705,086	1,538,647,565	2,441,643,395	(6,200)	2,441,637,195
Adjustment of IFRS-16 (Lease)	-	-	-	(96,282)	(96,282)	-	(96,282)
Fair Value Reserve	-	-	659,875	-	659,875	-	659,875
Net Profit for the year	-	-	-	14,916,454	14,916,454	(1,214)	14,915,240
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance at 30th June, 2021	685,285,920	216,004,824	2,364,961	1,514,055,572	2,417,711,277	(7,414)	2,417,703,863

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

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

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



Managing Director



Director



Director



Company Secretary



Chief Financial Officer



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

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

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

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

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

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

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



Managing Director



Director



Director



Company Secretary



Chief Financial Officer

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


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

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2021
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.00 Reporting Entity

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

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

Registered Office

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

1.02 Other Corporate Information

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

1.03 Nature of Business

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

1.04 Group Structure of Navana CNG Limited

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

(a) Navana Engineering Limited

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

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

(b) Navana Welding Electrode Limited

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

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

(c) Navana LPG Limited

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

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

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

1.05 Presentation of Consolidated Financial Statements

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

- * Consolidated Statement of Financial Position as at 30th June, 2021;
- * Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021;
- * Consolidated Statement of Changes in Equity for the year ended 30th June, 2021;
- * Consolidated Statement of Cash Flows for the year ended 30th June, 2021;
- * Notes comprising summary of significant accounting policies and other explanatory information.

2.00 Basis of Preparation of Consolidated Financial Statements

2.01 Statement on Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 2020 and other relevant laws as applicable.

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

2.02 Other Regulatory Compliances

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

The Income Tax Ordinance, 1984;
The Income Tax Rules, 1984;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax Rules, 2016;
The Customs Act, 1969;
The Stamp Act, 1899;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Securities and Exchange Rules, 2020;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2018)
DSE/CSE Rules;
Listing Regulations, 2015;

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

As per para-14(2) of the Securities and Exchange Rule, 2020, the company has followed the International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied

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

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

2.04 Basis of Measurement

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

2.05 Basis of Consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

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

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

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

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

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

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

2.06 Accrual basis of Accounting

The Company prepares its consolidated financial statements, except for cash flow information, using the accrual basis of accounting.

Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.

2.07 Functional and Presentation Currency

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

2.08 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, 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.

2.09 Materiality, Aggregation and Off Setting

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

2.10 Going Concern Assumption

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

2.11 Comparative Information

Comparative information has been disclosed in respect of 2019-2020 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.12 Responsibility for Preparation and Presentation of Financial Statements

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

2.13 Reporting Period

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

2.14 Approval of Financial Statements

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

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

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

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS 1 : Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 Property, Plant and Equipments

3.01.1 Recognition and Measurements

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

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

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

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

3.01.2 Maintenance Activities

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

3.01.3 Subsequent Cost

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

3.01.4 Depreciation on Tangible Fixed Assets

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

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

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

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

3.01.5 Impairment

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

3.01.6 Disposal of Property, Plant and Equipment

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

3.01.7 Capital Worn-in-Progress

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

3.01.8 Intangible Assets

(i) Recognition and Measurement

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

(ii) Subsequent Expenditure

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

(iii) Amortization

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

3.02 Investment in FDR and Shares

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

3.03 Recognition of Investment in Subsidiary in a separate Financial Statement

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

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

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

3.05 Other Current Assets

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

3.06 Revenue Recognition

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

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

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

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

(a) Petrol and Diesel Vehicle Conversion Services

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

(b) Sale of CNG

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

(c) Dividend

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

(d) Other Revenues

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

3.07 Inventories

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

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

Raw materials:

Purchase costs on a weighted average basis;

Finished goods and work-in-progress:

Costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity;

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

3.08 Foreign Currency Transactions

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

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

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

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

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

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

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

3.09 Financial Instruments

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

Financial Assets

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

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

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

Investment

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

Investment in Subsidiary

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

Financial Liabilities

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

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

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

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

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

Classification and measurement of financial assets and financial liabilities

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

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

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

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

- (a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- (a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial Assts at FVTPL

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

Financial Assets at amortised cost

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

Debt Investments at FVOCI

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

Equity Investments at FVOCI

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

Impairment of Financial Assets

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

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

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

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

Measurement of Expected Credit Losses (ECL)

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

Presentation of Impairment

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

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

3.10 Impairment

i) Financial Assets

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

- * financial assets measured at amortised cost;
- * debt investments measured at FVOCI; and
- * contract assets.

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

- * debt securities that are determined to have low credit risk at the reporting date; and
- * other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

ii) Non-Financial Assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

3.11 Derivatives

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

3.12 Leases

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset is of low value. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low value items.

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

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

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

Subsequent Measurement:

The Lease Liability:

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

Right to Use of Assets:

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

3.13 Taxation

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

(a) Current Tax:

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 22.50% as a publicly traded company.

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

(b) Deferred Tax:

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

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

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

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

(c) Value Added Tax:

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

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

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

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

3.14 Dividend

10% Cash Dividend has been paid for the year 2020.

3.15 Cost of Post Employment Benefits

The company maintains the following benefits plans:

(a) Defined Contribution Plan (Provident Fund)

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

(b) Defined Benefit Plan (Gratuity)

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

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

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

The gratuity is calculated for all the employees prescribed by the rates as per labour Act, 2006 (as amended to 2018) for their service with the company.

(c) Workers Profit Participation Fund (WPPF)

Provision for Workers Profit Participation Fund (WPPF) has been made @ 5% on net profit after charging such charge as per provision of The Bangladesh Law, 2006 (amended 2018) and payable to workers as defined in the said law.

3.16 Capitalization of Borrowing Costs

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

3.17 Accruals, Provisions and Contingencies

(a) Accruals

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

(b) Provisions

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

Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) Contingencies

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

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

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

3.18 Operating Segments

Basis for Segmentation

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has two distinguishable operating segments vide conversion workshop and CNG station in case of Navana CNG Ltd. which are disclosed in **note 40**.

The following summary describes the operation of each reportable segment:

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

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

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and return that different from those of components operating in other economic environments.

Since the company has operating all its activities in the same economic environment geographical segment reporting is not required.

3.19 Cash and Cash Equivalents

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

3.20 Statement of Cash Flows

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

3.21 Earnings per Share (EPS)

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

Basic Earnings Per Share

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

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Diluted EPS is only calculated where the company has commitment to issue ordinary shares in future at reporting date. No such commitment is hold by company at reporting date.

3.22 Risk Exposure

Interest Rate Risk

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

Management Perception

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

Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavourably volatility or currency fluctuation may affect the profitability of the company.

If exchange rate increases against local currency, opportunity arises for generating more profit.

Management Perception

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

Industry Risks

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

Management Perception

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

Market Risk

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

Management Perception

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

Operational Risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The company hedges such risks in costs and prices and also takes preventive measures therefore.

Liquidity Risk

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

Management Perception

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

Labour Unrest Risk

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

Management Perception

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

3.23 Events after the Reporting Period

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

3.24 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 41.

3.25 General

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

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

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

		Amount in Taka	
		30.06.2021	30.06.2020
8.00	Consolidated Long Term Security Deposit	43,197,516	44,377,166
	This is made up as follows:		
	PDBF	5,056	5,056
	Titas Gas T&D Co. Ltd.	20,656,944	21,836,594
	Karnaphuly Gas Co.	3,044,690	3,044,690
	Pashchimanchal Gas Co.	2,650,741	2,650,741
	Dhaka Electricity Supply Co. Ltd.	58,752	58,752
	Dhaka Electricity Supply Authority	270,000	270,000
	Jalalabad Gas Co. Ltd.	1,299,297	1,299,297
	Dhaka Palli Bidyut Samity (PBS-1)	658,444	658,444
	Delta Life Insurance Co. Ltd.	10,000	10,000
	Roads & Highway	190,350	190,350
	North South University	16,143	16,143
	Standard Bank Ltd.	745,038	745,038
	Bangladesh Telecommunication Co. Ltd. (BTCL)	10,000	10,000
	UCEP	338,000	338,000
	Dhaka Metropolitan Police	147,331	147,331
	Mobile Com	22,000	22,000
	Road Cutting	10,413	10,413
	PDB	1,104,225	1,104,225
	DPDC Limited	240,000	240,000
	Narayangonj Palli Bidyut Samity-2	500,000	500,000
	Cox's Bazar Pally Bidyut Samity	392,000	392,000
	Pally Bidyut Samity-Bagerhat	5,028,094	5,028,094
	Mongla Port Authority	5,399,998	5,399,998
	Desco-Nikunja	400,000	400,000
		43,197,516	44,377,166
9.00	Consolidated Deferred Tax Assets	294,184,804	147,797,623
	This is made up as follows:		
	Deferred tax for temporary difference	(284,765,212)	(141,137,212)
	Deferred tax for gratuity provision	(9,735,000)	(6,902,500)
	Deferred tax on Unrealized Gain/(loss)	315,408	242,089
	Consolidated Deferred tax (assets)/Liabilities	(294,184,804)	(147,797,623)
10.00	Consolidated Investment in Share	3,259,076	2,525,882

This is made up as follows:

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

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

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

Amount in Taka	
30.06.2021	30.06.2020

12.00 Consolidated Accounts Receivables

This is made up as follows:

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

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

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

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

13.00	Consolidated Other Receivables	195,125,054	194,847,420
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It represents the total balance of Consolidated Other Receivables as on 30th June, 2021.

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

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

14.00	Consolidated Advance, Deposit & Pre-payments	1,147,579,654	950,290,616
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This is made up as follows:

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

Amount in Taka	
30.06.2021	30.06.2020

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

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

15.00 Consolidated Cash and Cash Equivalent

This is made up as follows:

Cash in Hand		7,451,041	7,638,700
Cash at Banks:			
Fixed Deposit Receipt (FDR)	15.01	108,931,276	103,439,201
Bank Balances	15.02	69,554,497	49,172,206
		185,936,814	160,250,107

15.01 Consolidated Fixed Deposit Receipt (FDR)

This is made up as follows:

Mercantile Bank Ltd.	37,913,690	36,094,198
Standard Bank Ltd.	8,170,341	7,389,602
Shahjalal Islami Bank Ltd.	39,235,363	37,432,509
State Bank of India	23,611,882	22,522,892
	108,931,276	103,439,201

15.02 Consolidated Bank Balances

This is made up as follows:

AB Bank Ltd.	722,920	146,391
Bank Alfalah Ltd.	7,563	7,563
Al-Arafah Islami Bank Ltd.	43,613	41,081
Bank Asia Ltd.	3,729,684	4,160,157
BRAC Bank Ltd.	540,000	201,492
Dhaka Bank Ltd.	862,660	503,822
Dutch-Bangla Ltd.	22,709,506	14,695,181
IFIC Bank Ltd.	497,856	434,101
Jamuna Bank Ltd.	130,811	124,424
Mutual Trust Bank Ltd.	15,771,159	7,074,841
National Bank Ltd.	904,128	267,552
NCC Bank Ltd.	604,947	604,465
Prime Bank Ltd.	648,731	211,850
Pubali Bank Ltd.	940,405	1,239,041

Amount in Taka	
30.06.2021	30.06.2020

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

The cash at bank balances represents the balance as per cash book. The above balances are yet to be reconciled with the balances as per bank statement as on 30th June, 2021.

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

Equity and Liabilities

16.00 Share Capital :

Authorized Capital

150,000,000 Ordinary Shares of Tk. 10/- each.

1,500,000,000	1,500,000,000
685,285,920	685,285,920

Issued, Subscribed and Paid up Capital:

68,528,592 Ordinary Shares @ Tk. 10/- each.

This is made up as follows:

Date	No. of Shares	Particulars	Share Capital 30.06.2021	Share Capital 30.06.2020
19.04.2004	10,000	Subscription @ Tk. 100 each.	1,000,000	1,000,000
10.11.2004	250,000	Cash Allotment @ Tk. 100 each.	25,000,000	25,000,000
25.04.2005	250,000	Cash Allotment @ Tk. 100 each.	25,000,000	25,000,000
30.12.2007	490,000	Cash Allotment @ Tk. 100 each.	49,000,000	49,000,000
08.02.2009	20,000,000	Ordinary Shares @ Tk. 10 each Issued as Bonus	200,000,000	200,000,000
20.05.2009	6,300,000	Ordinary Shares @ Tk. 10 each Issued as Bonus	63,000,000	63,000,000
26.07.2010	7,260,000	Ordinary Shares @ Tk. 10 each Issued as Bonus	72,600,000	72,600,000
09.10.2011	6,098,400	Ordinary Shares @ Tk. 10 each Issued as Bonus	60,984,000	60,984,000
07.10.2012	7,448,760	Ordinary Shares @ Tk. 10 each Issued as Bonus	74,487,600	74,487,600
06.10.2013	11,421,432	Ordinary Shares @ Tk. 10 each Issued as Bonus	114,214,320	114,214,320
	59,528,592		685,285,920	685,285,920

Amount in Taka	
30.06.2021	30.06.2020

Shareholding Position:

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

Classification of Shareholders:

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

17.00	Consolidated Fair Value Reserve	2,364,961	1,705,086
	It represents the total balance of Consolidated Fair Value Reserve as on 30th June, 2021.		
18.00	Consolidated Retained Earnings	1,514,055,572	1,538,647,565
	This is made up as follows:		
	Opening Balance	1,538,647,565	1,519,706,890
	Adjustment for the application of IFRS-16 (lease)	(96,282)	(3,521,294)
	Add: Total Comprehensive Income for the year	14,916,454	61,874,134
		1,553,467,737	1,578,059,730
	Less: Payment of Cash Dividend	(39,412,165)	(39,412,165)
		1,514,055,572	1,538,647,565
19.00	Lease Liability /Lease Obligation -Leases as Lessee	5,857,056	16,289,100
	At Cost:		
	Opening Balance	16,289,100	27,453,300
	Additon during the year	-	-
	Finance Charge during the year	1,223,007	1,418,788
	Closing Balance	17,512,107	28,872,088
	Less: Transferred to Current Maturity	11,093,073	12,582,988
	Less: Adjustment of lease	561,979	-
		5,857,056	16,289,100
20.00	Consolidated Security Retention Money	591,239,387	650,239,387

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

		Amount in Taka	
		30.06.2021	30.06.2020
21.00	Consolidated Loan from Others	50,000,000	50,000,000
	This is as per last account.		
22.00	Consolidated Long Term Loan-Net of Non-Current Portion	4,837,599,450	4,472,861,608
	This is made up as follows:		
	City Bank Ltd., Gulshan Avenue Branch	3,397,729,859	3,127,063,433
	Shahjalal Islami Bank Ltd.	998,539,349	922,714,790
	One Bank Ltd., Gulshan Branch	1,396,152,550	1,259,741,868
	Mutual Trust Bank Ltd.	-	2,698,555
	Standard Bank Ltd.	80,912,898	74,146,285
	Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
		6,198,452,182	5,711,482,457
	Less: Long Term Loan-Non-Current Portion	1,360,852,732	1,238,620,849
	Long Term Loan-Net of Current Portion	4,837,599,450	4,472,861,608
	Brief Terms & Condition of above Loan:		
	(i) Non-current portion of Loan amount represent the amounts which would be due for repayment after 12 (twelve) months from the date of statement of financial position.		
	(ii) The loan was taken from the above mentioned banks and financial institutions against mortgage of 5548.59 Decimals of land including 227,500 Square feet factory building located there on to import capital machinery and other purpose.		
23.00	Consolidated Long Term Loan-Current Portion	1,360,852,732	1,238,620,849
	This is made up as follows:		
	City Bank Ltd., Gulshan Avenue Branch	3,397,729,859	3,127,063,433
	Shahjalal Islami Bank Ltd.	998,539,349	922,714,790
	One Bank Ltd., Gulshan Branch	1,396,152,550	1,259,741,868
	Mutual Trust Bank Ltd.	-	2,698,555
	Standard Bank Ltd.	80,912,898	74,146,285
	Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
		6,198,452,182	5,711,482,457
	Less: Long Term Loan-Current Portion	1,360,852,732	1,238,620,849
	Long Term Loan-Net of Current Portion	4,837,599,450	4,472,861,608
	The amounts represent current maturity of long term finance of obtained from the above noted banks and director which are repayable within next 12 (twelve) months from the date of statement of financial position.		
24.00	Consolidated Short Term Loan	2,883,450,404	2,426,210,433
	This is made up as follows:		
	Sahjalal Islami Bank Ltd.	1,415,508,761	1,272,148,242
	One Bank Ltd.	625,434,328	556,526,993
	State Bank of India	10,752,381	-
	City Bank Ltd.	629,478,851	597,535,198
	Janata Bank Ltd.	202,276,083	-
		2,883,450,404	2,426,210,433
	i) Security are as stated in note no. 22.		
	ii) short term loan is repayable within twelve months other than any revolving credit.		
25.00	Consolidated Provision for Income Tax	329,400,956	271,316,851
	This is made up as follows:		
	Navana CNG Ltd.	30,921,059	26,901,878
	Navana Welding Electrode Ltd.	116,061,040	80,808,457
	Navana Engineering Ltd.	123,966,622	121,895,394
	Navana LPG Ltd.	58,452,236	41,711,122
		329,400,956	271,316,851
26.00	Consolidated Current Account with Group Companies	-	444,499,607
	It represents the total balance of Consolidated Current Account with Group Companies as on 30th June, 2021.		

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

31.00 Consolidated Administrative and Selling Expenses

This is made up as follows:

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

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

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

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

36.00 **Reconciliation of Consolidated Cash Flows from Operating Activities under Indirect Method:**

Net Profit/(Loss) before Interest & Income Tax during the year

Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:

Interest on Lease

Payment of Lease Liability

Depreciation

Income Tax Paid during the year

Changes in Current Assets and Liabilities:

Decrease/(Increase) in Inventories

Decrease/(Increase) in Advance and Pre-payments

Decrease/(Increase) in Payables & Accruals

Decrease/(Increase) in Trade Receivables

Consolidated Net Cash Flow from Operating Activities

Total Cash Flow from Operating Activities-Indirect Method

Total Cash Flow from Operating Activities-Direct Method

Difference

* Details in the Statement of Cash Flow

37.00 **Consolidated Net Operating Cash Flows Per Share (NOCFPS)**

Net Operating Cash Flows

Number of Ordinary Shares used to Compute NOCFPS

Net Operating Cash Flows Per Share

Amount in Taka	
30.06.2021	30.06.2020
161,879,161	668,342,555
493,634,238	647,109,621
1,223,007	1,418,788
(11,093,073)	(12,582,988)
570,403,902	581,125,243
(68,909,863)	(69,300,758)
(297,152,128)	(238,273,957)
(207,906,846)	(140,775,679)
(82,786,759)	40,389,580
(235,533,316)	(140,767,294)
161,879,161	668,342,555
161,879,161	668,342,555
161,879,161	668,342,555
-	-
2.36	9.75
Net Operating Cash Flows	
Number of Ordinary Shares	
161,879,161	668,342,555
68,528,592	68,528,592
2.36	9.75

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

38.00 **Consolidated Net Assets Value Per Share**

35.28

35.63

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

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

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

39.00 **Reveluation Gain/(Loss) on Investment in Share**
(Change in Fair Value of Marketable Securities)

	733,194	(1,063,401)
Closing Balance of Marketable Securities	3,259,076	2,525,882
Opening Balance of Marketable Securities	2,525,882	3,589,283
	733,194	(1,063,401)

40.00 Information about Reportable Segments

Information related to each reportable segment is setout below:

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

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-Current Assets			
Property, Plant & Equipments	226,155,498	527,696,159	753,851,657
Right of use asset	1,720,625	4,014,791	5,735,416
Investment in Subsidiaries	854,983,298	-	854,983,298
Long Term Security Deposit	6,473,885	25,895,539	32,369,424
Investment in Shars	3,259,076	-	3,259,076
Total Non-Current Assets	1,092,592,381	557,606,489	1,650,198,871
Current Assets			
Inventories	531,960,252	-	531,960,252
Accounts Receivables	67,704,587	101,556,881	169,261,468
Advances, Deposits & Pre-payments	92,571,162	18,897,803	111,468,965
Inter Company Receivables	653,606,422	-	653,606,422
Inter Unit Balances	-	607,039,478	-
Cash & Cash Equivalents	25,072,561	37,608,841	62,681,402
Total Current Assets	1,370,914,984	765,103,003	1,528,978,509
Total Assets	2,463,507,365	1,322,709,492	3,179,177,380
Equity and Liabilities			
Capital and Reserves			
Share Capital	685,285,920	-	685,285,920
Tax Holiday Reserve	180,618,848	-	180,618,848
Fair Value Reserve	2,838,668	-	2,838,668
Other Reserve	828,897	1,243,346	2,072,243
Retained Earnings	303,112,995	1,212,451,980	1,515,564,975
Total Equity	1,172,685,328	1,213,695,326	2,386,380,654
Non-Current Liabilities			
Deferred Tax Liabilities	14,933,706	22,400,558	37,334,264
Lease Liability	1,033,209	2,410,821	3,444,029
Long Term Loan	138,500,000	-	138,500,000
Total Non-Current Liabilities	154,466,914	24,811,379	179,278,293
Current Liabilities			
Short Term Loans	63,237,802	-	63,237,802
Provision for Income Tax	12,368,424	18,552,635	30,921,059
Inter Company Payables	355,543,204	-	355,543,204
Inter Unit Balances	607,039,478	-	-
Unclaimed Dividend Acocunt	42,554,496	-	42,554,496
Payables and Accruals	72,757,123	48,504,749	121,261,872
Total Current Liabilities	1,110,946,030	67,057,384	613,518,433
Total Liabilities	1,265,412,945	91,868,763	792,796,726
Total Equity and Liabilities	2,438,098,273	1,305,564,089	3,179,177,380

Amount in Taka	
30.06.2021	30.06.2020

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

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

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

41.00 Related Party Transactions

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

(i) **Parent and Ultimate Controlling Party**

There is no such parent company as well as ultimate holding company/controlling party of the company.

(ii) **Entities with joint control of, or significant influence over**

There is no joint control of, or significant influence over the Company.

(iii) **Subsidiaries**

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

(iv) **Associates**

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

(v) **Joint Venture in which the Entity is a Joint Venturer**

The Company has not entered into Joint Venture Agreement in which the company is a Joint Venturer.

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

(a) **Loans to Director**

During the year, no loan was given to the directors of Company

(b) **Key Management Personnel and their Compensation**

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

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

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

(vii) **Other related party transactions**

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

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

42.00 **Payment / Perquisites to Directors**

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

43.00 **Capital Expenditure Commitment**

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

44.00 **Contingent Assets**

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

45.00 **Contingent Liabilities**

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

46.00 **Foreign Exchange Loss or Gain**

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

L/C Number	Euro Rate		Euro Value	L/C Margin
296519020158	Costing Rate	95.167	65,721	646,073
	Final Payment Rate	104.047		
		-8.880	65,721	646,073
296519020159	Costing Rate	93.743	105,353	1,035,679
	Final Payment Rate	104.047		
		-10.304	105,353	1,035,679
Rest Margin	At the time value of Costing		At the time value of deferred L/C Final Payment	
296519020158	6,254,470		6,838,073	
296519020159	9,876,106		10,961,664	
	16,130,576		17,799,737	
			Foreign Exchange Loss/Gain	
			(583,603)	
			(1,085,558)	
			(1,669,161)	

47.00 **Brokerage or Commission**

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

48.00 **Remittance of Dividend**

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

49.00 **Credit Facility not Availed**

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

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

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

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

* Syed Masud Hasan, Independent Director has resigned on 03.01.2021

* Md. Kausar Alam FCMA and Dr. Melita Mahjabeen appointed as Independent Director on 04.01.2021. But they did not attend in the Board Meeting during the above period.

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

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

Monthly Salary Range	Head Office	Factory	No. of Employee
Above 3000	71	536	607
Below 3000	-	-	-

(B) Disclosure as per requirement of Schedule XI, Part II, Para 4
Payment/Perquisites to Directors and Officers

Name	Position	Meeting Attendance Fee	Allowance
Shafiul Islam	Chairman	5,000	80,000
Khaleda Islam	Director	5,000	105,000
Saiful Islam	Director	5,000	95,000
Sajedul Islam	Managing Director	5,000	100,000
Farhana Islam	Director	5,000	85,000
Syed Masud Hasan	Independent Director	5,000	5,000
Md. Kausar Alam FCMA	Independent Director	5000	-
Dr. Melita Mahjabeen	Independent Director	5000	-
Total			470,000

* Syed Masud Hasan, Independent Director has resigned on 03.01.2021

* Md. Kausar Alam FCMA and Dr. Melita Mahjabeen appointed as Independent Director on 04.01.2021. But they did not attend in the Board Meeting during the above period.

During the year under review:

- (i) An amount of Tk. 350,000 per month has been paid to Managing Director of the Company as his remuneration.
- (ii) the rate at which Directors have drawn Board Meeting attendance fees @ Tk. 5,000/- per Director per meeting. The total Board Meeting attendance fee incurred during the year under review was Tk. 470,000/-;
- (iii) no amount of money was spent by the company for compensating any member of the board for special services rendered.

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

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

The details of trade receivable are given below:

Sl. No.	Particulars	Amount (Tk.) 30.06.2021	Amount (Tk.) 30.06.2020
1	Within 3 Months	488,466,489	392,740,558
2	Within 6 Months	304,578,386	247,380,022
3	Within 12 Months	175,330,065	131,401,788
4	More than 12 Months	128,809,447	90,128,702

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

There are no debts outstanding in this respect.

53.00 Disclosure in line with Instruction of Part of Schedule XI

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

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

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

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

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

(III) Debt considered doubtful or bad

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

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

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

(V) Debt due by common management

There is no debt under common management.

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

There is no such debt in this respect.

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

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

55.00 Financial Instrument-Fair Values and Risk Management

55.01 Accounting Classifications and Fair Values

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

	Carrying Amount Tk. '000								
	Note	Held for Trading	Designated at Fair Value	Fair Value Hedging Instruments	Held to Maturity	Loans and Receivables	Available for Sale	Other Financial Liabilities	Total Amount
Reconciliation of Carrying Amount									
30.06.2021		-	-	-	-	-	-	-	-
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-	-
Equity Securities									
Financial Assets not measured at Fair Value:									
Trade and Other Receivables		-	-	-	-	1,292,309	-	-	1,292,309
Investment in FDR		-	-	-	-	108,931	-	-	108,931
Tender/Security Deposit		-	-	-	-	3,160	-	-	3,160
Cash and Cash Equivalents		-	-	-	-	185,936	-	-	185,936
Investment in Subsidiaries		-	-	-	-	-	-	-	-
Total		-	-	-	-	1,590,336	-	-	1,590,336
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:									
Employment Benefit									
Short Term interest bearing loans								2,883,450	2,883,450
Long Term interest bearing loans								6,198,451	6,198,451
Finance Lease Liabilities								5,857	5,857
Trade and other payables		-	-	-	-	-	-	265,264	265,264
Other Non-Current Liabilities		-	-	-	-	-	-	5,484,695	5,484,695
Bank Overdraft									
Total		-	-	-	-	-	-	14,837,717	14,837,717
30.06.2020									
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-	-
Equity Securities									
Financial Assets not measured at Fair Value:									
Trade and Other Receivables		-	-	-	-	1,056,498	-	-	1,056,498
Investment in FDR		-	-	-	-	103,439	-	-	103,439
Tender/Security Deposit		-	-	-	-	1,759	-	-	1,759
Cash and Cash Equivalents		-	-	-	-	160,250	-	-	160,250
Investment in Subsidiaries		-	-	-	-	-	-	-	-
Total		-	-	-	-	1,321,946	-	-	1,321,946
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:									
Employment Benefit									
Short Term interest bearing loans								2,426,210	2,426,210
Long Term interest bearing loans								3,664,830	3,664,830
Finance Lease Liabilities								16,289	16,289
Trade and other payables		-	-	-	-	-	-	339,427	339,427
Other Non-Current Liabilities		-	-	-	-	-	-	5,189,390	5,189,390
Bank Overdraft									
Total		-	-	-	-	-	-	11,636,146	11,636,146

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

The company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, investment in subsidiaries, investment, trade/security deposit, employment benefits, short term interest bearing loans, long term interest bearing loans, financial lease liabilities, bank overdraft and other payables, and other non-current liabilities because their carrying amounts are a reasonable approximation of fair values.

55.02 Financial Risk Management Framework

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

55.02.1 Credit Risk, 55.02.2 Liquidity Risk 55.02.3 Market Risk.

55.2.1 Credit Risk

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

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

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

Management has a credit policy in place and the exposure to credit risk is monitor on an ongoing basis. As at 30th June, 2021, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to Credit Risk

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

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

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

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

	Amount in Taka	
	30.06.2021	30.06.2020
Ageing Schedule of Receivables:	1,097,184,386	861,651,070
Duration		
1-30 days	5,852,329	1,756,890
31-60 days	234,221,897	173,201,550
61-90 days	248,392,263	217,782,118
91-180 days	304,578,386	247,380,022
181-365 days	175,330,065	131,401,788
Over 365 days	128,809,447	90,128,702
	1,097,184,386	861,651,070

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

55.2.2 Liquidity Risk

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

Exposure to Liquidity Risk

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

30th June, 2021		Contractual Cash Flows				
In Taka	Note	Carrying Amount	Total	2 months or less	2-12 months	More than 5 years
Non-derivative financial liabilities:						
Short Term interest bearing loans	24	2,883,450,404	2,883,450,404	1,297,552,682	1,585,897,722	-
Long Term interest bearing loans	23	6,198,452,182	6,198,452,182	476,298,456	884,554,276	2,660,679,698
20% Convertible Zero Coupon Bonds		-	-	-	-	-
Finance lease liabilities	19	5,857,056	5,857,056	-	-	5,857,056
Trade and other payables	28	222,709,991	222,709,991	48,996,198.02	106,900,795.68	37,860,698.47
Inter Company Payables		-	-	-	-	-
Bank Overdraft		-	-	-	-	-
Non-Current Liabilities	-	5,484,695,893	5,484,695,893	1,096,939,178.60	1,919,643,562.55	1,645,408,767.90
		14,795,165,526	14,795,165,526	2,919,786,515	4,496,996,356	3,866,046,275
Derivative financial liabilities						
		-	-	-	-	-
		14,795,165,526	14,795,165,526	2,919,786,515	4,496,996,356	3,866,046,275
						3,512,336,380
						3,512,336,380

30th June, 2020		Contractual Cash Flows				
In Taka	Note	Carrying Amount	Total	2 months or less	2-12 months	More than 5 years
Non-derivative financial liabilities:						
Long Term interest bearing loans-Non-Current Portion	22	4,472,861,608	4,472,861,608	-	-	1,565,501,562.80
Long Term interest bearing loans-Current Portion	23	1,238,620,849	1,238,620,849	334,427,629.23	904,193,219.77	2,907,360,045.20
Finance lease liabilities	19	16,289,100	16,289,100	-	-	16,289,100
Security Retention Money	20	650,239,387	650,239,387	78,028,726.44	240,588,573.19	266,598,148.67
Loan from Others	21	50,000,000	50,000,000	-	-	50,000,000
Short Term Loan	24	2,426,210,433	2,426,210,433	897,697,860.21	1,528,512,572.79	-
Trade and other payables	27	339,427,724	339,427,724	74,674,099	149,348,199	91,645,485
Inter Company Payables	26	444,499,607	444,499,607	-	-	444,499,607
Bank Overdraft		-	-	-	-	-
		9,638,148,708	9,638,148,708	1,384,828,315	2,822,642,564	2,434,533,904
Derivative financial liabilities						
		-	-	-	-	-
		9,638,148,708	9,638,148,708	1,384,828,315	2,822,642,564	2,434,533,904
						2,996,143,925
						2,996,143,925

55.2.3 Market Risk

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

(i) Interest Rate Risk

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

(ii) Currency Risk

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

56.00 Capital Management

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

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

The directors in the meeting held on 26th day of October, 2021 recommended 5% cash dividend for the general Shareholders only excluding sponsors & directors and 5% stock dividend for all shareholders including sponsors & directors whose name will be apperead in the Shareholders Registers at the date of book closure which is subject to Shareholders approval at the forthcoming annual general meeting to be held on 30th day of December, 2021.

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

Annexure-A

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

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

Annexure-B

SCHEDULE OF INTANGIBLE ASSETS AS ON 30TH JUNE, 2021

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

Annexure-C

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NAVANA CNG LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Navana CNG Limited which comprise the Statement of Financial Position as at 30th June, 2021, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statements including a Summary of Significant Accounting Policies and other explanatory information disclosed in notes 1 to 55 and Annexure A & B.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June, 2021 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 for Opinion

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

Other Matter

The financial statements of Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited subsidiary companies of Navana CNG Limited for the year ended 30th June, 2021 were audited by another auditors and give fair opinion.

Key Audit Matters

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

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

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

Revenue	How our audit addressed the key audit matters
<p>The company has reported a revenue of Taka 1,195,610,428 for the year ended 30th June, 2021. Following the application of the revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the Company adopted its accounting policies.</p>	<p>Our procedures included obtaining an understanding of management's revenue recognition process, we tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in note 3.06 and 26 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p>
<p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service to a customer.</p> <p>Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).</p> <p>The sales of the company are derived from a large number of CNG stations located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</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's CNG stations. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods.</p> <p>See note no. 3.06 and 25.00 to the financial statements</p>	<p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>With regard to the implementation of IFRS 15 we verified management's conclusion on assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p> <p>These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> * Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. * We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoices and depot wise sales bank reconciliation report, bank statement and also, we confirmed selected customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amount outstanding with those customers.

Key Audit Matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> * We specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off. * We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers. * Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Valuation of Inventory	How our audit addressed the key audit matters
<p>The Company had inventory of Taka 531,960,252 at 30th June, 2021 held in different depot and warehouses.</p> <p>Inventories consisting of raw materials, working process, finished goods, spare parts, fuel and stock in transit are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.</p> <p>Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value.</p> <p>Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</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>See note no. 3.07 and 9.00 to the financial statements.</p>	<p>We tested the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> * evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse, and sales depots; * evaluating internal controls to monitor or keep track of Inventory Movement; * attending inventory count on 30th June, 2021 and reconciling the count results to the inventory listing to test the completeness of data; * comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; * reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; * challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete;

Valuation of Inventory	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> * evaluating the correctness of the batch wise costing of final products; * evaluating the correctness of the valuation of raw materials and packing material as per weighted average method; * reviewing the calculation of standard labour hours and their regular comparison with actual labour hours of production; and reviewing the process of valuing work-in-process; * we have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.
Current Tax Provisioning	How our audit addressed the key audit matters
<p>Current Tax provision amounting Tk. 11,332,021.</p> <p>At the year end the company reported total income tax expense (Current Tax) of BDT. 11,332,021 the calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies. We have determined this to be a key audit matter, due to the complexity in income tax provisioning.</p> <p>See note no. 3.13(a) and 30.01 to the Financial Statements.</p>	<p>Our audit procedure in this area included, among others:</p> <p>Use of own tax specialist to assess the company's tax computation. Our tax specialists were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation.</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>Evaluating the adequacy of the financial statement disclosure, including disclosure of key assumption judgments and sensitive related to tax.</p>
Measurement of Deferred Tax Liability	How our audit addressed the key audit matters
<p>The Company reported net deferred tax liability totalling Tk. 37,334,264 as at 30th June, 2021. Significant judgement is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p> <p>See note no. 3.13(b) and 30.02 to the financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense/income.</p> <p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</p>

Measurement of Deferred Tax Liability	How our audit addressed the key audit matters																								
	<p>We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>																								
Valuation of defined benefits obligation	How our audit addressed the key audit matters																								
<p>The Company operates different types of defined benefit schemes such as Contributory Provident Fund, Gratuity Fund and Workers Profit Participation Fund (WPPF) which in total are significant in the context over all financial position. At the year end the company reported a net defined benefit scheme liability of Tk. 39,047,205 The break up of the above is as follows:</p>	<p>Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan.</p> <p>We obtained sufficient audit evidence to conclude that the inputs and methodologies used to determine the liability for defined benefit plan.</p>																								
Valuation of defined benefits obligation	How our audit addressed the key audit matters																								
<table><tr><th>Particulars</th><th>CPF</th><th>GF</th><th>WPPF</th></tr><tr><td>Opening balance</td><td>1,152,870</td><td>15,000,000</td><td>18,281,962</td></tr><tr><td>Add: Provision during the year</td><td>12,513,284</td><td>10,000,000</td><td>3,863,586</td></tr><tr><td></td><td>13,666,154</td><td>25,000,000</td><td>22,145,548</td></tr><tr><td>Less: Paid/Adjust during the year</td><td>12,649,432</td><td>9,115,065</td><td>-</td></tr><tr><td>Total</td><td>1,016,722</td><td>15,884,935</td><td>22,145,548</td></tr></table>	Particulars	CPF	GF	WPPF	Opening balance	1,152,870	15,000,000	18,281,962	Add: Provision during the year	12,513,284	10,000,000	3,863,586		13,666,154	25,000,000	22,145,548	Less: Paid/Adjust during the year	12,649,432	9,115,065	-	Total	1,016,722	15,884,935	22,145,548	<p>We assessed the design and operating effectiveness of the Company’s key controls supporting the identification, measurement and oversight of valuation of the defined benefits payable provision.</p>
Particulars	CPF	GF	WPPF																						
Opening balance	1,152,870	15,000,000	18,281,962																						
Add: Provision during the year	12,513,284	10,000,000	3,863,586																						
	13,666,154	25,000,000	22,145,548																						
Less: Paid/Adjust during the year	12,649,432	9,115,065	-																						
Total	1,016,722	15,884,935	22,145,548																						
<p>Liability for the following funds is provided at the following rates:</p> <p>(i) CPF @ 10% of basic salary;</p> <p>(ii) GF @ 1 no. basic of salary;</p> <p>(iii) WPPF @ 5% on net profit after charging such charge;</p> <p>Therefore, valuation of benefits payable provision is considered as a key audit matter.</p> <p>See note no. 3.15 and 24.00 to the financial statements</p>	<p>We examined the basis on which WPPF and Welfare expense are payable to the employees and is worked out the liability for WPPF and Welfare on the presumption that all employees are entitle to participate to WPPF and Welfare on the balance sheet date.</p> <p>We ensured that the basis of computing WPPF and Welfare is valid; verify the computation of liability on aggregate basis.</p> <p>Employee data used calculating obligation is also tested and appropriateness and presentation of disclosures against IAS 19: Employee Benefits were assessed.</p>																								

Other Information

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

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

In connection with our audit of the 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.

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

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

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

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

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

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 : 26.10.2021
Place : Dhaka, Bangladesh


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

NAVANA CNG LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021

Particulars	Notes	Amount in Taka	
		30.06.2021	30.06.2020
Property and Assets			
Non-Current Assets:			
Property, Plant & Equipment	4.00	753,851,657	780,252,030
Right of Use Asset	5.00	5,735,416	14,136,593
Investment in Subsidiaries	6.00	854,983,298	880,991,059
Long Term Security Deposit	7.00	32,369,424	33,549,074
Investment in Shares	8.00	3,259,076	2,525,882
Total Non-Current Assets		1,650,198,871	1,711,454,638
Current Assets:			
Inventories	9.00	531,960,252	555,277,813
Accounts Receivables	10.00	169,261,468	163,012,608
Advances, Deposits & Pre-Payments	11.00	111,468,965	139,614,896
Inter Company Receivables	12.00	653,606,422	191,434,343
Cash and Cash Equivalents	13.00	62,681,402	45,182,158
Total Current Assets		1,528,978,509	1,843,586,137
Total Property and Assets		3,179,177,380	3,555,040,775
Shareholders' Equity and Liabilities			
Authorized Capital		1,500,000,000	1,500,000,000
150,000,000 Ordinary Shares of Tk. 10/- each.			
Shareholders' Equity:			
Share Capital	14.00	685,285,920	685,285,920
Tax Holiday Reserve		180,618,848	180,618,848
Fair Value Reserve	15.00	2,838,668	2,178,793
Other Reserve	16.00	2,072,243	2,072,243
Retained Earnings	17.00	1,515,564,975	1,540,060,686
Shareholders' Equity available to Owners of the Company		2,386,380,654	2,410,216,490
Non-Current Liabilities:			
Deferred Tax Liability	30.02	37,334,264	45,153,010
Lease Liability	18.00	3,444,029	10,252,398
Long Term Loan	19.00	138,500,000	138,500,000
Total Non-Current Liabilities		179,278,293	193,905,408
Current Liabilities:			
Short Term Loan	20.00	63,237,802	59,926,368
Provision for Income Tax	21.00	30,921,059	26,901,878
Inter Company Payables	22.00	355,543,204	642,612,811
Unclaimed Dividend Account	23.00	42,554,496	45,798,322
Payables & Accruals	24.00	121,261,872	175,679,498
Total Current Liabilities		613,518,433	950,918,877
Total Liabilities		792,796,726	1,144,824,285
Total Shareholders' Equity & Liabilities		3,179,177,380	3,555,040,775
Net Assets Value (NAV) per Share	32.00	34.82	35.17

The annexed notes from 1 to 55 and Annexure-A & B form an integral part of these Financial Statements.

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

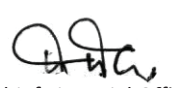
The financial statements were approved by the Board of Directors on the 26th October, 2021 and were signed on its behalf by:


Managing Director



Director


Director


Company Secretary


Chief Financial Officer

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


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

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

Particulars	Note	Amount in Taka	
		01.07.2020 to 30.06.2021	01.07.2019 to 30.06.2020
Revenue (Net)	25.00	1,195,610,428	1,347,104,986
Less: Cost of Goods Sold	26.00	978,366,356	1,049,015,763
Gross Profit		217,244,072	298,089,223
Less: Operating Expenses:			
Administrative & Selling Expenses	27.00	169,061,733	252,099,369
Interest Expenses/Financial Expenses	28.00	7,048,429	7,320,594
Operating Profit		41,133,910	38,669,260
Add: Other Income	29.00	7,117,629	8,230,095
Less: Foreign Exchange Loss		1,669,160	846,244
Profit before Contribution to WPPF		46,582,379	46,053,111
Less: Contribution to WPPF		2,218,209	2,193,005
Net Profit before Tax		44,364,170	43,860,106
Add: Share of Profit from Subsidiaries		(26,007,759)	27,996,732
Less: Income Tax Expenses:		3,439,957	9,982,704
Current Tax	30.01	11,332,021	14,407,830
Deferred Tax	30.02	(7,892,065)	(4,425,126)
Net Profit for the year attributable to Equity holder		14,916,454	61,874,134
Add: Other Comprehensive Income:			
Revaluation Gain/Loss on Investment in Share	36.00	733,194	(1,063,401)
Less: Deferred Tax Adjustment		(73,319)	106,340
		659,875	(957,061)
Shares of Other Comprehensive Income from Subsidiaries		-	-
Total Comprehensive Income for the year		15,576,329	60,917,073
Earnings per Share (Operating)	31.00	0.22	0.90

The annexed notes from 1 to 55 and Annexure-A & B form an integral part of these Financial Statements.

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

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


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

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


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

NAVANA CNG LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2021

Amount in Taka

Particulars	Share Capital	Tax Holiday Reserve	Fair Value Reserve	Other Reserve	Retained Earnings	Total
Balance at 1st July, 2019	685,285,920	180,618,848	3,135,854	2,072,243	1,520,424,073	2,391,536,938
Adjustment for the Application for IFRS-16 (Lease)	-	-	-	-	(2,825,355)	(2,825,355)
Other Comprehensive Income	-	-	(957,061)	-	-	(957,061)
Net Profit for the year	-	-	-	-	61,874,134	61,874,134
Dividend	-	-	-	-	(39,412,165)	(39,412,165)
Balance at 30th June, 2020	685,285,920	180,618,848	2,178,793	2,072,243	1,540,060,686	2,410,216,490
Balance at 1st July, 2020	685,285,920	180,618,848	2,178,793	2,072,243	1,540,060,686	2,410,216,490
Other Comprehensive Income	-	-	659,875	-	-	659,875
Net Profit for the year	-	-	-	-	14,916,454	14,916,454
Dividend	-	-	-	-	(39,412,165)	(39,412,165)
Balance at 30th June, 2021	685,285,920	180,618,848	2,838,668	2,072,243	1,515,564,975	2,386,380,654

The annexed notes from 1 to 55 and Annexure-A & B form an integral part of these Financial Statements.

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

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


Managing Director


Khaleeda Islam
Director


Director


Company Secretary


Chief Financial Officer

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


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

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

Particulars	Notes	Amount in Taka	
		01.07.2020 to 30.06.2021	01.07.2019 to 30.06.2020
Cash Flows from Operating Activities:			
Cash Receipts from Customers		1,189,361,568	1,325,323,310
Cash Receipts of Other Income		7,117,629	8,230,095
Foreign Exchange Loss		(1,669,160)	(846,244)
Payments for Materials, Services and Expenses		(1,117,787,931)	(1,193,307,939)
Cash Generated from Operations		77,022,106	139,399,222
Income Tax Paid		(7,312,840)	(9,730,432)
Net Cash Generated from Operating Activities	34.00	69,709,266	129,668,790
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(6,819,319)	(12,960,175)
Long Term Security Deposits		1,179,650	3,179,019
Net Cash used in Investing Activities		(5,639,669)	(9,781,156)
Cash Flows from Financing Activities			
Inter Company Receivable		286,892,240	-
Interest Paid		(7,048,429)	(7,320,594)
Short Term Loan		3,311,434	(5,060,156)
Dividend Paid		(42,655,991)	(42,419,092)
Inter Company Payable		(287,069,607)	(57,500,000)
Net Cash Provided in Financing Activities		(46,570,353)	(112,299,842)
Net Changes in Cash and Cash Equivalents		17,499,244	7,587,792
Cash and Cash Equivalents at the Beginning of Year		45,182,158	37,594,366
Cash and Cash Equivalents at the End of Year		62,681,402	45,182,158
Net Operating Cash Flows Per Share (NOCFPS)	33.00	1.02	1.89

The annexed notes from 1 to 55 and Annexure-A & B form an integral part of these Financial Statements.

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


Managing Director



Director


Director


Company Secretary


Chief Financial Officer

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


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

NAVANA CNG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.00 Reporting Entity

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

Navana CNG Limited (the Company) was incorporated in Bangladesh as a private limited company on 19th April, 2004 vide Registration No. C-52512(2807)/2004 and subsequently converted into a public limited company on 8th March, 2009. The company has 3 (three) subsidiary companies namely: Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited.

Registered Office

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

1.02 Other Corporate Information

(i) Trade License: TRAD/DSCC/267649/2019 date: 06/08/2020

(ii) e-TIN No.: 892172367019 date: 30/06/2014

(iii) BIN No.: 000296477-0101 date: 01/07/2019

1.03 Nature of Business

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

1.04 Subsidiary Companies

The Navana CNG Limited has a three following Subsidiary Companies of which holds controlling shares of its Subsidiary Companies, the details are given below:

(a) Navana Engineering Limited

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

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

(b) Navana Welding Electrode Limited

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

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

(c) Navana LPG Limited

Navana LPG Limited is a private limited company which was incorporated in 2015 registered with Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act, 1994 vide registration no. C-125694 dated 13th September, 2015 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, Propene, Oxygen, nitrogen, acetylene, nitrous, oxide, medical and commercial oxygen and other allied gases.

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

1.05 Presentation of Financial Statements

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

- Statement of Financial Position as at 30th June, 2021;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021;
- Statement of Changes in Equity for the year ended 30th June, 2021;
- Statement of Cash Flows for the year ended 30th June, 2021;
- Notes comprising summary of significant accounting policies and other explanatory information.

2.00 Basis of Preparation of Financial Statements

2.01 Statement on Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 2020 and other relevant laws as applicable.

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

2.02 Other Regulatory Compliances

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

The Income Tax Ordinance, 1984;
The Income Tax Rules, 1984;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax Rules, 2016;
The Stamp Act, 1899;
The Customs Act, 1969;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Securities and Exchange Rules, 2020;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2018)
DSE/CSE Rules;
Listing Regulations, 2015;

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

As per para-14(2) of the Securities and Exchange Rule, 2020, the company has followed the International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied

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

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

2.04 Basis of Measurement

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

2.05 Accrual basis of Accounting

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

2.06 Functional and Presentation Currency

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

2.07 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, 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.

2.08 Materiality, Aggregation and Off Setting

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

2.09 Going Concern Assumption

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

2.10 Comparative Information

Comparative information has been disclosed in respect of 2019-2020 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.11 Responsibility for Preparation and Presentation of Financial Statements

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

2.12 Reporting Period

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

2.13 Approval of Financial Statements

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

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

For significant transactions and events that have material effect, the Company's Directors selected and applied significant accounting principles and policies within the framework of IAS1 : Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with those use in earlier years.

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS 1 : Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 Property, Plant and Equipments

3.01.1 Recognition and Measurements

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

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

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

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

3.01.2 Maintenance Activities

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

3.01.3 Subsequent Cost

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

3.01.4 Depreciation on Tangible Fixed Assets

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

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

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

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

3.01.5 Impairment

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

3.01.6 Disposal of Property, Plant and Equipment

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

3.02 Investment in FDR and Shares

Investment in shares and FDR's is stated at its market price and cost price respectively. The statement of profit or loss reflects the income on account of interest on investment in FDR and unrealized gain or loss from investment in shares are recognized as other comprehensive income.

It may be mentioned here that a fluctuation reserve / fair value reserve has been created in order to equalize the price go down below the cost price of the shares and during the year under audit unrealised gain / (loss) on investment in shares for price go down below the cost price of the shares has been charged directly to statement of other comprehensive income.

3.03 Recognition of Investment in Subsidiary in a separate Financial Statement

The investments in subsidiary is being accounted for using equity method in the company's separate financial statements as directed by para 10 (c) of IAS 27 separate Financial Statements, "under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

The investor's share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income."

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

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

3.05 Other Current Assets

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

3.06 Revenue Recognition

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

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

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

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

(a) Petrol and Diesel Vehicle Conversion Services

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

(b) Sale of CNG

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

(c) Dividend

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

(d) Other Revenues

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

3.07 Inventories

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

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

Raw materials:

Purchase costs on a weighted average basis;

Finished goods and work-in-progress:

Costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity;

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

3.08 Foreign Currency Transactions

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

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

- (a) Foreign currency monetary items are translated using the closing rate;
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction;
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

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

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

3.09 Financial Instruments

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

Financial Assets

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

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

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

Cash and Cash Equivalents

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

Trade and Other Receivables

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

Investment

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

Investment in Subsidiary

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

Financial Liabilities

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

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

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

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

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

Classification and measurement of financial assets and financial liabilities

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

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

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

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

- (a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- (a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial Assts at FVTPL

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

Financial Assets at amortised cost

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

Debt Investments at FVOCI

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

Equity Investments at FVOCI

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

Impairment of Financial Assets

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

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

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

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

Measurement of Expected Credit Losses (ECL)

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

Presentation of Impairment

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

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

3.10 Impairment

(i) Financial Assets

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

- * financial assets measured at amortised cost;
- * debt investments measured at FVOCI; and
- * contract assets.

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

- * debt securities that are determined to have low credit risk at the reporting date; and
- * other debt securities and bank balances for which credit risk (i.e. the risk default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

(ii) Non-Financial Assets

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

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

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 to receive cash flows from the asset have expired. On de-derecognized 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 de-recognized 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.

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 subsequently 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 recognized in the income statement.

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 reversal 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.

3.11 Derivatives

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

3.12 Leases

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset as a low value. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemption for short-term leases and leases of low value items.

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

The Company adopted IFRS 16 : Leases using the modified retrospective method of adoption with the date of initial application of 1st January, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

The company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease 1st July, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

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

Subsequent Measurement:

The Lease Liability:

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

Right to Use of Assets:

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

3.13 Taxation

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

(a) Current Tax:

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 22.5% as a publicly traded company.

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

(b) Deferred Tax:

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

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

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

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

(c) Value Added Tax:

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

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

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

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

3.14 Dividend

10% Cash Dividend has been paid for the year ended 2020.

3.15 Cost of Post Employment Benefits

The company maintains the following benefits plans:

(a) Defined Contribution Plan (Provident Fund)

The company operates a contributory provident fund scheme for its permanent employees. The company's contribution to the fund is charged off as revenue expenditure during the year to which the contribution relates. The fund is operated by a Board of Trustees consisting 6 (Five) members. All confirmed employees of the company are contributing 10% of their basic salary as subscription to the fund. The company also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members account on yearly basis.

(b) Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF)

Provision for Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF) has been made @ 5% on net profit after charging such charge as per provision of The Bangladesh Law, 2006 (amended 2018) and payable to workers as defined in the said law.

(c) Defined Benefit Plan (Gratuity)

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

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

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

The gratuity is calculated for all the employees prescribed by the rates as per labour Act, 2006 (as amended to 2018) for their service with the company.

3.16 Capitalization of Borrowing Costs

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

3.17 Accruals, Provisions and Contingencies

(a) Accruals

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

(b) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) Contingencies

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

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

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

3.18 Operating Segments

Basis for Segmentation

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has two distinguishable operating segments vide conversion workshop and CNG station in case of Navana CNG Ltd. which are disclosed in note 35.

The following summary describes the operation of each reportable segment:

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

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

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

3.19 Cash and Cash Equivalents

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

3.20 Statement of Cash Flows

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

3.21 Earnings per Share (EPS)

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

Basic Earnings Per Share

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

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Diluted EPS is only calculated where the company has commitment to issue ordinary shares in future at reporting date. No such commitment is hold by company at reporting date.

3.22 Risk Exposure

Interest Rate Risk

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

Management Perception

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

Exchange Rate Risk

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

Management Perception

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

Industry Risks

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

Management Perception

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

Market Risk

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

Management Perception

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

Operational Risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception

The company perceives that allocation of its resources properly can reduce this risk factor to great extent. The company hedges such risks in costs and prices and also takes preventive measures therefore.

Liquidity Risk

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

Management Perception

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

Labour Unrest Risk

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

Management Perception

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

3.23 Events after the Reporting Period

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

3.24 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in **Note 37**.

3.25 General

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

		Amount in Taka	
		30.06.2021	30.06.2020
4.00	Property, Plant & Equipment's	753,851,657	780,252,030
	This is made up as follows:		
	Land and Land Development	449,042,715	449,042,715
	Building & Shed	43,670,620	48,497,565
	Plant & Machinery	168,454,463	186,814,156
	Tools & Equipment	42,414,186	45,758,081
	Furniture & Fixture	5,376,232	5,950,629
	Vehicles	44,893,441	44,188,883
		753,851,657	780,252,030
	The break up of PPE are shown in Annexure - A.		
5.00	Right of Use Assets	5,735,416	14,136,594
	This is made up as follows:		
	At Cost		
	Opening Balance	15,730,822	15,730,822
	Addition during the year	-	-
	Disposal / Adjustment during the year	-	-
		15,730,822	15,730,822
	Less: Accumulated Depreciation		
	Opening Balance	(1,594,228)	(1,594,228)
	Add: Charged during the year	(8,401,178)	-
	Disposal / Adjustment during the year	-	-
		(9,995,406)	(1,594,228)
	Written Down Value (WDV)	5,735,416	14,136,594
	The details of the above have been shown in Annexure - B.		
6.00	Investment in Subsidiaries	854,983,298	880,991,059
	This is made up as follows:		
	6.01 Navana Engineering Ltd.	647,432,844	731,385,879
	6.02 Navana Welding Electrode Ltd.	363,926,741	281,733,566
	6.03 Navana LPG Limited	(156,376,287)	(132,128,387)
		854,983,298	880,991,059
6.01	Navana Engineering Ltd.	647,432,844	731,385,879
	This is made up as follows:		
	Opening Balance of Profit Accrued	386,385,929	380,609,822
	Add: Profit Accrued under Equity Method during the year	(83,953,035)	5,776,107
		302,432,894	386,385,929
	Cost of Value of Investment Share	99,999,950	99,999,950
	Add: Additional Investment	245,000,000	245,000,000
		647,432,844	731,385,879

		Amount in Taka	
		30.06.2021	30.06.2020
6.02	Navana Welding Electrode Ltd.	363,926,741	281,733,566
	This is made up as follows:		
	Opening Balance of Profit Accrued	181,733,616	136,737,699
	Add: Profit Accrued under Equity Method during the year	82,193,175	44,995,917
		263,926,791	181,733,616
	Cost Value of Share	99,999,950	99,999,950
		363,926,741	281,733,566
6.03	Navana LPG Limited	(156,376,287)	(132,128,387)
	This is made up as follows:		
	Opening Balance of Profit Accrued	(133,128,337)	(110,353,044)
	Add: Profit Accrued under Equity Method during the year	(24,247,900)	(22,775,293)
		(157,376,237)	(133,128,337)
	Cost Value of Share	999,950	999,950
		(156,376,287)	(132,128,387)

Name of Subsidiaries	Face Value	Total Number of Shares	Number of Shares Held	Ownership Interest
Navana Engineering Ltd.	10.00	10,000,000	9,999,995	5
Navana Welding Electrode Ltd.	10.00	10,000,000	9,999,995	5
Navana LPG Limited	10.00	1,000,000	999,995	5
		21,000,000	20,999,985	15

7.00	Long Term Security Deposit	32,369,424	33,549,074
	This is made up as follows:		
	PDBF	5,056	5,056
	Titas Gas T&D Co. Ltd.	20,656,944	21,836,594
	Karnaphuly Gas Co.	3,044,690	3,044,690
	Pashchimanchal Gas Co.	2,650,741	2,650,741
	Dhaka Electricity Supply Co. Ltd. (DESCO)	58,752	58,752
	Dhaka Electricity Supply Authority (DESA)	270,000	270,000
	Jalalabad Gas Co. Ltd.	1,299,297	1,299,297
	Dhaka Palli Bidyut Samity (PBS-1)	658,444	658,444
	Delta Life Insurance Co. Ltd.	10,000	10,000
	Roads & Highway	190,350	190,350
	North South University	16,143	16,143
	Standard Bank Ltd.	745,038	745,038
	Bangladesh Telecommunication Co. Ltd. (BTCL)	10,000	10,000
	UCEP	338,000	338,000
	Dhaka Metropolitan Police	147,331	147,331
	Mobile Com	22,000	22,000
	Road Cutting	10,413	10,413
	PDB	1,104,225	1,104,225
	DPDC Limited	240,000	240,000
	Narayangonj Palli Bidyut Samity-2	500,000	500,000
	Cox's Bazar Pally Bidyut Samity	392,000	392,000
		32,369,424	33,549,074

Amount in Taka	
30.06.2021	30.06.2020

8.00 **Investment in Share**

This is made up as follows:

Lafarge Surma Cement Ltd.
Aftab Automobiles Ltd.

3,259,076	2,525,882
1,224,300	753,900
2,034,776	1,771,982
3,259,076	2,525,882

Name of the Share	Face Value per Share	Total Cost Value	No. of Shares	Market Value as on 30.06.2021	Market Value as on 30.06.2020
Lafarge Surma Cement Ltd.	10.00	-	21,000	1,224,300	753,900
Aftab Automobiles Ltd.	10.00	105,000	75,084	2,034,776	1,771,982
		105,000	96,084	3,259,076	2,525,882

The above investment in marketable securities are designated as Fair Value through OCI (FVTOCI) by the management. These are measured at Fair Value and presented as non-current assets. Unrealized gain / (loss) from the above investment were recognized in Other Comprehensive Income. The above shares are listed in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

9.00 **Inventories**

This is made up as follows:

Stock & Stores
Goods in Transit

531,960,252	555,277,813
526,543,446	546,479,471
5,416,806	8,798,342
531,960,252	555,277,813

10.00 **Accounts Receivables**

This is made up as follows:

Tejgaon CNG Conversion Center
Kallyanpur CNG Conversion Center
Dipnagar Diesel Conversion Center
Chittagong CNG Conversion Center
Sylhet CNG Conversion Center
Cylinder Testing Unit
Kalurghat CNG Conversion Center
Kalurghat CRT
Uttara CNG Conversion Center
Uttara CRT
Bogra CNG Conversion Center
Palton CNG Conversion Center
Auto repair & services- Palton-Dhaka
Palton CRT
Kallyanpur CRT
Auto Repair & Services and Diesel- Kally-Dhaka
Auto Repair & Services- Kalug-Ctg.
Denso CNG Station
Binimoy CNG Station
Sylhet CNG Station
Sylhet CNG Station-2
Station Technical Department Sylhet

169,261,468	163,012,608
7,965,725	8,734,242
5,271,029	4,502,524
12,438,618	12,438,618
2,057,717	2,057,717
3,550,517	3,322,406
1,318,395	1,328,193
1,417,048	839,939
423,118	345,589
1,262,861	1,115,485
68,791	4,000
376,240	510,384
1,382,952	1,036,543
4,401,668	2,676,042
241,925	7,800
90,328	-
29,403,594	22,854,163
1,070,429	976,542
3,829,496	4,756,026
11,792,681	10,500,774
520,052	617,870
81,827	15,398
347,1954	3,658,120

	Amount in Taka	
	30.06.2021	30.06.2020
Station Technical Department Chittagong	13,124,728	13,449,103
Station Technical Department Dhaka	46,992,205	49,283,889
Station Maintenance Department-Chittagong	52,992	52,992
Station Maintenance Department -Dhaka	-	712,941
Station Maintenance Department -Sylhet	81,510	
PRS Department	2,273,697	2,273,747
Engineering Service Department	529,505	599,505
Baipail CNG Station	585,491	1,394,997
Bogra CNG Station	7,257	41,638
Leguna CNG Station	116,892	1,214,123
Sitakundu CNG Station	138,171	277,519
B.O.C CNG Station	18,887	3,638
Kwality CNG Station	499,381	430,491
Bhoirab CNG Station	42,760	156,183
Elena Station CNG Station	173,257	165,073
United CNG Station	204,426	33,640
Jogajog CNG Station	1,272,868	1,272,868
Sonarbangla CNG Station	8,495,155	7,134,891
Cox's Bazar station	-	915
Chokoria Station	-	759
Receivable from Employees' Provident Fund	2,215,321	2,215,321
	169,261,468	163,012,608

The ageing of Accounts Receivable are as follows:

0 to 1 Months	70,869,777	68,253,379
More than 1 Months to 3 Months	37,152,892	35,781,267
More than 3 Months to 6 Months	25,321,516	24,386,686
More than 6 Months to 9 Months	17,298,522	16,659,889
More than 9 Months to 12 Months	14,641,117	14,100,591
Above 12 Months	3,977,644	3,830,796
	169,261,468	163,012,608

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

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

11.00 Advance, Deposit & Pre-payment

This is made up as follows:

	111,468,965	139,614,896
Advance for Rent	24,493,624	26,994,124
Advance against Suppliers	38,378,278	54,217,720
Advance against Employee	10,853,661	11,308,654
Bank Guarantee Margin	30,909,265	28,230,753
Security Deposit	3,160,453	1,759,815
Advance to Others	3,673,684	17,103,830
	111,468,965	139,614,896

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

		Amount in Taka	
		30.06.2021	30.06.2020
12.00	Inter Company Receivables	653,606,422	940,498,662
	It represents the total balance of Inter Company Receivables as on 30th June, 2021.		
13.00	Cash and Cash Equivalent	62,681,402	45,182,158
	This is made up as follows:		
	Cash in Hand	4,629,723	5,494,151
	Cash at Banks:		
	Fixed Deposit Receipt (FDR) 13.01	26,228,982	24,389,662
	Bank Balances 13.02	31,822,697	15,298,345
		62,681,402	45,182,158
13.01	Fixed Deposit Receipt (FDR)	26,228,982	24,389,662
	This is made up as follows:		
	Shahjalal Islami Bank Ltd.	26,228,982	24,389,662
13.02	Bank Balances	31,822,697	15,298,345
	This is made up as follows:		
	AB Bank Ltd.	722,920	146,391
	Bank Alfalah Ltd.	7,563	7,563
	Al-Arafah Islami Bank Ltd.	3,602	3,602
	Bank Asia Ltd.	393,794	393,794
	BRAC Bank Ltd.	540,000	201,492
	Dhaka Bank Ltd.	862,660	503,822
	Dutch-Bangla Ltd.	4,438,700	1,573,484
	IFIC Bank Ltd.	233,687	169,932
	Jamuna Bank Ltd.	97,769	92,692
	Mutual Trust Bank Ltd.	12,057,969	2,860,392
	National Bank Ltd.	854,473	217,897
	NCC Bank Ltd.	506,911	506,429
	Prime Bank Ltd.	612,989	175,418
	Pubali Bank Ltd.	524,388	430,795
	Rupali Bank Ltd.	1,176	1,176
	Shahjalal Islami Bank Ltd.	3,284,249	2,158,064
	Social Investment Bank Ltd.	40,912	40,912
	Southeast Bank Ltd.	616,816	113,966
	Standard Bank Limited	3,252,636	3,913,045
	Standard Chartered Bank	174,902	205,862
	Uttara Bank Ltd.	1,225,066	1,257,875
	United Commercial Bank Ltd.	365,552	211,115
	City Bank Ltd.	564,503	-
	Trust Bank Ltd.	27,799	24,321
	Mercantile Bank Ltd.	411,661	88,305
		31,822,697	15,298,345

Amount in Taka	
30.06.2021	30.06.2020

The cash at bank balances represents the balance as per cash book. The above balances have been reconciled with the balances as per bank statement as on 30th June, 2021 except the following dormant accounts which have been closed long ago but no steps have yet been taken to realize the under mentioned amount:

Name of Bank	Account No.	Amount (Tk.)
Al-Arafah Islami Bank Ltd.	CD-04210006417	3,602
Bank Asia Ltd.	CD-00833007524	387,014
Bank Asia Ltd.	CD-615330000072	6,780
Bank Al-Falah Ltd.	CD-12023482	7,563
BRAC Bank Ltd.	CD-6303200416662001	2,431
BRAC Bank Ltd.	CD-6303200419079001	17,304
BRAC Bank Ltd.	CD-6303200419079002	49,780
IFIC Bank Ltd.	CD-1001114468001	116,838
Jamuna Bank Ltd.	CD-00060210010034	16,224
Jamuna Bank Ltd.	CD-11346	10,000
Mutual Trust Bank Ltd.	CD-00570210001365	35,225
Mutual Trust Bank Ltd.	CD-00200210014836	151,352
NCC Bank Ltd.	13759.00	73,879
Standard Chartered Bank	CD-11354	30,165
Shahjalal Islami Bank Ltd.	CD-401011100001126	113,495
Uttara Bank Ltd.	CD-114912200606	322
Uttara Bank Ltd.	CD-114912200211326	73,465
Prime Bank Ltd.	CD-9376/2049	3,536
National Bank Ltd.	CD-1457	3,147
Rupali Bank Ltd.	CD-4747020000873	1,176

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

Equity and Liabilities

14.00	Share Capital	685,285,920	685,285,920
	Authorized Capital	1,500,000,000	1,500,000,000
	150,000,000 Ordinary Shares of Tk. 10/- each.		
	Issued, Subscribed and Paid up Capital	685,285,920	685,285,920

This is made up as follows:

Date	No. of Shares	Particulars	Share Capital 30.06.2021	Share Capital 30.06.2020
19.04.2004	10,000	Subscription @Tk. 100 each	1,000,000	1,000,000
10.11.2004	250,000	Cash Allotment @ Tk. 100 each	25,000,000	25,000,000
25.04.2005	250,000	Cash Allotment @ Tk. 100 each	25,000,000	25,000,000
30.12.2007	490,000	Cash Allotment @ Tk. 100 each	49,000,000	49,000,000
08.02.2009	20,000,000	Ordinary Shares @Tk.10 each Issued as Bonus	200,000,000	200,000,000
20.05.2009	6,300,000	Ordinary Shares @Tk.10 each Issued as Bonus	63,000,000	63,000,000
26.07.2010	7,260,000	Ordinary Shares @Tk.10 each Issued as Bonus	72,600,000	72,600,000
09.10.2011	6,098,400	Ordinary Shares @Tk.10 each Issued as Bonus	60,984,000	60,984,000
07.10.2012	7,448,760	Ordinary Shares @Tk.10 each Issued as Bonus	74,487,600	74,487,600
06.10.2013	11,421,432	Ordinary Shares @Tk.10 each Issued as Bonus	114,214,320	114,214,320
			685,285,920	685,285,920

Amount in Taka	
30.06.2021	30.06.2020

Shareholding Position:

Class of Shareholders	Number of Investors	Number of Share Hold	Shareholding % 2021	Shareholding % 2020
Sponsors	6	29,116,427	42.49%	42.49%
General Public	10,631	20,728,016	30.25%	28.72%
Institutional Investors	162	18,684,149	27.26%	28.79%
Total	10,799	68,528,592	100.00%	100.00%

Classification of Shareholders:

Particulars	Number of Investors	Number of Shares	% of Shares Holding 2021	% of Shares Holding 2020
1 to 500	6,854	1,230,105	1.80%	1.95%
501 to 5000	3,373	5,263,772	7.68%	8.23%
5001 to 10000	288	2,148,935	3.14%	3.15%
10001 to 20000	136	1,986,674	2.90%	3.20%
200001 to 30000	26	646,306	0.94%	1.27%
300001 to 40000	24	865,281	1.26%	1.57%
400001 to 50000	19	874,819	1.28%	1.93%
500001 to 100000	29	1,992,112	2.91%	2.60%
1000001 to 1000000	39	13,754,987	20.07%	20.96%
Above 10000000	11	39,765,601	58.03%	55.13%
Total	10,799	68,528,592	100.00%	100%

15.00	Fair Value Reserve Account	2,838,668	2,178,793
	It represents the total balance of Fair Value Reserve Account as on 30th June, 2021.		
16.00	Other Reserve	2,072,243	2,072,243
	This is as per last account.		
17.00	Retained Earnings	1,515,564,975	1,540,060,686
	This is made up as follows:		
	Opening Balance	1,540,060,686	1,520,424,073
	Adjustment for the Application of IFRS-16 (Lease)	-	(2,825,355)
	Add: Net Profit after Tax	14,916,454	61,874,134
		1,554,977,140	1,579,472,852
	Less: Payment Cash/Stock Dividend	(39,412,165)	(39,412,165)
		1,515,564,975	1,540,060,686
18.00	Lease Liability /Lease Obligation -Leases as Lessee	3,444,029	10,252,398
	At Cost:		
	Opening Balance	10,252,398	-
	Addition during the year	-	15,056,177
	Finance Charge during the year	716,231	922,871
	Closing Balance	10,968,629	15,979,048
	Less: Transferred to Current Maturity	7,524,600	5,726,650
		3,444,029	10,252,398

Brief Terms & Condition of above Liability:

- (i) The company has lease against its rental;
- (ii) Lease period up to 31st December, 2021;
- (iii) Monthly rental payment is Tk. 535,000;
- (iv) Advance amount paid Tk. 1,500,000;
- (v) Monthly adjustment Tk. 0.

			Amount in Taka	
			30.06.2021	30.06.2020
19.00	Long Term Loan		138,500,000	138,500,000
	Due to Director	19.01	138,500,000	138,500,000
19.01	Due to Director (Mr. Shafiul Islam, Chairman)			
	Opening Balance		138,500,000	138,500,000
	Add: during the year		-	-
			138,500,000	138,500,000
This represents un-secured and Interest Free Loan from Mr. Shafiul Islam, Chairman of the Company.				
20.00	Short Term Loan		63,237,802	59,926,368
It represents the total balance of Short Term Loan from Shahjalal Islami Bank Ltd.				
Related Information for Loan:				
The above short term loan consists of LTR and OD facility @ the rate of 9%. The initial limit of sanction amount 13 crore for a period of 12 months. There is no security against the above loan.				
21.00	Provision for Income Tax		30,921,059	26,901,878
	This is made up as follows:			
	Opening Balance		26,901,878	22,224,480
	Add: Current Tax Expenses for the year		11,332,021	14,407,830
			38,233,899	36,632,310
	Less: Tax Paid/Adjusted in Current Year		(7,312,840)	(9,730,432)
			30,921,059	26,901,878
22.00	Inter Company Payables		355,543,204	642,612,811
It represents the total balance of Inter Company Payables as on 30th June, 2021.				
23.00	Unclaimed Dividend Account		42,554,496	45,798,322
	This is made up as follows:			
	Opening Balance		45,798,322	48,805,249
	Add: Cash Dividend for the year 30.06.2020		39,412,165	39,412,165
			85,210,487	88,217,414
	Less: Dividend Paid during the year		42,655,991	42,419,092
	Closing Balance		42,554,496	45,798,322
24.00	Payable & Accrual		121,261,872	175,679,498
	This is made up as follows:			
	Accounts Payables		33,996,283	25,770,080
	Liabilities for Expenses		63,935,388	127,983,592
	Workers Profit Participation Fund		22,145,548	18,281,962
	Sundry Payables		1,184,653	3,643,864
			121,261,872	175,679,498
25.00	Revenue (Net)		1,195,610,428	1,347,104,986
	This is made up as follows:			
	CNG Conversion		57,659,872	63,293,145
	CNG & LPG Gas Sales		969,849,186	1,130,472,095
	Service Revenue		168,101,370	153,339,746
			1,195,610,428	1,347,104,986

		Amount in Taka	
		30.06.2021	30.06.2020
26.00	Cost of Goods Sold	978,366,356	1,049,015,763
	This is made up as follows:		
	Cost of CNG Conversion	89,555,887	94,851,007
	Cost of CNG Sales	888,810,469	954,164,756
		978,366,356	1,049,015,763
26.01	Cost of CNG Conversion	89,555,887	94,851,007
	This is made up as follows:		
	Opening Balance of Conversion Materials	546,479,471	566,979,997
	Add: Purchase during the year	65,262,216	66,369,137
	Available for Consumption	611,741,687	633,349,134
	Less: Closing Balance of Conversion Materials	526,543,446	546,479,471
	Conversion Materials Consumed	85,198,241	86,869,663
	Add: Wages and Salaries	4,357,646	7,981,344
	Cost of CNG Conversion	89,555,887	94,851,007
26.02	Cost of CNG Sales	888,810,469	954,164,756
	This is made up as follows:		
	CNG Gas (Including VAT)	774,881,446	849,088,321
	LPG Gas (Including VAT)	10,893,036	-
	Electricity & Fuel	67,315,795	63,026,187
	Land Rent	411,000	435,250
	Station Direct Expenses	35,309,192	41,614,998
		888,810,469	954,164,756
27.00	Administrative and Selling Expenses	169,061,733	252,099,369
	This is made up as follows:		
	Salary & Allowances	73,658,771	152,182,471
	Gratuity Expenses	19,115,065	18,929,294
	Vehicle Maintenance	874,176	1,036,993
	Electricity Bill	2,990,673	2,906,161
	Rental Expenses	1,716,000	2,890,740
	Telephone & Mobile Bill	1,090,238	1,132,897
	Conveyance	1,484,842	3,186,592
	CDBL & Annual Listing Fee	791,286	685,286
	Electrical Expenses	202,098	98,249
	Entertainment	937,238	1,457,986
	Labour Charge	471,618	754,936
	Board Meeting Attendance Fee	170,000	190,000
	Medical Expenses	45,673	70,317
	Carrying Charge	277,566	210,735
	Consultancy Fees	560,000	390,000
	Mineral Water	629,064	525,032
	Annual General Meeting Expenses	80,000	70,680
	Miscellaneous Expenses	740,445	603,458
	Newspaper & Periodicals	91,095	134,355
	Office Maintenance	1,703,209	1,729,796
	Audit Fees	345,000	345,000
	Oil & Lubricants	2,456,257	3,005,192

			Amount in Taka	
			30.06.2021	30.06.2020
		Photocopy Expenses	16,849	49,593
		Postage & Stamp	253,920	190,156
		Uniform & Liveries	163,800	97,235
		Pringing Expenses	1,369,300	1,356,750
		Stationery Expenses	561,869	1,253,209
		Registration & Renewals	3,712,750	1,706,011
		TA / DA Expenses	1,020,749	1,106,389
		Security Guard	4,129,267	1,893,650
		Bank Charge	903,825	1,069,724
		Internet Expenses	949,770	936,449
		Repair & Maintenance	1,873,698	2,729,550
		Station fuel, gas & Toll Expenses for Mobile Lorry	-	7,541,132
		Advertisement	409,375	265,775
		Other Interest Expenses	1,645,377	1,723,817
		Depreciation of Right of use assets	8,401,178	1,594,228
		Depreciation	33,219,694	36,049,530
			169,061,733	252,099,369
28.00		Interest Expenses/Financial Expenses	7,048,429	7,320,594
		This is made up as follows:		
		Interest on Short Term Loan	6,332,198	6,397,723
		Interest on Lease Liability	716,231	922,871
			7,048,429	7,320,594
29.00		Other Income	7,117,629	8,230,095
		This is made up as follows:		
		Interest Income on FDR	1,175,818	1,387,155
		Interest Income on STD Account	1,633	922
		Dividend Income	96,084	96,084
		Income from Machine	3,877,901	-
		Commission Received	1,966,193	4,530,613
		Forfeited Amount Receivable from Employees Provident Fund	-	2,215,321
			7,117,629	8,230,095
30.00		Income Tax Expenses	3,439,957	9,982,704
		This is made up as follows:		
	30.01	Current Tax	11,332,021	14,407,830
	30.02	Deferred Tax	(7,892,065)	(4,425,126)
			3,439,957	9,982,704
30.01		Calculatoin of Current Tax	11,332,021	14,407,830
		Current Tax Expenses (Higher of A,B & C)	11,332,021	14,407,830
		A) Income Tax on Regular Rate		
		Profit Before Tax	44,364,170	43,860,106
		Add: Disallowable Depreciation	33,219,693	36,049,530
		Add: Gratuity Provision	10,000,000	15,000,000
			87,583,863	94,909,636
		Less: Allowable Depreciation	28,104,259	33,349,024
		Less: Gratuity Paid	9,115,065	3,929,294
			50,364,539	57,631,318
		Current Tax @ 22.5%	11,332,021	14,407,830
		Total Current Tax Expenses	11,332,021	14,407,830

		Amount in Taka	
		30.06.2021	30.06.2020
B) Income Tax Paid at Source (U/S 82(c) (2))			
Tax Deducted by Customer		1,694,186	2,073,418
Tax Deducted at Source (Commission)		196,619	543,674
Tax Deducted at Source (Vehicle)		399,000	394,500
		2,289,805	3,011,592
C) Minimum Tax on Gross Receipt (U/S 82(c) (4) (a))			
Gross Receipt on Business Income and Other Income		1,202,728,057	1,355,335,081
Minimum Tax @ .60%		7,216,368	8,132,010
30.02 Deferred Tax Liability		37,334,264	45,153,010
This is made up as follows:			
Deferred Tax Temporary Difference	30.02.1	42,643,856	48,660,921
Deferred Tax on Unrealized Gain / Loss	30.02.2	315,408	242,089
Deferred Tax for Gratuity Provision	30.02.3	(5,625,000)	(3,750,000)
		37,334,264	45,153,010
30.02.1 Deferred Tax Temporary Difference		42,643,856	48,660,921
This is made up as follows:			
Acounting base WDV		753,851,655	780,252,030
Tax base WDV		564,323,406	585,608,347
Taxable Temporary Difference		189,528,249	194,643,683
Tax Rate		22.50%	25.00%
Deferred Tax Liabilities		42,643,856	48,660,921
Less: Opening Balance		48,660,921	49,336,047
Provision for Deferred Tax		(6,017,065)	(675,126)
Deferred Tax Expense / (Income) for the year (30.02.3)		(1,875,000)	(3,750,000)
		(7,892,065)	(4,425,126)
30.02.2 Deferred Tax on Unerealized Gain/(Loss)		315,408	242,089
This is made up as follows:			
Opening Balance		242,089	348,429
Add: For the year		73,319	(106,340)
		315,408	242,089
30.02.3 Deferred Tax for Gratuity Provision		(1,875,000)	(3,750,000)
This is made up as follows:			
Opening Provision		15,000,000	-
Add: During the year		10,000,000	-
Closing Provision		25,000,000	15,000,000
Applicable Rate		22.50%	25.00%
Closing Deferred Tax for Gratuity Provision		5,625,000	3,750,000
Less: Opening Deferred Tax for Gratuity Provision		(3,750,000)	-
Deferred Tax Expense/(Income) for the year		(1,875,000)	(3,750,000)
31.00 Earning Per Share (EPS)		0.22	0.90
		Profit Attributable to Shareholders	
		Number of Ordinary Shares	
Profit Attributable to Ordinary Shareholders		14,916,454	61,874,134
Number of Ordinary Shares used to Compute Earning Per Share		68,528,592	68,528,592
Earning Per Share		0.22	0.90

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

32.00 **Net Assets Value Per Share (NAVPS)**

Amount in Taka	
30.06.2021	30.06.2020
34.82	35.17

Total Asset-Total Liabilities

Number of Ordinary Shares

Net Asset Value

2,386,389,162 2,410,216,490

Number of Ordinary Shars used to Compute NAVPS

68,528,592 68,528,592

34.82 35.17

Decrease in Net Assets Value is due to decrease in Non-Current Assets.

33.00 **Net Operating Cash Flows Per Share (NOCFPS)**

Amount in Taka	
30.06.2021	30.06.2020
1.02	1.89
Net Operating Cash Flows	
Number of Ordinary Shares	
69,709,266	129,668,790
68,528,592	68,528,592
1.02	1.89

Net Operating Cash Flows

Number of Ordinary Shares used to Compute NOCFPS

Net Operating Cash Flows Per Share

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

34.00 **Reconcillation of Cash Flows from Operating Activities under Indirect Method:**

Net Profit/(Loss) before Interest & Income Tax & WPPF during the year

55,276,184 55,097,521

Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:

Interest on Lease

716,231 922,871

Payment of Lease Liability

(7,524,600) (9,226,650)

Depreciation

41,620,871 37,643,759

Income Tax Paid during the year

(7,312,840) (9,730,432)

Changes in Current Assets and Liabilities:

Decrease/(Increase) in Inventories

23,317,561 15,729,849

Decrease/(Increase) in Trade Receivables

(6,248,860) (21,781,676)

Decrease/(Increase) in Advance and Pre-payments

28,145,931 (14,010,148)

Decrease/(Increase) in Payables & Accruals

(58,281,211) 75,023,697

Net Cash Flow from Operating Activities

69,709,266 129,668,790

Total Cash Flow from Operating Activities- Indirect Method

69,709,266 129,668,790

Total Cash Flow from Operating Activities- Direct Method

69,709,266 129,668,790

Difference

- -

*Details in the Statement of Cash Flow

35.00 **Information about Reportable Segements**

Information related to each reportable segment is setout below:

Amount in Taka	
30.06.2021	30.06.2020

35.01 Segment wise Financial Position as at 30th June, 2021

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-Current Assets			
Property, Plant & Equipments	226,155,498	527,696,159	753,851,657
Right of Use Asset	1,720,625	4,014,791	5,735,416
Investment in Subsidiaries	854,983,298	-	854,983,298
Long Term Security Deposit	6,473,885	25,895,539	32,369,424
Investment in Shars	3,259,076	-	3,259,076
Total Non-Current Assets	1,092,592,381	557,606,489	1,650,198,871
Current Assets			
Inventories	531,960,252	-	531,960,252
Accounts Receivables	67,704,587	101,556,881	169,261,468
Advances, Deposits & Pre-payments	92,571,162	18,897,803	111,468,965
Inter Company Receivables	653,606,422	-	653,606,422
Inter Unit Balances	-	607,039,478	-
Cash & Cash Equivalents	25,072,561	37,608,841	62,681,402
Total Current Assets	1,370,914,984	765,103,003	1,528,978,509
Total Assets	2,463,507,365	1,322,709,492	3,179,177,380
Equity and Liabilities			
Capital and Reserves			
Share Capital	685,285,920	-	685,285,920
Tax Holiday Reserve	180,618,848	-	180,618,848
Fair Value Reserve	2,838,668	-	2,838,668
Other Reserve	828,897	1,243,346	2,072,243
Retained Earnings	303,112,995	1,212,451,980	1,515,564,975
Total Equity	1,172,685,328	1,213,695,326	2,386,380,654
Non-Current Liabilities			
Deferred Tax Liabilities	14,933,706	22,400,558	37,334,264
Lease Liability	1,033,209	2,410,821	3,444,029
Long Term Loan	138,500,000	-	138,500,000
Total Non-Current Liabilities	154,466,915	24,811,379	179,278,292
Current Liabilities			
Short Term Loans	63,237,802	-	63,237,802
Provision for Income Tax	12,368,424	18,552,635	30,921,059
Inter Company Payables	355,543,204	-	355,543,204
Inter Unit Balances	607,039,478	-	-
Unclaimed Dividend Acocunt	42,554,496	-	42,554,496
Payables and Accruals	72,757,123	48,504,749	121,261,872
Total Current Liabilities	1,153,500,526	67,057,384	613,518,433
Total Liabilities	1,307,967,441	91,868,763	792,796,726
Total Equity and Liabilities	2,480,652,769	1,305,564,089	3,179,177,380

Amount in Taka	
30.06.2021	30.06.2020

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

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

Particulars	Conversion Workshop	CNG Station	Total
Revenue	225,761,242	969,849,186	1,195,610,428
Less: Cost of Sales	89,555,887	888,810,469	978,366,356
Gross Profit	136,205,355	81,038,717	217,244,072
Less: Administrative & Selling Exp.	101,437,039	67,624,694	169,061,733
Less: Interest Expenses	7,048,429	-	7,048,429
Operating Profit	27,719,886	13,414,023	41,133,910
Add: Other Income	7,117,629	-	7,117,629
Less: Foreign Exchange Loss	1,669,160	-	1,669,160
Profit before Contribution to WPPF	33,168,355	13,414,023	46,582,379
Less: Contribution to WPPF	-	2,218,209	2,218,209
Profit before Tax	33,168,355	11,195,814	44,364,170
Add: Share of Profit from Subsidiaries	(10,403,104)	(15,604,655)	(26,007,759)
Less: Income Tax Expenses	1,375,983	2,063,974	3,439,957
Current Tax	4,532,808	6,799,213	11,332,021
Deferred Tax	(3,156,826)	(4,735,239)	(7,892,065)
Net Profit for year	21,389,267	(6,472,815)	14,916,454
Other Comprehensive Income:			
Unrealized Profit/Loss on Investment in Share	733,194	-	733,194
Deferred Tax Adjustment	(73,319)	-	(73,319)
	659,875	-	659,875
Total Comprehensive Income for the year	22,049,142	(6,472,815)	15,576,329

36.00	Revaluation Gain/(Loss) on Investment in Shares (Change in Fair Value of Marketable Securities)	733,194	(1,063,401)
	Closing Balance of Marketable Securities	3,259,076	2,525,882
	Opening Balance of Marketable Securities	2,525,882	3,589,283
		733,194	(1,063,401)
37.00	Related Party Transactions		

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

- (i) **Parent and Ultimate Controlling Party**
There is no such parent company as well as ultimate holding company/controlling party of the company.
- (ii) **Entities with joint control of, or significant influence over**
There is no joint control of, or significant influence over the Company.
- (iii) **Subsidiaries**
There are three subsidiary companies namely Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited of which 99.99% shares owned by the entity (company).
- (iv) **Associates**
There is no Associate Company of the entity (company).

(v) **Joint Venture in which the Entity is a Joint Venturer**

The Company has not entered into Joint Venture Agreement in which the company is a Joint Venturer.

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

(a) **Loans to Director**

During the year, no loan was given to the directors of Company

(b) **Key Management Personnel and their Compensation**

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

Particulars	Amount (Tk.) 30.06.2021	Amount (Tk.) 30.06.2020
Salary	73,658,771	152,182,471
Gratuity	19,115,065	18,929,294
Board Meeting Attendance Fee	170,000	190,000
Short Term Employee Benefits	-	-
Provision for Post Employment Benefits	39,047,205	37,211,256
Other Long Term Benefits	-	-
Termination Benefits	-	-
	131,991,041	208,513,021

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

(vii) **Other related party transactions**

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

Intra group Company Receivables/Payables

Name of Related Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding (Receivable/payable)	
			2021		2021	2020
			Dr.	Cr.		
Loan from Chairman	Director	Interest free loan	-	-	138,000,000	138,000,000
Navana Reale Estate Ltd.	Alliance Companies	Interest free loan	500,000	-	500,000	-
Navana Construction Ltd.	Alliance Companies	Interest free loan	10,000,000	-	10,000,000	-
Navana Construction Ltd.	Alliance Companies	Interest free loan	-	-	(3,000,000)	(3,000,000)
Navana Limited	Alliance Companies	Interest free loan	-	-	27,600,000	27,600,000
Navana Limited	Alliance Companies	Interest free loan	288,069,607	-	(80,543,204)	(368,612,811)

Inter Group Company Receivables/Payables

Name of Related Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2021		2021	2020
			Dr.	Cr.		
Navana LPG Limited	Subsidiaries	Working Capital	-	298,392,240	486,432,079	784,824,319
Navana Engineering Limited	Subsidiaries	Working Capital	-	-	(238,000,000)	(238,000,000)
Navana Engineering Limited	Subsidiaries	Working Capital	-	-	21,062,105	21,062,105
Navana Welding Electrode Ltd.	Subsidiaries	Working Capital	-	-	(33,000,000)	(33,000,000)
Navana Welding Electrode Ltd.	Subsidiaries	Working Capital	-	-	107,012,238	107,012,238
Board Meeting Fee	Director	Fee	170,000	-	170,000	190,000

38.00 **Payment / Perquisites to Directors**

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

39.00 Capital Expenditure Commitment

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

40.00 Contingent Assets

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

41.00 Contingent Liabilities

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

42.00 Foreign Earnings/Loss or Gain

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

L/C Number	Euro Rate		Euro Value	L/C Margin
296519020158	Costing Rate	95.17	65,721	646,073
	Final Payment Rate	104.05		
		-8.88	65,721	646,073
296519020159	Costing Rate	93.74	105,353	1,035,679
	Final Payment Rate	104.05		
		-10.30	105,353	1,035,679
Rest Margin	At the time value of Costing	At the time value of deferred L/C Final Payment		Foreign Exchange Loss/Gain
296519020158	6,254,470	6,838,073		(583,603)
296519020159	9,876,106	10,961,664		(1,085,558)
		Foreign Exchange Loss		(1,669,161)

43.00 Brokerage or Commission

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

44.00 Remittance of Dividend

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

45.00 Credit Facility not Availed

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

46.00 Attendance Status of Board Meeting of Directors

During the year there was 9 Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Duration Period	Meeting Held	Attended
Shafiul Islam	Chairman	July, 2020 to June, 2021	9	4
Khaleda Islam	Director		9	9
Saiful Islam	Director		9	7
Sajedul Islam	Managing Director		9	8
Farhana Islam	Director		9	5
Syed Masud Hasan	Independent Director		9	1
Md. Kausar Alam FCMA	Independent Director		9	-
Dr. Melita Mehjabeen	Independent Director		9	-

* Syed Masud Hasan, Independent Director has resigned on 03.01.2021

* Md. Kausar Alam FCMA and Dr. Melita Mehjabeen appointed as Independent Director on 04.01.2021. But they did not attend in the Board Meeting during the above period.

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

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

Monthly Salary Range	Head Office	Factory	No. of Employee
Above 3000	71	536	607
Below 3000	-	-	-

(B) Disclosure as per requirement of Schedule XI, Part II, Para 4
Payment/Perquisites to Directors and Officers

Name	Position	Meeting Attendance Fee	Amount (Tk.)
Shafiul Islam	Chairman	5,000	20,000
Khaleda Islam	Director	5,000	45,000
Saiful Islam	Director	5,000	35,000
Sajedul Islam	Managing Director	5,000	40,000
Farhana Islam	Director	5,000	25,000
Syed Masud Hasan	Independent Director	5,000	5,000
Md. Kausar Alam FCMA	Independent Director	5,000	-
Dr. Melita Mehjabeen	Independent Director	5,000	-
Total			170,000

* Syed Masud Hasan, Independent Director has resigned on 03.01.2021

* Md. Kausar Alam FCMA and Dr. Melita Mehjabeen appointed as Independent Director on 04.01.2021. But they did not attend in the Board Meeting during the above period.

During the year under review:

- (i) An amount of Tk. 350,000 per month has been paid to Managing Director of the Company as his remuneration.
- (ii) the rate at which Directors have drawn Board Meeting attendance fees @ Tk. 5,000/- per Director per meeting.
The total Board Meeting attendance fee incurred during the year under review was Tk.170,000./-;
- (iii) no amount of money was spent by the company for compensating any member of the board for special services rendered.

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

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

The details of trade receivable are given below:

Sl. No.	Particulars	Amount (Tk.) 30.06.2021	Amount (Tk.) 30.06.2020
1	Within 3 Months	108,022,669	104,034,646
2	Within 6 Months	25,321,516	24,386,686
3	Within 12 Months	31,939,639	30,760,480
4	More than 12 Months	3,977,644	3,830,796

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

There are no debts outstanding in this respect.

49.00 Disclosure in line with Instruction of Part of Schedule XI

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

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

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

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

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

(III) **Debt considered doubtful or bad**

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

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

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

(V) **Debt due by common management**

There is no debt under common management.

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

There is no such debt in this respect.

50.00 **Disclosure as per requirement of Schedule XI, Part II, Para 7**

Details of Production Capacity Utilization:

Particulars	Conversion Workshop	CNG Station (Qubic Metre)
Conversion and Gas Loading Capacity	4,500	47,181,180
Conversion and Gas Sales during the year	1,116	21,902,260
Capacity Utilization	25%	46%

51.00 **Disclosure as per requirement of Schedule XI, Part II, Para 8**

Value of import of Raw Materials under CIF basis as per requirement of Schedule XI

Particulars	Local Purchase (Tk.)	Import (Tk.)	Total Purchase (Tk.)	Consumption (Tk.) on Purchase	% of Consumption on Purchase
Materials (Raw and Packing)					
Component & Spare Parts	2,966,948	62,295,268	65,262,216	65,262,216	100%
Total					

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

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

53.00 Financial Instrument-Fair Values and Risk Management

53.01 Accounting Classifications and Fair Values

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

Reconciliation of Carrying Amount	Carrying Amount Tk. '000								
	Note	Held for Trading	Designated at Fair Value	Fair Value Hedging Instruments	Held to Maturity	Loans and Receivables	Available for Sale	Other Financial Liabilities	Total Amount
30.06.2021		-	-	-	-	-	-	-	-
Financial Assets measured at Fair Value		-	-	-	-	-	-	-	-
Equity Securities		-	-	-	-	-	-	-	-
Financial Assets not measured at Fair Value		-	-	-	-	-	-	-	-
Trade and Other Receivables		-	-	-	-	169,261	-	-	169,261
Investment in FDR		-	-	-	-	26,228	-	-	26,228
Tender/Security Deposit		-	-	-	-	3,160	-	-	3,160
Cash and Cash Equivalents		-	-	-	-	62,681	-	-	62,681
Investment in Subsidiaries		-	-	-	-	854,983	-	-	854,983
Total		-	-	-	-	1,116,313	-	-	1,116,313
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:		-	-	-	-	-	-	-	-
Employment Benefit		-	-	-	-	-	-	-	-
Short Term interest bearing loans		-	-	-	-	-	-	63,237	63,237
Long Term interest bearing loans		-	-	-	-	-	-	138,500	138,500
Finance Lease Liabilities		-	-	-	-	-	-	3,444	3,444
Trade and other payables		-	-	-	-	-	-	163,816	163,816
Other Non-Current Liabilities		-	-	-	-	-	-	179,278	179,278
Bank Overdraft		-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	548,275	548,275
30.06.2020		-	-	-	-	-	-	-	-
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-	-
Equity Securities		-	-	-	-	-	-	-	-
Financial Assets not measured at Fair Value:		-	-	-	-	-	-	-	-
Trade and Other Receivables		-	-	-	-	163,013	-	-	163,013
Investment in FDR		-	-	-	-	24,389	-	-	24,389
Tender/Security Deposit		-	-	-	-	1,759	-	-	1,759
Cash and Cash Equivalents		-	-	-	-	45,182	-	-	45,182
Investment in Subsidiaries		-	-	-	-	880,991	-	-	880,991
Total		-	-	-	-	1,115,334	-	-	1,115,334
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:		-	-	-	-	-	-	-	-
Employment Benefit		-	-	-	-	-	-	-	-
Short Term interest bearing loans		-	-	-	-	-	-	59,926	59,926
Long Term interest bearing loans		-	-	-	-	-	-	138,500	138,500
Finance Lease Liabilities		-	-	-	-	-	-	10,252	10,252
Trade and other payables		-	-	-	-	-	-	221,477	221,477
Other Non-Current Liabilities		-	-	-	-	-	-	139,905	139,905
Bank Overdraft		-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	570,060	570,060

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

The company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, investment in subsidiaries, investment, trade/security deposit, employment benefits, short term interest bearing loans,

53.02 Financial Risk Management Framework

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

53.02.1 Credit Risk, 53.02.2 Liquidity Risk 53.02.3 Market Risk.

53.02.1 Credit Risk

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

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

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

Management has a credit policy in place and the exposure to credit risk is monitor on an ongoing basis. As at 30th June, 2021, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to Credit Risk

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

	Amount in Taka	
	30.06.2021	30.06.2020
Non-Derivative Financial Assets:		
Accounts Receivable	169,261,468	163,012,608
Inter Company Receivables	202,934,343	191,434,343
Inter Company Balances to LPG	450,672,079	749,064,319
Advance to Suppliers	38,378,278	54,217,720
Advance against Employees	10,853,661	11,308,654
Security Deposits	3,160,453	1,759,815
Advance to Others	3,673,684	17,103,830
FDR	26,228,982	24,389,662
Cash at bank	31,822,697	15,298,345
Cash in Hand	4,629,723	5,494,151
	941,615,368	1,233,083,447

At 30th June, 2021 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

	Amount in Taka	
	30.06.2021	30.06.2020
Domestic	169,261,468	163,012,608
Foreign Receivable	-	-
	169,261,468	163,012,608

The ageing of Trade Receivable at the reporting date is as follows:

0 to 1 Months	70,869,777	68,253,379
More than 1 Months to 3 Months	37,152,892	35,781,267
More than 3 Months to 6 Months	25,321,516	24,386,686
More than 6 Months to 9 Months	17,298,522	16,659,889
More than 9 Months to 12 Months	14,641,117	14,100,591
Above 12 Months	3,977,644	3,830,796
	169,261,468	163,012,608

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

53.02.2 Liquidity Risk

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

Exposure to Liquidity Risk

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

30th June, 2021

				Contractual Cash Flows			
	Note	Carrying Amount	Total	2 months or less	2-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities:							
Short Term interest bearing loans	20.00	63,237,802	63,237,802	17,074,207	46,163,595	-	-
Long Term interest bearing loans	19.00	138,500,000	138,500,000	-	-	109,415,000	29,085,000
20% Convertible Zero Coupon Bonds		-	-	-	-	-	-
Finance lease liabilities		3,444,029	3,444,029	-	-	3,444,029	-
Trade and other payables	24.00	121,261,872	121,261,872	27,890,231	63,056,173	23,039,756	7,275,712
Inter Company Payables	22.00	355,543,204	355,543,204	-	-	355,543,204	-
Bank Overdraft		-	-	-	-	-	-
Non-Current Liabilities	-	179,278,293	179,278,293	30,477,310	93,224,712	41,234,007	14,342,263
		861,265,200	861,265,200	75,441,747	202,444,481	532,675,996	50,702,976
Derivative financial liabilities			-	-	-	-	-
		861,265,200	861,265,200	75,441,747	202,444,481	532,675,996	50,702,976

30th June, 2020

	In Taka	Contractual Cash Flows						
		Note	Carrying Amount	Total	2 months or less	2-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities:								
	Deferred Tax Liability	30.00	45,153,010	45,153,010	8,579,072	10,836,722	18,964,264	6,772,952
	Lease Liability	18.00	10,252,398	10,252,398	-	-	10,252,398	-
	Long Term Loan-Non-Current Portion	19.00	138,500,000	138,500,000	-	-	101,105,000	37,395,000
	Short Term interest bearing loans	20.00	5,996,638	5,996,638	1,319,260	4,677,378	-	-
	Inter Company Payables	22.00	642,612,811	642,612,811	-	-	642,612,811	-
	Trade and other payables	23.00	221,477,820	221,477,820	26,577,338	115,168,466	50,939,899	28,792,117
	Bank Overdraft		-	-	-	-	-	-
		1,063,992,677	1,063,992,677	36,475,671	130,682,566	823,874,372	72,960,068	
Derivative financial liabilities		-	-	-	-	-	-	-
		1,063,992,677	1,063,992,677	36,475,671	130,682,566	823,874,372	72,960,068	

53.02.3 Market Risk

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

(i) Interest Rate Risk

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

(ii) Currency Risk

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

54.00 Capital Management

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

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

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

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

Annexure-A

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

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2021
	Opening Balance 01.07.2020	Addition during the year	Total as on 30.06.2021		Opening Balance 01.07.2020	Charged during the year	Total as on 30.06.2021	
Land and Land Development	449,042,715	-	449,042,715	0%	-	-	-	449,042,715
Building & Shed	124,829,605	23,100	124,852,705	10%	76,332,040	4,850,045	81,182,085	43,670,620
Plant & Machinery	568,819,840	338,654	569,158,494	10%	382,005,683	18,698,348	400,704,031	168,454,463
Tools & Equipment	88,387,490	1,268,923	89,656,413	10%	42,629,409	4,612,818	47,242,227	42,414,186
Furniture & Fixtures	16,317,158	22,142	16,339,300	10%	10,366,529	596,539	10,963,068	5,376,232
Vehicles	85,565,384	5,166,500	90,731,884	10%	41,376,501	4,461,942	45,838,443	44,893,441
Total	1,332,962,192	6,819,319	1,339,781,511		552,710,162	33,219,692	585,929,854	753,851,657

Annexure-B

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

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2021
	Opening Balance 01.07.2020	Addition during the year	Total as on 30.06.2021		Opening Balance 01.07.2020	Charged during the year	Total as on 30.06.2021	
Right of Use Assets	15,730,822	-	15,730,822	0%	1,594,228	8,401,178	9,995,406	5,735,416
Total	15,730,822	-	15,730,822		1,594,228	8,401,178	9,995,406	5,735,416

Independent Auditor's Report

To

The Shareholders of NAVANA ENGINEERING LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **NAVANA ENGINEERING LIMITED**, which comprise the Statement of Financial Position as at June 30, 2021, and the Statement of Comprehensive Income, Statement of Changes in Shareholder's Equity and Statement of Cash Flows for the year then ended, June 30, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the company as at June 30, 2021, 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 for Opinion

We conduct 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) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified 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 for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have nothing to report on 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.

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 IFRSs, other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 judgments 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.

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 relevant notifications issues by, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

Place: Dhaka
Dated: October 21, 2021


Md. Nurul Hossain Khan FCA
Enrolment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants
DVC: 2111090240AS187190

Navana Engineering Limited
Statement of Financial Position
As at June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Assets			
Non-current assets			
Property, plant and equipment	4.00	1,288,458,941	1,371,978,888
Right of use assets	Anx-C	1,485,608	2,213,389
Intangible Assets	5.00	13,294,519	14,771,687
Capital Work-in- progress	6.00	351,475,361	316,488,083
Total Non-current assets		1,654,714,429	1,705,452,047
Current assets			
Inventories	7.00	1,033,520,476	1,026,441,779
Accounts receivables	8.00	474,369,885	402,953,105
Advances, deposits & prepayments	9.00	467,173,235	374,379,035
Inter-company receivables	10.00	294,430,000	298,000,000
Cash & Cash equivalents	11.00	2,872,910	5,442,488
Total Current assets		2,272,366,506	2,107,216,407
Total assets		3,927,080,935	3,812,668,454
Equity and liabilities			
Share capital	12.00	100,000,000	100,000,000
Tax holiday reserve		35,385,976	35,385,976
Retained earnings	13.00	298,940,508	382,893,584
Equity		434,326,484	518,279,560
Non Current liabilities		1,404,635,516	1,327,244,496
Deferred tax liability	14.00	33,205,889	64,281,787
Lease Liability		1,565,631	2,358,774
Long Term Loan- Net of current portion	15.00	1,074,863,996	965,603,935
Loan from Others		50,000,000	50,000,000
Loan from Parrent company		245,000,000	245,000,000
Current liabilities			
Long Term Loan- Current portion	15.00	489,134,589	457,915,910
Short-term loan	16.00	850,570,692	749,293,344
Current account with Aftab Automobiles limited		60,000,230	60,000,230
Intercompany Payable	17.00	525,338,081	534,338,081
Provision for income Tax	18.00	123,966,622	121,895,394
Payables & accruals	19.00	39,108,720	43,701,439
Total Current liabilities		2,088,118,935	1,967,144,398
Total Liabilities		3,492,754,451	3,294,388,894
Total Equity & Liabilities		3,927,080,935	3,812,668,454
Net assets value per share		43.43	51.83

The annexed notes 1 to 24 & annexure-A to C form an integral part of these financial statements.


Director


Director


Chief Financial Officer

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 21, 2021


Kazi Zahir Khan & Co.
Chartered Accountants

Navana Engineering Limited
Statement of Profit or Loss and other comprehensive income
For the year ended June 30, 2021

Particulars	Note	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Revenue (net)	20.00	345,204,712	696,863,366
Less: Cost of goods sold	21.00	253,391,694	465,629,657
Gross profit		91,813,018	231,233,709
Less: Administrative & selling expenses	22.00	58,653,636	63,387,241
Less: Interest expenses		146,117,128	159,949,135
Operating profit		(112,957,746)	7,897,332
Add: Other income		-	201,800
Profit before contribution to WPPF		(112,957,746)	8,099,132
Less: Contribution to WPPF		-	385,673
Net profit before tax holiday reserve		(112,957,746)	7,713,459
Less: Tax holiday reserve		-	-
Net profit before tax		(112,957,746)	7,713,459
Less: Income Tax Expenses	23.00	(29,004,670)	1,937,349
Current tax	23.01	2,071,228	4,182,391
Deferred tax	23.02	(31,075,898)	(2,245,042)
Profit after Tax		(83,953,076)	5,776,110
Add : Other comprehensive income/ loss		-	-
Add/Less : Deferred tax adjustment		-	-
Total Comprehensive Income for the year		(83,953,076)	5,776,110
Earnings per share		(8.40)	0.58

The annexed notes 1 to 24 & annexure-A to C form an integral part of these financial statements.


Director


Director


Chief Financial Officer

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 21, 2021


Kazi Zahir Khan & Co.
Chartered Accountants

Navana Engineering Limited
Statement of Changes in Equity
For the year ended June 30, 2021

Particulars	Share capital	Tax holiday reserve	Retained Earnings	Total
Balance at July 01, 2019	100,000,000	35,385,976	377,410,198	512,796,174
Adjustment for the application of IFRS-16 (Lease)			(292,724)	(292,724)
Total comprehensive income			5,776,110	5,776,110
Balance at June 30, 2020	100,000,000	35,385,976	382,893,584	518,279,560
 Balance at July 01, 2020	 100,000,000	 35,385,976	 382,893,584	 518,279,560
 Net profit/(Loss) for the year	 -	 -	 (83,953,076)	 (83,953,076)
Balance at June 30, 2021	100,000,000	35,385,976	298,940,508	434,326,484


Director


Director


Chief Financial Officer

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 21, 2021


Kazi Zahir Khan & Co.
Chartered Accountants

Navana Engineering Limited
Statement of Cash Flows
For the year ended June 30, 2021

Particulars	Amount in Taka	
	July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Cash flows from operating activities		
Receipts from customers	273,787,932	641,796,395
Receipts of other income	-	201,800
Payments for materials, services and expenses	(327,472,488)	(550,517,674)
	(53,684,556)	91,480,521
Income tax paid	(2,000,003)	(7,156,413)
Net cash Provided by operating activities	(55,684,559)	84,324,108
Cash flows from investing activities		
Payments for property, plant and equipment	(2,106,701)	(79,856,675)
Payments for intangible assets	-	(347,500)
Capital Work-in- progress	(34,987,278)	(10,052,760)
Net cash used in investing activities	(37,093,979)	(90,256,935)
Cash flows from financing activities		
Interest paid	(146,117,128)	(159,949,135)
Short term loan	101,277,348	(93,526,859)
Inter company receivable	3,570,000	22,000,000
Payment to Subsidiaries & Alliance companies	(9,000,000)	12,000,000
Term loan	140,478,740	214,216,058
Net cash inflows from financing activities	90,208,960	(5,259,936)
Net changes in cash and cash equivalents	(2,569,578)	(11,192,763)
Cash and cash equivalents at the beginning of the year	5,442,488	16,635,251
Cash and cash equivalents at the end of the year	2,872,910	5,442,488



Director



Director



Chief Financial Officer

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 21, 2021



Kazi Zahir Khan & Co.
Chartered Accountants

NAVANA ENGINEERING LIMITED

Notes to the Financial Statements for the year ended 30th June, 2021 Forming an Integral Part of the Financial Statements

1.00 Reporting Entity

1.01 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, 2021;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021;
- * Statement of Changes in Equity for the year ended 30th June, 2021;
- * Statement of Cash Flows for the year ended 30th June, 2021;
- * 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, 2020 to 30th June, 2021.

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 properly 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:

Category of Fixed Assets	Rate of Depreciation
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 Leases

IFRS 16 introduces a single, on balance sheet lease accounting model for leases. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemption for short-term leases and leases of low value items. Leasor accounting remains similar to the current standard-i.e. lessors continue to classify leases as finance or operating leases.

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

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

Any initial direct costs are also added to the amount capitalized. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement.

Contingent rents, if any, are charged as expenses in the periods in which they are incurred. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

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

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

The company has no operating leases.

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

3.03 Revenue Recognition (IFRS-15)

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

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

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

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

3.04 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.

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

3.05 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.

3.06 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.

3.07 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.

3.08 Liabilities and Basis of their Valuation

3.08.1 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.

3.08.2 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.

3.08.3 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.

3.09 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"

3.10 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".

3.11 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	Transaction Value		Outstanding (Receivable / Payable) as on June 30,2021	Outstanding (Receivable / Payable) as on June 30,2020
			Dr.	Cr.		
Navana CNG Limited	Parent Company	Working Capital	1,000,000	2,000,000	(22,062,105)	(21,062,105)
Navana Real Estate Limited	Alliance Companies	Interest Free Loan			(315,800,000)	(315,800,000)
Loan from Chairman	Director	Interest Free Loan			86,933,137	86,933,137
Navana Real Estate Limited	Alliance Companies	Interest Free Loan	12,956,514	19,119,090	2,398,538	8,549,240
Navana LPG Limited	Sister Concern	Interest Free Loan	10,000,000		(154,091,976)	(164,091,976)
Navana Construction Limited	Alliance Companies	Interest Free Loan			(33,384,000)	(33,384,000)
Navana CNG Ltd.	Parent Company	Working Capital			238,000,000	238,000,000
Aftab Automobiles Limited	Alliance Companies	Interest Free Loan	430,000		5,430,000	5,000,000
Navana Welding Electrode Limited	Sister Concern	Interest Free Loan		4,000,000	51,000,000	55,000,000
Board Meeting Fee	Director	Interest Free	100,000		100,000	100,000
Navana Construction Limited	Alliance Companies	Interest Free Loan	2,269,238	5,278,990	7,911,319	10,921,071
Navana Batteries Limited	Alliance Companies	Interest Free Loan	18,530,291	22,200,880	1,356,886	5,027,475

3.12 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.

3.13 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.

3.14 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.

Navana Engineering Limited

Notes to the financial statements

		Amount in Taka	
		June 30, 2021	June 30, 2020
4	Property, plant and equipment		
	Land and land development	515,883,508	515,883,508
	Building & Shed	293,769,819	326,410,910
	Plant & Machinery	413,780,078	457,755,417
	Tools & equipment	45,243,649	50,198,963
	Furniture & fixtures	2,926,045	3,001,376
	Motor vehicle	16,855,842	18,728,713
		1,288,458,941	1,371,978,888
	*An elaborate schedule of PPE are shown in annexure -A.		
5	Intangible Assets		
	Software System	13,294,519	14,771,687
		13,294,519	14,771,687
	*An elaborate schedule of Intangible Assets are shown in annexure -B.		
6	Capital work in progress		
	Opening Balance	316,488,083	329,121,569
	Add: Addition during the year	34,987,278	10,052,760
		351,475,361	339,174,329
	Less : Transfer to PPF	-	22,686,246
	Closing Balance	351,475,361	316,488,083
	Capital Work in progress represents land and land development, civil construction, Plant and mechineries etc for BMRE project at Gabtoli and Baligoan, Kaligonj.		
7	Inventories		
	Stock in raw materials	12,847,660	26,189,516
	Stock In Transit	104,109,919	134,689,366
	Work in process	154,241,103	125,241,103
	Closing finished goods	762,321,794	740,321,794
		1,033,520,476	1,026,441,779
8	Accounts receivables		
	Mymensing Zone	50,991,105	51,307,167
	Chattagram Zone	52,191,926	39,794,434
	Khulna Zone	37,481,773	32,063,534
	Rajshahi Zone	41,357,804	30,484,217
	Gazipur Zone	39,395,217	26,206,975
	Sylhet Zone	32,160,448	29,623,201
	Dhaka Zone	60,288,745	41,952,042
	Barishal Zone	52,322,378	40,382,227
	HDPE	53,183,165	33,174,730
	PPR	-	26,496,707
	Tender	3,150,158	3,255,558
	Navana Real state ltd.	2,398,538	8,549,240
	Corporate	6,308,014	5,056,309
	Navana Construction limited	7,911,318	10,921,071
	Navana Batteries limited	1,356,886	5,027,475
	Others	33,674,380	18,460,188
	Receivable from Employees' provident fund	198,030	198,030
		474,369,885	402,953,105

		Amount in Taka	
		June 30, 2021	June 30, 2020
9	Advances, deposits & prepayments		
	Advance for rent	18,927,478	18,927,478
	Advance for Tender	1,138,560	1,138,560
	Advance Income Tax	168,227,000	166,226,997
	Advance Bank Guarantee	5,279,824	5,279,824
	Clearing & forwarding agent	1,351,023	1,351,023
	Jakshon international Ltd.	251,031	251,031
	Vat Current Account	-	12,284,160
	Rose vally International	340,470	340,470
	Advance against Suppliers	97,867,441	80,237,316
	Advance against others	122,388,307	57,194,762
	Advance against civil construction	51,402,101	31,147,414
		467,173,235	374,379,035
9.01	Advance Income Tax		
	Opening Balance	166,226,997	159,070,584
	Add: Addition during the year	2,000,003	7,156,413
		168,227,000	166,226,997
	Less : Adjustment during the year	-	-
	Closing Balance	168,227,000	166,226,997
10	Inter-company Receivables		
	Navana CNG Ltd.	238,000,000	238,000,000
	Aftab Automobiles Ltd.	5,430,000	5,000,000
	Navana Welding Electrode Ltd.	51,000,000	55,000,000
		294,430,000	298,000,000
11	Cash & Cash Equivalent		
	Cash in hand	250,878	140,704
	Cash at Banks	2,622,032	5,301,784
		2,872,910	5,442,488
11.01	Cash at banks		
	Al- Arafah Islami Bank	6,789	4,567
	Islami Bank Bangladesh Ltd.	454,665	1,423,689
	Shahjalal islami Bank Ltd.	3,450	5,632
	Southeast Bank Ltd	70,647	135,048
	Standard Bank Limited	294,548	299,728
	Dutch Bangla Bank Ltd.	1,040,336	2,380,678
	One Bank Ltd.	-	513
	Mutual Trust Bank Ltd.	94,724	87,398
	Trust Bank Ltd.	82,542	-
	Mercantile Bank Ltd.	2,710	2,710
	IFIC Bank Ltd.	110,382	110,382
	Pubali Bank Ltd.	416,017	808,246
	Bank Asia Ltd.	5,000	5,000
	Bangladesh Commerce Bank Ltd.	17,680	18,485
	First Security islami Bank Ltd.	3,623	5,233
	Agrani Bank Limited	6,378	7,068
	Premier Bank Ltd.	12,541	7,407
		2,622,032	5,301,784

		Amount in Taka	
		June 30, 2021	June 30, 2020
12	Authorized Capital:		
	50,000,000 Ordinary Shares @ Tk. 10 each	500,000,000	500,000,000
	Issued, Subscribed and Paid-up Capital		
	10,000,000 Ordinary Shares @ Tk. 10 each	100,000,000	100,000,000
	Navana CNG Limited	99,999,950	99,999,950
	Non -controlling interest (Sponsors)	50	50
		100,000,000	100,000,000
		Amount in Taka	
		June 30, 2021	June 30, 2020
13	Retained earnings		
	Opening balance	382,893,584	377,410,198
	Adjustment for the application of IFRS-16 (Lease)	-	(292,724)
	Add: Net profit for the year	(83,953,076)	5,776,110
	Closing balance	298,940,508	382,893,584
14	Calculation of Deferred tax:		
	Deferred tax for temporary difference	14.01 33,205,889	64,281,787
		33,205,889	64,281,787
14.01	Deferred tax for temporary difference of PPE		
	Accounting Base WDV	1,301,753,460	1,386,750,576
	Tax Base WDV	965,546,365	1,076,357,828
	Temporary difference	336,207,095	310,392,747
	Less: Unabsorbed Depreciation	(225,520,798)	(112,602,633)
	Taxable temporary difference	110,686,297	197,790,115
	Tax rate	30.0%	32.5%
	Deferred tax liabilities	33,205,889	64,281,787
	Less: Opening balance	64,281,787	66,526,829
	Current deferred tax	(31,075,898)	(2,245,042)
15	Long Term Loan-Net of current portion		
	One Bank Limited, Gulshan Br.	1,396,152,550	1,259,741,868
	Mutual Trust Bank limited	-	2,698,555
	Standard Bank Limited	80,912,898	74,146,285
	Due to Director (15.01)	86,933,137	86,933,137
		1,563,998,585	1,423,519,845
	Less: Long Term Loan- Current portion	489,134,589	457,915,910
	Long Term Loan-Net of current portion	1,074,863,996	965,603,935
15.01	Due to Director (Mr.Shafiul Islam, chairman)		
	Opening Balance	86,933,137	86,933,137
	Add: during the year	-	-
		86,933,137	86,933,137

This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman of the company.

Amount in Taka		
	June 30, 2021	June 30, 2020
16 Short-term loan		
One Bank Limited, Gulshan Br.	625,434,328	556,526,993
Shahjalal Islami Bank Limited, Gulshan Br.	225,136,364	192,766,351
	850,570,692	749,293,344
17 Inter Company Payable		
Navana CNG Ltd.	22,062,105	21,062,105
Navana Real Estate Ltd.	315,800,000	315,800,000
Navana LPG Ltd.	154,091,976	164,091,976
Navana Contruction Ltd.	33,384,000	33,384,000
	525,338,081	534,338,081
Amount in Taka		
	June 30, 2021	June 30, 2020
18 Provision for income tax		
Opening balance	121,895,394	117,713,003
Add: provision during the year	2,071,228	4,182,391
	123,966,622	121,895,394
Less: Tax paid/adjusted during the year	-	-
Closing balance	123,966,622	121,895,394
19 Payables & accruals		
Liabilities for Expenses	8,570,731	9,549,621
Workers profit participation fund	16,788,072	15,401,901
Sundry payables	13,749,917	18,749,917
	39,108,720	43,701,439
20 Revenue (net)		
HDPE Pipe	110,196,394	104,716,522
HDPE Fittings	657,848	1,423,321
PPR Pipe Fittings	1,042,591	1,309,171
PPR Pipe	2,016,699	8,048,813
uP V C Pipe	119,276,390	387,397,139
uP V C Pipe Fitting	3,015,472	30,852,320
Plastic Item	56,717,137	122,408,513
Gas stove	20,880,660	11,469,718
Sink	1,055,669	2,158,436
Battery container	17,178,313	13,839,370
Water pump	13,167,539	13,240,043
	345,204,712	696,863,366
21 Cost of goods sold		
Raw materials Consumed	21.01 186,012,602	429,991,149
Add: Factory overhead	21.02 118,379,092	143,130,777
	304,391,694	573,121,926
Add: Opening Work in Process	125,241,103	55,522,587
	429,632,797	628,644,513
Less : Closing Work in Process	154,241,103	125,241,103
	275,391,694	503,403,410
Add: opening finished goods	740,321,794	702,548,041
	1,015,713,488	1,205,951,451
Less: Closing finished goods	762,321,794	740,321,794
	253,391,694	465,629,657
21.01 Raw materials		
Opening stock of raw materials	26,189,516	93,419,828
Add: Purchased during the year	172,670,746	362,760,837
	198,860,262	456,180,665
Less: Closing stock of raw material	12,847,660	26,189,516
	186,012,602	429,991,149

21.02 Factory overhead

Amount in Taka		
	June 30, 2021	June 30, 2020
Salary & Allowances	4,707,155	4,662,295
Labour & wages	10,646,666	11,585,606
Gas for Generator & others	689,327	1,241,055
Electricity expenses	23,808,810	42,924,156
Factory Repair & maintenance	502,179	854,672
Loading & unloading expenses	1,873,578	1,959,889
Canteen expenses	624,100	657,064
Stationery exp.	734,612	754,411
Postage, Courier & mobile bill	138,669	311,590
Security service	54,000	27,000
Others Expenses	213,816	253,202
Conveyance	167,840	126,630
Office Maintenance	583,661	419,267
Fire insurance premium	3,951,627	3,276,924
Depreciation (Annexure-A)	68,501,317	72,791,005
Amortization (Annexure-B)	1,181,735	1,286,011
	118,379,092	143,130,777

22 Administrative and selling expenses

Salary & allowances	23,125,974	21,949,275
Audit Fee	57,500	57,500
ISO audit Fee	50,000	134,400
Bank charge	384,986	901,162
Board meeting attendance fee	100,000	100,000
Telephone & mobile bill	1,088,901	1,706,146
Conveyance	768,183	1,006,732
Electrical expense	24,951	30,650
Entertainment	655,830	938,836
Internet expenses	761,363	857,317
Transport Expenses	26,255	6,600
Miscellaneous expense	415,360	-
Newspaper & periodicals	1,000	800
Office maintenance	837,626	607,162
Distribution expenses	3,651,914	6,756,033
Photocopy expense	1,355	1,028
Postage & stamp	156,593	75,131
Printing & other expense	1,190,790	829,078
Professional & Consultancy fee	312,000	-
Stationary expense	270,941	228,491
Registration & renewals	1,137,897	998,851
Gas, Fuel & Diesel expenses	1,862,957	1,925,272
Vehicle maintenance	1,132,981	1,354,392
TA/DA Expense	366,779	1,149,510
Security & Cleaning Service	476,524	428,678
Advertisement	50,000	278,020
Electricity	116,260	116,260
Office/Depot rent	94,000	94,000
Other interest expenses	1,386,171	1,608,882
Depreciation of Right of use assets	727,782	727,782
Depreciation (Annexure-A)	17,125,329	18,197,751
Amortization (Annexure-B)	295,434	321,503
	58,653,636	63,387,241

		Amount in Taka	
		June 30, 2021	June 30, 2020
23	Income tax Expenses		
	Current tax	23.01 2,071,228	4,182,391
	Deferred tax	23.02 (31,075,898)	(2,245,042)
		(29,004,670)	1,937,349
23.01	Current tax		
	Current Tax Expenses (Higher of A, B & C)	2,071,228	4,182,391
		2,071,228	4,182,391
	A. Income Tax on Regular rate		
	Profit Before Tax	(112,957,746)	7,713,459
	Add: accounting Depreciation	85,626,646	90,988,756
	Add: accounting Amortization	1,477,169	1,607,514
		(25,853,931)	100,309,728
	Less: Tax base Depreciation	112,918,165	141,510,430
		(138,772,096)	(41,200,701)
	Unabsorbed Depreciation	112,918,165	41,200,701
	Taxable Business Income	-	-
	B) Income Tax Paid at Source (U/S 82(c)(2))		
	Tax deducted by Customer	1,957,003	1,178,375
	Tax deducted at source (Trade license)	-	3,000
	Tax deducted at source (Vehicle)	43,000	168,000
		2,000,003	1,349,375
	C) Minimum Tax on Gross Receipt (under section 82(c)(4)(a))		
	Gross receipt on Business income and Other Income	345,204,712	697,065,166
	Minimum Tax @ .60%	2,071,228	4,182,391
23.02	Deferred Tax		
	This is made up as follows:		
	Deferred Tax Liabilities	33,205,889	64,281,787
	Less : Opening Balance	64,281,787	66,526,829
	Current Deferred Tax	(31,075,898)	(2,245,042)
24	Reconciliation of Cash Flows from operating activities under indirect method:		
	Net profit/ (loss) before interest & income tax during the year	34,545,553	169,657,149
	Adjustments to reconcile net income to net cash provided by operating activities:		
	Int. on Lease Liabilities	172,857	240,878
	Payment of Lease	(966,000)	(1,116,000)
	Depreciation	87,831,597	93,324,052
	Income tax paid during the year	(2,000,003)	(7,156,413)
	Changes in current assets and liabilities :		
	Decrease/increase in inventories	(7,078,697)	(61,684,389)
	Increase/ Decrease in trade receivables	(71,416,780)	(55,066,971)
	Increase/Decrease in advance and prepayments	(90,794,197)	(44,312,741)
	Increase/Decrease in payable & accruals	(5,978,890)	(9,561,458)
		(55,684,559)	84,324,108
	Total cash flow from operating activities- Indirect Method*	(55,684,559)	84,324,108
	Total cash flow from operating activities- direct Method*	(55,684,559)	84,324,108
	Difference	-	-

* Details in the statement of cash flows

Navana Engineering Limited

Schedule of Property, Plant and Equipment As at June 30, 2021

Particulars	Cost			Rate of Dep	Depreciation		Written Down Value at 30.06.2021
	As at 01.07.2020	Addition dur. the year	As at 30.06.2021		As at 01.07.2020	Charged dur. the year	
Land and land development	515,883,508	-	515,883,508	0%	-	-	515,883,508
Building & Shed	431,633,339	-	431,633,339	10%	105,222,429	32,641,091	293,769,819
Plant & Machinery	653,180,936	1,807,736	654,988,672	10%	195,425,519	45,783,074	413,780,078
Tools & equipment	84,019,176	65,400	84,084,576	10%	33,820,213	5,020,714	45,243,649
Furniture & fixtures	4,307,783	233,565	4,541,348	10%	1,306,407	308,896	2,926,045
Motor vehicle	24,334,980	-	24,334,980	10%	5,606,267	1,872,871	16,855,842
Total	1,713,359,722	2,106,701	1,715,466,423		341,380,834	85,626,646	1,288,458,941

Depreciation Charged to :

TK

Cost of good sold
Administrative & selling Expenses

68,501,317
17,125,329
85,626,646

Schedule of Intangible Asset As at June 30, 2021

Particulars	Cost		Rate of Amr.	Amortization		Written Down Value at 30.06.2021
	As at 01.07.2020	Addition dur. the year		As at 01.07.2020	Charged dur. the year	
Software System	20,158,432	-	10%	5,386,745	1,477,169	13,294,519
Total	20,158,432	-		5,386,745	1,477,169	13,294,519

Amortization Charged to :

TK

Cost of good sold
Administrative & selling Expenses

1,181,735
295,434
1,477,169

Navana Engineering Limited
Schedule of Right of Use Assets
As at June 30, 2021

Particulars	Cost			Amortization			Written Down Value at 30.06.2021
	As at 01.07.2020	Addition dur. the year	As at 30.06.2021	As at 01.07.2020	Charged dur. the year	As at 30.06.2021	
Right of use assets	2,941,171	-	2,941,171	727,782	727,782	1,455,563	1,485,608
Total	2,941,171	-	2,941,171	727,782	727,782	1,455,563	1,485,608

Annexure-C

Independent Auditor's Report

To

The Shareholders of NAVANA WELDING ELECTRODE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **NAVANA WELDING ELECTRODE LIMITED**, which comprise the Statement of Financial Position as at June 30, 2021, and the Statement of Comprehensive Income, Statement of Changes in Shareholder's Equity and Statement of Cash Flows for the year then ended, June 30, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the company as at June 30, 2021, 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 for Opinion

We conduct 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) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified 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 for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have nothing to report on 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.

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 IFRSs, other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 judgments 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.

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 relevant notifications issues by, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Comprehensive Income, Profit and Loss Appropriation Account, related Revenue Accounts, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.



Md. Nurul Hossain Khan FCA
 Enrolment No: 0240
 Managing Partner
 KaziZahir Khan & Co.
 Chartered Accountants
 DVC: 2111090240AS146607

Place: Dhaka
 Dated: October 21, 2021

Navana Welding Electrode Limited

Statement of Financial Position

As at June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Assets			
Non-current assets			
Property, plant and equipment	4	270,350,854	285,872,855
Right of use assets	Anx-C	698,442	2,365,346
Intangible Assets	5	1,056,511	943,716
Total Non-Current assets		272,105,807	289,181,917
Current assets			
Inventories	6	199,546,621	114,551,016
Accounts receivables	7	38,029,377	45,641,919
Inter company Receivables	8	155,134,300	149,634,300
Advances, deposits & prepayments	9	112,019,677	71,303,282
Cash & Cash equivalent	10	101,109,723	104,863,083
Total current assets		605,839,698	485,993,600
Total assets		877,945,505	775,175,517
Equity and liabilities			
Equity			
Share capital	11	100,000,000	100,000,000
Retained earnings	12	263,756,584	181,659,650
Total equity		363,756,584	281,659,650
Non-current liabilities			
Term Loan	13	99,679,389	99,679,389
Lease Liability		730,544	2,224,890
Deferred tax liabilities	14.02	23,842,048	27,151,416
		124,251,981	129,055,695
Current liabilities			
Short-term loan	15	83,174,975	93,104,647
Inter company Payable	16	158,012,238	162,012,238
Provision for income tax	17	116,061,040	80,808,457
Payables & accruals	18	32,688,687	28,534,830
Total current liabilities		389,936,940	364,460,172
Total Liabilities		514,188,921	493,515,867
Total equity & liabilities		877,945,505	775,175,517
Net assets value per share		36.38	28.17

The annexed notes 1 to 22 & annexure-A to C form an integral part of these financial statements.



Director

Signed in term of our separate report of event date



Director



Chief Financial Officer



Kazi Zahir Khan & Co.
Chartered Accountants

Place: Dhaka
Dated: October 21, 2021

Navana Welding Electrode Limited
Statement of Profit or Loss and other comprehensive income
For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Revenue (net)		693,179,581	512,051,960
Less: Cost of sales	19	510,330,387	382,246,765
Gross profit		182,849,194	129,805,195
Less: Administrative and selling expenses	20	60,622,873	58,830,414
Less: Interest expenses		6,432,283	9,617,201
Operating profit		115,794,038	61,357,580
Add: Other income	21	4,049,215	4,519,432
Profit before contribution to WPPF		119,843,253	65,877,012
Less: Contribution to WPPF		5,706,822	3,137,001
Profit before tax		114,136,431	62,740,011
Less: Income tax expenses		31,943,215	17,744,071
Current tax	14.01	35,252,583	22,416,304
Deferred tax	14.02	(3,309,368)	(4,672,233)
Total Comprehensive Income for the year		82,193,216	44,995,940
Earnings per share		8.22	4.50

The annexed notes 1 to 22 & annexure-A to C form an integral part of these financial statements.



Director

Signed in term of our separate report of event date



Director



Chief Financial Officer



Kazi Zahir Khan & Co.
Chartered Accountants

Place: Dhaka
Dated: October 21, 2021

Navana Welding Electrode Limited

Statement of Changes in Equity

For the year ended June 30, 2021

Particulars	Share capital	Retained Earnings	Total
Balance at July 01, 2019	100,000,000	136,737,764	236,737,764
Adjustment for the application of IFRS-16 (Lease)		(74,054)	(74,054)
Net profit for the year	-	44,995,940	44,995,940
Balance at June 30, 2020	100,000,000	181,659,650	281,659,650
Balance at July 01, 2020	100,000,000	181,659,650	281,659,650
Adjustment for IFRS-16 (Lease)		(96,282)	(96,282)
Net profit for the year	-	82,193,216	82,193,216
Balance at June 30, 2021	100,000,000	263,756,584	363,756,584



Director

Signed in term of our separate report of event date



Director



Chief Financial Officer



Kazi Zahir Khan & Co.
Chartered Accountants

Place: Dhaka
Dated: October 21, 2021

Navana Welding Electrode Limited

Statement of Cash Flows

For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
A. Cash flows from operating activities			
Receipts from customers		700,792,123	510,731,049
Receipts of other income		4,049,215	4,519,432
Payments for materials, services and expenses		(651,073,827)	(442,856,711)
		53,767,511	72,393,770
Income tax paid		(28,447,285)	(15,654,916)
Net cash inflows by operating activities	22	25,320,226	56,738,854
B. Cash flows from investing activities			
Acquisition of property, plant and equipment		(2,991,631)	(12,802,957)
Payments for intangible assets		(220,000)	-
Net cash used by investing activities		(3,211,631)	(12,802,957)
C. Cash flows from financing activities			
Inter company receivable		(5,500,000)	(56,404,300)
Interest paid		(6,432,283)	(9,617,201)
Inter company payable		(4,000,000)	(15,000,000)
Short-term loan		(9,929,672)	12,365,051
Net cash inflows from financing activities		(25,861,955)	(68,656,450)
D. Net changes in cash and cash equivalents (A+B+C)		(3,753,360)	(24,720,553)
Cash and cash equivalents at the beginning of the year		104,863,083	129,583,636
E. Cash and cash equivalents at the end of the year		101,109,723	104,863,083



Director

Signed in term of our separate report of event date



Director



Chief Financial Officer



Kazi Zahir Khan & Co.
Chartered Accountants

Place: Dhaka
Dated: October 21, 2021

NAVANA WELDING ELECTRODE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021
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, 2021;

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30th June, 2021;

Statement of Changes in Equity for the year ended 30th June, 2021;

Statement of Cash Flows for the year ended 30th June, 2021;

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, 2020 to 30th June, 2021.

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:

Category of Fixed Assets	Rate of Depreciation
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 Leases

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

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

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

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

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

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

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

The company has no operating leases.

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

3.03 Revenue Recognition (IFRS-15)

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

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

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

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

3.04 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.

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

3.05 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.

3.06 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.

3.07 Cash and Cash Equivalents

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

3.08 Liabilities and Basis of their Valuation

3.08.1 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.

3.08.2 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.

3.08.3 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.

3.09 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".

3.10 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".

3.11 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	Transaction Value (Tk.)		Outstanding Receivable/ (Payable) as on June 30,2021	Outstanding Receivable/ (Payable) as on June 30,2020
			Dr.	Cr.		
Navana CNG Limited	Parent Company	Working Capital			(107,012,238)	(107,012,238)
Navana CNG Limited	Parent Company	Inter Company receivable			33,000,000	33,000,000
Navana Engineering Ltd.	Sister Concern	Interest Free Loan	4,000,000		(51,000,000)	(55,000,000)
Term Loan	Loan from Chairman	Interest Free Loan			(99,679,389)	(99,679,389)
Navana LPG Limited	Sister Concern	Inter Company receivable			76,500,000	76,500,000
Board meeting fee	Director	Interest Free Loan	100,000		100,000	105,000

Name of related Party	Relationship	Nature of Transaction	Transaction Value (Tk.)		Outstanding Receivable/ (Payable) as on June 30,2021	Outstanding Receivable/ (Payable) as on June 30,2020
			Dr.	Cr.		
Navana Limited	Alliance Company	Inter Company receivable			4,704,000	4,704,000
Navana Real Estate Ltd.	Alliance Company	Inter Company receivable	500,000		11,730,000	11,230,000
Aftab Automobiles Ltd.	Alliance Company	Inter Company receivable			19,200,000	19,200,000
Navana Furniture Ltd.	Alliance Company	Inter Company receivable			5,000,000	5,000,000
Navana Construction Ltd.	Alliance Company	Inter Company receivable	5,000,000		5,000,000	-

3.12 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.

3.13 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.

3.14 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.

Navana Welding Electrode Limited
Notes to the financial statements

		Amount in Taka	
		June 30, 2021	June 30, 2020
4	Property, plant and equipment net		
	Land and land development	102,324,202	102,324,202
	Building & civil construction	57,793,718	64,215,242
	Plant & machinery	67,995,404	75,164,554
	Office equipment	6,122,065	5,938,435
	Furniture & fittings	4,010,362	3,403,079
	Electrical equipment	17,672,426	19,552,609
	Vehicles	14,432,677	15,274,734
		270,350,854	285,872,855
	*An elaborate schedule of PPE are shown in annexure -A.		
5	Intangible Assets		
	Software Syatem	1,056,511	943,716
		1,056,511	943,716
	*An elaborate schedule of intangible assets are shown in annexure -B.		
6	Inventories		
	Raw materials	94,123,802	54,516,783
	Work-in-process	12,887,572	2,887,572
	Finished goods	24,422,428	6,572,435
	Stock In Transit	58,589,161	39,690,453
	Spare parts	9,523,658	10,718,440
	Fuel	-	165,333
		199,546,621	114,551,016
7	Accounts receivables		
	Sylhet Zone	631,807	1,003,938
	Jessore Zone	1,509,932	1,695,924
	Kustia Zone	1,736,800	1,828,777
	Dhaka South zone	10,704,050	13,414,607
	Dhaka North zone	4,731,563	5,689,994
	Rajshahi Zone	990,968	867,752
	Rangpur Zone	850,564	483,195
	Chitta. South Zone	4,333,719	6,565,677
	Chitta. North Zone	2,531,751	4,215,394
	Barishal Zone	418,786	783,313
	Corporate	9,464,103	8,968,015
	Receivable from Employees'provident fund	125,333	125,333
		38,029,377	45,641,919
8	Inter company Receivables		
	Navana LPG Limited	76,500,000	76,500,000
	Navana CNG Limited	33,000,000	33,000,000
	Navana Limited	4,704,300	4,704,300
	Navana Furniture Limited	5,000,000	5,000,000

		Amount in Taka	
		June 30, 2021	June 30, 2020
	Navana Real Estate limited	11,730,000	11,230,000
	Navana Contruccion Ltd.	5,000,000	-
	Aftab Automobiles Ltd.	19,200,000	19,200,000
		155,134,300	149,634,300
9	Advances, deposits & prepayments		
	Advance Income Tax	89,460,939	61,013,654
	Advance to Suppliers	4,132,039	1,411,974
	Earnest Money & Security Deposit	1,503,375	1,560,300
	Security Deposit Bangladesh Railway	125,000	125,000
	Advance House Rent	150,000	347,123
	Vat Account	15,295,348	5,625,744
	Advance against employee	1,172,976	1,120,927
	Advance against others	180,000	98,560
		112,019,677	71,303,282
9.01	Advance Income Tax		
	Opening Balance	61,013,654	45,358,738
	Add: Addition during the year	28,447,285	15,654,916
		89,460,939	61,013,654
	Less : Adjustment during the year	-	-
	Closing Balance	89,460,939	61,013,654
10	Cash & Cash equivalents		
	Cash in hand	1,727,839	1,318,281
	Cash at banks :		
	Fixed Deposit Receipt (FDR)	82,702,294	79,049,539
	Bank Balances	16,679,590	24,495,263
		101,109,723	104,863,083
10.01	The bank balances consists of :		
	Fixed Deposit Receipt (FDR) :		
	Shahjalal Islami Bank Ltd.	13,576,381	13,042,847
	Mercentile Bank Ltd.	37,913,690	36,094,198
	Standard Bank Ltd.	7,600,341	7,389,602
	State Bank of India Ltd.	23,611,882	22,522,892
		82,702,294	79,049,539
10.02	Bank Balances :		
	Al-Arafah Bank Ltd.	33,222	32,912
	Dutch Bangla Bank Ltd.	9,135,606	10,023,607
	Mercantile Bank Ltd.	390,045	391,345
	Prime Bank Ltd.	35,742	36,432
	Mutual Trust Bank Ltd.	2,895,656	4,103,637
	Bank Asia Ltd.	1,998,162	3,539,509
	Shahjalal Islami Bank Ltd.	591,781	1,134,888
	Standard Bank Ltd.	7,819	7,098
	Islami Bank Ltd.	640,051	555,532
	Sonali Bank Ltd.	9,981	640,419
	United commercial Bank Ltd.	51,580	3,769
	Jamuna Bank Ltd.	30,170	28,860
	State Bank of India	701,805	3,095,768
	IFIC Bank Ltd.	153,787	153,787
	Premier Bank Ltd.	4,183	747,700
		16,679,590	24,495,263

		Amount in Taka	
		June 30, 2021	June 30, 2020
11 Authorized Capital:			
50,000,000 Ordinary Shares @ Tk. 10 each		500,000,000	500,000,000
Issued, Subscribed and Paid-up Capital			
10,000,000 Ordinary Shares @ Tk. 10 each		100,000,000	100,000,000
Navana CNG Limited		99,999,950	99,999,950
Non -controlling interest (Sponsors)		50	50
		100,000,000	100,000,000
12 Retained earnings			
Opening balance		181,659,650	136,737,764
Adjustment for IFRS-16 (Lease)		(96,282)	(74,054)
Add: Total Comprehensive Income for the year		82,193,216	44,995,940
Closing balance		263,756,584	181,659,650
13 Term Loan			
Due to Director (13.01)		99,679,389	99,679,389
13.01 Due to Director (Mr.Shafiul Islam, chairman)			
Opening Balance		99,679,389	99,679,389
Add: during the year		-	-
		99,679,389	99,679,389
Less: Paid during the year		-	-
		99,679,389	99,679,389
This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman of the company.			
14 Income tax Expense			
Current tax	14.01	35,252,583	22,416,304
Deferred tax	14.02	(3,309,368)	(4,672,233)
		31,943,215	17,744,071
14 .01 Current Tax			
Current Tax Expenses (Higher of A, B & C)		35,252,583	22,416,304
		35,252,583	22,416,304
A. Income Tax on Regular rate			
Profit Before Tax		114,136,431	62,740,011
Add. Disallowable Depreciation		18,513,631	19,987,472
Add. Disallowable Amortization		107,205	104,857
Add. Gratuity provision		4,000,000	9,700,000
		136,757,268	92,532,341
Less: Allowable Depreciation		18,405,815	22,339,043
Less: Allowable Amortization		145,696	71,392
Less: Gratuity paid		697,148	1,148,662
		117,508,609	68,973,243
Current Tax @ 30%		35,252,583	22,416,304
Current Tax		35,252,583	22,416,304

		Amount in Taka	
		June 30, 2021	June 30, 2020
B) Income Tax Paid at Source (U/S 82(c)(2))			
Tax deducted by Customer		3,438,476	3,605,401
Tax deducted at source (Vehicle)		135,000	46,500
		3,573,476	3,651,901
C) Minimum Tax on Gross Receipt (under section 82(c)(4)(a))			
Gross receipt on Business income and Other Income		697,228,796	516,571,392
Minimum Tax @ .60%		4,183,373	3,099,428
14.02 Deferred tax:			
Taxable temporary difference		27,952,048	30,303,916
Deferred tax for Gratuity Provision		(4,110,000)	(3,152,500)
		23,842,048	27,151,416
Accounting base WDV		271,407,365	286,816,570
Tax base WDV		178,233,872	193,573,752
Taxable temporary difference		93,173,493	93,242,818
Tax rate		30.0%	32.5%
Deferred tax liabilities		27,952,048	30,303,916
Less: Opening balance		30,303,916	31,823,649
Provision for deferred tax		(2,351,868)	(1,519,733)
Deferred tax expense/(income) for the year	14.03	(957,500)	(3,152,500)
		(3,309,368)	(4,672,233)
14.03 Deferred Tax for Gratuity Provision			
Opening Provision		9,700,000	-
Add: During the period		4,000,000	-
Closing Provision		13,700,000	9,700,000
Applicable rate		30.0%	32.5%
Closing deferred tax for gratuity provision		(4,110,000)	3,152,500
Less: Opening deferred tax for gratuity provision		(3,152,500)	-
Deferred tax expense/(income) for the year		(957,500)	(3,152,500)

		Amount in Taka	
		June 30, 2021	June 30, 2020
15 Short-term loan			
Shahjalal Islami bank Ltd.		72,422,594	93,104,647
State Bank of India		10,752,381	-
		83,174,975	93,104,647
16 Inter company payable			
Navana CNG Limited		107,012,238	107,012,238
Navana Engineering Limited		51,000,000	55,000,000
		158,012,238	162,012,238
17 Provision for income tax			
Opening balance		80,808,457	58,392,153
Add: Provision during the year		35,252,583	22,416,304
		116,061,040	80,808,457
Less: Tax paid/adjusted during the year		-	-
Closing balance		116,061,040	80,808,457
18 Payables & accruals			
Liabilities for Expenses		8,042,280	13,742,280
Workers profit participation fund		16,737,253	10,119,662
Sundry payables		7,141,652	3,905,386
Provision for doubtful debts		767,502	767,502
		32,688,687	28,534,830
19 Cost of goods sold			
Raw materials	19.01	468,502,937	318,309,040
Factory overhead	19.02	57,163,122	46,096,376
Direct Labour		12,514,321	8,514,711
		538,180,380	372,920,127
Add: Opening Work in Process		2,887,572	12,664,217
		541,067,952	385,584,344
Less: Closing Work in Process		12,887,572	2,887,572
		528,180,380	382,696,772
Add: opening stock of finished goods		6,572,435	6,122,428
		534,752,815	388,819,200
Less: Closing stock of finished goods		24,422,428	6,572,435
		510,330,387	382,246,765

		Amount in Taka	
		June 30, 2021	June 30, 2020
19.01	Raw materials		
	Opening stock of raw materials	54,516,783	43,889,363
	Add: Purchase for the year	508,109,956	328,936,460
		562,626,739	372,825,823
	Less: Closing stock of raw materials	94,123,802	54,516,783
		468,502,937	318,309,040
19.02	Factory overhead		
	Salary & Allowances	13,596,286	11,890,303
	Q.C Test	755,807	386,528
	Cleaning & Washing Exp	-	3,500
	Carrying charge	4,100	10,350
	Conveyance	68,566	117,370
	Subsidy to canteen	1,709,190	-
	Dress & Uniform	199,630	22,212
	Electrical Expenses	578,965	290,405
	Entertainment expenses	998,158	1,482,705
	Fuel Expenses	3,393,631	2,559,483
	Insurance expenses	184,950	-
	Labour Charge	49,700	10,750
	Medical Expenses	37,473	32,696
	Oil & Lubricant exp	768,308	205,846
	Paper & Periodical	-	2,530
	Stationery	199,517	44,860
	Spare Parts	7,104,934	4,982,220
	Repair & Maintenance	1,904,675	1,149,699
	Office Maintenance	600,973	580,712
	Telephone & Mobile Bill	95,830	78,938
	Electricity bill	9,766,126	5,527,779
	Security guard bill	249,634	643,627
	Depreciation (Annexure-A)	14,810,905	15,989,977
	Amortization (Annexure-B)	85,764	83,886
		57,163,122	46,096,376
20	Administrative and Selling expenses		
	Salary & Allowances	26,676,370	22,788,086
	Gratuity expenses	4,697,148	10,848,662
	Conveyance	2,620,814	2,031,535
	Daily Allowance	1,418,543	1,254,765
	Electricity bill	353,184	213,488
	Entertainment	813,782	902,159
	Gas Bill	6,825	20,925
	Internet bill	489,317	355,025
	Labor expenses	1,863,638	1,655,349
	Board meeting attendance fee	100,000	105,000
	Telephone & Mobile Bill	750,752	625,283
	Paper & periodicals	15,000	8,166
	Office Rent	839,685	56,924
	Repair and Maintenance	2,526,454	1,991,497
	Office Maintenance	740,001	734,280
	Fuel & Lubricant Expenses	2,756,393	3,013,782
	Postage & Courier	42,144	36,712
	Printing expenses	344,274	178,678

Amount in Taka		
	June 30, 2021	June 30, 2020
Professional & Service fee	254,364	-
Stationery expenses	293,710	34,384
Registration & Renewal Exp	365,696	1,217,530
Service Charges	114,370	125,896
TA/DA Allowances	1,933,149	2,056,777
Audit Fee	57,500	57,500
Bank Charges	488,987	384,011
Bad debts	-	455,287
Transport expenses	1,885,040	802,560
Miscellaneous expenses	267,446	608,979
Other interest expenses	910,770	748,142
Business promotional expenses	2,264,707	951,369
Depreciation of Right of use asset	1,008,643	549,197
Depreciation (Annexure-A)	3,702,726	3,997,494
Amortization (Annexure-B)	21,441	20,971
	60,622,873	58,830,414
21 Other income		
Interest income on FDR	3,979,184	4,247,436
Interest income on STD Account	70,031	146,663
Forfeited amount Receivable from Employees' Provident Fund	-	125,333
	4,049,215	4,519,432
22 Reconciliation of Cash Flows from operating activities under indirect method:		
Net profit/ (loss) before interest & income tax during the year	127,186,305	76,242,355
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest on lease	267,887	74,413
Payment of lease liability	(1,200,255)	(838,120)
Depreciation exp.	19,629,480	20,641,526
Tax paid during the year	(28,447,285)	(15,654,916)
Changes in current assets and liabilities :		
Decrease/Increase in inventories	(84,995,604)	(27,280,532)
Increase/ Decrease in trade receivables	7,612,542	(1,320,911)
Increase/Decrease in advance and prepayments	(12,269,110)	(6,216,218)
Increase/Decrease in payable & accruals	(2,463,735)	11,091,257
	25,320,226	56,738,854
Total cash flow from operating activities- Indirect Method*	25,320,226	56,738,854
Total cash flow from operating activities- direct Method*	25,320,226	56,738,854
Difference	-	-

* Details in the statement of cash flows

Navana Welding Electrode Limited
Schedule of Property, plant and equipment

As at June 30, 2021

Annexure-A

Particulars	Cost		Rate of Dep	Depreciation		Written Down Value at 30.06.2021
	As at 01.07.2020	Addition dur. the year		As at 01.07.2020	Charged dur. the year	
Land and land development	102,324,202	-	0%	-	-	102,324,202
Building & civil construction	103,986,689	-	10%	39,771,447	6,421,524	57,793,718
Plant & machinery	156,562,296	368,820	10%	81,397,742	7,537,970	67,995,404
Office equipment	10,203,936	840,512	10%	4,265,501	656,882	6,122,065
Furniture & fittings	6,031,531	1,001,858	10%	2,628,452	394,575	4,010,362
Electrical equipment	40,405,706	80,441	10%	20,853,097	1,960,624	17,672,426
Vehicles	23,743,625	700,000	10%	8,468,892	1,542,057	14,432,677
Total	443,257,985	2,991,631		157,385,131	18,513,631	270,350,854

Depreciation Charged to :

Cost of good sold
 Administrative & selling Expenses

TK

14,810,905
 3,702,726
18,513,631

Navana Welding Electrode Limited

Schedule of Intangible asset

As at June 30, 2021

Particulars	Cost		Rate of Amr.	Amortization		Written Down Value at 30.06.2021
	As at 01.07.2020	Addition dur. the year		As at 01.07.2020	Charged dur. the year	
Software system	1,547,700	220,000	10%	603,984	107,205	1,056,511
Total	1,547,700	220,000		603,984	107,205	1,056,511

Amortization Charged to :	TK
Cost of good sold	85,764
Administrative & selling Expenses	21,441
	107,205

Schedule of Right of Use Assets

As at June 30, 2021

Particulars	Cost			Rate of Amr.	Depreciation		Written Down Value at 30.06.2021
	As at 01.07.2020	Addition dur. the year	Adjustment		As at 01.07.2020	Charged dur. the year	
Right of use assets	2,914,542	-	658,261		549,197	1,008,643	698,442
Total	2,914,542	-			549,197	1,008,643	698,442

Independent Auditor's Report

To
The Shareholders of NAVANA LPG LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **NAVANA LPGLIMITED**, which comprise the Statement of Financial Position as at June 30, 2021, and the Statement of Comprehensive Income, Statement of Changes in Shareholder's Equity and Statement of Cash Flows for the year then ended, June 30, 2021 and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the company as at June 30, 2021, 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 for Opinion

We conduct 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) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified 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 for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have nothing to report on 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.

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 IFRSs, other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 judgments 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.

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, Other applicable laws & Regulation. We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.

Place: Dhaka
Dated: October 21, 2021



Md. Nurul Hossain Khan, FCA
Membership No.-0240
Kazi Zahir Khan & Co.
Chartered Accountants
DVC : 2111080240AS113498

Navana LPG Limited
Statement of Financial Position
As at June 30, 2021

Particulars	Notes	Amount in Taka	
		June 30, 2021	June 30, 2020
Assets :			
Non- current assets			
Property, plant and equipment	4	3,936,987,679	4,299,016,262
Intangible Assets	5	7,254,244	8,060,271
Right of use assets	Anx-C	93,819	1,219,645
Capital Work-in-progress	6	617,410,057	662,448,307
Long-term security deposit	7	10,828,092	10,828,092
Deferred tax assets	8	388,566,864	284,383,695
Total Non-current assets		4,961,140,755	5,265,956,272
Current assets			
Inventories	9	746,720,574	518,325,186
Accounts receivable	10	415,523,657	250,043,439
Advance against land		15,000,000	15,000,000
Other receivables		195,125,054	194,847,420
Inter/Sister company receivable	11	661,527,810	530,527,810
Advances, deposits & prepayments	12	456,917,776	364,993,403
Cash & Bank Balances	13	19,272,779	4,762,378
Total current assets		2,510,087,650	1,878,499,636
Total assets		7,471,228,405	7,144,455,908
Equity & Liabilities :			
Equity			
Share Capital	14	1,000,000	1,000,000
Retained earnings	15	(157,776,703)	(133,527,590)
Total Equity		(156,776,703)	(132,527,590)
Non-current Liabilities			
Lease Liabilities		116,851	1,453,038
Security Retention Money		591,239,387	650,239,387
Long Term Loan- Net of current portion	16	3,524,556,065	3,269,078,284
		4,115,912,303	3,920,770,709
Current liabilities			
Long Term Loan- Current portion	16	871,718,143	780,704,939
Short term Loan	17	1,886,466,935	1,523,886,074
Provision for income tax	18	58,452,236	41,711,122
Inter company payable	19	665,804,779	964,197,019
Payables & accruals	20	29,650,712	45,713,635
Total Current liabilities		3,512,092,805	3,356,212,789
Total equity & Liabilities		7,471,228,405	7,144,455,908

The annexed notes 1 to 24 & annexure A to C from an integral part of these financial statements



Director


Director


Chief Financial Officer

Signed in terms of our separate report of even date.

Place : Dhaka
Dated: October 21, 2021


Kazi Zahir Khan & Co.
Chartered Accountants

Navana LPG Limited
Statement of Profit or Loss and other comprehensive income
For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Revenues (net)	21	2,790,185,645	3,372,032,537
Less: Cost of goods sold	22	2,299,986,554	2,779,210,122
Gross profit		490,199,091	592,822,415
Less: Administrative & selling expenses	23	213,572,897	246,777,978
Less: Interest expenses		388,317,362	476,717,691
Operating profit		(111,691,168)	(130,673,254)
Add: Other income		-	68,158
Profit before tax		(111,691,168)	(130,605,096)
Less: Income Tax Expenses		(87,442,056)	(107,828,664)
Current tax		16,741,114	20,232,195
Deferred tax		(104,183,170)	(128,060,859)
Profit after Tax		(24,249,113)	(22,776,432)

The annexed notes 1 to 24 & annexure A to C from an integral part of these financial statements

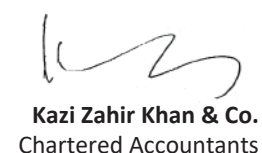

Director


Director

Signed in terms of our separate report of even date.


Chief Financial Officer

Place : Dhaka
Dated: October 21, 2021


Kazi Zahir Khan & Co.
Chartered Accountants

Navana LPG Limited

Statement of Changes in Equity
For the year ended June 30, 2021

Particulars	Share capital	Retained Earnings	Total
Balance at July 01, 2019	1,000,000	(110,421,998)	(109,421,998)
Adjustment for the application of IFRS-16 (Lease)		(329,160)	(329,160)
Net profit/ Loss for the year	-	(22,776,432)	(22,776,432)
Balance at June 30, 2020	1,000,000	(133,527,590)	(132,527,590)
Balance at July 01, 2020	1,000,000	(133,527,590)	(132,527,590)
Net profit/ Loss for the year		(24,249,113)	(24,249,113)
Balance at June 30, 2021	1,000,000	(157,776,703)	(156,776,703)


Director


Director

Signed in terms of our separate report of even date.


Chief Financial Officer

Place : Dhaka
Dated: October 21, 2021


Kazi Zahir Khan & Co.
Chartered Accountants

Navana LPG Limited
Statement of Cash Flows
For the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
Cash flows from operating activities			
Receipts from customers		2,624,705,427	3,309,434,801
Other Received		-	68,158
Payments for materials, services and expenses		(2,471,021,465)	(2,875,133,160)
		153,683,962	434,369,799
Income tax paid		(31,149,735)	(36,758,997)
Net cash Provided by operating activities	24	122,534,227	397,610,802
Cash flows from investing activities			
Payments for property, plant and equipment		(12,323,268)	(180,226,499)
Payments for intangible assets		-	(7,690,400)
Capital Work-in- progress		-	(29,626,860)
Advance for LC margin		72,214,832	114,107,187
Other receivables		(277,634)	36,402
Net cash used in investing activities		59,613,930	(103,400,170)
Cash flows from financing activities			
Inter company receivables		(131,000,000)	(134,550,000)
Interest paid		(388,317,362)	(476,717,691)
Inter company Payable		(298,392,240)	30,000,000
Long term loan		346,490,985	203,881,262
Short term loan		362,580,861	435,649,655
Security retension Money		(59,000,000)	(398,920,697)
Net cash inflows from financing activities		(167,637,756)	(340,657,471)
Net changes in cash and cash equivalents		14,510,401	(46,446,839)
Cash and cash equivalents at the beginning of the year		4,762,378	51,209,217
Cash and cash equivalents at the end of the year		19,272,779	4,762,378


Director


Director

Signed in terms of our separate report of even date.


Chief Financial Officer

Place : Dhaka
Dated: October 21, 2021


Kazi Zahir Khan & Co.
Chartered Accountants

NAVANA LPG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

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 Registered Office of the Company is located at 214/D, Tejgaon I/A, Dhaka-1208.

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, propene, 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 cylinder automotive, domestic, commercial and industrial use.

1.03 Components of Financial Statements

- * Statement of Financial Position as at 30th June, 2021;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021;
- * Statement of Changes in Equity for the year ended 30th June, 2021;
- * Statement of Cash Flows for the year ended 30th June, 2021;
- * 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, 2020 to 30th June, 2021.

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:

Category of Fixed Assets	Rate of Depreciation
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 Leases

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

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

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

IFRS 16 replaces existing leases guidelines, including **IAS 17** Leases, **IFRIC 4** Determining whether an Arrangement contains a lease, **SIC 15** Operating Leases -

incentive and **SIC -27** Evaluating the Substance of Transactions Involving the Legal Form of a lease.

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

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

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

The company has no operating leases.

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

3.03 Revenue Recognition (IFRS-15)

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

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

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

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

3.04 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.

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

3.05 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.

3.06 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.

3.07 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.

3.08 Liabilities and Basis of their Valuation

3.08.1 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.

3.08.2 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.

3.08.3 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.

3.09 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".

3.10 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".

3.11 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	Transaction Value		Outstanding Receivable / (Payable) as on June 30,2021	Outstanding Receivable / (Payable) as on June 30,2020
			Dr.	Cr.		
Navana Construction Ltd.	Alliance Companies	Interest Free Loan			7,500,000	7,500,000
Navana Engineering Ltd.	Sister Concern	Interest Free Loan		10,000,000	154,091,976	164,091,976
Aftab Automobiles Ltd.	Alliance Companies	Interest Free Loan	3,500,000	2,500,000	64,950,000	63,950,000
Navana Limited	Alliance Companies	Interest Free Loan	229,500,000	79,500,000	341,985,834	191,985,834
Navana Electronics Limited	Alliance Companies	Interest Free Loan			10,000,000	10,000,000
Navana Real Estate Ltd.	Alliance Companies	Interest Free Loan	3,500,000	14,500,000	80,000,000	91,000,000
Navana CNG Ltd.	Parent Company	Working Capital	298,392,240		(486,432,079)	(784,824,319)
Navana Welding Electrode Ltd.	Sister Concern	Interest Free Loan			(76,500,000)	(76,500,000)
Navana Limited	Alliance Companies	Interest Free Loan			(102,872,700)	(102,872,700)
Board Meeting Fee	Director	Interest Free	100,000		100,000	(115,000)
Navana Toyota 3s Centre	Alliance Companies	Interest Free Loan	4,000,000	3,000,000	3,000,000	2,000,000

3.12 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.

3.13 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.

3.14 General

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

Navana LPG Limited
Notes to the financial statements

		Amount in Taka	
		June 30, 2021	June 30, 2020
4	Property, plant and equipment		
	Land and land development	113,436,864	112,836,864
	Building & Shed	486,321,284	539,412,423
	Plant & Machinery	1,407,850,308	1,504,417,124
	Cylinder	1,809,150,997	2,010,167,774
	Tools & equipment	11,368,129	12,546,315
	Furniture & fixtures	5,680,378	6,311,531
	Motor vehicle	103,179,719	113,324,231
		3,936,987,679	4,299,016,262
	*An elaborate schedule of PPE are shown in annexure -A.		
5	Intangible Assets		
	Software System	7,254,244	8,060,271
		7,254,244	8,060,271
	*An elaborate schedule of Intangible Assets are shown in annexure -B.		
6	Capital work in progress		
	Opening Balance	662,448,307	939,992,307
	Add: Addition during the year	-	29,626,860
		662,448,307	969,619,167
	Less : Transfer to PPF	45,038,250	307,170,860
	Closing Balance	617,410,057	662,448,307
	Capital Work in progress represents land and land development, civil construction, Plant and mechnaries etc .		
7	Long-term security deposit		
	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
8	Deferred tax assets		
	Accounting base WDV	3,944,241,923	4,307,076,533
	Tax base WDV	5,239,464,804	5,182,103,286
	Taxable temporary difference	(1,295,222,881)	(875,026,753)
	Tax rate	30.00%	32.50%
	Deferred tax income	(388,566,864)	(284,383,695)
	Add/Less : Deferred tax adjustment	-	-
		(388,566,864)	(284,383,695)
	Less: Opening balance	(284,383,695)	(156,322,835)
	Current Deferred tax income	(104,183,170)	(128,060,859)

		Amount in Taka	
		June 30, 2021	June 30, 2020
9 Inventories			
Stock in raw materials		157,627,726	93,346,558
Goods in Transit		178,642,915	74,528,695
Closing finished goods		410,449,933	350,449,933
		746,720,574	518,325,186
10 Accounts receivables			
Channel Partners & Distribution		248,456,831	168,456,831
Corporate Customer		166,998,668	81,518,450
Receivable from Employees' provident fund		68,158	68,158
		415,523,657	250,043,439
11 Inter Company Receivables			
Navana Construction Ltd.		7,500,000	7,500,000
Navana Engineering Ltd.		154,091,976	164,091,976
Navana Electronics Ltd.		10,000,000	10,000,000
Navana Real Estate Ltd.		80,000,000	91,000,000
Navana Limited		341,985,834	191,985,834
Aftab Automobiles Ltd.		64,950,000	63,950,000
Navana Toyota 3s Centre		3,000,000	2,000,000
		661,527,810	530,527,810
12 Advances, deposits & prepayments			
LC Margin		52,436,220	124,651,052
Advance Income Tax	12.01	139,684,525	108,534,790
Advance Office Rent		-	1,513,200
Advance to employee		944,324	2,136,156
Advance to Suppliers		152,267,622	60,720,119
Advance against local procurement		1,585,372	837,449
Advance to Others		109,999,713	66,600,637
		456,917,776	364,993,403
12.01 Advance Income Tax			
Opening Balance		108,534,790	71,775,793
Add: Addition during the year		31,149,735	36,758,997
		139,684,525	108,534,790
Less : Adjustment during the year		-	-
Closing Balance		139,684,525	108,534,790
13 Cash & Cash Equivalent			
Cash in hand		842,601	685,564
Cash at Banks	13.01	18,430,178	4,076,814
		19,272,779	4,762,378

13.01 Cash at banks

Bank Asia Ltd. A/C # 00077 & 8922
City Bank Ltd. A/C # 97001
Dutch Bangla Bank Ltd. A/C # 8713
Shahjalal Islami Bank Ltd. A/C # 12865
Mutual Trust Bank Ltd. A/C # 3943
Agrani bank Ltd. A/C# 51584
Jamuna Bank Ltd. A/C # 6275
NCC Bank Ltd. A/C #33246
Rupali Bank Ltd. A/C # 10213
Sonali bank Ltd. A/c # 2482 & 5300
Southeast Bank Ltd.
National Bank Ltd.
Standard Bank Ltd. A/C#3003
Community Bank Ltd.
Trust Bank Ltd. A/C#5070
Janata Bank Ltd.A/C# 8540

14 Authorized Capital:

300,000,000 Ordinary Shares @ Tk. 10 each

Issued, Subscribed and Paid-up Capital 14.01

100,000 Ordinary Shares @ Tk. 10 each
Navana CNG Limited
Non -controlling interest (Sponsors)

14.01 Breakup of share Capital

Navana CNG Limited 99,995 shares of tk. 10 each
Mr. Shafiul Islam 1 share of tk. 10 each
Mr. Khaleda Islam 1 share of tk. 10 each
Mr. Saiful Islam 1 share of tk. 10 each
Mr. Sajedul Islam 1 share of tk. 10 each
Mr. Farhana Islam 1 share of tk. 10 each

15 Retained earnings

Opening balance
Adjustment for the application of IFRS-16 (Lease)
Add: Net profit for the year
Closing balance

16 Long Term Loan-Net of current portion

City Bank Limited, Gulshan Br.
Shahjalal Islami Bank Limited
Due to Director (16.01)

Less: Long Term Loan- Current portion
Long Term Loan-Net of current portion

Amount in Taka	
June 30, 2021	June 30, 2020
1,332,728	221,854
2,474,184	895,053
8,094,864	717,412
5,338	1,670,160
722,810	23,414
3,930,728	9,954
2,872	2,872
98,036	98,036
16,435	16,435
951,687	275,198
57,240	57,240
49,655	49,655
143	4,294
13,936	13,936
653,418	21,301
26,104	-
18,430,178	4,076,814
3,000,000,000	3,000,000,000
1,000,000	1,000,000
999,950	999,950
50	50
1,000,000	1,000,000
999,950	999,950
10	10
10	10
10	10
10	10
10	10
1,000,000	1,000,000
(133,527,590)	(110,421,998)
-	(329,160)
(24,249,113)	(22,776,433)
(157,776,703)	(133,527,590)
3,397,729,859	3,127,063,433
998,539,349	922,714,790
5,000	5,000
4,396,274,208	4,049,783,223
871,718,143	780,704,939
3,524,556,065	3,269,078,284

- 16.01** Due to Director (Mr.Shafiul Islam, chairman)
Opening Balance
Add: during the year

Amount in Taka	
June 30, 2021	June 30, 2020
5,000	5,000
-	-
5,000	5,000

This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman of the Company

17 Short-term loan

- City Bank Limited, Gulshan Br.
Shahjalal Islami Bank Limited, Gulshan Br.
Janata Bank Limited

629,478,851	597,535,198
1,054,712,001	926,350,876
202,276,083	-
1,886,466,935	1,523,886,074

18 Provision for income tax

- Opening balance
Add: provision during the year

Less: Tax paid/adjusted during the year
Closing balance

41,711,122	21,478,927
16,741,114	20,232,195
58,452,236	41,711,122
-	-
58,452,236	41,711,122

19 Inter Company payable

- Navana Welding Electrode Limited
Navana Limited
Navana CNG Limited

76,500,000	76,500,000
102,872,700	102,872,700
486,432,079	784,824,319
665,804,779	964,197,019

20 Payables & accrual

- Liabilities for Expenses
Sundry payables

19,549,558	20,338,232
10,101,154	25,375,403
29,650,712	45,713,635

21 Revenue (net)

- LPG 12 KG
LPG 33 KG
LPG 45 KG
Refill 12 KG LPG
Refill 33 KG LPG
Refill 45 KG LPG
Regulator High Pressure
Regulator Low Pressure
Stove double Burner
Stove Single Burner
LPG in Bulk
Less: VAT on Traffic value (General order no.05/VAT/2018)

Amount in Taka	
July 01, 2020 to June 30, 2021	July 01, 2019 to June 30, 2020
2,426,615	115,493,030
4,171,610	68,858,960
-	5,262,810
2,127,177,155	2,085,561,310
656,832,855	667,019,181
21,211,841	20,936,110
19,720	340
81,955	1,850
78,120	22,320
36,800	1,150
115,140,237	548,717,068
(136,991,263)	(139,841,592)
2,790,185,645	3,372,032,537

		Amount in Taka	
		June 30, 2021	June 30, 2020
22	Cost of goods sold		
	Raw materials Consumed	22.01 1,961,042,732	2,401,216,870
	Add: Factory overhead	22.02 398,943,822	393,090,838
		2,359,986,554	2,794,307,708
	Add: Opening Work in Process	-	-
		2,359,986,554	2,794,307,708
	Less : Closing Work in Process	-	-
		2,359,986,554	2,794,307,708
	Add: Opening finished goods	350,449,933	335,352,347
		2,710,436,487	3,129,660,055
	Less: Closing finished goods	410,449,933	350,449,933
		2,299,986,554	2,779,210,122
22.01	Raw materials		
	Opening stock of raw materials	93,346,558	17,933,954
	Add: Purchased during the year	2,025,323,900	2,476,629,474
		2,118,670,458	2,494,563,428
	Less: Closing stock of raw material	157,627,726	93,346,558
		1,961,042,732	2,401,216,870
22.02	Factory overhead		
	Salary & Allowances	13,626,665	11,905,026
	Labour & Wages	4,080,718	2,918,316
	Fuel & Lubricant	711,938	684,398
	Conveyance	63,794	101,900
	Entertainment	768,257	616,497
	Electricity bill	5,596,006	5,240,174
	Repair & Maintenance	2,258,453	1,172,456
	Loading & Unloading exp.	3,493,037	2,984,561
	Insurance Premium	10,484,830	7,799,387
	Security Service	7,626,328	7,492,231
	Jetty rent (Mongla Port)	11,256,228	7,667,251
	Subsidy to Canteen	820,164	769,523
	Stationery	143,597	246,241
	poatage, Courier & mobile bill	514,446	312,237
	Water Bill	154,044	236,538
	Other expenses	696,646	232,037
	Regitration & Renewal	491,769	-
	Depreciation (Annexure-A)	335,512,081	342,323,150
	Amortization (Annexure-B)	644,822	388,914
		398,943,822	393,090,838
23	Administrative and selling expenses		
	Salary & allowances	40,378,953	58,231,235
	Audit Fee	57,500	57,500
	Bank charge	423,605	765,524
	Board meeting attendance fee	100,000	115,000
	Telephone & mobile bill	1,413,733	1,410,505
	Conveyance	141,792	176,000
	Office Rent	645,710	532,119

Amount in Taka		
	June 30, 2021	June 30, 2020
Entertainment	192,006	986,974
Internet expenses	385,000	928,500
Newspaper & periodicals	-	15,896
Repair & Maintenance	1,155,528	1,119,012
Software Maintenance fee	96,000	2,050,500
Office maintenance	420,627	467,672
Medical Exp	153,043	148,613
Postage & stamp	28,495	105,770
Stationary expense	638,982	600,464
Registration & renewals	3,694,914	2,959,549
Fuel & Lubricant	349,069	429,817
Tours & Travelling Expense	2,095,288	1,299,404
Utility & service charge	3,072,107	2,203,480
Advertisement	2,395,000	2,421,869
Insurance	697,096	1,095,475
Loading & unloading expenses	3,025,087	3,653,731
Distribution expenses	65,862,275	74,281,130
Business promotional expenses	986,035	3,918,397
Depreciation of Right of use asset	1,125,826	1,125,826
Depreciation (Annexure-A)	83,878,020	85,580,788
Amortization (Annexure-B)	161,205	97,229
	213,572,897	246,777,978
24 Reconciliation of cash flows from operating activities under indirect method:		
Net profit/(loss) before interest & income tax during the year	276,626,194	346,112,595
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest on lease	66,031	180,625
Payment of lease liability	(1,402,218)	(1,402,218)
Depreciation & Amortization	421,321,954	429,515,907
Tax paid during the year	(31,149,735)	(36,758,997)
Changes in current assets and liabilities		
Decrease/ increase in inventories	(228,395,388)	(165,038,885)
Decrease/ increase in trade receivables	(165,480,218)	(62,597,736)
Decrease/ increase in advance and prepayments	(132,989,470)	(76,236,573)
Decrease/ increase in payables & accruals	(16,062,923)	(36,163,916)
	122,534,227	397,610,802
Total cash flow from operating activities- Indirect Method*	122,534,227	397,610,802
Total cash flow from operating activities- direct Method*	122,534,227	397,610,802
Difference	-	-

* Details in the statement of cash flows

Navana LPG Limited
Schedule of Property, plant and equipment
As at June 30, 2021

Annexure-A

Particulars	Cost		Rate of Dep.	Depreciation		Written Down Value at 30.06.2021
	As at 01.07.2020	As at 30.06.2021		As at 01.07.2020	Charged dur. the year	As at 30.06.2021
Land and land develop.	112,836,864	113,436,864	0%	-	-	113,436,864
Building & Shed	695,305,520	696,204,308	10%	155,893,097	53,989,927	486,321,284
Plant & Machinery	1,779,095,446	1,833,652,303	10%	274,678,322	151,123,673	1,407,850,308
Cylinder	2,431,423,301	2,431,423,301	10%	421,255,527	201,016,777	1,809,150,997
Tools & equipment	15,771,321	15,853,594	10%	3,225,006	1,260,459	11,368,129
Furniture & fixtures	7,700,131	7,700,131	10%	1,388,600	631,153	5,680,378
Vehicles	131,347,803	132,571,403	10%	18,023,572	11,368,111	103,179,719
Total	5,173,480,386	5,230,841,904		874,464,124	419,390,101	3,936,987,679

Depreciation Charged to :

Tk.

Cost of good sold	335,512,081
Administrative & selling Expenses	83,878,020
	<u>419,390,101</u>

Schedule of Intangible Asset
As at June 30, 2021

Annexure-B

Particulars	Cost		Rate	Amortization		Written Down Value at 30.06.2021
	As at 01.07.2020	As at 30.06.2021		As at 01.07.2020	Charged dur. the year	As at 30.06.2021
Software System	8,622,900	8,622,900	10%	562,629	806,027	7,254,244
Total	8,622,900	8,622,900		562,629	806,027	7,254,244

Amortization Charged to :

Tk

Cost of good sold	644,822
Administrative & selling Expenses	161,205
	<u>806,027</u>

Navana LPG Limited
Schedule of Right of Use Assets
As at June 30, 2021

Annexure-C

Particulars	Cost			Depreciation		Written Down Value at 30.06.2021
	As at 01.07.2020	Addition dur. the year	As at 30.06.2021	As at 01.07.2020	Charged dur. the year	As at 30.06.2021
Right of use assets	2,345,471	-	2,345,471	1,125,826	1,125,826	93,819
Total	2,345,471	-	2,345,471	1,125,826	1,125,826	93,819



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 17th Annual General Meeting of the Company to
be held on Thursday, 30 December 2021 at 11:30 am under Digital Platform and at any adjournment thereof.



Name of Shareholder Name of Proxy.....

No. of Shares held..... Signature of Proxy

B.O. A/C. No.

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 Date :.....

Signature of Shareholder Cell :.....

Signature Verified

Authorized signatory

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

Registered Office :
Islam Chamber, 125/A, Motijheel C/A, Dhaka, Bangladesh