

ANNUAL REPORT 2022



Navana CNG Limited

TRANSMITTAL LETTER

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-2022

Dear Sir(s),

Enclosed please find the 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 2022 along with notes thereon for your kind information and record.

Sincerely yours,

On behalf of Navana CNG Limited



(Nafis Ahmed)
Company Secretary

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CORPORATE INFORMATION

Board of Director

Chairman

Shafiul Islam

Managing Director

Sajedul Islam

Directors

Khaleda Islam

Saiful Islam

Farhana Islam

Independent Director

Md. Mustafizur Rahman

Md. Dilwar Hossain Bhuiyan

Company Secretary

Nafis Ahmed

Chief Financial Officer

Mostafa Zahid Ahmed

Head of Internal Audit and Compliance

Kazi Mahmudul Hoque

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, Gabtoli, Mirpur, Dhaka &

Kaliganj, Gazipur.

Navana Welding Electrode Limited

Mirzapur, Gazipur.

Navana LPG Limited

Mongla, Bagerhat.

Audit Committee

Md. Mustafizur Rahman

- Chairperson

Saiful Islam

- Member

Md. Dilwar Hossain Bhuiyan

- Member

Nomination and Remuneration Committee

Md. Dilwar Hossain Bhuiyan

- Chairperson

Saiful Islam

- Member

Md. Mustafizur Rahman

- 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	26th July 2009
Listing with Chittagong Stock Exchange Limited	2nd August 2009
Registered with Central Depository Participant (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)	2022
Face value per share	TK. 10/-
Authorized Capital	TK. 1,500,000,000/-
Paid-up Capital	TK. 719,550,210/-
No. of Securities (Shares)	71,955,021

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*.



ICMAB
INSTITUTE OF COST AND MANAGEMENT
ACCOUNTANTS OF BANGLADESH

Chairman
Corporate Award Committee

Secretary, ICMAB

President, ICMAB

Notice of The 18th Annual General Meeting

Notice is hereby given that the 18th Annual General Meeting (AGM) of the Shareholders of Navana CNG Limited will be held on Wednesday, 28 December 2022 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 2022 together with Auditors' Reports and Directors' Reports thereon.
02. To declare Dividend for the year ended 30 June 2022.
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 2023 and fix their remuneration.
06. To appoint Corporate Governance Compliance Auditors of the Company for the year 30 June 2023 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
05 December 2022

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. 20 November 2022 will be entitled to attend the AGM and receive dividend.
- b) Attendance to the AGM through log in confirmation under Digital Platform of AGM.
- 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-2022 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- 2022 will also be available in the Company's website at: www.navanacng.com.

MESSAGE FROM THE CHAIRMAN



Dear Shareholders,
Assalamu Alaikum,

It is my pleasure to place the Annual Report of Navana CNG Limited, for the year ended 30 June, 2022. On behalf of the Board of Directors, I would like to welcome you all at the 18th Annual General Meeting of the Company. I would also like to take the opportunity to share and exchange our thoughts and views on the performance of the company in the past years and the potentials and possibilities going forward.

During the year under review the performance of Navana CNG Limited is encouraging. The revenue has increase compared to last year due to incremental market demand of LPG conversion.

Steps have been taken to increase sale of the products of Navana Engineering Limited by changing product mix and introducing new products. Therefore, revenue has increased significantly during the year under review compared to last financial year.

The performance of another subsidiary company Navana Welding Electrode Limited is encouraging and the market share of its products is increasing day by day.

As far as Navana LPG Limited, another subsidiary of Navana CNG Limited, we would like to inform you that the LPG business is in good response in the market and hope turnover will increase in the coming financial year.

Finally, thanks to all my colleagues who have worked and continue to work very hard for the betterment & growth of the Company. I also express my deepest appreciations to you all, our business partners, suppliers, shareholders, regulatory authorities and other concern, for their confidence on us and valuable contribution to the company.

I wish the company every success and a sustainable future. Looking to the future, I am confident that we have the right strategic focus, people and resources to deliver continued growth in the years ahead.

A handwritten signature in dark ink, appearing to read 'Shafiqul Islam', with a stylized flourish at the end.

(Shafiqul Islam)
Chairman

চেয়ারম্যান এর বিবৃতি



প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম।

নাভানা সিএনজি লিমিটেডের ৩০ জুন, ২০২২ তারিখে সমাপ্ত বছরের জন্য বার্ষিক প্রতিবেদন পেশ করতে পেরে আমি আনন্দিত। পরিচালনা পর্ষদের পক্ষ থেকে আমি কোম্পানীর ১৮তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি। আমি বিগত বছর গুলিতে কোম্পানীর কর্মক্ষমতা এবং আগামী দিনের সম্ভাবনার বিষয়ে আমাদের চিন্তাভাবনা আপনাদের জানাতে চাই।

পর্যালোচনাধীন অর্থ বছরে নাভানা সিএনজি লিমিটেডের কর্মক্ষমতা উৎসাহব্যঞ্জক ছিল। যানবাহন এলপিগিজ রূপান্তরের ক্রমবর্ধমান বাজার চাহিদার কারণে বিগত বছরের তুলনায় কোম্পানীর রাজস্ব বৃদ্ধি পেয়েছে।

নাভানা ইঞ্জিনিয়ারিং লিমিটেড তার পণ্যের মিশ্রণ পরিবর্তন করে এবং পণ্য সারিতে নতুন পণ্য উপস্থাপনের মাধ্যমে পণ্যের বিক্রয় বৃদ্ধির পদক্ষেপ গ্রহণ করেছে। তারই ধারাবাহিকতায় বিগত অর্থ বছরের তুলনায় আলোচ্য বছরের রাজস্ব উল্লেখযোগ্য ভাবে বৃদ্ধি পেয়েছে।

নাভানা সিএনজি লিমিটেড এর সাবসিডিয়ারি প্রতিষ্ঠান নাভানা ওয়েল্ডিং ইলেকট্রোড লিমিটেডের কর্মক্ষমতা উৎসাহব্যঞ্জক এবং এর পণ্যের চাহিদা দিন দিন বৃদ্ধি পাচ্ছে।

নাভানা সিএনজি লিমিটেডের আরেকটি সাবসিডিয়ারি প্রতিষ্ঠান নাভানা এলপিগিজ লিমিটেড এর ব্যবসা বাজারে ভাল সাড়া পাচ্ছে এবং আশা করি আসন্ন অর্থ বছরে টার্ন-ওভার বৃদ্ধি পাবে।

পরিশেষে, আমার সকল সহকর্মীদের ধন্যবাদ যারা কোম্পানীর উন্নতির জন্য কঠোর পরিশ্রম করেছেন এবং করে যাচ্ছেন। এছাড়াও আমি আমাদের ব্যবসায়িক অংশীদার, সরবরাহকারী, শেয়ারহোল্ডার, নিয়ন্ত্রক সংস্থা এবং অন্যান্য অংশীদারদের প্রতি আমার গভীর কৃতজ্ঞতা প্রকাশ করছি, আমাদের প্রতি তাদের আস্থা এবং কোম্পানীতে তাদের মূল্যবান অবদানের জন্য।

আমি কোম্পানীর উত্তরোত্তর সাফল্য এবং স্থিতিশীল ভবিষ্যত কামনা করছি। আমি আত্মবিশ্বাসী যে আমাদের যুগোপযোগী কৌশল, দক্ষ জনবল এবং পুঁজি আমাদের ভবিষ্যত প্রবৃদ্ধি ধরে রাখতে সহায়তা করবে।

(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 18th 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 2022 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 form modern service center which are in operation in different strategic locations of the country. The total revenue of the year from CNG & LPG Conversion, CNG & LPG Gas Sales and service revenue stood at Tk. 128 crore.

Navana Engineering Limited, subsidiary of Navana CNG Limited has been contributed an amount of Tk. 43 crore during the present financial year.

The sale of Navana Welding Electrode Limited, subsidiary of Navana CNG Limited is Tk. 53 crore during the year under review.

Navana LPG Limited another subsidiary of Navana CNG Limited contributed on amount of Tk. 200 crore in the financial year ended 30 June 2022.

Amount in taka

Particulars	June 30, 2022	June 30, 2021
Retained Earnings Brought Forward	1,514,055,572	1,538,647,565
Less: Adjustment for the application of IFRS 16 (lease)	393,684	96,282
Add: Total Comprehensive income for the year	11,194,167	14,916,454
Less: Stock Dividend	34,264,290	-
Less: Cash Dividend	19,706,082	39,412,165
Profit available for appropriation	1,470,885,683	1,514,055,572
Recommended for appropriation:		
Cash Dividend 5%	19,706,082	39,412,165
Stock Dividend 5%	34,264,290	-
Inappropriate profit carried forward	1,416,915,311	1,474,643,407
Total	1,470,885,683	1,514,055,572

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 39.01 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 i.e: 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:

Amount in taka

Particulars	June 30, 2022	June 30, 2021
Turnover	4,248,855,417	5,024,180,366
Cost of sales	3,374,712,994	4,042,074,992
Gross profit	874,142,423	982,105,374
Net profit for the year	11,191,689	14,915,240

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. 22 and report of Compliance Auditors in page no. 23 of this Annual Report-2022.

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 . 17

Declaration by the Managing Director and the CFO

Declaration by the Managing Director and CFO has been given on Annexure-A (page no. 22)

Independent Directors

Mr. Md. Mustafizur Rahman appointed as Independent Director of Navana CNG Limited vide Board resolution dated 23.10.2022 for three years up to 22.10.2025 subject to approval by the shareholders in the ensuing Annual General Meeting.

Mr. Md. Mustafizur Rahman is an experienced banker. He completed his graduation in Accounting and post-graduation in Finance from the University of Dhaka. Later on, he completed his DAIBB form The Institute of Bankers, Bangladesh (IBB). Mr. Rahman had started his career as a Financial Analyst at Sonali Bank Limited.

He served the Bank over 35 years in different capacities across the country and abroad and retired from the Bank in 2014 as a Deputy Managing Director. Mr. Rahman attended various training courses on Banking & Finance, Basel II, Entrepreneurship development, Credit management, Bank management, Managerial Planning & Control, Project Appraisal & Evaluation, Urban Branch Management in Bangladesh and abroad.

Mr. Md. Dilwar Hossain Bhuiyan appointed as Independent Director of Navana CNG Limited vide Board resolution dated 23.10.2022 for three years up to 22.10.2025 subject to approval by the shareholders in the ensuing Annual General Meeting.

Mr. Md. Dilwar Hossain Bhuiyan is a seasoned corporate leader who has more than 37 years of experience in Banking and Non-banking Financial Institutions. In his academic attainments, he completed his BA & MA from the University of Dhaka. Later on, he did MBA from Bangladesh Open University, Post Graduate Diploma in Personnel Management from BIM and Diploma in Banking from The Institute of Bankers, Bangladesh (IBB). Mr. Bhuiyan started his career at Bangladesh Krishi Bank and later on served at Rajshahi Krishi Unnayan Bank, Karmasansthan Bank, Bangladesh Development Bank, Sonali Bank and SBAC Bank in different capacities. He retired from Bangladesh Industrial Finance Company Limited (BIFC) as Managing Director in 2017. Mr. Bhuiyan is also Former adjunct faculty of the Royal University of Dhaka and a guest speaker at training institutes of different banks. He attended various training programs/workshops at home and abroad.

Remuneration paid to Directors and Independent Directors

An amount of Tk. 1,80,000 paid to Directors and Tk. 50,000 paid to Independent Directors for attending at Board of Directors meeting held during the financial year ended on 30 June 2022.

Re-election by Rotation of Directors

In terms of Article 127 of the Articles of Association of the Company, Mr. Shafiu Islam and Mrs. Khaleda Islam, Directors retire by rotation from the Board in the 18th 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. Shafiu Islam

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

Mr. Shafiu Islam is the Chairman of Navana Group, consisting of companies involved amongst others in vehicles assembling, bus body fabrication, trading, real estate, construction, CNG/LPG conversion and CNG/LPG station, electronics, petroleum and renewable energy.

Names of companies in which Mr. Shafiu 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, Navana Plastic Products Ltd., Navana Toyota Service Center Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Paints Ltd. and Navana LPG Ltd.

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

Mrs. Khaleda Islam

Mrs. Khaleda Islam is the wife of Mr. Shafiul Islam, Chairman of the Navana Group. Mrs. Khaleda Islam has experience in business for more than 30 years. She traveled many countries in the world.

At present, Mrs. Khaleda Islam is a Director of Navana Group, involved amongst others in vehicles assembling, bus body fabrication, trading, real estate, construction, CNG/LPG conversion and CNG/LPG stations, electronics, petroleum and renewable energy.

Names of companies in which Mrs. Khaleda Islam also holds the directorship:

Navana Limited, Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Electronics Ltd., Navana Toyota Service Center Ltd., Navana Engineering Limited, Navana Welding Electrode Limited, Navana Interlinks Ltd., The Essential Industries Ltd., Biponon Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Building Products Ltd. and Navana LPG Ltd.,

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

Board of Directors Meetings

Total 10 (ten) meetings held during the year 30 June 2022 by the Board of Directors.

Name of Directors	Position	Number of Board Meeting attended
Mr. Shafiul Islam	Chairman	8
Mrs. Khaleda Islam	Director	5
Mr. Saiful Islam	Director	9
Mr. Sajedul Islam	Managing Director	10
Ms. Farhana Islam	Director	2
Mr. Farhad Fariduddin Ahmad	Alternate Director	2
Mr. Md. Kausar Alam FCMA	Independent Director	5
Dr. Melita Mehjabeen	Independent Director	5

* Mr. Farhad Fariduddin Ahmad appointed as Alternate Director on behalf of Ms. Farhana Islam on 27.04.2022.

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

The Company earned an amount of Tk.26.31 crore during the year from the sales of HDPE product. Further from PVC Pipe earned an amount of Tk. 10. 51 crore during the year from the sales. Besides, an amount of Tk. 6.28 crore during the year has been added by selling of Plastic Items, Gas stove, water pump and others to the Company's turnover.

The operating results for the year ended 30 June 2022 as follows:

Particulars	Amount of taka	
	June 30,2022	June 30,2021
Turnover	431,155,504	345,204,712
Gross Profit	116,244,239	91,813,018
Net Loss After Tax	(73,164,650)	(83,953,076)
Earnings Per Share (EPS)	(7.32)	(8.40)
Net Assets Value Per Share (NAVPS)	36.12	43.43

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.53 crore added by selling welding electrodes.

The operating results for the year ended 30 June 2022 as follows:

Amount of taka

Particulars	June 30, 2022	June 30, 2021
Turnover	532,631,622	693,179,581
Gross Profit	142,875,144	182,849,194
Net Profit After Tax	63,366,805	82,193,216
Earnings Per Share (EPS)	6.34	8.22
Net Assets Value Per Share (NAVPS)	42.71	36.38

c) Navana LPG Limited

During the year under review Navana LPG Limited added Tk.200 crore by selling LPG.

The operating results for the year ended 30 June 2022 as follows:

Amount of taka

Particulars	June 30, 2022	June 30, 2021
Turnover	2,000,562,599	2,790,185,645
Gross Profit	368,873,798	490,199,091
Net Loss After Tax	(49,461,355)	(24,249,113)

Future Prospect

Due to covid-19 pandemic in worldwide and Russia-Ukraine War, the global economy continues to be weakened significantly. Disruptions occurred in trade, food and fuel price shocks, all of which are contributing to high inflation and subsequent tightening in global & local financing conditions. As a result, Navana CNG Limited could 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. 23 (Annexure-B)
- 2) Corporate Governance Compliance Report in page no. 24 (Annexure-C)
- 3) Pattern of shareholding in page no. 16
- 4) Audit Committee Report in page no. 33

Dividend

The Board of Directors of Navana CNG Limited in its meeting on 26 October 2022 has recommended dividend as follows:

- a) 5% Cash Dividend for the general shareholders only excluding Sponsors and Directors. The Sponsors and Directors are holding 3,05,72,243 shares out of total 7,19,55,021 shares of Navana CNG Limited. Dividend amount payable to the general shareholders only is Tk. 2,06,91,389/- for 4,13,82,778 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., 20 November 2022 will be entitled to have the cash and stock dividend, subject to approval in the ensuing Annual General Meeting scheduled to be held on 28 December 2022.

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 20 to 32 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

The existing auditors of the Company A. Haque & Co., Chartered Accountants, has completed their audit for three consecutive years. As per Regulation No 15 (2) & 15 (3) of Dhaka Stock Exchange (Listing) Regulation, 2015 no auditors be eligible for performing the auditing of the financial statements of the issuer of listed securities for a consecutive period exceeding three years. In this connection, the Board of Directors in a meeting dated 26 October 2022 recommended to appoint FAMES & R, Chartered Accountants, as the statutory auditors of the Company for the year ending on 30 June 2023, Subject to approval by the shareholders of the Company in the ensuing Annual General Meeting scheduled to be held on 28 December 2022.

Appointment of Corporate Governance Compliance Auditors

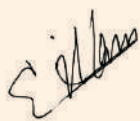
Existing Corporate Governance Compliance Auditors Ahmed Zaker & Co., Chartered Accountants have completed their work as compliance Auditors for year ended 30 June 2022. The Board of Directors in a meeting dated 26 October 2022 recommended to appoint Snehasish Mahmud & Co., Chartered Accountants for the year ending on 30 June 2023, Subject to approval by the shareholders of the Company in the ensuing Annual General Meeting scheduled to be held on 28 December 2022.

Acknowledgement

On behalf of the Company, we would like to record our sincere thanks to all shareholders for their continued confidence in us, and 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.

Best regards to all the shareholders. May you all have a healthy, peaceful and progressive life.

On behalf of the Board of Directors



(Shafiul Islam)
Chairman

The pattern of shareholdings of the Directors and others as on 30 June 2022 are as follows:

Namewise Details	No. of Shares held
<p>i. <u>Parent/Subsidiary/Associated Companies and other related parties</u></p> <p>ii. Directors, Chief Executive Officer(CEO)/ Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance <u>And their spouse and minor children:</u></p> <p>Directors, Chief Executive Officer/Managing Director:</p> <p>Mr. Shafiul Islam - Chairman 18,064,071 Mr. Sajedul Islam - Managing Director 3,571,881 Mrs. Khaleda Islam - Director 3,597,750 Mr. Saiful Islam - Director 3,747,075 Ms. Farhana Islam - Director 1,520,233</p> <p>Mr. Md. Mustafizur Rahman - Independent Director Nil Mr. Md. Dilwar Hossain Bhuiyan - Independent Director Nil</p> <p>Chief Financial Officer, Company Secretary and Head of Internal Audit & Compliance and their <u>spouse and minor children:</u> Nil</p> <p>iii. Executives Nil</p> <p>iv. <u>Shareholders holding ten percent (10 %) or more voting interest in the company:</u></p> <p>Mr. Shafiul Islam 18,064,071</p>	

Highlights of Financial and Key Operating Data (Consolidated)

(Taka in 'million')

Particulars	2022	2021	2020	2019	2018
Turnover (net)	4,249	5,024	5,928	5,887	4,045
Gross profit	874	982	1,252	1,294	1,036
Operating Profit / Loss	(63)	(68)	(23)	39	281
Net profit after tax	11	15	62	88	179
Earnings Per Share	0.16	0.22	.90	1.29	2.62
Net cash operating activities	3.41	2.36	9.75	8.41	0.88

Table: Summary Balance Sheet

Particulars	2022	2021	2020	2019	2018
Authorized capital	1,500	1,500	1,500	1,500	1,500
Paid-up capital	720	685	685	685	685
Reserve and surplus	1,690	1,732	1,756	1,739	1,737
Shareholders' Equity	2,409	2,418	2,442	2,424	2,422
Deferred Tax Assets / liabilities	438	294	148	8	108
Non-current liabilities	7,867	5,485	5,189	5,563	4,900
Current Liabilities	2,994	4,839	4,720	4,062	3,430
Fixed Assets	5,812	6,250	6,737	6,696	5,613
Other Non-current Assets	1,472	1,339	1,217	1,347	1,696
Total Non-current Assets	7,284	7,589	7,954	8,043	7,309
Current Assets	5,986	5,152	4,397	4,006	3,443
Book value per share	33.49	35.28	35.63	35.37	35.35
Cash Dividend	5%	5%	10%	10%	12%
Stock Dividend	5%	5%	-	-	-
Numbers of shareholders	10,745	10,799	11,744	12,422	12,692

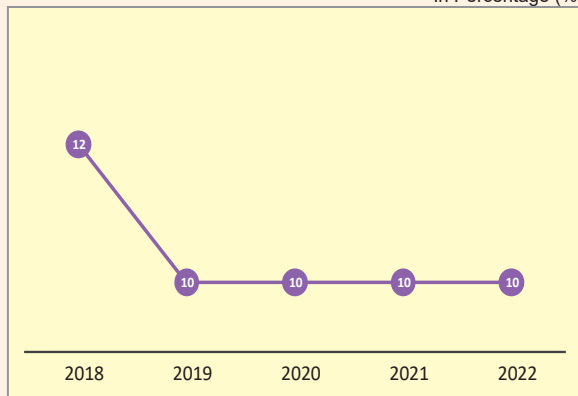
Table: Ratios

Profitability Ratios	2022	2021	2020	2019	2018
Current Ratio	2.00	1.06	.93	0.99	1.00
Gross profit / Sales (%)	20.57%	19.55%	21.12%	21.98%	25.61%
Operating profit / Sales (%)	(1.48%)	(1.35%)	(.38%)	0.66%	6.97%
Profit after tax / Sales (%)	.26%	.30%	1.03%	1.49%	4.43%
Return on Asset (%)	.09%	0.12%	1.00%	1.00%	2.00%
Return on Equity (%)	.47%	1.00%	3.00%	4.00%	7.00%

GRAPHICAL PRESENTATION

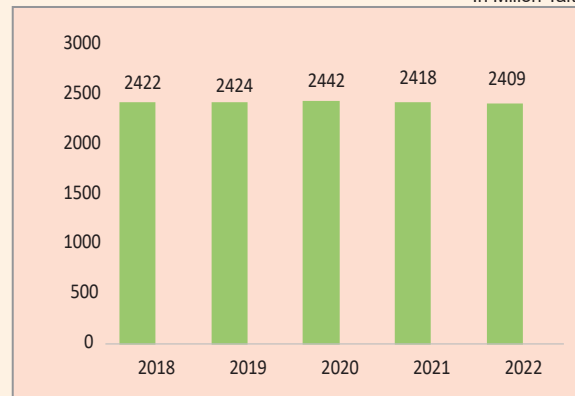
DIVIDEND (CASH & STOCK)

In Percentage (%)



SHAREHOLDERS EQUITY

In Million Taka



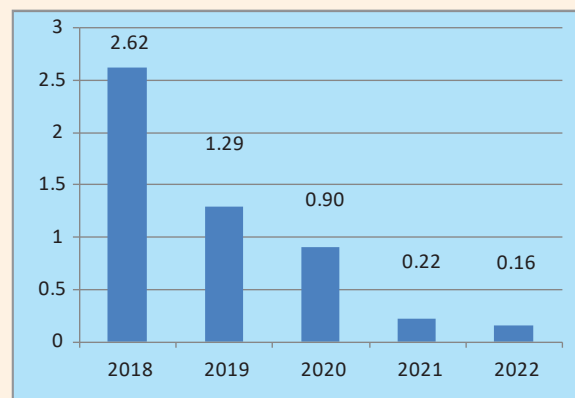
TURNOVER

In Million Taka



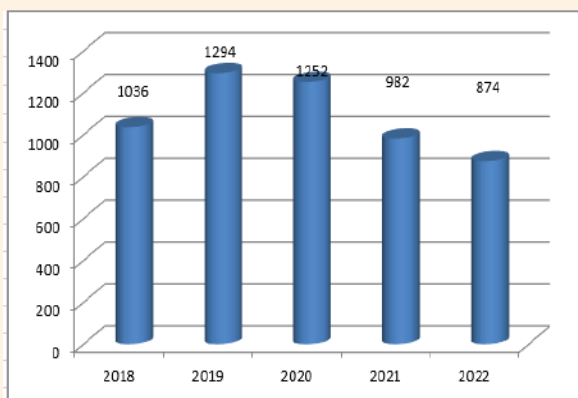
EARNINGS PER SHARE

In Million Taka



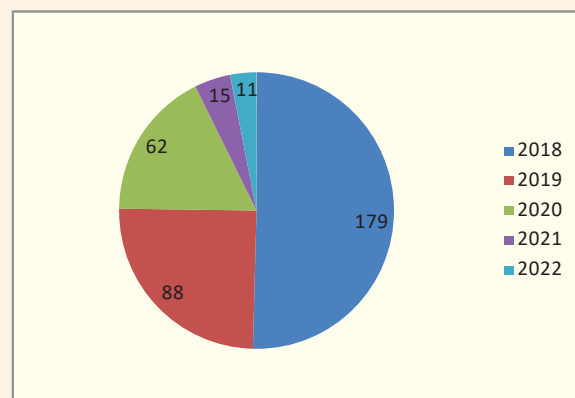
GROSS PROFIT

In Million Taka



NET PROFIT AFTER TAX

In Million Taka



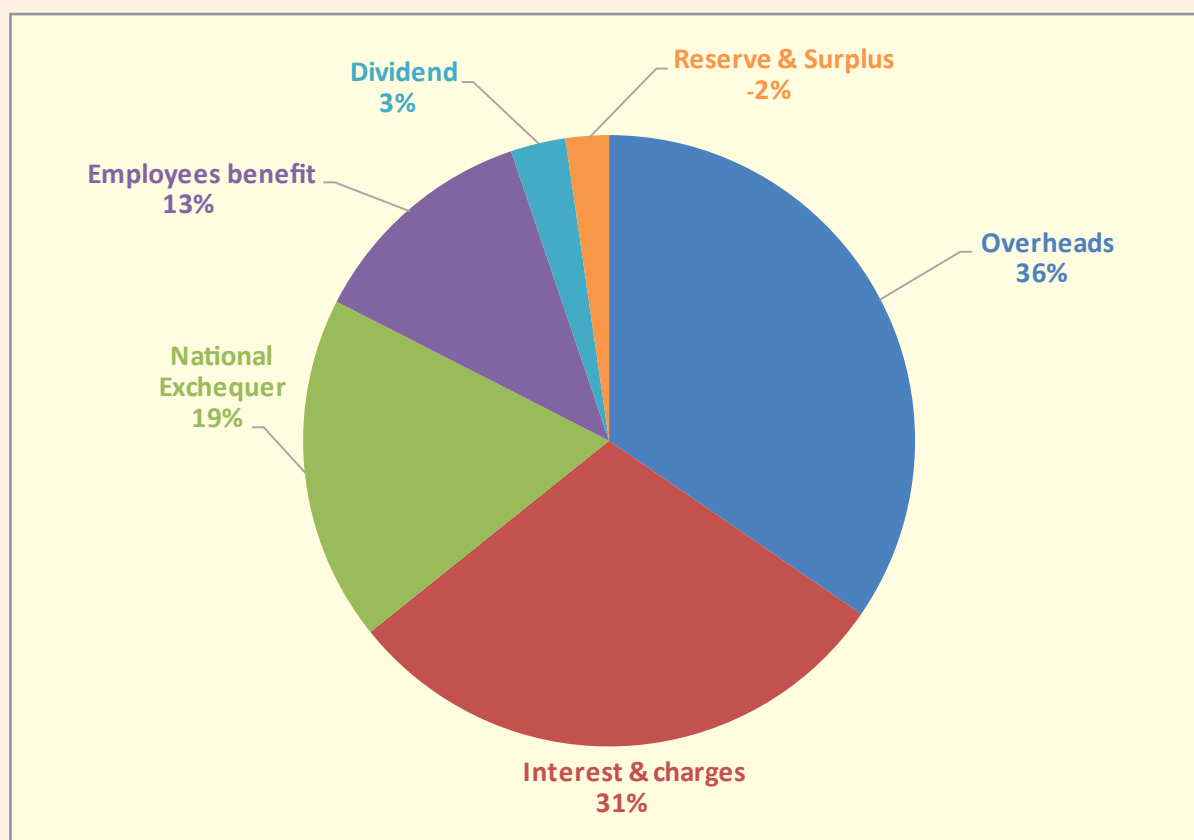
VALUE ADDED STATEMENT

For the year ended June 30, 2022

Gross Sales	4,522,426,530	
Other additions	147,796,616	
Material	2,900,453,931	
Value Added	<u>1,769,769,215</u>	100%

Application to :		
Overheads	641,233,485	36%
Interest & charges	550,866,440	31%
National Exchequer	338,253,091	19%
Employees benefit	228,027,669	13%
Dividend	53,970,372	3%
Reserve & Surplus	(42,581,842)	-2%
	<u>1,769,769,215</u>	100%

VALUE ADDITION CHART





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

BSEC notification on Corporate Governance Code and Companies Act, 1994 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. Mustafizur Rahman and Mr. Md. Dilwar Hossain Bhuiyan as Independent Director of the Company w.e.f. 23.10.2022. 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. Mustafizur Rahman one of the Independent Director completed his graduation in Accounting and post-graduation in Finance from the University of Dhaka.

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. Mustafizur Rahman 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. Mr. Md. Dilwar Hossain Bhuiyan is the Chairperson of the NRC. The Nomination and Remuneration Committee is responsible to the Board and to the Shareholders.

Company Secretary

Nafis Ahmed is 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

Mostafa Zahid Ahmed has been appointed as the Chief Financial Officer of Navana CNG Limited. He is responsible for accounts and finance activities of the Company. The Board of Directors 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)

Kazi Mahmudul Hoque 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 2022

The Board of Directors
Navana CNG Limited

Subject: Declaration on Financial Statements for the year ended on 30 June 2022.

Dear Sirs,

Pursuant to the Condition No 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC-D/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 2022 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.

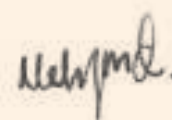
In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 30 June 2022 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



(Mehraz Mahmood)
Chief Financial Officer



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

Head Office :

89 Kakrail, Green City Edge (Level 10), Dhaka 1000, Bangladesh
Website: www.ahmed-zaker.com Email: azcbangladesh@ahmed-zaker.com
Phone: +88-02-83005018, Fax: +88-02-8300509

[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, 2022. 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
04 December, 2022


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

Annexure-C

[As per condition No. 1 (5) (xxvii)]

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			N/A
1 (3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.			N/A
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 on of themselves from non-executive directors as Chairperson for that particular Board's meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			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; compliance with laws, rules and regulations; prohibition of insider trading relationship with environment, employees, customers and suppliers; and independency a	✓		

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			Under Process since the newly appointed Independent Director
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			Under Process since the newly appointed Independent Director
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 The Audit Committee shall:			
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; and	✓		
5 (5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			N/A
5 (6)	Reporting of the Audit Committee			
5 (6)(a)	Reporting to the Board of Directors			
5 (6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5 (6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any			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).	✓		
6 (2)	Constitution of the NRC			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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. Mustafizur Rahman	Independent Director	Chairperson
Mr. Md. Dilwar Hossain Bhuiyan	Independent Director	Member
Mr. Saiful Islam	Non-Executive Director	Member

The Committee held on five (5) meetings during the year under review. 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 2022 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 2022 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 2022 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. Mustafizur Rahman)
Chairperson
Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

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:

Mr. Md. Dilwar Hossain Bhuiyan	Independent Director	Chairperson
Mr. Md. Mustafizur Rahman	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;



(Md. Dilwar Hossain Bhuiyan)
Chairperson, NRC

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.

DIVIDEND DISTRIBUTION POLICY OF NAVANA CNG LIMITED

Introduction

A Dividend Distribution Policy maintaining by Navana CNG Limited since long. In Compliance with Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of Bangladesh Securities and Exchange Commission (BSEC), the issuer shall formulate a Dividend Distribution Policy which shall be disclosed in the Annual Report and official website of the Company. In this connection the Board of Directors of Navana CNG Limited has adopted a Dividend Distribution Policy, which to be published in the Annual Report and website of the Company.

Dividend

Dividend means distribution of profit earned by the Company, to its shareholders in proportion to the and paid-up shares by the respective shareholders on Record Date. Dividend may be final in cash and/or stock. Dividend may be declared on the basis of audited financial statements regardless of interim or final. The Company may declare Dividend at the end of financial year which is called final Dividend. Final Dividend shall be declared on the basis of recommendation of the Board and subsequent approval by the shareholders of the Company in Annual General Meeting. The Company may also declare dividend from the profit of current year which is called interim Dividend and the Board of Directors at its discretion/ approve/declare an interim Dividend out of current profit in conformity with the regulatory rules/ regulations.

Objectives

The objective of the policy is to provide guideline to stakeholders on the dividend distribution policy adopted by the Company. The Board of Directors of the Company shall consider this policy when taken decision for recommendation of dividend, always in compliance with the regulatory requirement, directive, notification which applicable.

Eligibility for Dividend

Dividend is declared on the face value of each equity share. Unless otherwise clarified all the shareholders whose name appear in the share register of the Company or with CDBL on Record date declared by the Company for entitlement of dividend are eligible to get the dividend.

Factors for recommendation of Dividend

The Board of Directors of the Company shall consider the following factors among others while recommend Dividend.

Financial factors

- Profit earned during the financial year
- Profit growth
- Financial feasibility
- Debt equity relation
- Company's liquidity position and future cash flow requirements for operations of business of the Company

Internal factors

- Accumulated reserves
- Dividends distribution status of the Company
- Earnings stability
- Growth rate of predicted profits

External factors

- Cost and availability of alternative sources of financing
- Industry outlook for the next year/future years
- Shareholders' expectations
- Changes in the government policies or changes in regulatory provisions
- Other relevant factors that the Board may deem fit

Utilization of retained earnings

The Company may utilize its retained earnings in the manner which is beneficial to the interest of the Company and its stakeholders. Retained earnings helps in maintaining a healthy capital adequacy ratio and supports the future growth.

- Investment in new business and/or additional investment in existing business
- Diversification of business if any
- Market or product development/expansion plan

Apart from the above, the Board may consider to recommend on no dividend in accordance with financial position of the Company.

Policy Review

The Board of Directors of the Company may modify/amend this policy from time to time, if deemed fit and necessary in accordance with related laws/ directives/notifications.

GLIMPSES OF 17th ANNUAL GENERAL MEETING



PHOTOGRAPH OF NAVANA CNG LIMITED





Products of Navana Engineering Limited



Products of Navana Welding Electrode Limited



Navana LPG Limited

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Navana CNG Limited and its Subsidiaries (the Group) which comprise the Consolidated Statement of Financial Position as at 30th June, 2022 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 60 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, 2022 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, 2022 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 and 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 Recognition and Account Receivables	How our audit addressed the key audit matters
<p>The company has reported a revenue of Taka 4,248,855,417 for the year ended 30th June, 2022. Revenue Recognition is recognized in the Statement of Profit or Loss and Other Comprehensive Income of the Company. Account Receivables recognized on the statements of financial position for the year is Tk. 1,388,062,875 and for the prior year is Tk. 1,097,184,386. 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 statements.</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 29 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 2,733,445,165 at 30th June, 2022 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, 2022 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;
Valuation of Inventory	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> * 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. 64,681,978</p> <p>At the year end the company reported total income tax expense (Current Tax) of BDT. 64,681,978 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. 3.14 (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. 437,632,648 as at 30th June, 2022. 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. 3.14 (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>Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan.</p>
Valuation of defined benefits obligation	How our audit addressed the key audit matters
<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. 41,862,214</p>	<p>We obtained sufficient audit evidence to conclude that the inputs and methodologies used to determine the liability for defined benefit plan.</p>

<p>Liability for the following funds is provided at the following rates:</p> <p>(i) CPF @ 10% of basic salary;</p> <p>(ii) GF @ 2 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. 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>
<p>Consolidation of the financial statements</p> <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 IFRS 10: Consolidated Financial Statements and IFRS 3: Business Combination and provide adequate disclosure required in this standards.</p>	<p>How our audit addressed the key audit matters</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.
<p>Consolidation of the financial statements</p>	<p>How our audit addressed the key audit matters</p> <ul style="list-style-type: none"> • gathering evidence appropriate to the specific consolidation adjustments made necessary by financial reporting standards, including, for example: • the calculating of goodwill and its impairment review • cancellation of inter-company balances and transactions • provision for unrealized profits, if any, as a result of inter-company transactions • fair value adjustments needed for assets and liabilities held by the component.

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with IFRS's, The Companies Act, 1994, The Securities and Exchange Rules, 2020 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, 2020, 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 : 27.10.2022
Place : Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210270407AS830431
A. Hoque & Co.
Chartered Accountants

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2022

Particulars	Notes	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
Assets			
Non-Current Assets:			
Property, Plant & Equipment	4.00	5,812,152,563	6,249,649,132
Intangible Assets	5.00	22,509,872	21,605,274
Right of Use Asset	6.00	1,180,798	8,013,284
Capital Work-in-Progress	7.00	958,441,594	968,885,418
Long Term Security Deposit	8.00	48,518,217	43,197,516
Deferred Tax Assets	9.00	437,632,648	294,184,804
Investment in Shares	10.00	3,477,788	3,259,076
		7,283,913,480	7,588,794,504
Current Assets:			
Inventories	11.00	2,733,445,165	2,511,747,923
Accounts Receivables	12.00	1,388,062,875	1,097,184,386
Other Receivables	13.00	195,112,494	195,125,054
Current Account with Group Companies	14.00	145,715,025	-
Advances, Deposits & Pre-Payments	15.00	1,330,211,766	1,162,579,654
Cash and Cash Equivalents	16.00	193,774,040	185,936,814
		5,986,321,365	5,152,573,831
Total Assets		13,270,234,845	12,741,368,335
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	17.00	719,550,210	685,285,920
Tax Holiday Reserve		216,004,824	216,004,824
Fair Value Reserve	18.00	3,035,509	2,364,961
Retained Earnings	19.00	1,470,885,683	1,514,055,572
Equity Attributable to Owners of Company		2,409,476,226	2,417,711,277
Non-Controlling Interest		(9,892)	(7,414)
Non-Current Liabilities:			
Lease Liability	20.00	695,645	5,857,056
Security Retention Money	21.00	424,708,865	591,239,387
Loan from Others	22.00	50,000,000	50,000,000
Long Term Loan-Net of Non-Current Portion	23.00	7,391,643,901	4,837,599,450
		7,867,048,411	5,484,695,893
Current Liabilities:			
Long Term Loan-Current Portion	24.00	1,542,292,109	1,360,852,732
Short Term Loan	25.00	809,583,230	2,883,450,404
Provision for Income Tax	26.00	386,245,242	329,400,956
Unclaimed Dividend Account	27.00	43,047,616	42,554,496
Payables & Accruals	28.00	212,551,903	222,709,991
		2,993,720,100	4,838,968,579
Total Liabilities		10,860,768,511	10,323,664,472
Total Shareholders' Equity & Liabilities		13,270,234,845	12,741,368,335
Net Assets Value (NAV) per Share	36.00	33.49	35.28

The annexed notes from 1 to 60 and Annexure-A, B & C form an integral part of these Financial Statements.

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

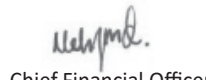
The financial statements were approved by the Board of Directors on the 26th October, 2022 and were signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210270407AS830431
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, 2022

Particulars	Notes	Amount (Taka) 01.07.2021 to 30.06.2022	Amount (Taka) 01.07.2020 to 30.06.2021
Revenue (Net)	29.00	4,248,855,417	5,024,180,366
Less: Cost of Goods Sold	30.00	3,374,712,994	4,042,074,992
Gross Profit		874,142,423	982,105,374
Less: Operating Expenses:			
Administrative & Selling Expenses	31.00	386,061,407	501,911,139
Financial Expenses	32.00	550,866,440	547,915,203
		936,927,847	1,049,826,342
Operating Profit/Loss		(62,785,424)	(67,720,968)
Add: Other Income	33.00	3,952,894	11,166,844
Add: Foreign Exchange gain		177,166	(1,669,160)
Profit/(Loss) before Contribution to WPPF		(58,655,364)	(58,223,284)
Less: Contribution to WPPF		8,940,684	7,925,030
Net Profit/(Loss) before Tax		(67,596,048)	(66,148,314)
Less: Income Tax Expenses	34.00	(78,787,737)	(81,063,554)
Current Tax	34.01	64,681,978	65,396,946
Deferred Tax	34.02.1	(143,469,715)	(146,460,500)
Net Profit for the year attributable to Equity holder		11,191,689	14,915,240
Add: Other Comprehensive Income:			
Revaluation Gain/(Loss) on Investment in Share	40.00	218,712	733,194
Less: Deferred Tax Adjustment		(21,871)	(73,319)
		196,841	659,875
Total Comprehensive Income for the year		11,388,530	15,575,115
Profit Attributable to:			
Equity Holders of the Company		11,391,008	15,576,329
Non-Controlling Interests		(2,478)	(1,214)
		11,388,530	15,575,115
Earnings per Share	35.00	0.16	0.21

The annexed notes from 1 to 60 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, 2022 and were signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210270407AS830431
A. Hoque & Co.
Chartered Accountants

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2022

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, 2021	685,285,920	216,004,824	2,364,961	1,514,055,572	2,417,711,277	(7,414)	2,417,703,863
Adjustment of IFRS-16 (Lease)	-	-	473,707	(393,684)	80,023	-	80,023
Fair Value Reserve	-	-	196,841	-	196,841	-	196,841
Net Profit for the year	-	-	-	11,194,167	11,194,167	(2,478)	11,191,689
Stock dividend	34,264,290	-	-	(34,264,290)	-	-	-
Cash Dividend	-	-	-	(19,706,082)	(19,706,082)	-	(19,706,082)
Balance at 30th June, 2022	719,550,210	216,004,824	3,035,509	1,470,885,683	2,409,476,226	(9,892)	2,409,466,334
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 60 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, 2022 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- 2210270407AS830431
A. Hoque & Co.
Chartered Accountants

Dated: 27.10.2022
Place: Dhaka, Bangladesh

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Notes	Amount (Taka) 01.07.2021 to 30.06.2022	Amount (Taka) 01.07.2020 to 30.06.2021
Cash Flows from Operating Activities:			
Cash Receipts from Customers		3,957,976,930	4,788,647,050
Cash Receipts of Other Income		3,952,894	11,166,844
Foreign Exchange gain		177,166	(1,669,160)
Payments for Materials, Services and Expenses		(3,690,557,846)	(4,567,355,710)
Cash Generated from Operations		271,549,144	230,789,024
Income Tax Paid		(26,428,322)	(68,909,863)
Net Cash Generated from Operating Activities	38.00	245,120,822	161,879,161
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(13,663,061)	(24,240,919)
Acquisition of Intangible Assets		(3,255,000)	(220,000)
Capital Work-in-Progress		(46,785,320)	(34,987,278)
Advance for L/C Margin		52,436,220	72,214,832
Other Receivables		12,560	(277,634)
Long Term Security Deposits		(5,320,701)	1,179,650
Net Cash used in Investing Activities		(16,575,302)	13,668,651
Cash Flows from Financing Activities			
Net paid to Group Companies		(145,715,025)	(444,499,607)
Bank Interest Paid		(550,866,440)	(547,915,203)
Security Retention Money		(166,530,522)	(59,000,000)
Dividend Paid		(19,212,962)	(42,655,991)
Net Loan taken/ (paid)		661,616,654	944,209,696
Net Cash Provided in Financing Activities		(220,708,295)	(149,861,105)
Net Changes in Cash and Cash Equivalents		7,837,226	25,686,707
Cash and Cash Equivalents at the Beginning of the Year		185,936,814	160,250,107
Cash and Cash Equivalents at the End of the Year		193,774,040	185,936,814
Net Operating Cash Flows Per Share (NOCFPS)	37.00	3.41	2.36

The annexed notes from 1 to 60 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, 2022 and were signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210270407AS830431
A. Hoque & Co.
Chartered Accountants

NAVANA CNG LIMITED AND IT'S SUBSIDIARIES
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2022
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 LPG Limited. The company started its commercial production in November, 2017.

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

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

1.05 Structure, Content and 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, 2022;
- * Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022;
- * Consolidated Statement of Changes in Equity for the year ended 30th June, 2022;
- * Consolidated Statement of Cash Flows for the year ended 30th June, 2022;
- * Notes comprising summary of significant accounting policies and other explanatory information.

2.00 Basis of Preparation of Consolidated Financial Statements

2.01 Statement of 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

Sl. No.	IAS No.	IAS Title	Compliance Status
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	Complied
15	27	Separate Financial Statements	Complied
16	28	Investment in Associated and Joint Venture	N/A
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments : Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Complied
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Complied
25	40	Investment Property	N/A
26	41	Agriculture	N/A

Sl. No.	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 not 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 on-going 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 2020-2021 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 Changes in Accounting Policies

There have been no changes in accounting policies. All policies were consistent with the practices of the previous years.

2.13 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.

2.14 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2021 to 30th June, 2022.

2.15 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October 2022.

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 uses 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 Equipment

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 Equipment, 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 Equipment	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 Equipment 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.

(a) 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 advance, deposits & prepayments, accounts receivables, investment in subsidiary and cash and cash equivalents.

(i) Advance, Deposits & 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 & loss account.

(ii) Accounts Receivables

Accounts 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.

(iii) Investment in Subsidiary

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

(iv) 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.

(b) 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.

(i) Interest bearing 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.

(ii) Payables and Accruals

Payables and accruals are recognized at the amount payable for settlement in respect of goods and services received by the Company.

3.10 Equity Instruments

Ordinary shares are classified as equity. Investment costs directly attributable to the issue of ordinary shares are recognized as expenses. Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company.

3.11 Impairment

(i) Non-derivative Financial Assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicate that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- (a) default or delinquency by a debtor;
- (b) restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- (c) indications that a debtor or issuer will enter bankruptcy;
- (d) adverse changes in the payment status of borrowers or issuers;
- (e) observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

(ii) Financial Assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment.

Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets (other than biological asset, investment property, inventories and deferred tax assets) 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.

3.12 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.

3.13 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.

The Company applied IFRS 16 Lease for the first time on 1st July, 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the company used to charge the consideration paid in its books as revenue expenses.

IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognized right of use assets representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 on 1st January, 2019 for the existing lease contracts.

The Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. The nature and timing of expenses related to those leases has changed as IFRS 16 replaced the straight line operating lease expenses (as per IAS-17) with an amortization charge for the right of use assets and interest expense on lease liabilities.

The Company applied the practical expedient to the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1st January, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The Company's all contractual payments to the lessor contains only fixed amounts of lease payment and no variable lease payments are embedded with the lease payments. The rental agreements do not include any automatic renewals, nor do they include any guaranteed residual values of the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

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 Assets:

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

3.14 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.

3.15 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.16 Cost of Post-Employment Benefits

The company maintains a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company does not have any defined benefit plans and therefore does not record any provisions or expenses in this regard.

The company has accounted for and disclosed employee benefits in compliance with the provision of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following:

(a) Short-Term Employee Benefits:

Short-term employee benefits include salaries, bonuses, overtime, holiday allowance, TA/DA, leave encashment, meals allowance, transaction, accommodation etc. obligation for such benefits are measured on an undiscounted basis and are expenses as the related service is provided.

(b) Contribution to Workers' Profit Participation and Welfare Funds:

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (amendment) Act, 2014 and is payable to Workers as defined in the said law.

(c) Insurance Scheme:

Employees of the company are covered under insurance schemes.

(d) Defined Contribution Plan (Provident Fund):

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under and irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal constructive obligation is limited to the amount it agrees to contribute to the fund.

3.17 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.

3.18 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.

3.19 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 39**.

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 & LPG 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.

3.20 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.

3.21 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".

3.22 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.

3.23 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 dependent 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.

3.24 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.

3.25 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**.

3.26 General

- (a) All shares have been fully called and paid up;
- (b) There is no preference shares issued by the company;
- (c) The company has not incurred any expenditure in foreign currency against royalties and technical fees;
- (d) Auditors are paid only the statutory audit fees;
- (e) No foreign currency was remitted to the shareholders during the year under audit;
- (f) No money was spent by the company for compensating any member of the board for rendering special services;
- (g) No brokerage was paid against sales during the year under audit;

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
4.00 Consolidated Property, Plant & Equipment	5,812,152,563	6,249,649,132
This is made up as follows:		
Land and Land Development	1,180,687,289	1,180,687,289
Building & Shed	795,928,131	881,555,441
Plant & Machinery	1,910,973,238	2,058,080,253
Cylinder	1,628,235,897	1,809,150,997
Tools & Equipment	90,166,410	99,025,965
Furniture & Fixture	19,787,406	17,993,017
Electrical Equipment	16,590,959	17,672,426
Office Equipment	5,721,055	6,122,066
Vehicles	164,062,178	179,361,678
	5,812,152,563	6,249,649,132
An elaborate Schedule of PPE is shown in Annexure - A.		
5.00 Consolidated Intangible Assets	22,509,872	21,605,274
This is made up as follows:		
Software System	22,509,872	21,605,274
	22,509,872	21,605,274
An elaborate Schedule of Intangible Assets is shown in Annexure -B.		
6.00 Consolidated Right of Use Assets	1,180,798	8,013,284
This is made up as follows:		
At Cost:		
Opening Balance	23,273,745	23,932,006
Addition during the year	-	-
Disposal / Adjustement during the year	1,485,608	658,261
	21,788,137	23,273,745
Less: Accumulated Depreciation:		
Opening Balance	15,260,462	3,997,033
Add: Charged during the year	5,346,878	11,263,429
Disposal / Adjustement during the year	-	-
	20,607,340	15,260,462
Written Down Value (WDV)	1,180,798	8,013,284
The details of which have been shown in Annexure -C		
7.00 Consolidated Capital Work-In-Progress	958,441,594	968,885,418
This is made up as follows:		
Opening Balance	968,885,418	978,936,390
Add: Addition during the year	46,785,320	34,987,278
	1,015,670,738	1,013,923,668
Less: Transfer to Property, Plant and Equipment	57,229,144	45,038,250
	958,441,594	968,885,418

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

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021																
8.00 Consolidated Long Term Security Deposit	48,518,217	43,197,516																
This is made up as follows:																		
PDBF	5,056	5,056																
Titas Gas T&D Co. Ltd.	25,977,645	20,656,944																
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																
Narayanganj 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																
	48,518,217	43,197,516																
9.00 Consolidated Deferred Tax Assets	437,632,648	294,184,804																
This is made up as follows:																		
Defferred tax for temporary difference	(426,397,427)	(284,765,212)																
Defferred tax for gratuity provision	(11,572,500)	(9,735,000)																
Defferred tax on Unrealized Gain/(loss)	337,279	315,408																
Consolidated Deferred tax (assets)/Liabilities	437,632,648	294,184,804																
10.00 Consolidated Investment in Share	3,477,788	3,259,076																
This is made up as follows:																		
<table><tr><th>Name of the Share</th><th>No. of Shares</th><th>Market Value as on 30.06.2022</th><th>Market Value as on 30.06.2021</th></tr><tr><td>Lafarge Surma Cement Ltd.</td><td>21,000</td><td>1,428,000</td><td>1,224,300</td></tr><tr><td>Aftab Automobiles Ltd.</td><td>78,838</td><td>2,049,788</td><td>2,034,776</td></tr><tr><td></td><td>99,838</td><td>3,477,788</td><td>3,259,076</td></tr></table>	Name of the Share	No. of Shares	Market Value as on 30.06.2022	Market Value as on 30.06.2021	Lafarge Surma Cement Ltd.	21,000	1,428,000	1,224,300	Aftab Automobiles Ltd.	78,838	2,049,788	2,034,776		99,838	3,477,788	3,259,076		
Name of the Share	No. of Shares	Market Value as on 30.06.2022	Market Value as on 30.06.2021															
Lafarge Surma Cement Ltd.	21,000	1,428,000	1,224,300															
Aftab Automobiles Ltd.	78,838	2,049,788	2,034,776															
	99,838	3,477,788	3,259,076															
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	2,733,445,165	2,511,747,923																
This is made up as follows:																		
Raw Materials	782,796,904	791,142,634																
Work in Process	175,385,797	167,128,675																
Finished Goods	1,404,280,744	1,197,194,155																
Spare Parts	19,936,119	9,523,658																
Stock in Transit	351,045,601	346,758,801																
	2,733,445,165	2,511,747,923																

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
12.00 Consolidated Accounts Receivables	1,388,062,875	1,097,184,386
This is made up as follows:		
Tejgaon CNG Conversion Center	13,616,416	7,965,725
Kallayanpur CNG Conversion Center	5,921,441	5,271,029
Dipnagar Diesel Conversion Center	17,438,618	12,438,618
Chittagong CNG Conversion Center	5,057,717	2,057,717
Sylhet CNG Conversion Center	6,481,983	3,550,517
Cylinder Testing Unit	2,318,395	1,318,395
Kalurghat CNG Conversion Center	3,249,131	1,417,048
Kalurghat CRT	217,947	423,118
Uttara CNG Conversion Center	2,733,041	1,262,861
Uttara CRT	68,353	68,791
Bogra CNG Conversion Center	2,288,024	376,240
Paltan CNG Conversion Center	1,048,842	1,382,952
Auto Repair & Services - Paltan-Dhaka	3,115,317	4,401,668
Paltan CRT	91,501	241,925
Kalyanpur CRT	400,205	90,328
Auto Repair & Services-Kally-Dhaka	35,456,920	29,403,594
Auto Repair & Services-Kalurghat - Chitagong	2,503,366	1,070,429
Denso CNG Station	8,385,221	3,829,496
Binimoy CNG Station	15,488,067	11,792,681
Sylhet CNG Station	1,474,971	520,052
Sylhet CNG Station-2	603,724	81,827
Station Technical Department Sylhet	6,757,047	3,471,954
Station Technical Department Chittagong	20,289,728	13,124,728
Station Technical Department Dhaka	52,662,769	46,992,205
Station Maintenance Department-Chittagong	52,992	52,992
Station Maintenance Department-Sylhet	81,510	81,510
PRS Department	4,463,439	2,273,697
Engineering Service Department	1,529,505	529,505
Baipail CNG Station	2,469,234	585,491
Bogra CNG Station	2,636	7,257
Leguna CNG Station	286,848	116,892
Sitakunda CNG Station	56,753	138,171
BOC CNG Station	6,111	18,887
Kwality CNG Station	190,257	499,381
Bhoirab CNG Station	4,175	42,760
Elenga CNG Station	102,192	173,257
United CNG Station	222,462	204,426
Jagajog CNG Station	4,337,520	1,272,868
Sonarbangla CNG Station	17,062,833	8,495,155
Mymensingh Zone	56,554,995	50,991,105
Chittagong Zone	53,715,566	52,191,926
Khulna Zone	41,716,773	37,481,773
Gazipur Zone	41,825,347	39,395,217
Sylhet Zone	39,724,428	32,160,448
Dhaka Zone	70,288,745	60,288,745
HDPE	68,881,486	53,183,165
Tender	3,150,158	3,150,158
Navana Real Estate Ltd.	1,627,917	2,398,538
Navana Construction Ltd.	7,854,997	7,911,318
Navana Batteries Ltd.	783,785	1,356,886
Sylhet Zone	2,192,537	631,807
Jessore Zone	2,473,104	1,509,932
Kushtia Zone	2,003,108	1,736,800
Dhaka South Zone	19,530,264	10,704,050

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
Dhaka North Zone	6,547,861	4,731,563
Rajshahi Zone	43,593,310	42,348,772
Rangpur Zone	1,723,898	850,564
Chittagong South Zone	5,706,518	4,333,719
Chittagong North Zone	3,399,461	2,531,751
Barishal Zone	59,613,884	52,741,164
Corporate Customer	248,029,908	182,770,785
Channel Partners & Distribution	313,889,732	248,456,831
Other Customer	52,091,040	33,674,380
Receivable from Employees' Provident Fund	2,606,842	2,606,842
	1,388,062,875	1,097,184,386
Ageing schedule of Accounts Receivables:		
Duration		
1-30 days	17,066,032	5,852,329
31-60 days	288,959,698	234,221,897
61-90 days	310,480,982	248,392,263
91-180 days	385,104,814	304,578,386
181-365 days	229,996,206	175,330,065
Over 365 days	156,455,145	128,809,447
	1,388,062,875	1,097,184,386
(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	195,112,494	195,125,054
It represents the total balance of Consolidated Other Receivables as on 30th June, 2022.		
(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 Current Account With Group Companies	145,715,025	-
It represents the total balance of consolidated current account with group companies as on 30 June, 2022.		
15.00 Consolidated Advance, Deposit & Pre-payments	1,330,211,766	1,162,579,654
This is made up as follows:		
Advance against Land Rent	37,933,624	39,493,624
Advance against Local Procurement	76,067,277	39,963,650
Bank Guarantee Margin	35,656,921	36,189,089
Security Deposit	3,024,765	3,160,453
Advance Income Tax	415,963,093	397,372,464
Jakshon International Ltd.	251,031	251,031
VAT Account	3,191,350	15,295,348
Advance for Rent	19,077,478	19,077,478
Advance for Tender	1,138,560	1,138,560
Earnest Money & Security Deposit	1,517,939	1,503,375
Clearing & Forwarding Agent	1,351,023	1,351,023
Rose Valley International	340,470	340,470
Advance to Suppliers	327,115,594	254,267,102
Security Deposit Bangladesh Railway	20,000	125,000
Advance against Employee	10,975,224	12,970,961

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
L/C Margin for Machinery	-	52,436,220
Advance to Others	322,459,794	236,241,704
Advance against Civil Construction	74,127,622	51,402,101
	1,330,211,766	1,162,579,654

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.

16.00 Consolidated Cash and Cash Equivalent	193,774,040	185,936,814
This is made up as follows:		
Cash in Hand	6,508,711	7,451,041
Cash at Banks:		
Fixed Deposit Receipt (FDR) 16.01	134,962,033	108,931,276
Bank Balances 16.02	52,303,296	69,554,497
	193,774,040	185,936,814
16.01 Consolidated Fixed Deposit Receipt (FDR)	134,962,033	108,931,276
This is made up as follows:		
Mercantile Bank Ltd.	39,385,079	37,913,690
Standard Bank Ltd.	8,403,563	8,170,341
Shahjalal Islami Bank Ltd.	56,205,789	39,235,363
State Bank of India	30,967,602	23,611,882
	134,962,033	108,931,276
16.02 Consolidated Bank Balances	52,303,296	69,554,497
This is made up as follows:		
AB Bank Ltd.	838,874	722,920
Bank Alfalah Ltd.	7,563	7,563
Al-Arafah Islami Bank Ltd.	42,233	43,613
Bank Asia Ltd.	6,305,731	3,729,684
BRAC Bank Ltd.	154,057	540,000
Dhaka Bank Ltd.	1,099,107	862,660
Dutch-Bangla Ltd.	20,743,488	22,709,506
IFIC Bank Ltd.	378,065	497,856
Jamuna Bank Ltd.	106,421	130,811
Mutual Trust Bank Ltd.	9,612,740	15,771,159
National Bank Ltd.	1,233,971	904,128
NCC Bank Ltd.	328,197	604,947
Prime Bank Ltd.	134,821	648,731
Pubali Bank Ltd.	1,164,422	940,405
Rupali Bank Ltd.	17,611	17,611
Shahjalal Islami Bank Ltd.	1,635,382	3,884,818
Social Investment Bank Ltd.	40,912	40,912
Southeast Bank Ltd.	197,018	744,703
Standard Bank Limited	2,200,664	3,555,146
Standard Chartered Bank	174,213	174,902
Uttara Bank Ltd.	1,181,658	1,225,066
Mercantile Bank Ltd.	589,767	804,416
Trust Bank Ltd.	116,546	763,759
Islami Bank Bangladesh Ltd.	1,151,182	1,094,716
Sonali Bank Ltd.	23,162	961,668
United Commercial Bank Ltd.	205,763	417,132

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
City Bank Ltd.	2,181,793	3,038,687
State Bank of India	249,356	701,805
Agrani Bank Ltd.	111,623	3,937,106
Bangladesh Commerce Bank Ltd.	17,680	17,680
First Security Islami Bank Ltd.	3,623	3,623
The Premier Bank Ltd.	16,724	16,724
Community Bank Ltd.	13,936	13,936
Janata Bank Ltd.	24,993	26,104
	52,303,296	69,554,497

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, 2022.

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

Equity and Liabilities

17.00 Share Capital :

Authorized Capital

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

1,500,000,000

1,500,000,000

Issued, Subscribed and Paid up Capital:

71,955,021 Ordinary Shares @ Tk. 10/- each.

719,550,210

685,285,920

This is made up as follows:

Date	No. of Shares	Particulars	Share Capital 30.06.2022	Share Capital 30.06.2021
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
20.01.2022	3,426,429	Ordinary Shares @ Tk. 10 each Issued as Bonus	34,264,290	-
			719,550,210	685,285,920

Shareholding Position:

Class of Shareholders	Number of Investors	Number of Share Hold	Shareholding % 2022	Shareholding % 2021
Sponsors	6	30,572,243	42.49%	42.49%
General Public	10520	21,796,266	30.29%	30.25%
Institutional Investors	219	19,586,512	27.22%	27.26%
Total	10,745	71,955,021	100.00%	100.00%

Amount (Taka)
30.06.2022

Amount (Taka)
30.06.2021

Classification of Shareholders:

Particulars	Number of Investors	Number of Shares	% of Shares Holding 2022	% of Shares Holding 2021
1 to 500	6,366	1,116,063	1.55%	1.80%
501 to 5000	3,674	5,749,586	7.99%	7.68%
5001 to 10000	340	2,396,285	3.33%	3.14%
10001 to 20000	199	2,679,874	3.72%	2.90%
200001 to 30000	46	1,088,272	1.51%	0.94%
300001 to 40000	29	1,007,068	1.40%	1.26%
400001 to 50000	12	522,166	0.73%	1.28%
500001 to 100000	32	2,261,307	3.14%	2.91%
1000001 to 1000000	33	11,269,273	15.66%	20.07%
Above 1000000	14	43,865,127	60.96%	58.03%
Total	10,745	71,955,021	100%	100%

18.00 Consolidated Fair Value Reserve

3,035,509

2,364,961

It represents the total balance of Consolidated Fair Value Reserve as on 30th June, 2022.

19.00 Consolidated Retained Earnings

1,470,885,683

1,514,055,572

This is made up as follows:

Opening Balance

1,514,055,572

1,538,647,565

Add/Less: Adjustment

(393,684)

(96,282)

Add: Total Comprehensive Income for the year

11,194,167

14,916,454

Less: Stock dividend

1,524,856,055

1,553,467,737

Less: Cash Dividend

(34,264,290)

-

(19,706,082)

(39,412,165)

1,470,885,683

1,514,055,572

20.00 Lease Liability /Lease Obligation -Leases as Lessee

695,645

5,857,056

At Cost:

Opening Balance

5,857,056

16,289,100

Addition during the year

-

-

Finance Charge during the year

133,979

1,223,007

Closing Balance

5,991,035

17,512,107

Less: Transferred to Current Maturity

3,729,758

11,093,073

Less: Adjustment of lease

1,565,631

561,979

695,645

5,857,056

21.00 Consolidated Security Retention Money

424,708,865

591,239,387

It represents the total balance of Consolidated Security Retention Money as on 30th June, 2022.

22.00 Consolidated Loan from Others

50,000,000

50,000,000

This is as per last account.

23.00 Consolidated Long Term Loan-Net of Non-Current Portion

7,391,643,901

4,837,599,450

This is made up as follows:

City Bank Ltd., Gulshan Avenue Branch

4,162,375,044

3,397,729,859

Shahjalal Islami Bank Ltd.

2,421,928,128

998,539,349

One Bank Ltd., Gulshan Branch

1,938,962,022

1,396,152,550

Standard Bank Ltd.

85,553,290

80,912,898

Dues to Director (Mr. Shafiul Islam, Chairman)

325,117,526

325,117,526

8,933,936,010

6,198,452,182

Less: Long Term Loan-Non-Current Portion

1,542,292,109

1,360,852,732

Long Term Loan-Net of Current Portion

7,391,643,901

4,837,599,450

Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
-----------------------------	-----------------------------

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.

24.00 Consolidated Long Term Loan-Current Portion	1,542,292,109	1,360,852,732
This is made up as follows:		
City Bank Ltd., Gulshan Avenue Branch	4,162,375,044	3,397,729,859
Shahjalal Islami Bank Ltd.	2,421,928,128	998,539,349
One Bank Ltd., Gulshan Branch	1,938,962,022	1,396,152,550
Standard Bank Ltd.	85,553,290	80,912,898
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	8,933,936,010	6,198,452,182
Less: Long Term Loan-Current Portion	1,542,292,109	1,360,852,732
Long Term Loan-Net of Current Portion	<u>7,391,643,901</u>	<u>4,837,599,450</u>

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.

25.00 Consolidated Short Term Loan	809,583,230	2,883,450,404
This is made up as follows:		
Sahjalal Islami Bank Ltd.	81,666,159	1,415,508,761
One Bank Ltd.	256,313,402	625,434,328
State Bank of India	-	10,752,381
City Bank Ltd.	262,330,403	629,478,851
Janata Bank Ltd.	209,273,266	202,276,083
	<u>809,583,230</u>	<u>2,883,450,404</u>

Short term loan is repayable within twelve months other than any revolving credit.

26.00 Consolidated Provision for Income Tax	386,245,242	329,400,956
This is made up as follows:		
Navana CNG Ltd.	44,192,968	30,921,059
Navana Welding Electrode Ltd.	144,701,761	116,061,040
Navana Engineering Ltd.	126,894,901	123,966,622
Navana LPG Ltd.	70,455,612	58,452,236
	<u>386,245,242</u>	<u>329,400,956</u>

27.00 Unclaimed Dividend Account	43,047,616	42,554,496
This is made up as follows:		
Opening Balance	42,554,496	45,798,322
Add: Cash Dividend for the year 30.06.2021	19,706,082	39,412,165
	62,260,578	85,210,487
Less: Dividend Paid during the year	19,212,962	42,655,991
Closing Balance	<u>43,047,616</u>	<u>42,554,496</u>

The ageing of Unclaimed Dividend are as follows:

Unclaimed for less than 3 year's	8,033,629	12,110,994
Unclaimed for more than 3 year's	35,013,987	30,443,502
	<u>43,047,616</u>	<u>42,554,496</u>

		Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
28.00	Consolidated Payables & Accruals	212,551,903	222,709,991
	This is made up as follows:		
	Navana CNG Ltd.	103,848,765	121,261,872
	Navana Engineering Ltd.	35,037,358	39,108,720
	Navana Welding Electrode Ltd.	44,877,233	32,688,687
	Navana LPG Ltd.	28,788,547	29,650,712
		212,551,903	222,709,991
29.00	Consolidated Revenue (Net)	4,248,855,417	5,024,180,366
	This is made up as follows:		
	Navana CNG Ltd.	1,284,505,692	1,195,610,428
	Navana Engineering Ltd.	431,155,504	345,204,712
	Navana Welding Electrode Ltd.	532,631,622	693,179,581
	Navana LPG Ltd.	2,000,562,599	2,790,185,645
		4,248,855,417	5,024,180,366
30.00	Consolidated Cost of Goods Sold	3,374,712,994	4,042,074,992
	This is made up as follows:		
	Navana CNG Ltd.	1,038,356,450	978,366,356
	Navana Engineering Ltd.	314,911,265	253,391,694
	Navana Welding Electrode Ltd.	389,756,478	510,330,387
	Navana LPG Ltd.	1,631,688,801	2,299,986,554
		3,374,712,994	4,042,074,992
	Raw Material Consumed	3,069,681,011	3,589,566,981
	Add: Direct Cost	13,776,422	16,871,967
	Add: Factory Overhead	506,599,272	574,486,037
	Cost of Production	3,590,056,705	4,180,924,985
	Add: Opening Work in Progress	167,128,675	128,128,675
		3,757,185,380	4,309,053,660
	Less: Closing Work in Progress	175,385,797	167,128,675
	Cost of Goods Manufacture	3,581,799,583	4,141,924,985
	Add: Opening Finished Goods	1,197,194,155	1,097,344,162
		4,778,993,738	5,239,269,147
	Less: Closing Finished Goods	1,404,280,744	1,197,194,155
	Cost of Goods Sold	3,374,712,994	4,042,074,992
30.01	Consolidated Raw Material Consumed	3,069,681,011	3,589,566,981
	This is made up as follows:		
	Opening Stock of Raw Materials	791,142,634	720,532,328
	Add: Purchased during the year	2,183,667,863	2,771,366,818
	Add: Cost of CNG Sales	877,667,418	888,810,469
		3,852,477,915	4,380,709,615
	Less: Closing Stock of Raw Materials	782,796,904	791,142,634
	Raw Materials Consumed	3,069,681,011	3,589,566,981

31.00 Consolidated Administrative and Selling Expenses

This is made up as follows:

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
	386,061,407	501,911,139
Salary & Allowances	143,476,543	163,840,068
Gratuity Expenses	7,500,000	23,812,213
Vehicle Maintenance	1,890,504	2,007,157
Electricity Bill	2,581,004	3,460,117
Rental Expenses	4,932,135	3,295,395
Telephone & Mobile Bill	2,765,227	4,343,624
Conveyance	5,003,792	6,434,174
CDBL & Annual Listing Fee	1,012,621	791,286
Electrical Expenses	264,304	227,049
Entertainment	1,939,200	2,598,856
Labour Charge	1,489,748	2,335,256
Meeting Fee	620,000	470,000
Medical Expenses	38,744	198,716
Carrying Charge	1,136,547	3,302,653
Consultancy Fees	1,448,100	1,126,364
Distribution Expenses	27,032,184	69,514,189
Mineral Water	669,352	629,064
Annual General Meeting Expenses	78,750	80,000
Miscellaneous Expenses	1,137,471	1,423,251
Newspaper & Periodicals	88,070	107,095
Office Maintenance	2,771,482	3,701,463
Audit Fees	611,500	517,500
ISO Audit Fee	44,505	50,000
Oil, Gas & Lubricants	5,965,530	7,424,676
Photocopy Expenses	15,402	18,204
Postage, Courier & Stamp	367,207	481,152
Security Guard Expenses	5,059,196	4,605,791
Uniform & Liveries	-	163,800
Printing Expenses	1,253,548	2,904,364
Stationery Expenses	784,089	1,765,502
Registration & Renewals	7,217,146	8,911,257
TA/DA Expenses	2,405,879	5,415,965
Bank Charge	1,931,500	2,201,403
Internet Bill	1,769,593	2,585,450
Gas Bill	975	6,825
Utility & Service Charge	886,515	3,186,477
Transport Expenses	1,755,718	1,911,295
Advertisement	795,627	2,854,375
Repair & Maintenance	4,500,981	5,555,680
Subsidy to canteen	1,629,701	-
Other Interest Expenses	5,010,379	3,942,317
Insurance	769,705	697,096
Software Maintenance Fee	1,023,700	96,000
Business Promotional Expenses	2,287,107	3,250,742
Depreciation of Right of Use Asset	5,346,878	11,263,429
Depreciation	126,283,168	137,925,769
Amortization	470,080	478,080
	386,061,407	501,911,139

		Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
32.00	Consolidated Financial Expenses	550,866,440	547,915,203
	This is made up as follows:		
	Navana CNG Ltd.	5,043,663	7,048,429
	Navana Engineering Ltd.	150,047,686	146,117,128
	Navana Welding Electrode Ltd.	5,543,518	6,432,283
	Navana LPG Ltd.	390,231,573	388,317,362
		550,866,440	547,915,203
33.00	Consolidated Other Income	3,952,894	11,166,844
	This is made up as follows:		
	Navana CNG Ltd.	687,892	7,117,629
	Navana Welding Electrode Ltd.	3,265,002	4,049,215
		3,952,894	11,166,844
34.00	Consolidated Income Tax Expenses	(78,787,737)	(81,063,554)
	This is made up as follows:		
	Current Tax 34.01	64,681,978	65,396,946
	Deferred Tax 34.02.01	(143,469,715)	(146,460,500)
		(78,787,737)	(81,063,554)
34.01	Calculation of Consolidated Current Tax	64,681,978	65,396,946
	This is made up as follows:		
	A. Income Tax on Regular Rate		
	Cosolidated Profit/Loss Before Tax	(67,596,048)	(66,148,313)
	Add: Cosolidated Adjustment for admissible and inadmissible expenses	246,409,733	224,648,914
	Cosolidated Taxable profit/(loss)	178,813,685	158,500,601
	Cosolidated Tax expenses based on applicable tax rate as per ITO 1984	49,750,323	46,584,603
		14,931,655	18,812,342
	B. Minimum Tax	14,931,655	18,812,342
	Total Cosolidated Current Tax	64,681,978	65,396,945
34.02	Consolidated Deferred tax (assets)/Liabilities	(437,632,648)	(294,184,804)
	This is made up as follows:		
	Deferred tax for temporary difference 34.02.1	(426,397,427)	(284,765,212)
	Deferred tax for gratuity provision 34.02.2	(11,572,500)	(9,735,000)
	Deferred tax on Unrealized Gain/(loss) 34.02.3	337,279	315,408
		(437,632,648)	(294,184,804)

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
34.02.1 Calculation of Consolidated Deferred Tax	(143,469,715)	(146,460,500)
This is made up as follows:		
A. Deferred Tax for Assets		
Deferred Tax for Temporary Difference of PPE		
Accounting Base WDV	5,834,662,435	6,271,254,405
Tax Base WDV	6,913,083,898	6,947,568,448
Temporary Difference	(1,078,421,463)	(676,314,043)
Less: Unabsorbed Depreciation	(297,779,995)	(225,520,798)
Taxable Temporary Difference	(1,376,201,458)	(901,834,841)
Tax Rate 22.5% & 30% respectively	-	-
Closing Deferred Tax Asset/Liabilities	(426,397,427)	(284,765,212)
Opening Deferred Tax Asset/Liabilities	(284,765,212)	(141,137,212)
Deferred Tax expenses/(income) for Temporary Difference	(141,632,215)	(143,628,000)
Deferred Tax Expenses/(Income) for the year for gratuity (34.02.2)	(1,837,500)	(2,832,500)
Total deferred Tax Expenses/(Income) for the year	(143,469,715)	(146,460,500)
34.02.2 Consolidated Deferred tax for gratuity provision	(1,837,500)	(2,832,500)
This is made up as follows:		
Opening Provision	38,700,000	24,700,000
Add: During the year	7,500,000	14,000,000
Closing Provision	46,200,000	38,700,000
Applicable Tax rate @22.5% and 30% respectively	-	-
Closing deferred tax for gratuity	(11,572,500)	(9,735,000)
Less: Opening Deferred Tax for gratuity	(9,735,000)	(6,902,500)
Deferred Tax expense/(income) for the period	(1,837,500)	(2,832,500)
34.02.3 Consolidated Deffered tax on Unrealized Gain/(loss)	337,279	315,408
This is made up as follows:		
Opening Balance	315,408	242,089
Add: During the year	21,871	73,319
Closing Balance	337,279	315,408
35.00 Consolidated Earning Per Share (EPS)	0.16	0.21
This is made up as follows:		
Basic Earnings Per Share (EPS)		
<u>Net Profit after Tax</u>		
<u>No. of Shares during the year</u>		
Profit Attributable to Ordinary Shareholders	11,191,689	14,915,240
Number of Ordinary Shares used to Compute Earning Per Share	71,955,021	71,955,021
Earning Per Share	0.16	0.21

The total sales revenue of the CNG and its subsidiary have been decreased and the number of ordinary shares has been increased due to decaration of stock dividend and due to which earning per share has been decreased.

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
36.00 Consolidated Net Assets Value Per Share (NAVPS)	33.49	35.63

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

Particulars	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
A. Assets:		
Property, Plant & Equipment	5,812,152,563	6,249,649,132
Intangible Assets	22,509,872	21,605,274
Right of Use Asset	1,180,798	8,013,284
Capital Work-in-Progress	958,441,594	968,885,418
Long Term Security Deposit	48,518,217	43,197,516
Deferred Tax Assets	437,632,648	294,184,804
Investment in Shares	3,477,788	3,259,076
Inventories	2,733,445,165	2,511,747,923
Accounts Receivables	1,388,062,875	1,097,184,386
Other Receivables	195,112,494	195,125,054
Current account with group companies	145,715,025	-
Advances, Deposits & Pre-Payments	1,330,211,766	1,162,579,654
Cash & Cash Equivalents	193,774,040	185,936,814
Total Assets	13,270,234,845	12,741,368,335
B. Liabilities:		
Non Controlling Interest	(9,892)	(7,414)
Lease Liability	695,645	5,857,056
Security Retention Money	424,708,865	591,239,387
Loan from Others	50,000,000	50,000,000
Long Term Loan Net of Current Portion	7,391,643,901	4,837,599,450
Long Term Loan of Current Portion	1,542,292,109	1,360,852,732
Short Term Loan	809,583,230	2,883,450,404
Provision for Income Tax	386,245,242	329,400,956
Unclaimed dividend account	43,047,616	42,554,496
Payables & Accruals	212,551,903	222,709,991
Total Liabilities	10,860,758,619	10,323,657,058
Net Assets (A-B)	2,409,476,226	2,417,711,277
No. of Shares	71,955,021	68,528,592
Intrinsic Value/Net Assets Value Per Share	33.49	35.28

Net Assets Value Per Share has been decreased due to decrease in Net Assets Value and increase in number of ordinary shares due to declaration of stock dividend.

37.00 Consolidated Net Operating Cash Flows Per Share (NOCFPS)	3.41	2.36
	Net Operating Cash Flows	
	Number of Ordinary Shares	
Net Operating Cash Flows	245,120,822	161,879,161
Number of Ordinary Shares used to Compute NOCFPS	71,955,021	68,528,592
Net Operating Cash Flows Per Share	3.41	2.36

Significant difference in NOCFPS in between current year's and last year's is due to decrease of the payment for materials and services.

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
38.00 Reconcillation of Consolidated Cash Flows from Operating Activities	245,120,822	161,879,161
Calues no. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2019: Reconciliation of Net Operating cash flow under Indirect Method:		
Net Profit/(Loss) before Interest & Income Tax during the year	497,221,455	493,634,238
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
Interest on Lease	133,979	1,223,007
Payment of Lease Liability	(3,729,758)	(11,093,073)
Depreciation	516,086,054	570,403,902
Income Tax Paid during the year	(26,428,322)	(68,909,863)
Changes in Current Assets and Liabilities:		
Decrease/(Increase) in Inventories	(221,697,242)	(297,152,128)
Decrease/(Increase) in Advance and Pre-payments	(201,477,704)	(207,906,846)
Decrease/(Increase) in Payables & Accruals	(24,109,150)	(82,786,759)
Decrease/(Increase) in Trade Receivables	(290,878,489)	(235,533,316)
Consolidatd Net Cash Flow from Operating Activities	245,120,822	161,879,161
Total Cash Flow from Operating Activities-Indirect Method	245,120,822	161,879,161
Total Cash Flow from Operating Activities-Direct Method	245,120,822	161,879,161
Difference	-	-
* Details in the Statement of Cash Flow		

Amount (Taka)
30.06.2022

Amount (Taka)
30.06.2021

39.00 Information about Reportable Segments

Information related to each reportable segment is setout below:

39.01 Segment wise Financial Position as at 30th June, 2022

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-Current Assets			
Property, Plant & Equipments	218,641,209	510,162,821	728,804,030
Right of Use Asset	251,048	585,778	836,826
Investment in Subsidiaries	795,726,577	-	795,726,577
Long Term Security Deposit	7,538,025	30,152,100	37,690,125
Investment in Shars	3,477,788	-	3,477,788
Total Non-Current Assets	1,025,634,647	540,900,699	1,566,535,346
Current Assets			
Inventories	437,488,093	-	437,488,093
Accounts Receivables	96,301,013	144,451,519	240,752,532
Advances, Deposits & Pre-payments	117,334,196	18,897,803	136,231,999
Inter Company Receivables	665,906,422	-	665,906,422
Inter Unit Balances	-	528,149,066	-
Cash & Cash Equivalents	23,869,023	35,803,535	59,672,558
Total Current Assets	1,340,898,747	727,301,923	1,540,051,604
Total Assets	2,366,533,394	1,268,202,622	3,106,586,950
Equity and Liabilities			
Capital and Reserves			
Share Capital	719,550,210	-	719,550,210
Tax Holiday Reserve	180,618,848	-	180,618,848
Fair Value Reserve	3,035,509	-	3,035,509
Other Reserve	828,897	1,243,346	2,072,243
Retained Earnings	294,557,754	1,178,231,016	1,472,788,770
Total Equity	1,198,591,218	1,179,474,362	2,378,065,580
Non-Current Liabilities			
Deferred Tax Liabilities	13,634,130	20,451,194	34,085,324
Lease Liability	95,048	221,779	316,827
Long Term Loan	138,500,000	-	138,500,000
Total Non-Current Liabilities	152,229,178	20,672,973	172,902,151
Current Liabilities			
Short Term Loans	50,994,508	-	50,994,508
Provision for Income Tax	17,677,187	26,515,781	44,192,968
Inter Company Payables	313,535,362	-	313,535,362
Inter Unit Balances	528,149,066	-	-
Unclaimed Dividend Acocunt	43,047,616	-	43,047,616
Payables and Accruals	62,309,259	41,539,506	103,848,765
Total Current Liabilities	1,015,712,998	68,055,287	555,619,219
Total Liabilities	1,167,942,176	88,728,260	728,521,370
Total Equity and Liabilities	2,366,533,394	1,268,202,622	3,106,586,950

Amount (Taka)
30.06.2022

Amount (Taka)
30.06.2021

- 39.02 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, 2022

Particulars	Conversion Workshop	CNG Station	Total
Revenue	221,559,677	1,062,946,015	1,284,505,692
Less: Cost of Sales	160,689,032	877,667,418	1,038,356,450
Gross Profit	60,870,645	185,278,597	246,149,242
Less: Administrative & Selling Exp.	89,559,884	59,706,590	149,266,474
Less: Interest Expenses	5,043,663	-	5,043,663
Operating Profit	(33,732,902)	125,572,007	91,839,105
Add: Other Income	687,892	-	687,892
Add: Foreign Exchange gain	177,166	-	177,166
Profit before Contribution to WPPF	(32,867,844)	125,572,007	92,704,163
Less: Contribution to WPPF	-	4,414,484	4,414,484
Profit before Tax	(32,867,844)	121,157,523	88,289,679
Add: Share of Profit from Subsidiaries	(23,702,688)	(35,554,033)	(59,256,721)
Less: Income Tax Expenses	7,135,517	10,703,274	17,838,791
Current Tax	8,443,841	12,665,761	21,109,602
Deferred Tax	(1,308,324)	(1,962,487)	(3,270,811)
Net Profit for year	(63,706,049)	74,900,216	11,194,167
Other Comprehensive Income:	196,841		196,841
Unrealized Profit/Loss on Investment in Share	218,712	-	218,712
Deferred Tax Adjustment	(21,871)	-	(21,871)
	-	-	-
Total Comprehensive Income for the year	(63,509,208)	74,900,216	11,391,008

40.00 Revaluation Gain/(Loss) on Investment in Shares (Change in Fair Value of Marketable Securities)	218,712	733,194
Closing Balance of Marketable Securities	3,477,788	3,259,076
Opening Balance of Marketable Securities	3,259,076	2,525,882
	218,712	733,194

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 (Taka) 30.06.2022	Amount (Taka) 30.06.2021
Salary	143,476,543	163,840,068
Gratuity	7,500,000	23,812,213
Meeting Fee	620,000	470,000
Provision for Post Employment Benefits	18,187,957	39,047,205
	<u>169,784,500</u>	<u>227,169,486</u>

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)	
			2022		2022	2021
			Dr.	Cr.		
Loan from Chairman	Director	Interest free loan	-	-	(325,117,526)	(325,117,526)
Aftab automobiles Ltd.	Alliance Companies	Interest free loan	38,157,183	26,000,000	41,736,953	29,579,770
Navana Limited.	Alliance Companies	Interest free loan	167,307,842	5,250,000	352,932,072	189,874,230
Navana Construction Ltd.	Alliance Companies	Interest free loan	-	-	(13,884,000)	(13,884,000)
Navana Furniture Limited	Alliance Companies	Interest free loan	-	-	5,000,000	5,000,000
Navana Electronics Limited	Alliance Companies	Interest free loan	-	-	10,000,000	10,000,000
Navana Real Estate Ltd.	Alliance Companies	Interest free loan	2,500,000	-	(221,070,000)	(223,570,000)
Navana Toyota 3s Centre	Alliance Companies	Interest free loan	-	-	3,000,000	3,000,000
Navana Foods Limited	Alliance Companies	Interest free loan	-	17,000,000	(17,000,000)	-
Navana Interlinks Limited	Alliance Companies	Interest free loan	-	15,000,000	(15,000,000)	-
Meeting Fee	Director	Fee	620,000	-	620,000	470,000

42.00 Amount due by Directors

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

43.00 Number of Employees

During the year total number of employees/workers for the company was 551 who drawing above Tk. 5,000 per month.

44.00 Significant Disclosure

Sales amount has been decreased also gross profit (GP) ratio increased due to decreases of production cost by ceasing workers, management employees and monitoring production strictly.

45.00 Capital Expenditure Commitment

There was no commitment for capital expenditure and also not incurred or provided for the year ended 30th June, 2022.

46.00 Contingent Assets

There was no contingent assets as on 30th June, 2022.

47.00 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.

48.00 Foreign Earnings/Loss or Gain

During the year the company incurred a foreign exchange loss / gain a sum of Tk. 177,166, the break up of the above is as follows:

L/C Number	Euro Rate		Euro Value	L/C Margin
296521020035	Costing Rate	104.092	152,979	1,592,386
	Final Payment Rate	103.249		
		0.843	152,979	1,592,386
296521020041	Costing Rate	104.930	92,804	973,817
	Final Payment Rate	102.540		
		2.388		
296521020192	Costing Rate	100.070		
	Final Payment Rate	104.364		
		-4.294	40,337	4,036,507
Rest Margin	At the time value of Costing	At the time value of deferred L/C Final Payment		Foreign Exchange Gain /(Loss)
296521020035	15,923,709	15,794,926		128,783
296521020041	9,737,924	9,516,326		221,598
296521020192	4,036,507	4,209,723		(173,215)
		Foreign Exchange Gain/(Loss)		177,166

49.00 Remittance of Dividend

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

50.00 Credit Facility not Availed

There was no credit facility available to the Company under any contract and also not availed as on 30th June, 2022 other than trade credit available in the ordinary course of business.

51.00 Attendance Status of Board Meeting of Directors

During the year there was 22 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, 2021 to June, 2022	22	20
Khaleda Islam	Director		22	17
Saiful Islam	Director		22	21
Sajedul Islam	Managing Director		22	22
Farhana Islam	Director		22	14
Farhad Fariduddin Ahmad	Alternate Director		22	2
Md. Kausar Alam FCMA	Independent Director		22	5
Dr. Melita Mehjabeen	Independent Director		22	5

*Mr. Farhad Fariduddin Ahmad appointed as alternate director on behalf of Ms. Farhana islam on 27.04.2022

52.00 Auditors fees for service rendered

As per schedule XI, part II, para 6 of Companies Act, 1994, auditors are only paid audit fees (including VAT) of Tk. 345,000. No other service has been taken from auditor hence other than this no other fees given to auditor.

53.00 Disclosures as per Requirement of Schedule XI, Part II of the Companies Act, 1994
(Employee Position as on 30th June, 2022)

(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 5000	65	486	551
Below 5000	-	-	-

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

Name of the Director	Position	Remuneration	Festival Bonus	AIT Deduction	Net Amount
Shafiul Islam	Chairman				
Khaleda Islam	Director				
Saiful Islam	Director				
Sajedul Islam	Managing Director	4,200,123	350,000	657,876	3,892,124
Farhana Islam	Director				
Farhad Fariduddin Ahmad	Alternate Director				
Md. Kausar Alam FCMA	Independent Director				
Dr. Melita Mehjabeen	Independent Director				

* Mr. Farhad Fariduddin Ahmad appointed as Alternate Director on behalf of Ms. Farhana Islam on 27.04.2022

Period of payment to Directors is from 1st July, 2021 to 30th June, 2022.

The above Directors of the Company did not take any benefit from the Company other than the remuneration and festival bonus.

- Expenses reimbursed to the managing agent: Nil.
- Commission or other remuneration payable separately to a managing agent or his associate: Nil.
- Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company: Nil.
- The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year: Nil.
- Any other perquisites or benefit in cash or in kind stating: Nil.
- Other allowances and commission including guarantee commission: Nil.
- Pensions: Nil.
- Gratuities: Nil.
- Payments from Provident Fund: Nil.
- Compensation for Loss of Office: Nil.
- Consideration in connection with retirement from office: Nil.

54.00 Disclosure as per requirement of Schedule XI, Part II, Para 3

Requirements under Condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The Turnover	4,248,855,417
3(i)(b) Commission Paid to Selling Agents (Incentive)	N/A
3(i)(c) Brokerage and discount of Sales, Other than the usual trade discount	N/A
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	3,069,681,011
3(i)(d)(ii) The opening and closing stocks of goods produced	N/A
3(i) (e) In the case of companies, the purchase made and the opening and closing stocks	P 2,183,667,863 OB 791,142,634 CB 782,796,904
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	874,142,423
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity break up for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	4,130,060
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	OB 968,885,418 CB 958,441,594
3(i)(i) Provision for depreciation, renewals or diminution in value of fixed assets	N/A
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	N/A
3(i)(l) Charge for income tax and other taxation on profits	78,787,737
3(i)(m) Reserved for repayment of share capital and repayment of loans	Nil
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up	Nil
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Nil
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Nil
3(i)(o)(i) Amount withdrawn from above mentioned provisions, as no longer required.	Nil
3(i)(p) Expenditure incurred on each of the following items, seperately for each item:	
3(i)(p)(i) Consumption of stores and spare parts	3,069,681,011
3(i)(p)(ii) Power and Fuel	109,773,697
3(i)(p)(iii) Rent	8,200,928
3(i)(p)(iv) Repairs of Buildings	4,500,981
3(i)(p)(v) Repairs of Machinery	nil
3(i)(p)(vi) Other include:	
3(i)(p)(vi)(1) Salaries, wages and bonus	143,476,543
3(i)(p)(vi)(2) Contribution to provident and other funds	11,866,784
3(i)(p)(vi)(3) Workmen and staff welfare expenses to the extent not adjusted from any	8,940,684
3(i)(p)(vi)(4) Any previous provision or reserve.	P 114,005,135 R 3,035,509

55.00 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.) 30.06.2022	Amount (Tk.) 30.06.2021
1	Within 3 Months	616,006,712	488,466,489
2	Within 6 Months	384,104,814	304,578,386
3	Within 12 Months	228,996,206	175,330,065
4	More than 12 Months	154,555,144	128,809,447

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

There are no debts outstanding in this respect.

56.00 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.

57.00 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.

58.00 Financial Instrument-Fair Values and Risk Management

58.01 Accounting Classifications and Fair Values

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

Reconciliation of Carrying Amount	Carrying Amount Tk. '000							
	Note	Fair Value Hedging Instruments	Mandatory FVTPL-Others	FVOCI-debt instrument	FVOCI-equity instrument	Financial assets at amortized cost	Other Financial Liabilities	Total Amount
30.06.2022		-	-	-	-	-	-	-
Financial Assets measured at Fair Value		-	-	-	-	-	-	-
Equity Securities								
Financial Assets not measured at Fair Value								
Long Term Security Deposit	8.00	-	-	-	-	48,518	-	48,518
Investment in Shares	10.00	-	-	-	-	3,478	-	3,478
Accounts Receivables	12.00	-	-	-	-	1,388,063	-	1,388,063
Other Receivables	13.00	-	-	-	-	195,112	-	195,112
Advance, Deposits & Pre-payments	15.00	-	-	-	-	1,330,212	-	1,330,212
Cash and Cash Equivalents	16.00	-	-	-	-	193,774	-	193,774
Total		-	-	-	-	3,159,157	-	3,159,157
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:								
Long Term loans-net of non -Current portion	23.00						7,391,644	7,391,644
Long Term loans (Current portion)	24.00						1,542,292	1,542,292
Short Term loan	25.00						809,583	809,583
Lease Liabilities	20.00						695	695
Security Retention Money	21.00						424,709	424,709
Unclaimed Dividend	27.00						43,048	43,048
Payables & Accruals	28.00	-	-	-	-	-	212,551	212,551
Total		-	-	-	-	-	10,424,522	10,424,522
30.06.2021								
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-
Equity Securities								
Financial Assets not measured at Fair Value:								
Long Term Security Deposit	8.00	-	-	-	-	43,198	-	43,198
Investment in Shares	10.00	-	-	-	-	3,259	-	3,259
Accounts Receivables	12.00	-	-	-	-	1,097,184	-	1,097,184
Other Receivables	13.00	-	-	-	-	195,125	-	195,125
Advance, Deposits & Pre-payments	15.00	-	-	-	-	1,162,580	-	1,162,580
Cash and Cash Equivalents	16.00	-	-	-	-	185,937	-	185,937
Total		-	-	-	-	2,687,283	-	2,687,283
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:								
Long Term loans-net of non -Current portion	23.00	-	-	-	-	-	4,837,599	4,837,599
Long Term loans (Current portion)	24.00	-	-	-	-	-	1,360,853	1,360,853
Short Term loan	25.00	-	-	-	-	-	2,883,450	2,883,450
Lease Liabilities	20.00	-	-	-	-	-	5,857	5,857
Security Retention Money	21.00	-	-	-	-	-	591,239	591,239
Unclaimed Dividend	27.00	-	-	-	-	-	42,554	42,554
Payables & Accruals	28.00	-	-	-	-	-	222,709	222,709
Total		-	-	-	-	-	9,944,261	9,944,261

The company has not disclosed the fair values for financial instruments such as accounts receivables, cash and cash equivalents, long term security deposit, short term loans and other non current liabilities because the carrying amounts are a reasonable approximation of fair value.

58.02 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:

58.02.1 Credit Risk, 58.02.2 Liquidity Risk 58.02.3 Market Risk.

This notes presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring risk and the company's management of capital.

58.02.1 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 monitoring on an ongoing basis. As at 30th June, 2022, 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 (Taka) 30.06.2022	Amount (Taka) 30.06.2021
Non-Derivative Financial Assets:		
Accounts Receivable	1,388,062,875	1,097,184,386
Other receivables	195,112,494	195,125,054
Advance to Suppliers	327,115,594	254,267,102
Advance against Employees	10,975,224	12,970,961
Earnest money and Security Deposits	1,517,939	1,503,375
Other advances	990,603,011	893,838,216
FDR	134,962,033	108,931,276
Cash at bank	52,303,296	69,554,497
Cash in Hand	6,508,711	7,451,041
	3,107,161,177	2,640,825,908

At 30th June, 2022 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
Domestic	1,583,175,369	1,487,434,495
Foreign Receivable	-	-
	1,583,175,369	1,487,434,495

The ageing of Trade Receivable at the reporting date is as follows:

0 to 1 Months	17,066,032	5,852,329
More than 1 Months to 3 Months	288,959,698	234,221,897
More than 3 Months to 6 Months	310,480,982	248,392,263
More than 6 Months to 9 Months	385,104,814	304,578,386
More than 9 Months to 12 Months	229,996,206	175,330,065
Above 12 Months	156,455,145	128,809,447
	1,388,062,875	1,097,184,386

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.

58.02.2 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, 2022 was:

30th June, 2022

		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	25	809,583,230	809,583,230	364,312,454	445,270,777	-
Long Term interest bearing loans	23	7,391,643,901	7,391,643,901	-	-	-
Finance lease liabilities	20	695,645	695,645	-	-	695,645
Trade and other payables	28	212,551,903	212,551,903	46,761,418.66	102,024,913.44	27,631,747.39
Inter Company Payables	-	-	-	-	-	-
Non-Current Liabilities	-	7,867,048,411	7,867,048,411	1,573,409,682.20	2,753,466,943.85	1,180,057,261.65
		16,281,523,090	16,281,523,090	1,984,483,554	3,300,762,634	2,396,943,992
Derivative financial liabilities						
		-	-	-	-	-
		16,281,523,090	16,281,523,090	1,984,483,554	3,300,762,634	2,396,943,992
						1,207,689,009

30th June, 2021

30th January, 2022						
In Taka	Note	Carrying Amount	Total	Contractual Cash Flows		
Non-Derivative Financial Liabilities:						
Short Term interest bearing loans	25	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	476,298,456.00	884,554,276	2,176,919,753
Finance lease liabilities	20	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	-	-	-	-	-	-
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

58.02.3 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.

59.00 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.

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

The directors in the meeting held on 26th day of October, 2022 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 record date which is subject to Shareholders approval at the forthcoming 18th annual general meeting to be held on 28th day of December, 2022.

"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, 2022

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2022
	Opening Balance 01.07.2021	Addition during the year	Adjustment/ Disposal during the year		Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2022	
Land and Land Development	1,180,687,289	-	-	0%	-	-	-	1,180,687,289
Building & Shed	1,356,677,041	2,673,023	-	10%	88,300,333	-	563,421,933	795,928,131
Plant & Machinery	3,214,730,585	59,511,228	-	10%	206,618,243	-	1,363,268,573	1,910,973,238
Cylinder	2,431,423,301	-	-	10%	180,915,100	-	803,187,404	1,628,235,897
Tools & Equipment	189,594,583	1,074,377	-	10%	9,933,932	-	100,502,549	90,166,410
Furniture & Fixtures	35,614,168	3,867,202	-	10%	2,072,813	-	19,693,964	19,787,406
Electrical Equipment	40,486,147	738,055	-	10%	1,819,522	-	24,633,243	16,590,959
Office Equipment	11,044,448	228,320	-	10%	629,331	-	5,551,714	5,721,055
Vehicles	272,081,892	2,800,000	-	10%	18,099,500	-	110,819,713	164,062,178
Total	8,732,339,454	70,892,205	-		508,388,774	-	2,991,079,094	5,812,152,563

Annexure-B

SCHEDULE OF INTANGIBLE ASSETS AS ON 30TH JUNE, 2022

Particulars	Cost			Rate of Dep.	Amortization			Written Down Value as on 30.06.2022
	Opening Balance 01.07.2021	Addition during the year	Adjustment/ Disposal during the year		Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2022	
Software System	30,549,032	3,255,000	-	10%	2,350,402	-	11,294,161	22,509,872
Total	30,329,032	3,255,000	-		2,350,402	-	11,294,161	22,509,872

Annexure-C

SCHEDULE OF RIGHT OF USE ASSETS AS ON 30TH JUNE, 2022

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2022
	Opening Balance 01.07.2021	Addition during the year	Adjustment/ Disposal during the year		Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2022	
Right of Use Assets	23,273,745	-	1,485,608	0%	5,346,878	-	20,607,340	1,180,798
Total	23,932,006	-	1,485,608		5,346,878	-	20,607,340	1,180,798

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, 2022, 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 58 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, 2022 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, 2022 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 and 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 Recognition and Account Receivables	How our audit addressed the key audit matters
<p>The company has reported a revenue of Taka 1,284,505,692 for the year ended 30th June, 2022.</p> <p>Revenue Recognition is recognized in the Statement of Profit or Loss and Other Comprehensive Income of the company. Accounts Receivables recognized on the statements of financial position for the year is Tk. 240,752,532 and for the prior year is Tk. 169,261,468.</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 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>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 25 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 437,488,093 at 30th June, 2022 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, 2022 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;

Valuation of Inventory	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> * 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. 21,109,602</p> <p>At the year end the company reported total income tax expense (Current Tax) of BDT 21,109,602 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. 3.14(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. 34,085,324 as at 30th June, 2022. 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. 3.14(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> <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. 41,862,214. 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>1,016,722</td><td>15,884,935</td><td>22,145,548</td></tr><tr><td>Add: Provision during the year</td><td>11,780,374</td><td>5,500,000</td><td>6,407,583</td></tr><tr><td>Less: Paid/Adjust during the year</td><td>11,866,784</td><td>21,384,935</td><td>28,553,131</td></tr><tr><td></td><td></td><td>9,006,164</td><td>-</td></tr><tr><td>Total</td><td>930,312</td><td>12,378,771</td><td>28,553,131</td></tr></table> <p>Liability for the following funds is provided at the following rates:</p> <p>(i) CPF @ 10% of basic salary;</p> <p>(ii) GF @ 2 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. 3.16 and 24.00 to the financial statements</p>	Particulars	CPF	GF	WPPF	Opening balance	1,016,722	15,884,935	22,145,548	Add: Provision during the year	11,780,374	5,500,000	6,407,583	Less: Paid/Adjust during the year	11,866,784	21,384,935	28,553,131			9,006,164	-	Total	930,312	12,378,771	28,553,131	<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>
Particulars	CPF	GF	WPPF																						
Opening balance	1,016,722	15,884,935	22,145,548																						
Add: Provision during the year	11,780,374	5,500,000	6,407,583																						
Less: Paid/Adjust during the year	11,866,784	21,384,935	28,553,131																						
		9,006,164	-																						
Total	930,312	12,378,771	28,553,131																						

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, 2020 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, 2020, 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 : 27.10.2022
Place : Dhaka, Bangladesh



(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210270407AS830431
A. Hoque & Co.
Chartered Accountants

NAVANA CNG LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2022

Particulars	Notes	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
Property and Assets			
Non-Current Assets:			
Property, Plant & Equipment	4.00	728,804,030	753,851,657
Right of Use Asset	5.00	836,826	5,735,416
Investment in Subsidiaries	6.00	795,726,577	854,983,298
Long Term Security Deposit	7.00	37,690,125	32,369,424
Investment in Shares	8.00	3,477,788	3,259,076
Total Non-Current Assets		1,566,535,346	1,650,198,871
Current Assets:			
Inventories	9.00	437,488,093	531,960,252
Accounts Receivables	10.00	240,752,532	169,261,468
Advances, Deposits & Pre-Payments	11.00	136,231,999	111,468,965
Inter Company Receivables	12.00	665,906,422	653,606,422
Cash and Cash Equivalents	13.00	59,672,558	62,681,402
Total Current Assets		1,540,051,604	1,528,978,509
Total Property and Assets		3,106,586,950	3,179,177,380
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	719,550,210	685,285,920
Tax Holiday Reserve		180,618,848	180,618,848
Fair Value Reserve	15.00	3,035,509	2,838,668
Other Reserve	16.00	2,072,243	2,072,243
Retained Earnings	17.00	1,472,788,770	1,515,564,975
Shareholders' Equity available to Owners of the Company		2,378,065,580	2,386,380,654
Non-Current Liabilities:			
Deferred Tax Liability	30.02	34,085,324	37,334,264
Lease Liability	18.00	316,827	3,444,029
Long Term Loan	19.00	138,500,000	138,500,000
Total Non-Current Liabilities		172,902,151	179,278,293
Current Liabilities:			
Short Term Loan	20.00	50,994,508	63,237,802
Provision for Income Tax	21.00	44,192,968	30,921,059
Inter Company Payables	22.00	313,535,362	355,543,204
Unclaimed Dividend Account	23.00	43,047,616	42,554,496
Payables & Accruals	24.00	103,848,765	121,261,872
Total Current Liabilities		555,619,219	613,518,433
Total Liabilities		728,521,370	792,796,726
Total Shareholders' Equity & Liabilities		3,106,586,950	3,179,177,380
Net Assets Value (NAV) per Share	32.00	33.05	34.82

The annexed notes from 1 to 58 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, 2022 and were signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210270407AS830431
A. Hoque & Co.
Chartered Accountants

NAVANA CNG LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Note	Amount (Taka) 01.07.2021 to 30.06.2022	Amount (Taka) 01.07.2020 to 30.06.2021
Revenue (Net)	25.00	1,284,505,692	1,195,610,428
Less: Cost of Goods Sold	26.00	1,038,356,450	978,366,356
Gross Profit		246,149,242	217,244,072
Less: Operating Expenses:			
Administrative & Selling Expenses	27.00	149,266,474	169,061,733
Financial Expenses	28.00	5,043,663	7,048,429
Operating Profit		91,839,105	41,133,910
Add: Other Income	29.00	687,892	7,117,629
Add: Foreign Exchange Gain		177,166	(1,669,160)
Profit before Contribution to WPPF		92,704,163	46,582,379
Less: Contribution to WPPF		4,414,484	2,218,209
Net Profit before Tax		88,289,679	44,364,170
Add: Share of Profit from Subsidiaries		(59,256,721)	(26,007,759)
Less: Income Tax Expenses:			
Current Tax	30.00	17,838,791	3,439,957
Deferred Tax	30.01	21,109,602	11,332,021
	30.02	(3,270,811)	(7,892,065)
Net Profit for the year attributable to Equity holder		11,194,167	14,916,454
Add: Other Comprehensive Income:			
Revaluation Gain/Loss on Investment in Share	36.00	218,712	733,194
Less: Deferred Tax Adjustment		(21,871)	(73,319)
		196,841	659,875
Shares of Other Comprehensive Income from Subsidiaries		-	-
Total Comprehensive Income for the year		11,391,008	15,576,329
Earnings per Share (Operating)	31.00	0.16	0.21

The annexed notes from 1 to 58 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, 2022 and were signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210270407AS830431
A. Hoque & Co.
Chartered Accountants

NAVANA CNG LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2022

Amount in Taka

Particulars	Share Capital	Tax Holiday Reserve	Fair Value Reserve	Other Reserve	Retained Earnings	Total
Balance at 1st July, 2021	685,285,920	180,618,848	2,838,668	2,072,243	1,515,564,975	2,386,380,654
Other Comprehensive Income	-	-	196,841	-	-	196,841
Net Profit for the year	-	-	-	-	11,194,167	11,194,167
Stock dividend	34,264,290	-	-	-	(34,264,290)	-
Cash dividend	-	-	-	-	(19,706,082)	(19,706,082)
Balance at 30th June, 2022	719,550,210	180,618,848	3,035,509	2,072,243	1,472,788,770	2,378,065,580

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 58 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, 2022 and were signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210270407AS830431
A. Hoque & Co.
Chartered Accountants

NAVANA CNG LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Notes	Amount (Taka) 01.07.2021 to 30.06.2022	Amount (Taka) 01.07.2020 to 30.06.2021
Cash Flows from Operating Activities:			
Cash Receipts from Customers		1,213,014,628	1,189,361,568
Cash Receipts of Other Income		687,892	7,117,629
Foreign Exchange gain		177,166	(1,669,160)
Payments for Materials, Services and Expenses		(1,107,213,236)	(1,117,787,931)
Cash Generated from Operations		106,666,450	77,022,106
Income Tax Paid		(7,837,693)	(7,312,840)
Net Cash Generated from Operating Activities	34.00	98,828,757	69,709,266
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(5,709,139)	(6,819,319)
Long Term Security Deposits		(5,320,701)	1,179,650
Net Cash used in Investing Activities		(11,029,840)	(5,639,669)
Cash Flows from Financing Activities			
Inter Company Receivable		(12,300,000)	286,892,240
Interest Paid		(5,043,663)	(7,048,429)
Short Term Loan		(12,243,294)	3,311,434
Dividend Paid		(19,212,962)	(42,655,991)
Inter Company Payable		(42,007,842)	(287,069,607)
Net Cash Provided in Financing Activities		(90,807,761)	(46,570,353)
Net Changes in Cash and Cash Equivalents		(3,008,844)	17,499,244
Cash and Cash Equivalents at the Beginning of the Year		62,681,402	45,182,158
Cash and Cash Equivalents at the End of the Year		59,672,558	62,681,402
Net Operating Cash Flows Per Share (NOCFPS)	33.00	1.37	1.02

The annexed notes from 1 to 58 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.

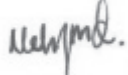
The financial statements were approved by the Board of Directors on the 26th October, 2022 and were signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210270407AS830431
A. Hoque & Co.
Chartered Accountants

NAVANA CNG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2022 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: 11/08/2022

(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, 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 Structure, Content and 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, 2022;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022;
- * Statement of Changes in Equity for the year ended 30th June, 2022;
- * Statement of Cash Flows for the year ended 30th June, 2022;
- * Notes comprising summary of significant accounting policies and other explanatory information.

2.00 Basis of Preparation of Financial Statements

2.01 Statement of 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

Sl. No.	IAS No.	IAS Title	Compliance Status
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	Complied
15	27	Separate Financial Statements	Complied
16	28	Investment in Associated and Joint Venture	Complied
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments : Presentation	N/A
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	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 2020-2021 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 Changes in Accounting Policies

There have been no changes in accounting policies. All policies were consistent with the practices of the previous years.

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, 2021 to 30th June, 2022.

2.14 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October, 2022.

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 IAS1 : Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 Property, Plant and Equipment

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 Equipment, 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 Equipment	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.

(a) 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 advance, deposits & prepayments, accounts receivable, investment, investment in subsidiary and cash and cash equivalents.

(i) Advance, Deposits & 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 & loss account.

(ii) Accounts 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.

(iii) 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.

(iv) Investment in Subsidiary

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

(v) 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.

(b) 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.

(i) Interest bearing 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.

(ii) Payables and Accruals

Payables and accruals are recognized at the amount payable for settlement in respect of goods and services received by the Company.

3.10 Equity Instruments

Ordinary shares are classified as equity. Investment costs directly attributable to the issue of ordinary shares are recognized as expenses. Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company.

3.11 Impairment

(i) Non-derivative Financial Assets

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicate that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- (a) default or delinquency by a debtor;
- (b) restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- (c) indications that a debtor or issuer will enter bankruptcy;
- (d) adverse changes in the payment status of borrowers or issuers;
- (e) observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

(ii) Financial Assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets (other than biological asset, investment property, inventories and deferred tax assets) 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.

3.12 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.

3.13 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.

The Company applied IFRS 16 Lease for the first time on 1st July, 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the company used to charge the consideration paid in its books as revenue expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognized right of use assets representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 on 1st January, 2019 for the existing lease contracts.

The Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. The nature and timing of expenses related to those leases has changed as IFRS 16 replaced the straight line operating lease expenses (as per IAS-17) with an amortization charge for the right of use assets and interest expense on lease liabilities.

The Company applied the practical expedient to the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1st January, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The Company's all contractual payments to the lessor contains only fixed amounts of lease payment and no variable lease payments are embedded with the lease payments. The rental agreements do not include any automatic renewals, nor do they include any guaranteed residual values of the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

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 Assets:

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

3.14 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.

3.15 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.16 Cost of Post-Employment Benefits

The company maintains a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company does not have any defined benefit plans and therefore does not record any provisions or expenses in this regard.

The company has accounted for and disclosed employee benefits in compliance with the provision of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following:

(a) Short-Term Employee Benefits:

Short-term employee benefits include salaries, bonuses, overtime, holiday allowance, TA/DA, leave encashment, meals allowance, transaction, accommodation etc. obligation for such benefits are measured on an undiscounted basis and are expenses as the related service is provided.

(b) Contribution to Workers' Profit Participation and Welfare Funds:

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (amendment) Act, 2014 and is payable to Workers as defined in the said law.

(c) Insurance Scheme:

Employees of the company are covered under insurance schemes.

(d) Defined Contribution Plan (Provident Fund):

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under and irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal constructive obligation is limited to the amount it agrees to contribute to the fund.

(e) Defined Benefit Plan (Gratuity)

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

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

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

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

3.17 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.

3.18 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.

3.19 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 & LPG 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.

3.20 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.

3.21 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".

3.22 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.

3.23 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 dependent 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.

3.24 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.

3.25 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**.

3.26 General

- (a) All shares have been fully called and paid up;
- (b) There is no preference shares issued by the company;
- (c) The company has not incurred any expenditure in foreign currency against royalties and technical fees;
- (d) Auditors are paid only the statutory audit fees;
- (e) No foreign currency was remitted to the shareholders during the year under audit;
- (f) No money was spent by the company for compensating any member of the board for rendering special services;
- (g) No brokerage was paid against sales during the year under audit;

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
4.00 Property, Plant & Equipment	728,804,030	753,851,657
This is made up as follows:		
Land and Land Development	449,042,715	449,042,715
Building & Shed	41,831,792	43,670,620
Plant & Machinery	153,377,997	168,454,463
Tools & Equipment	39,215,808	42,414,186
Furniture & Fixture	4,931,620	5,376,232
Vehicles	40,404,098	44,893,441
	728,804,030	753,851,657
The break up of PPE are shown in Annexure - A.		
5.00 Right of Use Assets	836,826	5,735,416
This is made up as follows:		
At Cost		
Opening Balance	15,730,822	15,730,822
Addition during the year	-	-
Disposal / Adjustement during the year	-	-
	15,730,822	15,730,822
Less: Accumulated Depreciation		
Opening Balance	(9,995,406)	(1,594,228)
Add: Charged during the year	(4,898,590)	(8,401,178)
Disposal / Adjustement during the year	-	-
	(14,893,996)	(9,995,406)
Written Down Value (WDV)	836,826	5,735,416
The details of the above have been shown in Annexure - B		
6.00 Investment in Subsidiaries	795,726,577	854,983,298
This is made up as follows:		
6.01 Navana Engineering Ltd.	574,268,231	647,432,844
6.02 Navana Welding Electrode Ltd.	427,293,514	363,926,741
6.03 Navana LPG Limited	(205,835,168)	(156,376,287)
	795,726,577	854,983,298
6.01 Navana Engineering Ltd.	574,268,231	647,432,844
This is made up as follows:		
Opening Balance of Profit Accrued	302,432,894	386,385,929
Add: Profit Accrued under Equity Method during the year	(73,164,613)	(83,953,035)
	229,268,281	302,432,894
Cost of Value of Investment Share	99,999,950	99,999,950
Add: Additional Investment	245,000,000	245,000,000
	574,268,231	647,432,844

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
6.02 Navana Welding Electrode Ltd.	427,293,514	363,926,741
This is made up as follows:		
Opening Balance of Profit Accrued	263,926,791	181,733,616
Add: Profit Accrued under Equity Method during the year	63,366,773	82,193,175
	327,293,564	263,926,791
Cost Value of Share	99,999,950	99,999,950
	427,293,514	363,926,741
6.03 Navana LPG Limited	(205,835,168)	(156,376,287)
This is made up as follows:		
Opening Balance of Profit Accrued	(157,376,237)	(133,128,337)
Add: Profit Accrued under Equity Method during the year	(49,458,881)	(24,247,900)
	(206,835,118)	(157,376,237)
Cost Value of Share	999,950	999,950
	(205,835,168)	(156,376,287)

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	37,690,125	32,369,424
This is made up as follows:		
PDBF	5,056	5,056
Titas Gas T&D Co. Ltd.	25,977,645	20,656,944
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
Narayanganj Palli Bidyut Samity-2	500,000	500,000
Cox's Bazar Pally Bidyut Samity	392,000	392,000
	37,690,125	32,369,424

8.00 Investment in Share

This is made up as follows:

Lafarge Surma Cement Ltd.
Aftab Automobiles Ltd.

Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
3,477,788	3,259,076
1,428,000	1,224,300
2,049,788	2,034,776
3,477,788	3,259,076

Name of the Share	Face Value per Share	Total Cost Value	No. of Shares	Market Value as on 30.06.2022	Market Value as on 30.06.2021
Lafarge Surma Cement Ltd.	10.00	-	21,000	1,428,000	1,224,300
Aftab Automobiles Ltd.	10.00	105,000	78,838	2,049,788	2,034,776
		105,000	99,838	3,477,788	3,259,076

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

437,488,093	531,960,252
432,794,890	526,543,446
4,693,203	5,416,806
437,488,093	531,960,252

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

240,752,532	169,261,468
13,616,416	7,965,725
5,921,441	5,271,029
17,438,618	12,438,618
5,057,717	2,057,717
6,481,983	3,550,517
2,318,395	1,318,395
3,249,131	1,417,048
217,947	423,118
2,733,041	1,262,861
68,353	68,791
2,288,024	376,240
1,048,842	1,382,952
3,115,317	4,401,668
91,501	241,925
400,205	90,328
35,456,920	29,403,594
2,503,366	1,070,429
8,385,221	3,829,496
15,488,067	11,792,681
1,474,971	520,052
603,724	81,827
6,757,047	3,471,954

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
Station Technical Department Chittagong	20,289,728	13,124,728
Station Technical Department Dhaka	52,662,769	46,992,205
Station Maintenance Department-Chittagong	52,992	52,992
Station Maintenance Department -Sylhet	81,510	81,510
PRS Department	4,463,439	2,273,697
Engineering Service Department	1,529,505	529,505
Baipail CNG Station	2,469,234	585,491
Bogra CNG Station	2,636	7,257
Leguna CNG Station	286,848	116,892
Sitakundu CNG Station	56,753	138,171
B.O.C CNG Station	6,111	18,887
Kwality CNG Station	190,257	499,381
Bhoirab CNG Station	4,175	42,760
Elenga Station CNG Station	102,192	173,257
United CNG Station	222,462	204,426
Jogajog CNG Station	4,337,520	1,272,868
Sonarbangla CNG Station	17,062,833	8,495,155
Receivable from Employees' Provident Fund	2,215,321	2,215,321
	240,752,532	169,261,468

The ageing of Accounts Receivable are as follows:

0 to 1 Months	100,803,085	70,869,777
More than 1 Months to 3 Months	52,845,181	37,152,892
More than 3 Months to 6 Months	36,016,579	25,321,516
More than 6 Months to 9 Months	24,604,909	17,298,522
More than 9 Months to 12 Months	20,825,094	14,641,117
Above 12 Months	5,657,685	3,977,644
	240,752,532	169,261,468

(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:

	136,231,999	111,468,965
Advance for Rent	22,933,624	24,493,624
Advance against Suppliers	54,481,905	38,378,278
Advance against Employee	9,726,476	10,853,661
Bank Guarantee Margin	30,377,097	30,909,265
Security Deposit	3,024,765	3,160,453
Advance to Others	15,688,132	3,673,684
	136,231,999	111,468,965

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 (Taka) 30.06.2022	Amount (Taka) 30.06.2021
12.00	Inter Company Receivables	665,906,422	653,606,422
	It represents the total balance of Inter Company Receivables as on 30th June, 2022.		
13.00	Cash and Cash Equivalent	59,672,558	62,681,402
	This is made up as follows:		
	Cash in Hand	3,347,255	4,629,723
	Cash at Banks:		
	Fixed Deposit Receipt (FDR) 13.01	42,830,165	26,228,982
	Bank Balances 13.02	13,495,138	31,822,697
		59,672,558	62,681,402
13.01	Fixed Deposit Receipt (FDR)	42,830,165	26,228,982
	This is made up as follows:		
	Shahjalal Islami Bank Ltd.	42,231,667	25,658,982
	Standard Bank Ltd.	598,498	570,000
		42,830,165	26,228,982
13.02	Bank Balances	13,495,138	31,822,697
	This is made up as follows:		
	AB Bank Ltd.	838,874	722,920
	Bank Alfalah Ltd.	7,563	7,563
	Al-Arafah Islami Bank Ltd.	2,222	3,602
	Bank Asia Ltd.	390,734	393,794
	BRAC Bank Ltd.	154,057	540,000
	Dhaka Bank Ltd.	1,099,107	862,660
	Dutch-Bangla Ltd.	1,202,702	4,438,700
	IFIC Bank Ltd.	117,257	233,687
	Jamuna Bank Ltd.	73,379	97,769
	Mutual Trust Bank Ltd.	2,213,002	12,057,969
	National Bank Ltd.	1,184,316	854,473
	NCC Bank Ltd.	230,161	506,911
	Prime Bank Ltd.	99,769	612,989
	Pubali Bank Ltd.	581,853	524,388
	Rupali Bank Ltd.	1,176	1,176
	Shahjalal Islami Bank Ltd.	828,691	3,284,249
	Social Investment Bank Ltd.	40,912	40,912
	Southeast Bank Ltd.	103,900	616,816
	Standard Bank Limited	1,927,293	3,252,636
	Standard Chartered Bank	174,213	174,902
	Uttara Bank Ltd.	1,181,658	1,225,066
	United Commercial Bank Ltd.	174,074	365,552
	City Bank Ltd.	641,802	564,503
	Trust Bank Ltd.	27,799	27,799
	Mercantile Bank Ltd.	198,622	411,661
		13,495,138	31,822,697

Amount (Taka)
30.06.2022

Amount (Taka)
30.06.2021

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, 2022 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.)	Amount (Tk.)
Al-Arafah Islami Bank Ltd.	CD-04210006417	2,222	3,602
Bank Asia Ltd.	CD-00833007524	385,334	387,014
Bank Asia Ltd.	CD-615330000072	5,400	6,780
Bank Al-Falah Ltd.	CD-12023482	7,563	7,563
BRAC Bank Ltd.	CD-6303200416662001	2,431	2,431
BRAC Bank Ltd.	CD-6303200419079001	17,304	17,304
BRAC Bank Ltd.	CD-6303200419079002	49,780	49,780
IFIC Bank Ltd.	CD-1001114468001	114,871	116,838
Jamuna Bank Ltd.	CD-00060210010034	16,224	16,224
Jamuna Bank Ltd.	CD-11346	10,000	10,000
Mutual Trust Bank Ltd.	CD-00570210001365	5,543	35,225
Mutual Trust Bank Ltd.	CD-00200210014836	159,097	151,352
NCC Bank Ltd.	13759	73,304	73,879
Standard Chartered Bank	CD-11354	30,165	30,165
Shahjalal Islami Bank Ltd.	CD-401011100001126	113,495	113,495
Uttara Bank Ltd.	CD-114912200606	322	322
Uttara Bank Ltd.	CD-114912200211326	73,465	73,465
Prime Bank Ltd.	CD-9376/2049	3,536	3,536
National Bank Ltd.	CD-1457	3,147	3,147
Rupali Bank Ltd.	CD-4747020000873	1,176	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	719,550,210	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	719,550,210	685,285,920

This is made up as follows:

Date	No. of Shares	Particulars	Share Capital 30.06.2022	Share Capital 30.06.2021
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
20.01.2022	3,426,429	Ordinary Shares @Tk.10 each Issued as Bonus	34,264,290	-
			719,550,210	685,285,920

Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
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Shareholding Position:

Class of Shareholders	Number of Investors	Number of Share Hold	Shareholding % 2022	Shareholding % 2021
Sponsors	6	30,572,243	42.49%	42.49%
General Public	10,520	21,796,266	30.29%	30.25%
Institutional Investors	219	19,586,512	27.22%	27.26%
Total	10,745	71,955,021	100.00%	100.00%

Classification of Shareholders:

Particulars	Number of Investors	Number of Shares	% of Shares Holding 2022	% of Shares Holding 2021
1 to 500	6,366	1,116,063	1.55%	1.80%
501 to 5000	3,674	5,749,586	7.99%	7.68%
5001 to 10000	340	2,396,285	3.33%	3.14%
10001 to 20000	199	2,679,874	3.72%	2.90%
20001 to 30000	46	1,088,272	1.51%	0.94%
30001 to 40000	29	1,007,068	1.40%	1.26%
40001 to 50000	12	522,166	0.73%	1.28%
50001 to 100000	32	2,261,307	3.14%	2.91%
100001 to 1000000	33	11,269,273	15.66%	20.07%
Above 1000000	14	43,865,127	60.96%	58.03%
Total	10,745	71,955,021	100.00%	100%

15.00	Fair Value Reserve Account	3,035,509	2,838,668
	It represents the total balance of Fair Value Reserve Account as on 30th June, 2022.		
16.00	Other Reserve	2,072,243	2,072,243
	This is as per last account.		
17.00	Retained Earnings	1,472,788,770	1,515,564,975
	This is made up as follows:		
	Opening Balance	1,515,564,975	1,540,060,686
	Add: Net Profit after Tax	11,194,167	14,916,454
		1,526,759,142	1,554,977,140
	Less: Stock Dividend	(34,264,290)	-
	Less: Cash Dividend	(19,706,082)	(39,412,165)
		1,472,788,770	1,515,564,975
18.00	Lease Liability /Lease Obligation -Leases as Lessee	316,827	3,444,029
	At Cost:		
	Opening Balance	3,444,029	10,252,398
	Addition during the year	-	-
	Finance Charge during the year	85,505	716,231
	Closing Balance	3,529,534	10,968,629
	Less: Transferred to Current Maturity	3,212,707	7,524,600
		316,827	3,444,029

Brief Terms & Condition of above Liability:

- (i) The company has lease against its rental;
- (ii) Lease period up to 31st December, 2022;
- (iii) Monthly rental payment is Tk. 475,000;
- (iv) Advance amount paid Tk. 1,500,000;
- (v) Monthly adjustment Tk. 0.

		Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
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	50,994,508	63,237,802
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 10 crore for a period of 12 months. There is no security against the above loan.			
21.00	Provision for Income Tax	44,192,968	30,921,059
	This is made up as follows:		
	Opening Balance	30,921,059	26,901,878
	Add: Current Tax Expenses for the year	21,109,602	11,332,021
		52,030,661	38,233,899
	Less: Tax Paid/Adjusted in Current Year	(7,837,693)	(7,312,840)
		44,192,968	30,921,059
22.00	Inter Company Payables	313,535,362	355,543,204
It represents the total balance of Inter Company Payables as on 30th June, 2022.			
23.00	Unclaimed Dividend Account	43,047,616	42,554,496
	This is made up as follows:		
	Opening Balance	42,554,496	45,798,322
	Add: Cash Dividend for the year 30.06.2021	19,706,082	39,412,165
		62,260,578	85,210,487
	Less: Dividend Paid during the year	19,212,962	42,655,991
	Closing Balance	43,047,616	42,554,496
	The ageing of Unclaimed Dividend are as follows:		
	Unclaimed for less than 3 year's	8,033,629	12,110,994
	Unclaimed for more than 3 year's	35,013,987	30,443,502
		43,047,616	42,554,496
24.00	Payable & Accrual	103,848,765	121,261,872
	This is made up as follows:		
	Accounts Payables	12,091,644	33,996,283
	Liabilities for Expenses	62,100,393	63,935,388
	Workers Profit Participation Fund	28,553,131	22,145,548
	Sundry Payables	1,103,597	1,184,653
		103,848,765	121,261,872
25.00	Revenue (Net)	1,284,505,692	1,195,610,428
	This is made up as follows:		
	CNG & LPG Conversion	52,202,723	57,659,872
	CNG & LPG Gas Sales	1,062,946,015	969,849,186
	Service Revenue	169,356,954	168,101,370
		1,284,505,692	1,195,610,428

		Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
26.00	Cost of Goods Sold	1,038,356,450	978,366,356
	This is made up as follows:		
	Cost of CNG & LPG Conversion 26.01	160,689,032	89,555,887
	Cost of CNG & LPG Sales 26.02	877,667,418	888,810,469
		1,038,356,450	978,366,356
26.01	Cost of CNG & LPG Conversion	160,689,032	89,555,887
	This is made up as follows:		
	Opening Balance of Conversion Materials	526,543,446	546,479,471
	Add: Purchase during the year	62,637,651	65,262,216
	Available for Consumption	589,181,097	611,741,687
	Less: Closing Balance of Conversion Materials	432,794,890	526,543,446
	Conversion Materials Consumed	156,386,207	85,198,241
	Add: Wages and Salaries	4,302,825	4,357,646
	Cost of CNG Conversion	160,689,032	89,555,887
26.02	Cost of CNG & LPG Sales	877,667,418	888,810,469
	This is made up as follows:		
	CNG Gas (Including VAT)	751,757,283	774,881,446
	LPG Gas (Including VAT)	13,349,433	10,893,036
	Electricity & Fuel	72,271,870	67,315,795
	Land Rent	3,268,793	411,000
	Station Direct Expenses	37,020,039	35,309,192
		877,667,418	888,810,469
27.00	Administrative and Selling Expenses	149,266,474	169,061,733
	This is made up as follows:		
	Salary & Allowances	75,026,592	73,658,771
	Gratuity Expenses	5,500,000	19,115,065
	Vehicle Maintenance	764,984	874,176
	Electricity Bill	2,043,097	2,990,673
	Rental Expenses	4,165,500	1,716,000
	Telephone & Mobile Bill	738,304	1,090,238
	Conveyance	1,127,091	1,484,842
	CDBL & Annual Listing Fee	1,012,621	791,286
	Electrical Expenses	223,554	202,098
	Entertainment	976,261	937,238
	Labour Charge	452,955	471,618
	Meeting Fee	320,000	170,000
	Medical Expenses	32,404	45,673
	Carrying Charge	172,695	277,566
	Consultancy Fees	531,300	560,000
	Mineral Water	669,352	629,064
	Annual General Meeting Expenses	78,750	80,000
	Miscellaneous Expenses	436,670	740,445
	Newspaper & Periodicals	80,370	91,095
	Office Maintenance	1,292,556	1,703,209
	Audit Fees	439,000	345,000
	Oil & Lubricants	2,155,204	2,456,257

		Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
	Photocopy Expenses	15,402	16,849
	Postage & Stamp	311,023	253,920
	Uniform & Liveries	-	163,800
	Pringing Expenses	1,019,913	1,369,300
	Stationery Expenses	507,948	561,869
	Registration & Renewals	2,143,214	3,712,750
	TA / DA Expenses	101,586	1,020,749
	Security Guard	4,648,429	4,129,267
	Bank Charge	833,120	903,825
	Internet Expenses	451,102	949,770
	Repair & Maintenance	1,872,624	1,873,698
	Subsidy to canteen	908,770	-
	Advertisement	565,627	409,375
	Other Interest Expenses	1,993,099	1,645,377
	Depreciation of Right of use assets	4,898,590	8,401,178
	Depreciation	30,756,766	33,219,694
		149,266,474	169,061,733
28.00	Financial Expenses	5,043,663	7,048,429
	This is made up as follows:		
	Interest on Short Term Loan	4,958,158	6,332,198
	Interest on Lease Liability	85,505	716,231
		5,043,663	7,048,429
29.00	Other Income/(Loss)	687,892	7,117,629
	This is made up as follows:		
	Interest Income on FDR	974,503	1,175,818
	Interest Income on STD Account	23,283	1,633
	Dividend Income	90,048	96,084
	Income/(Loss) from Machine	(399,942)	3,877,901
	Commission Received	-	1,966,193
		687,892	7,117,629
30.00	Income Tax Expenses	17,838,791	3,439,957
	This is made up as follows:		
	Current Tax	21,109,602	11,332,021
	Deferred Tax	(3,270,811)	(7,892,065)
		17,838,791	3,439,957
30.01	Calculatoin of Current Tax	21,109,602	11,332,021
	Current Tax Expenses (Higher of A, B & C)	21,109,602	11,332,021
	A) Income Tax on Regular Rate		
	Profit Before Tax	88,289,679	44,364,170
	Add: Disallowable Depreciation	30,756,766	33,219,693
	Add: Gratuity Provision	5,500,000	10,000,000
		124,546,445	87,583,863
	Less: Allowable Depreciation	21,719,827	28,104,259
	Less: Gratuity Paid	9,006,164	9,115,065
		93,820,454	50,364,539
	Current Tax @ 22.5%	21,109,602	11,332,021
	Total Current Tax Expenses	21,109,602	11,332,021

		Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
B) Income Tax Paid at Source (U/S 82(c) (2))			
	Tax Deducted by Customer	2,643,903	1,694,186
	Tax Deducted at Source (Commission)	-	196,619
	Tax Deducted at Source (Vehicle)	745,500	399,000
		3,389,403	2,289,805
C) Minimum Tax on Gross Receipt (U/S 82(c) (4) (a))			
	Gross Receipt on Business Income and Other Income	1,285,193,584	1,202,728,057
	Minimum Tax @ .60%	7,711,162	7,216,368
30.02	Deferred Tax Liability	34,085,324	37,334,264
	This is made up as follows:		
	Deferred Tax Temporary Difference	40,610,545	42,643,856
	Deferred Tax on Unrealized Gain / Loss	337,279	315,408
	Deferred Tax for Gratuity Provision	(6,862,500)	(5,625,000)
		34,085,324	37,334,264
30.02.1	Deferred Tax Temporary Difference	40,610,545	42,643,856
	This is made up as follows:		
	Accounting base WDV	728,804,030	753,851,655
	Tax base WDV	548,312,719	564,323,406
	Taxable Temporary Difference	180,491,311	189,528,249
	Tax Rate	22.50%	22.50%
	Deferred Tax Liabilities	40,610,545	42,643,856
	Less: Opening Balance	42,643,856	48,660,921
	Provision for Deferred Tax	(2,033,311)	(6,017,065)
	Deferred Tax Expense / (Income) for the year	(1,237,500)	(1,875,000)
		(3,270,811)	(7,892,065)
30.02.2	Deferred Tax on Unrealized Gain/(Loss)	337,279	315,408
	This is made up as follows:		
	Opening Balance	315,408	242,089
	Add: For the year	21,871	73,319
		337,279	315,408
30.02.3	Deferred Tax for Gratuity Provision	(1,237,500)	(1,875,000)
	This is made up as follows:		
	Opening Provision	25,000,000	15,000,000
	Add: During the year	5,500,000	10,000,000
	Closing Provision	30,500,000	25,000,000
	Applicable Rate	22.50%	22.50%
	Closing Deferred Tax for Gratuity Provision	6,862,500	5,625,000
	Less: Opening Deferred Tax for Gratuity Provision	(5,625,000)	(3,750,000)
	Deferred Tax Expense/(Income) for the year	(1,237,500)	(1,875,000)
31.00	Earning Per Share (EPS)	0.16	0.21
		Profit Attributable to Shareholders	
		Number of Ordinary Shares	
	Profit Attributable to Ordinary Shareholders	11,194,167	14,916,454
	Number of Ordinary Shares used to Compute Earning Per Share	71,955,021	71,955,021
	Earning Per Share	0.16	0.21

The sales revenue of the CNG has been increased during the year but the number of ordinary share have been increased due to declaration of stock dividend due to which earning per share has been decreased.

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
32.00 Net Assets Value Per Share (NAVPS)	33.05	34.82
	Total Asset-Total Liabilities	
	Number of Ordinary Shares	
Net Asset Value	2,378,065,580	2,386,389,162
Number of Ordinary Shars used to Compute NAVPS	71,955,021	68,528,592
	33.05	34.82

Net Assets Value Per Share has been decreased due to decrease in Net Assets Value and increase in number of ordinary shares due to declaration of stock dividend.

33.00 Net Operating Cash Flows Per Share (NOCFPS)	1.37	1.02
	Net Operating Cash Flows	
	Number of Ordinary Shares	
Net Operating Cash Flows	98,828,757	69,709,266
Number of Ordinary Shares used to Compute NOCFPS	71,955,021	68,528,592
Net Operating Cash Flows Per Share	1.37	1.02

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

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

Calues no. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2019: Reconcillation of Net Operating cash flow under Indirect Method:

Net Profit/(Loss) before Interest, Income Tax & WPPF during the year	99,740,925	55,276,184
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
Interest on Lease	85,505	716,231
Payment of Lease Liability	(3,212,707)	(7,524,600)
Depreciation	35,655,356	41,620,871
Income Tax Paid during the year	(7,837,693)	(7,312,840)
Changes in Current Assets and Liabilities:		
Decrease/(Increase) in Inventories	94,472,159	23,317,561
Decrease/(Increase) in Trade Receivables	(71,491,064)	(6,248,860)
Decrease/(Increase) in Advance and Pre-payments	(24,763,034)	28,145,931
Decrease/(Increase) in Payables & Accruals	(23,820,690)	(58,281,211)
Net Cash Flow from Operating Activities	98,828,757	69,709,266
Total Cash Flow from Operating Activities- Indirect Method	98,828,757	69,709,266
Total Cash Flow from Operating Activities- Direct Method	98,828,757	69,709,266
Difference	-	-

*Details in the Statement of Cash Flow

Amount (Taka)
30.06.2022

Amount (Taka)
30.06.2021

35.00 Information about Reportable Segements

Information related to each reportable segment is setout below:

35.01 Segment wise Financial Position as at 30th June, 2022

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-Current Assets			
Property, Plant & Equipments	218,641,209	510,162,821	728,804,030
Right of Use Asset	251,048	585,778	836,826
Investment in Subsidiaries	795,726,577	-	795,726,577
Long Term Security Deposit	7,538,025	30,152,100	37,690,125
Investment in Shares	3,477,788	-	3,477,788
Total Non-Current Assets	1,025,634,647	540,900,699	1,566,535,346
Current Assets			
Inventories	437,488,093	-	437,488,093
Accounts Receivables	96,301,013	144,451,519	240,752,532
Advances, Deposits & Pre-payments	117,334,196	18,897,803	136,231,999
Inter Company Receivables	665,906,422	-	665,906,422
Inter Unit Balances	-	528,149,066	-
Cash & Cash Equivalents	23,869,023	35,803,535	59,672,558
Total Current Assets	1,340,898,747	727,301,923	1,540,051,604
Total Assets	2,366,533,394	1,268,202,622	3,106,586,950
Equity and Liabilities			
Capital and Reserves			
Share Capital	719,550,210	-	719,550,210
Tax Holiday Reserve	180,618,848	-	180,618,848
Fair Value Reserve	3,035,509	-	3,035,509
Other Reserve	828,897	1,243,346	2,072,243
Retained Earnings	294,557,754	1,178,231,016	1,472,788,770
Total Equity	1,198,591,218	1,179,474,362	2,378,065,580
Non-Current Liabilities			
Deferred Tax Liabilities	13,634,130	20,451,194	34,085,324
Lease Liability	95,048	221,779	316,827
Long Term Loan	138,500,000	-	138,500,000
Total Non-Current Liabilities	152,229,178	20,672,973	172,902,151
Current Liabilities			
Short Term Loans	50,994,508	-	50,994,508
Provision for Income Tax	17,677,187	26,515,781	44,192,968
Inter Company Payables	313,535,362	-	313,535,362
Inter Unit Balances	528,149,066	-	-
Unclaimed Dividend Acocunt	43,047,616	-	43,047,616
Payables and Accruals	62,309,259	41,539,506	103,848,765
Total Current Liabilities	1,015,712,998	68,055,287	555,619,219
Total Liabilities	1,167,942,176	88,728,260	728,521,370
Total Equity and Liabilities	2,366,533,394	1,268,202,622	3,106,586,950

Amount (Taka)
30.06.2022

Amount (Taka)
30.06.2021

- 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, 2022

Particulars	Conversion Workshop	CNG Station	Total
Revenue	221,559,677	1,062,946,015	1,284,505,692
Less: Cost of Sales	160,689,032	877,667,418	1,038,356,450
Gross Profit	60,870,645	185,278,597	246,149,242
Less: Administrative & Selling Exp.	89,559,884	59,706,590	149,266,474
Less: Interest Expenses	5,043,663	-	5,043,663
Operating Profit	(33,732,902)	125,572,007	91,839,105
Add: Other Income	687,892	-	687,892
Add: Foreign Exchange gain	177,166	-	177,166
Profit before Contribution to WPPF	(32,867,844)	125,572,007	92,704,163
Less: Contribution to WPPF	-	4,414,484	4,414,484
Profit before Tax	(32,867,844)	121,157,523	88,289,679
Add: Share of Profit from Subsidiaries	(23,702,688)	(35,554,033)	(59,256,721)
Less: Income Tax Expenses	7,135,517	10,703,274	17,838,791
Current Tax	8,443,841	12,665,761	21,109,602
Deferred Tax	(1,308,324)	(1,962,487)	(3,270,811)
Net Profit for year	(63,706,049)	74,900,216	11,194,167
Other Comprehensive Income:			
Unrealized Profit/Loss on Investment in Share	218,712	-	218,712
Deferred Tax Adjustment	(21,871)	-	(21,871)
	196,841	-	196,841
Total Comprehensive Income for the year	(63,509,208)	74,900,216	11,391,008

- 36.00 Revaluation Gain/(Loss) on Investment in Shares
(Change in Fair Value of Marketable Securities)

218,712	733,194
Closing Balance of Marketable Securities	3,477,788
Opening Balance of Marketable Securities	3,259,076
218,712	733,194

- 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:

- Parent and Ultimate Controlling Party**
There is no such parent company as well as ultimate holding company/controlling party of the company.
- Entities with joint control of, or significant influence over**
There is no joint control of, or significant influence over the Company.
- 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).
- Associates**
There is no Associate Company of the entity (company).
- 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 company 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.) 30.06.2022	Amount (Tk.) 30.06.2021
Salary & Allowances	75,026,592	73,658,771
Gratuity	5,500,000	19,115,065
Meeting Attendance Fee	320,000	170,000
Provision for Post Employment Benefits (PF & WPPF)	18,187,957	39,047,205
	99,034,549	131,991,041

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)	
			2022		2022	2021
			Dr.	Cr.		
Loan from Chairman	Director	Interest free loan	-	-	138,000,000	138,000,000
Navana Real 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	47,007,842	-	(34,535,362)	(81,543,204)

Inter Group Company Receivables/Payables

Name of Related Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2022		2022	2021
			Dr.	Cr.		
Navana LPG Limited	Subsidiaries	Interest free loan	3,000,000	-	489,432,079	486,432,079
Navana Engineering Limited	Subsidiaries	Interest free loan	-	-	(238,000,000)	(238,000,000)
Navana Engineering Limited	Subsidiaries	Interest free loan	9,300,000	-	31,362,105	22,062,105
Navana Welding Electrode Ltd.	Subsidiaries	Interest free loan	-	5,000,000	(38,000,000)	(33,000,000)
Navana Welding Electrode Ltd.	Subsidiaries	Interest free loan	-	-	107,012,238	107,012,238
Meeting Fee	Director	Fee	320,000	-	320,000	170,000

38.00 **Amount due by Directors**

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

39.00 **Number of Employees**

During the year total number of employees/workers for the company was 551 who drawing above Tk. 5,000 or more per month.

40.00 **Significant Disclosure**

Sales amount has been increased also gross profit (GP) ratio increased due to decreases of production cost by ceasing workers, management employees and monitoring production strictly.

41.00 Capital Expenditure Commitment

There was no commitment for capital expenditure and also not incurred or provided for the year ended 30th June, 2022.

42.00 Contingent Assets

There was no contingent assets as on 30th June, 2022.

43.00 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.

44.00 Foreign Earnings/Loss or Gain

During the year the company incurred a foreign exchange gain a sum of Tk. 177,166, the break up of the above is as follows:

L/C Number	Euro Rate		Euro Value	L/C Margin
296521020035	Costing Rate	104.092	152,979	1,592,386
	Final Payment Rate	103.249		
		0.843	152,979	1,592,386
296521020041	Costing Rate	104.930	92,804	973,817
	Final Payment Rate	102.54		
		2.388	92,804	973,817
296521020192	Costing Rate	100.070	40,337	4,036,507
	Final Payment Rate	104.364		
		-4.294	40,337	4,036,507
Rest Margin	At the time value of Costing	At the time value of deferred L/C Final Payment		Foreign Exchange Gain/(Loss)
296521020035	15,923,709	15,794,926		128,783
296521020041	9,737,924	9,516,326		221,598
296521020192	4,036,507	4,209,723		(173,215)
		Foreign Exchange Gain /(Loss)		177,166

45.00 Remittance of Dividend

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

46.00 Credit Facility not Availed

There was no credit facility available to the Company under any contract and also not availed as on 30th June, 2022 other than trade credit available in the ordinary course of business.

47.00 Attendance Status of Board Meeting of Directors

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

Name of the Directors	Position	Meeting Held	Meeting Held	Attended
Shafiul Islam	Chairman	July, 2021 to June, 2022	10	8
Khaleda Islam	Director		10	5
Saiful Islam	Director		10	9
Sajedul Islam	Managing Director		10	10
Farhana Islam	Director		10	2
Farhad Fariduddin	Alternate Director		10	2
Md. Kausar Alam FCMA	Independent Director		10	5
Dr. Melita Mehjabeen	Independent Director		10	5

* Mr. Farhad Fariduddin Ahmed appointed as alternate Director on behalf of Ms. Farhana Islam on 27.04.2022

48.00 **Auditors fees for service rendered**

As per schedule XI, part II, para 6 of Companies Act, 1994, auditors are only paid audit fees (including VAT) of Tk. 345,000. No other service has been taken from auditor hence other than this no other fees given to auditor.

49.00 **Disclosures as per Requirement of Schedule XI, Part II of the Companies Act, 1994
(Employee Position as on 30th June, 2022)**

(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 5000	65	486	551
Below 5000	-	-	-

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

Name of the Director	Position	Remuneration	Festival Bonus	AIT Deduction	Net Amount
Shafiul Islam	Chairman				
Khaleda Islam	Director				
Saiful Islam	Director				
Sajedul Islam	Managing Director	4,200,123	350,000	657,876	3,892,124
Farhana Islam	Director				
Farhad Fariduddin	Alternate Director				
Md. Kausar Alam FCMA	Independent Director				
Dr. Melita Mehjabeen	Independent Director				

* Mr. Farhad Fariduddin Ahmed appointed as alternate director on behalf of Ms. Farhana Islam on 27.04.2022

Period of payment to Directors is from 1st July, 2021 to 30th June, 2022.

The above Directors of the Company did not take any benefit from the Company other than the remuneration and festival bonus.

- 1 Expenses reimbursed to the managing agent: Nil.
- 2 Commission or other remuneration payable separately to a managing agent or his associate: Nil.
- 3 Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company: Nil.
- 4 The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year: Nil.
- 5 Any other perquisites or benefit in cash or in kind stating: Nil.
- 6 Other allowances and commission including guarantee commission: Nil.
- 7 Pensions: Nil.
- 8 Gratuities: Nil.
- 9 Payments from Provident Fund: Nil.
- 10 Compensation for Loss of Office: Nil.
- 11 Consideration in connection with retirement from office: Nil.

50.00 Disclosure as per requirement of Schedule XI, Part II, Para 3

Requirements under Condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The Turnover	1,284,505,692
3(i)(b) Commission Paid to Selling Agents (Incentive)	N/A
3(i)(c) Brokerage and discount of Sales, Other than the usual trade discount	N/A
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	156,386,207
3(i)(d)(ii) The opening and closing stocks of goods produced	N/A
3(i) (e) In the case of companies, the purchase made and the opening and closing stocks	P 62,637,651, OB 52,654,3446, CB 432,794,890
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	246,149,242
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity break up for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	865,058
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	N/A
3(i)(i) Provision for depreciation, renewals or diminution in value of fixed assets	N/A
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	N/A
3(i)(l) Charge for income tax and other taxation on profits	17,838,791
3(i)(m) Reserved for repayment of share capital and repayment of loans	2,072,243
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up	Nil
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Nil
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	62,100,393
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	N/A
3(i)(p) Expenditure incurred on each of the following items, seperately for each item:	
3(i)(p)(i) Consumption of stores and spare parts	156,386,207
3(i)(p)(ii) Power and Fuel	74,314,967
3(i)(p)(iii) Rent	7,434,293
3(i)(p)(iv) Repairs of Buildings	1,292,556
3(i)(p)(v) Repairs of Machinery	nil
3(i)(p)(vi) Other include:	
3(i)(p)(vi)(1) Salaries, wages and bonus	79,329,417
3(i)(p)(vi)(2) Contribution to provident and other funds	11,866,784
3(i)(p)(vi)(3) Workmen and staff welfare expenses to the extent not adjusted from any	4,414,484
3(i)(p)(vi)(4) Any previous provision or reserve.	P 62,100,393 R 5,107,752

51.00 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.) 30.06.2022	Amount (Tk.) 30.06.2021
1	Within 3 Months	153,648,265	108,022,669
2	Within 6 Months	36,016,579	25,321,516
3	Within 12 Months	45,430,003	31,939,639
4	More than 12 Months	5,657,685	3,977,644

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

There are no debts outstanding in this respect.

52.00 Disclosure in line with Instruction of Part I 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.

53.00 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	1,500	47,181,180
Conversion and Gas Sales during the year	685	20,991,092
Capacity Utilization	46%	44%

54.00 Disclosure as per requirement of Schedule XI, Part II, Para 8 (GA)

Value of import of Raw Materials under CIF basis as per requirement of Schedule XI, Par II, Para 8 (GA)

Particulars	Local Purchase (Tk.)	Import (Tk.)	Total Purchase (Tk.)	Consumption (Tk.) on Purchase	% of Consumption on Purchase
Materials (Raw and Packing)					
Component & Spare Parts	14,883,808	47,753,843	62,637,651	62,637,651	100%
Total					

55.00 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.

56.00 Financial Instrument-Fair Values and Risk Management

56.01 Accounting Classifications and Fair Values

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

Reconciliation of Carrying Amount	Carrying Amount Tk. '000							Total Amount
	Note	Fair Value Hedging Instruments	Mandatory FVTPL- Others	FVOCI-debt instrument	FVOCI-equity instrument	Financial assets at amortized cost	Other Financial Liabilities	
30.06.2022		-	-	-	-	-	-	-
Financial Assets measured at Fair Value		-	-	-	-	-	-	-
Equity Securities		-	-	-	-	-	-	-
Financial Assets not measured at Fair Value		-	-	-	-	-	-	-
Long Term Security Deposit	7.00	-	-	-	-	37,690	-	37,690
Investment in Subsidiaries	6.00	-	-	-	-	795,726	-	795,726
Investment in Shares	8.00	-	-	-	-	3,478	-	3,478
Accounts Receivables	10.00	-	-	-	-	240,752	-	240,752
Advance, Deposits & Pre-payments	11.00	-	-	-	-	136,232	-	136,232
Cash and Cash Equivalents	13.00	-	-	-	-	59,672	-	59,672
Total		-	-	-	-	1,273,550	-	1,273,550
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:		-	-	-	-	-	-	-
Short Term loan	20.00	-	-	-	-	-	50,994	50,994
Lease Liabilities	18.00	-	-	-	-	-	316	316
Unclaimed Dividend	20.00	-	-	-	-	-	43,047	43,047
Payables & Accruals	24.00	-	-	-	-	-	103,849	103,849
Total		-	-	-	-	-	198,206	198,206
30.06.2021		-	-	-	-	-	-	-
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-
Equity Securities		-	-	-	-	-	-	-
Financial Assets not measured at Fair Value:		-	-	-	-	-	-	-
Long Term Security Deposit	7.00	-	-	-	-	32,369	-	32,369
Investment in Subsidiaries	6.00	-	-	-	-	854,983	-	854,983
Investment in Shares	8.00	-	-	-	-	3,259	-	3,259
Accounts Receivables	10.00	-	-	-	-	169,261	-	169,261
Advance, Deposits & Pre-payments	11.00	-	-	-	-	111,469	-	111,469
Cash and Cash Equivalents	13.00	-	-	-	-	62,681	-	62,681
Total		-	-	-	-	1,234,022	-	1,234,022
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:		-	-	-	-	-	-	-
Short Term loan	20.00	-	-	-	-	-	63,238	63,238
Lease Liabilities	18.00	-	-	-	-	-	3,444	3,444
Unclaimed Dividend	20.00	-	-	-	-	-	42,554	42,554
Payables & Accruals	24.00	-	-	-	-	-	121,262	121,262
Total		-	-	-	-	-	230,498	230,498

The company has not disclosed the fair values for financial instruments such as account receivables, cash and cash equivalents, investment in subsidiaries, long term security deposit, short term loans and other non current liabilities because their carrying amounts are a reasonable approximation of fair value.

56.02 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:

56.02.1 Credit Risk 56.02.2 Liquidity Risk 56.02.3 Market Risk.

This notes presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring risk and the company's management of capital.

56.02.1 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 monitoring on an ongoing basis. As at 30th June, 2022, 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 (Taka) 30.06.2022	Amount (Taka) 30.06.2021
Non-Derivative Financial Assets:		
Accounts Receivable	240,752,532	169,261,468
Inter Company Receivables	665,906,422	653,606,422
Advance to Suppliers	54,481,905	38,378,278
Advance against Employees	9,726,476	10,853,661
Security Deposits	3,024,765	3,160,453
Other advances	68,998,853	59,076,573
FDR	42,830,165	26,228,982
Cash at bank	13,495,138	31,822,697
Cash in Hand	3,347,255	4,629,723
	1,102,563,511	997,018,257

At 30th June, 2022 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

	Amount (Taka) 30.06.2022	Amount (Taka) 30.06.2021
Domestic	240,752,532	169,261,468
Foreign Receivable	-	-
	240,752,532	169,261,468

The ageing of Trade Receivable at the reporting date is as follows:

0 to 1 Months	100,803,085	70,869,777
More than 1 Months to 3 Months	52,845,181	37,152,892
More than 3 Months to 6 Months	36,016,579	25,321,516
More than 6 Months to 9 Months	24,604,909	17,298,522
More than 9 Months to 12 Months	20,825,094	14,641,117
Above 12 Months	5,657,685	3,977,644
	240,752,532	169,261,468

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.

56.02.2 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, 2022.

30th June, 2022

					Contractual Cash Flows			
In Taka	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	50,994,508	50,994,508	13,768,517	37,225,991	-	-	
Long Term interest bearing loans	19.00	138,500,000	138,500,000	-	-	109,415,000	29,085,000	
Finance lease liabilities	18.00	316,827	316,827	-	-	316,827	-	
Trade and other payables	24.00	103,848,765	103,848,765	23,885,216	54,001,358	19,731,265	6,230,926	
Inter Company Payables	22.00	313,535,362	313,535,362	-	-	313,535,362	-	
Non-Current Liabilities	-	172,902,151	172,902,151	29,393,366	89,909,119	39,767,495	13,832,172	
		780,097,613	780,097,613	67,047,099	181,136,467	482,765,949	49,148,098	
Derivative Financial Liabilities								
		780,097,613	780,097,613	67,047,099	181,136,467	482,765,949	49,148,098	

30th June, 2021

		Contractual Cash Flows					
In Taka	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
Finance lease liabilities	18.00	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	-
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	202,444,480	532,675,996	50,702,976
Derivative Financial Liabilities							
		-	-	-	-	-	-
		861,265,200	861,265,200	75,441,747	202,444,480	532,675,996	50,702,976

56.02.3 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.

57.00 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.

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

The directors in the meeting held on 26th day of October, 2022 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 18th annual general meeting to be held on 28th day of December, 2022.

"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, 2022

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2021
	Opening Balance 01.07.2021	Addition during the year	Total as on 30.06.2022		Opening Balance 01.07.2021	Charged during the year	Total as on 30.06.2022	
Land and Land Development	449,042,715	-	449,042,715	0%	-	-	-	449,042,715
Building & Shed	124,852,705	2,673,023	127,525,728	10%	81,182,085	4,511,851	85,693,936	41,831,792
Plant & Machinery	569,158,494	1,862,084	571,020,578	10%	400,704,031	16,938,550	417,642,581	153,377,997
Tools & Equipment	89,656,413	1,074,377	90,730,790	10%	47,242,227	4,272,755	51,514,982	39,215,808
Furniture & Fixtures	16,339,300	99,655	16,438,955	10%	10,963,068	544,267	11,507,335	4,931,620
Vehicles	90,731,884	-	90,731,884	10%	45,838,443	4,489,343	50,327,786	40,404,098
Total	1,339,781,511	5,709,139	1,345,490,650		585,929,854	30,756,766	616,686,620	728,804,030

Annexure-B

SCHEDULE OF RIGHT USE OF ASSETS AS ON 30TH JUNE, 2022

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2022
	Opening Balance 01.07.2021	Addition during the year	Total as on 30.06.2022		Opening Balance 01.07.2021	Charged during the year	Total as on 30.06.2022	
Right of Use Assets	15,730,822	-	15,730,822	0%	9,995,406	4,898,590	14,893,996	836,826
Total	15,730,822	-	15,730,822		9,995,406	4,898,590	14,893,996	836,826



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, 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholder's Equity and Statement of Cash Flows for the year then ended, June 30, 2022 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, 2022, 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 Profit and Loss and Other 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 30, 2022


Md. Nurul Hossain Khan FCA
Enrolment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants
DVC: 2211030240AS391702

Navana Engineering Limited

Statement of Financial Position

As at June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
Assets			
Non-current assets			
Property, plant and equipment	4.00	1,211,619,649	1,288,458,941
Right of use asset	Anx-C	-	1,485,608
Intangible Assets	5.00	11,965,067	13,294,519
Capital Work-in- progress	6.00	351,475,361	351,475,361
Total Non-current assets		1,575,060,077	1,654,714,429
Current assets			
Inventories	7.00	1,065,843,040	1,033,520,476
Trade receivables	8.00	545,654,130	474,369,885
Advances, deposits & prepayments	9.00	547,969,976	467,173,235
Inter-company receivable	10.00	294,430,000	294,430,000
Cash & Cash equivalent	11.00	3,686,481	2,872,910
Total Current assets		2,457,583,627	2,272,366,506
Total assets		4,032,643,704	3,927,080,935
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	225,855,881	298,940,508
Equity		361,241,857	434,326,484
Non Current liabilities			
Deferred tax liability	14.00	9,629,266	33,205,889
Lease Liability		-	1,565,631
Long Term Loan- Net of current portion	15.00	2,198,403,994	1,074,863,996
Loan from Others		50,000,000	50,000,000
Loan from Parrent company		245,000,000	245,000,000
Total Non Current liabilities		2,503,033,260	1,404,635,516
Current liabilities			
Long Term Loan- Current portion	15.00	153,391,797	489,134,589
Short-term loan	16.00	256,313,402	850,570,692
Intercompany Payable	17.00	596,731,128	585,338,311
Provision for income Tax	18.00	126,894,901	123,966,622
Payables & accruals	19.00	35,037,359	39,108,720
Total Current liabilities		1,168,368,587	2,088,118,935
Total Liabilities		3,671,401,847	3,492,754,451
Total Equity & Liabilities		4,032,643,704	3,927,080,935
Net assets value per share		36.12	43.43

The annexed notes 1 to 24 & annexure-A to C form an integral part of these financial statements.



Director


Director


Company Secretary

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 30, 2022.
DVC: 2211030240AS391702


Md. Nurul Hossain Khan FCA
Enrolment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Navana Engineering Limited

Statement of Profit or Loss and other Comprehensive Income
For the year ended June 30, 2022

Particulars	Note	Amount in Taka	
		June 30, 2022	June 30, 2021
Revenue (net)	20.00	431,155,504	345,204,712
Less: Cost of goods sold	21.00	314,911,265	253,391,694
Gross profit		116,244,239	91,813,018
Less: Administrative & selling expenses	22.00	60,009,547	58,653,636
Less: Interest expenses		150,047,686	146,117,128
Operating profit/ Loss		(93,812,994)	(112,957,746)
Add: Other income		-	-
Net profit / Loss before tax		(93,812,994)	(112,957,746)
Less: Income Tax Expenses	23.00	(20,648,344)	(29,004,670)
Current tax	23.01	2,928,279	2,071,228
Deferred tax	23.02	(23,576,623)	(31,075,898)
Profit / Loss after Tax		(73,164,650)	(83,953,076)
Add : Other comprehensive income/ loss		-	-
Add/Less : Deferred tax adjustment		-	-
Total Comprehensive Income/ Loss for the year		(73,164,650)	(83,953,076)
Earnings per share		(7.32)	(8.40)

The annexed notes 1 to 24 & annexure-A to C form an integral part of these financial statements.



Director


Director


Company Secretary

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 30, 2022.
DVC: 2211030240AS391702


Md. Nurul Hossain Khan FCA
Enrolment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Navana Engineering Limited
Statement of Changes in Equity
For the year ended June 30, 2022

Particulars	Share capital	Tax holiday reserve	Retained Earnings	Total
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
Balance at July 01, 2021	100,000,000	35,385,976	298,940,508	434,326,484
Adjustment for IFRS-16 (Lease)			80,023	80,023
Net profit/ (Loss) for the year	-	-	(73,164,650)	(73,164,650)
Balance at June 30, 2022	100,000,000	35,385,976	225,855,881	361,241,857



Director



Director



Company Secretary

Navana Engineering Limited

Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
Cash flows from operating activities			
Receipts from customers		359,871,259	273,787,932
Receipts of other income		-	-
Payments for materials, services and expenses		(410,594,456)	(327,472,488)
		(50,723,197)	(53,684,556)
Income tax paid		(2,928,279)	(2,000,003)
Net cash Provided by operating activities	24.00	(53,651,476)	(55,684,559)
Cash flows from investing activities			
Payments for property, plant and equipment		(420,000)	(2,106,701)
Capital Work-in- progress		-	(34,987,278)
Net cash used in investing activities		(420,000)	(37,093,979)
Cash flows from financing activities			
Interest paid		(150,047,686)	(146,117,128)
Inter company receivable		-	3,570,000
Inter company payable		11,392,817	(9,000,000)
Net Loan taken / (paid)		193,539,916	241,756,088
Net cash inflows from financing activities		54,885,047	90,208,960
Net changes in cash and cash equivalents		813,571	(2,569,578)
Cash and cash equivalents at the beginning of the year		2,872,910	5,442,488
Cash and cash equivalents at the end of the year		3,686,481	2,872,910


Director


Director


Company Secretary

NAVANA ENGINEERING LIMITED
Notes to the Financial Statements for the year ended 30th June, 2022
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 205-207, Tejgaon Industrial Area, Dhaka-1208.

The Corporate office of the Company is located at House # 9/C, Road # 71, Gulshan-02, Dhaka-1212.

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, 2022;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022;
- * Statement of Changes in Equity for the year ended 30th June, 2022;
- * Statement of Cash Flows for the year ended 30th June, 2022;
- * 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, 2021 to 30th June, 2022.

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 be 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.

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 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 recognize directly in equity, in which case it is recognized in equity.

(a) Current Tax

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

(b) Deferred Tax

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

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

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

3.11 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 30,2022	Outstanding (Receivable / Payable) as on June 30,2021
			Dr.	Cr.		
Navana CNG Limited	Parent Company	Working Capital	700,000	10,000,000	(31,362,105)	(22,062,105)
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	7,158,516	7,929,137	1,627,917	2,398,538
Navana LPG Limited	Sister Concern	Interest Free Loan		5,000,000	(159,091,976)	(154,091,976)
Navana Construction Ltd.	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 Ltd.	Alliance Companies	Interest Free Loan			5,430,000	5,430,000
Navana Welding Electrode Limited	Sister Concern	Interest Free Loan			51,000,000	51,000,000
Aftab Automobiles Ltd.	Alliance Companies	Interest Free Loan	38,157,183		(21,843,047)	(60,000,230)
Board Meeting Fee	Director	Interest Free	100,000		100,000	110,000
Navana Construction Ltd.	Alliance Companies	Interest Free Loan		56,321	7,854,997	7,911,319
Navana Batteries Ltd.	Alliance Companies	Interest Free Loan	36,261,375	36,834,476	783,785	1,356,886
Navana Interlinks Ltd.	Alliance Companies	Interest Free Loan		15,000,000	(15,000,000)	-
Navana Limited	Alliance Companies	Interest Free Loan		5,250,000	(5,250,000)	-
Navana Foods Ltd.	Alliance Companies	Interest Free Loan		15,000,000	(15,000,000)	-

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 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
For the year ended June 30, 2022

		Amount in Taka	
		June 30, 2022	June 30, 2021
4	Property, plant and equipment		
	Land and land development	515,883,508	515,883,508
	Building & Shed	264,392,837	293,769,819
	Plant & Machinery	372,820,321	413,780,078
	Tools & equipment	40,719,284	45,243,649
	Furniture & fixtures	2,633,441	2,926,045
	Motor vehicle	15,170,258	16,855,842
		1,211,619,649	1,288,458,941
	<i>*An elaborate schedule of PPE are shown in annexure -A.</i>		
5	Intangible Assets		
	Software System	11,965,067	13,294,519
		11,965,067	13,294,519
	<i>*An elaborate schedule of Intangible Assets are shown in annexure -B.</i>		
6	Capital work in progress		
	Opening Balance	351,475,361	316,488,083
	Add: Addition during the year	-	34,987,278
		351,475,361	351,475,361
	Less : Transfer to PPF	-	-
	Closing Balance	351,475,361	351,475,361
	Capital Work in progress represents land and land development, civil construction, Plant and mechineries etc for BMRE project at Gabtoli and Baligoan, Kalligonj.		
7	Inventories		
	Stock in raw materials	50,353,774	12,847,660
	Stock In Transit	105,164,589	104,109,919
	Work in process	161,326,890	154,241,103
	Closing finished goods	748,997,787	762,321,794
		1,065,843,040	1,033,520,476
8	Trade receivables		
	Mymensing Zone	56,554,995	50,991,105
	Chattagram Zone	53,715,566	52,191,926
	Khulna Zone	41,716,773	37,481,773
	Rajshahi Zone	41,932,442	41,357,804
	Gazipur Zone	41,825,347	39,395,217
	Sylhet Zone	39,724,428	32,160,448
	Dhaka Zone	70,288,745	60,288,745
	Barishal Zone	58,348,009	52,322,378
	HDPE	68,881,486	53,183,165
	Tender	3,150,158	3,150,158
	Navana Real state ltd.	1,627,917	2,398,538
	Corporate	6,960,412	6,308,014
	Navana Construction limited	7,854,997	7,911,318
	Navana Batteries limited	783,785	1,356,886
	Others	52,091,040	33,674,380
	Receivable from Employees'provident fund	198,030	198,030
		545,654,130	474,369,885

		Amount in Taka	
		June 30, 2022	June 30, 2021
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	171,155,279	168,227,000
	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	135,867	-
	Rose vally International	340,470	340,470
	Advance against Suppliers	132,867,441	97,867,441
	Advance against others	142,395,381	122,388,307
	Advance against civil construction	74,127,622	51,402,101
		547,969,976	467,173,235
9.01	Advance Income Tax		
	Opening Balance	168,227,000	166,226,997
	Add: Addition during the year	2,928,279	2,000,003
		171,155,279	168,227,000
	Less : Adjustment during the year	-	-
	Closing Balance	171,155,279	168,227,000
10	Inter-company Receivable		
	Navana CNG Ltd.	238,000,000	238,000,000
	Aftab Automobiles Ltd.	5,430,000	5,430,000
	Navana Welding Electrode Ltd.	51,000,000	51,000,000
		294,430,000	294,430,000
11	Cash & Cash Equivalent		
	Cash in hand	36,340	250,878
	Cash at Banks	3,650,141	2,622,032
		3,686,481	2,872,910
11.01	Cash at banks		
	Al- Arafah Islami Bank	6,789	6,789
	Islami Bank Bangladesh Ltd.	103,764	454,665
	Shahjalal islami Bank Ltd.	3,450	3,450
	Southeast Bank Ltd	35,878	70,647
	Standard Bank Limited	269,008	294,548
	Dutch Bangla Bank Ltd.	2,315,933	1,040,336
	Mutual Trust Bank Ltd.	93,574	94,724
	Trust Bank Ltd.	82,542	82,542
	Mercantile Bank Ltd.	2,710	2,710
	IFIC Bank Ltd.	108,702	110,382
	Pubali Bank Ltd.	582,569	416,017
	Bank Asia Ltd.	5,000	5,000
	Bangladesh Commerce Bank Ltd.	17,680	17,680
	First Security islami Bank Ltd.	3,623	3,623
	Agrani Bank Limited	6,378	6,378
	The premier Bank Ltd.	12,541	12,541
		3,650,141	2,622,032

		Amount in Taka	
		June 30, 2022	June 30, 2021
12	Authorized Capital:		
	50,000,000 Ordinary Shares @ Tk. 10 each	500,000,000	500,000,000
	Issued, Subscribed and Paid-up Capital	100,000,000	100,000,000
	10,000,000 Ordinary Shares @ Tk. 10 each		
	Navana CNG Limited	99,999,950	99,999,950
	Non -controlling interest (Sponsors)	50	50
		100,000,000	100,000,000
13	Retained earnings		
	Opening balance	298,940,508	382,893,584
	Adjustment for IFRS-16 (Lease)	80,023	-
	Add: Net profit / (Loss) for the year	(73,164,650)	(83,953,076)
	Closing balance	225,855,881	298,940,508
14	Calculation of Deferred tax:		
	Deferred tax for temporary difference	9,629,266	33,205,889
		9,629,266	33,205,889
14.01	Deferred tax for temporary difference of PPE		
	Accounting Base WDV	1,223,584,716	1,301,753,460
	Tax Base WDV	893,707,168	965,546,365
	Temporary difference	329,877,548	336,207,095
	Less: Unabsorbed Depreciation	(297,779,995)	(225,520,798)
	Taxable temporary difference	32,097,553	110,686,297
	Tax rate	30.0%	30.0%
	Deferred tax liabilities	9,629,266	33,205,889
	Less: Opening balance	33,205,889	64,281,787
	Current deferred tax	(23,576,623)	(31,075,898)
15	Long Term Loan-Net of current portion		
	One Bank Limited, Gulshan Br.	1,938,962,022	1,396,152,550
	Standard Bank Limited	85,553,290	80,912,898
	Shahjalal Islami Bank Limited, Gulshan Br.	240,347,342	-
	Due to Director (15.01)	86,933,137	86,933,137
		2,351,795,791	1,563,998,585
	Less: Long Term Loan- Current portion	153,391,797	489,134,589
	Long Term Loan-Net of current portion	2,198,403,994	1,074,863,996
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.

16 Short-term loan

One Bank Limited, Gulshan Br.
Shahjalal Islami Bank Limited, Gulshan Br.

17 Inter Company Payable

Navana CNG Ltd.
Navana Real Estate Ltd.
Navana LPG Ltd.
Navana Contruction Ltd.
Aftab Automobiles Ltd.
Navana Interlinks Ltd.
Navana Limited
Navana Foods Ltd.

18 Provision for income tax

Opening balance
Add: provision during the year

Less: Tax paid/adjusted during the year
Closing balance

19 Payables & accrual

Liabilities for Expenses
Workers profit participation fund
Sundry payables

20 Revenue (net)

HDPE Pipe
HDPE Fittings
PPR Pipe Fittings
PPR Pipe
uP V C Pipe
uP V C Pipe Fitting
Plastic Item
Gas stove
Sink
Battery container
Water pump

Amount in Taka	
June 30, 2022	June 30, 2021
256,313,402	625,434,328
-	225,136,364
256,313,402	850,570,692
31,362,105	22,062,105
315,800,000	315,800,000
159,091,976	154,091,976
33,384,000	33,384,000
21,843,047	60,000,230
15,000,000	-
5,250,000	-
15,000,000	-
596,731,128	585,338,311
123,966,622	121,895,394
2,928,279	2,071,228
126,894,901	123,966,622
-	-
126,894,901	123,966,622
13,354,392	8,570,731
18,298,998	16,788,072
3,383,969	13,749,917
35,037,359	39,108,720
262,524,770	110,196,394
620,517	657,848
-	1,042,591
-	2,016,699
104,842,720	119,276,390
270,392	3,015,472
58,386,116	56,717,137
1,851,315	20,880,660
-	1,055,669
-	17,178,313
2,659,674	13,167,539
431,155,504	345,204,712

		Amount in Taka	
		June 30, 2022	June 30, 2021
21	Cost of goods sold		
	Raw materials Consumed	21.01 198,257,061	186,012,602
	Add: Factory overhead	21.02 110,415,984	118,379,092
		308,673,045	304,391,694
	Add: Opening Work in Process	154,241,103	125,241,103
		462,914,148	429,632,797
	Less : Closing Work in Process	161,326,890	154,241,103
		301,587,258	275,391,694
	Add: Opening finished goods	762,321,794	740,321,794
		1,063,909,052	1,015,713,488
	Less: Closing finished goods	748,997,787	762,321,794
		314,911,265	253,391,694
21.01	Raw materials		
	Opening stock of raw materials	12,847,660	26,189,516
	Add: Purchased during the year	235,763,175	172,670,746
		248,610,835	198,860,262
	Less: Closing stock of raw material	50,353,774	12,847,660
		198,257,061	186,012,602
21.02	Factory overhead		
	Salary & Allowances	5,966,032	4,707,155
	Labour & wages	9,884,649	10,646,666
	Gas for Generator & others	13,830	689,327
	Electricity expenses	25,649,514	23,808,810
	Factory Repair & maintenance	16,518	502,179
	Loading & unloading expenses	602,816	1,873,578
	Canteen expenses	322,040	624,100
	Stationery	179,593	734,612
	Postage, Courier & mobile bill	71,899	138,669
	Security service	-	54,000
	Others Expenses	103,519	213,816
	Conveyance	53,150	167,840
	Office Maintenance	1,024,432	583,661
	Fire insurance premium	3,656,996	3,951,627
	Depreciation (Annexure-A)	61,807,435	68,501,317
	Amortization (Annexure-B)	1,063,562	1,181,735
		110,415,984	118,379,092

		Amount in Taka	
		June 30, 2022	June 30, 2021
22	Administrative and selling expense		
	Salary & allowances	27,812,052	23,125,974
	Audit Fee	57,500	57,500
	ISO audit Fee	44,505	50,000
	Bank charge	286,451	384,986
	Board meeting attendance fee	100,000	100,000
	Telephone & mobile bill	901,188	1,088,901
	Conveyance	1,279,240	768,183
	Electrical expense	40,750	24,951
	Entertainment	509,157	655,830
	Internet expenses	598,700	761,363
	Transport allowances	298,793	26,255
	Miscellaneous expense	501,149	415,360
	Newspaper & periodicals	-	1,000
	Office maintenance	926,884	837,626
	Distribution expenses	4,453,946	3,651,914
	Photocopy expense	-	1,355
	Postage & stamp	2,710	156,593
	Printing & other expense	52,600	1,190,790
	Professional & Consultantcy fee	184,000	312,000
	Stationary expense	20,661	270,941
	Subsidy to canteen	313,915	-
	Software Maintenance fee	112,500	-
	Registration & renewals	818,511	1,137,897
	Gas, Fuel & Diesel expenses	1,454,183	1,862,957
	Vehicle maintenance	1,125,520	1,132,981
	TA/DA Expense	105,684	366,779
	Security & Cleaning Service	410,767	476,524
	Advertisement	-	50,000
	Electricity	309,506	116,260
	Office/Depot rent	60,000	94,000
	Other interest expenses	1,510,926	1,386,171
	Depreciation of Right of use asset	-	727,782
	Depreciation (Annexure-A)	15,451,859	17,125,329
	Amortization (Annexure-B)	265,890	295,434
		60,009,547	58,653,636
23	Income tax Expense		
	Current tax	23.01 2,928,279	2,071,228
	Deferred tax	23.02 (23,576,623)	(31,075,898)
		(20,648,344)	(29,004,670)

23.01

Current tax

Current Tax Expenses (Higher of A, B & C)

A. Income Tax on Regular rate

Profit/ Loss Before Tax

Add: accounting Depreciation

Add: accounting Amortization

Less: Tax base Depreciation

Unabsorbed Depreciation

Taxable Business Income

B) Income Tax Paid at Source (U/S 82(c)(2))

Tax deducted by Customer

Tax deducted at source (Vehicle)

C) Minimum Tax on Gross Receipt (under section 82(c)(4)(a))

Gross receipt on Business income and Other Income

Minimum Tax @ .60%

23.02

Deferred Tax

This is made up as follows:

Deferred Tax Liabilities

Less : Opening Balance

Current Deferred Tax

24

Reconciliation of 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:

Int. on Lease Liabilities

Payment of Lease

Depreciation

Income tax paid during the year

Changes in current assets and liabilities :

Decrease/increase in inventories

Increase/ Decrease in trade receivable

Increase/Decrease in advance and prepayments

Increase/Decrease in payable & accrual

Total cash flow from operating activities- Indirect Method*

Total cash flow from operating activities- direct Method*

Difference

* Details in the statement of cash flows

Amount in Taka	
June 30, 2022	June 30, 2021
2,928,279	2,071,228
2,928,279	2,071,228
(93,812,994)	(112,957,746)
77,259,293	85,626,646
1,329,452	1,477,169
(15,224,249)	(25,853,931)
72,259,197	112,918,165
(87,483,446)	(138,772,096)
72,259,197	112,918,165
-	-
2,815,779	1,957,003
112,500	43,000
2,928,279	2,000,003
431,155,504	345,204,712
2,586,933	2,071,228
9,629,266	33,205,889
33,205,889	64,281,787
(23,576,623)	(31,075,898)
57,745,619	34,545,553
-	172,857
-	(966,000)
78,588,745	87,831,597
(2,928,279)	(2,000,003)
(32,322,564)	(7,078,697)
(71,284,246)	(71,416,780)
(77,868,463)	(90,794,197)
(5,582,287)	(5,978,890)
(53,651,476)	(55,684,559)
(53,651,476)	(55,684,559)
(53,651,476)	(55,684,559)
-	-

Navana Engineering Limited

Schedule of Property, plant and equipment
As at June 30, 2022

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation		Written Down Value at	
	As at 01.07.2021	Addition Dur. the year	Adjustment/ Disposal		As at 01.07.2021	Charged Dur. the year	As at 30.06.2022	30.06.2022
Land and land development	515,883,508	-		0%	-	-	-	515,883,508
Building & Shed	431,633,339	-		10%	137,863,520	29,376,982	167,240,502	264,392,837
Plant & Machinery	654,988,672	420,000		10%	241,208,593	41,379,758	282,588,351	372,820,321
Tools & equipment	84,084,576	-		10%	38,840,927	4,524,365	43,365,292	40,719,284
Furniture & fixtures	4,541,348	-		10%	1,615,303	292,605	1,907,908	2,633,441
Motor vehicle	24,334,980	-		10%	7,479,138	1,685,584	9,164,722	15,170,258
Total	1,715,466,423	420,000			427,007,481	77,259,293	504,266,774	1,211,619,649

Depreciation Charged to :

TK

Cost of good sold	61,807,435
Administrative & selling Expenses	15,451,859
	77,259,293

Navana Engineering Limited

Schedule of Intangible Asset
As at June 30, 2022

Annexure-B

Particulars	Cost			Rate of Amr.	Amortization			Written Down Value at 30.06.2022
	As at 01.07.2021	Addition Dur. the year	Adjustment/ Disposal		As at 01.07.2021	Charged Dur. the year	As at 30.06.2022	
Software System	20,158,432	-		10%	6,863,913	1,329,452	8,193,365	11,965,067
Total	20,158,432	-			6,863,913	1,329,452	8,193,365	11,965,067

Amortization Charged to :

TK

Cost of good sold

1,063,562

Administrative & selling Expenses

265,890

1,329,452

Schedule of Right of Use Assets

As at June 30, 2022

Annexure-C

Particulars	Cost			Rate of Amr.	Amortization			Written Down Value at 30.06.2022
	As at 01.07.2021	Addition Dur. the year	Adjustment/ Disposal		As at 01.07.2021	Charged Dur. the year	As at 30.06.2022	
Right of use assets	2,941,171	-	1,485,608		1,455,563	-	1,455,563	-
Total	2,941,171	-	1,485,608		1,455,563	-	1,455,563	-

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, 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholder's Equity and Statement of Cash Flows for the year then ended, June 30, 2022 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, 2022, 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 Profit and Loss and Other 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 30, 2022


Md. Nurul Hossain Khan FCA
 Enrolment No: 0240
 Managing Partner
 KaziZahir Khan & Co.
 Chartered Accountants
 DVC: 2211030240AS594580

Navana Welding Electrode Limited

Statement of Financial Position
As at June 30, 2022

Particulars	Note	Amount in Taka	
		June 30, 2022	June 30, 2021
Assets			
Non-current assets			
Property, plant and equipment	4	260,582,507	270,350,854
Right of use asset		343,973	698,442
Intangible Assets	5	4,015,985	1,056,511
Total Non-Current assets		264,942,465	272,105,807
Current assets			
Inventories	6	190,681,615	199,546,621
Trade receivables	7	63,956,357	38,029,377
Inter company Receivable	8	165,634,300	155,134,300
Advances, deposits & prepayments	9	119,137,904	112,019,677
Cash & Cash equivalent	10	123,450,367	101,109,723
Total current assets		662,860,543	605,839,698
Total assets		927,803,008	877,945,505
Equity and liabilities			
Equity			
Share capital	11	100,000,000	100,000,000
Retained earnings	12	327,123,389	263,756,584
Total equity		427,123,389	363,756,584
Non-current liabilities			
Term Loan	13	99,679,389	99,679,389
Lease Liability		378,818	730,544
Deferred tax liabilities	14.02	22,358,529	23,842,048
Total Non- current liabilities		122,416,736	124,251,981
Current liabilities			
Short-term loan	15	30,671,651	83,174,975
Inter company Payable	16	158,012,238	158,012,238
Provision for income tax	17	144,701,761	116,061,040
Payables & accruals	18	44,877,233	32,688,687
Total current liabilities		378,262,883	389,936,940
Total Liabilities		500,679,619	514,188,921
Total equity & liabilities		927,803,008	877,945,505
Net assets value per share		42.71	36.38

The annexed notes 1 to 22 & annexure-A to C form an integral part of these financial statements.


Director


Director


Company Secretary

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 30, 2022.
DVC: 2211030240AS594580


Md Nurul Hossain Khan FCA
Enrolment No : 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Navana Welding Electrode Limited
Statement of Profit or Loss and other comprehensive income
For the year ended June 30, 2022

Particulars	Note	Amount in Taka	
		June 30, 2022	June 30, 2021
Revenue (net)		532,631,622	693,179,581
Less: Cost of sales	19	389,756,478	510,330,387
Gross profit		142,875,144	182,849,194
Less: Administrative and selling expenses	20	45,546,421	60,622,873
Less: Interest expenses		5,543,518	6,432,283
Operating profit		91,785,205	115,794,038
Add: Other income	21	3,265,002	4,049,215
Profit before contribution to WPPF		95,050,207	119,843,253
Less: Contribution to WPPF		4,526,200	5,706,822
Profit before tax		90,524,007	114,136,431
Less: Income tax expenses		27,157,202	31,943,215
Current tax	14.01	28,640,721	35,252,583
Deferred tax	14.02	(1,483,519)	(3,309,368)
Total Comprehensive Income for the year		63,366,805	82,193,216
Earnings per share		6.34	8.22

The annexed notes 1 to 22 & annexure-A to C form an integral part of these financial statements.


Director


Director


Company Secretary

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 30, 2022.
DVC: 2211030240AS594580


Md Nurul Hossain Khan FCA
Enrolment No : 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Navana Welding Electrode Limited

Statement of Changes in Equity
For the year ended June 30, 2022

Particulars	Share capital	Retained Earnings	Total
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
Balance at July 01,2021	100,000,000	263,756,584	363,756,584
Net profit for the year	-	63,366,805	63,366,805
Balance at June 30, 2022	100,000,000	327,123,389	427,123,389


Director


Director


Company Secretary

Navana Welding Electrode Limited

Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Amount in Taka	
	June 30, 2022	June 30, 2021
A. Cash flows from operating activities		
Receipts from customers	506,704,642	700,792,123
Receipts of other income	3,265,002	4,049,215
Payments for materials, services and expenses	(398,204,149)	(651,073,827)
	111,765,495	53,767,511
Income tax paid	(10,089,087)	(28,447,285)
Net cash Inflow by operating activities	101,676,408	25,320,226
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,533,922)	(2,991,631)
Payments for intangible assets	(3,255,000)	(220,000)
Net cash used by investing activities	(10,788,922)	(3,211,631)
C. Cash flows from financing activities		
Inter company receivable	(10,500,000)	(5,500,000)
Interest paid	(5,543,518)	(6,432,283)
Inter company payable	-	(4,000,000)
Short-term loan	(52,503,324)	(9,929,672)
Net cash inflows from financing activities	(68,546,842)	(25,861,955)
D. Net changes in cash and cash equivalents (A+B+C)	22,340,644	(3,753,360)
Cash and cash equivalents at the beginning of the year	101,109,723	104,863,083
E. Cash and cash equivalents at the end of the year	123,450,367	101,109,723


Director


Director


Company Secretary

NAVANA WELDING ELECTRODE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2022 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.

The Registered office of the Company is located at 125/A, Motijheel C/A, Dhaka-1000.

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, 2022;
- * Statement of Profit or Loss and Other Comprehensive Income For the year ended 30th June, 2022;
- * Statement of Changes in Equity for the year ended 30th June, 2022;
- * Statement of Cash Flows for the year ended 30th June, 2022;
- * Accounting Policies and Explanatory Notes.

1.04 Operating Segments

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

2.00 Basis of Presentation of Financial Statements

2.01 Basis of Measurement

The financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non current assets.

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

2.03 Statement of Compliance

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

2.04 Going Concern

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

2.05 Reporting Currency

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

2.06 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with IFRS's including IAS's requires managements to make the judgments, estimates and assumption that affect the application of the accounting policies and

the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosures during and at the date of the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed as on going concern basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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

2.07 Responsibility for Preparation and Presentation of Financial Statements

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

2.08 Comparative Figures

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

2.09 Events after the Reporting Period

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

2.10 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2021 to 30th June, 2022.

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 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 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 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 recognize directly in equity, in which case it is recognized in equity.

(a) Current Tax

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

(b) Deferred Tax

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

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

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

3.11 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 30,2022	Outstanding (Receivable / Payable) as on June 30,2021
			Dr.	Cr.		
Navana CNG Limited	Parent Company	Working Capital			(107,012,238)	(107,012,238)
Navana CNG Limited	Parent Company	Interest company Receivable	5,000,000		38,000,000	33,000,000
Navana Engineering Ltd.	Sister Concern	Interest Free Loan			(51,000,000)	(51,000,000)
Loan from Chairman	Director	Interest Free Loan			(99,679,389)	(99,679,389)
Navana Real Estate Limited	Alliance Companies	Interest Free Loan	2,500,000		14,230,000	11,730,000
Navana LPG Limited	Sister Concern	Interest Free Loan	3,000,000		79,500,000	76,500,000
Navana Construction Ltd.	Alliance Companies	Interest Free Loan			5,000,000	5,000,000
Navana Furniture Ltd.	Alliance Companies	Interest Free Loan			5,000,000	5,000,000
Aftab Automobiles Ltd.	Alliance Companies	Interest Free Loan			19,200,000	19,200,000
Navana Limited.	Alliance Companies	Interest Free Loan			4,704,300	4,704,300
Board Meeting Fee	Director	Interest Free	100,000		100,000	100,000

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

For the year ended June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
4. Property, plant and equipment net			
Land and land development		102,324,202	102,324,202
Building & civil construction		52,014,346	57,793,718
Plant & machinery		61,195,863	67,995,404
Office equipment		5,721,055	6,122,065
Furniture & fittings		7,110,005	4,010,362
Electrical equipment		16,590,960	17,672,426
Vehicles		15,626,076	14,432,677
		260,582,507	270,350,854
<i>*An elaborate schedule of PPE are shown in annexure -A.</i>			
5. Intangible Assets			
Software System		4,015,985	1,056,511
		4,015,985	1,056,511
<i>*An elaborate schedule of intangible assets are shown in annexure -B.</i>			
6. Inventories			
Raw materials		43,539,097	94,123,802
Work-in-process		14,058,907	12,887,572
Finished goods		26,235,957	24,422,428
Stock In Transit		86,911,535	58,589,161
Spare parts		19,936,119	9,523,658
Fuel		-	-
		190,681,615	199,546,621
7. Trade receivables			
Sylhet Zone		2,192,537	631,807
Jessore Zone		2,473,104	1,509,932
Kustia Zone		2,003,108	1,736,800
Dhaka South zone		19,530,264	10,704,050
Dhaka North zone		6,547,861	4,731,563
Rajshahi Zone		1,660,868	990,968
Rangpur Zone		1,723,898	850,564
Chitta. South Zone		5,706,517	4,333,719
Chitta. North Zone		3,399,461	2,531,751
Barishal Zone		1,265,875	418,786
Corporate		17,327,530	9,464,103
Receivable from Employees' provident fund		125,333	125,333
		63,956,357	38,029,377
8. Inter company Receivables			
Navana LPG Limited		79,500,000	76,500,000
Navana CNG Limited		38,000,000	33,000,000
Navana Limited		4,704,300	4,704,300
Navana Furniture Limited		5,000,000	5,000,000
Navana Real Estate limited		14,230,000	11,730,000
Navana Contruction Ltd.		5,000,000	5,000,000
Aftab Automobiles Ltd.		19,200,000	19,200,000
		165,634,300	155,134,300

		Amount in Taka	
		June 30, 2022	June 30, 2021
9	Advances, deposits & prepayments		
	Advance Income Tax	99,550,026	89,460,939
	Advance to Suppliers	9,634,656	4,132,039
	Earnest Money & Security Deposit	1,517,939	1,503,375
	Security Deposit Bangladesh Railway	20,000	125,000
	Advance House Rent	150,000	150,000
	Vat Account	3,055,483	15,295,348
	Advance against employee	834,966	1,172,976
	Advance against others	4,374,834	180,000
		119,137,904	112,019,677
9.01	Advance Income Tax		
	Opening Balance	89,460,939	61,013,654
	Add: Addition during the year	10,089,087	28,447,285
		99,550,026	89,460,939
	Less : Adjustment during the year	-	-
	Closing Balance	99,550,026	89,460,939
10	Cash & Cash equivalent		
	Cash in hand	2,547,227	1,727,839
	Cash at banks :		
	Fixed Deposit Receipt (FDR)	92,131,868	82,702,294
	Bank Balances	28,771,272	16,679,590
		123,450,367	101,109,723
10.01	The bank balances consists of :		
	Shahjalal Islami Bank Ltd.	13,974,122	13,576,381
	Mercantile Bank Ltd.	39,385,079	37,913,690
	Standard Bank Ltd.	7,805,065	7,600,341
	State Bank of India Ltd.	30,967,602	23,611,882
		92,131,868	82,702,294
10.02	Bank Balances :		
	Al-Arafah Bank Ltd.	33,222	33,222
	Dutch Bangla Bank Ltd.	15,825,844	9,135,606
	Mercantile Bank Ltd.	388,435	390,045
	Prime Bank Ltd.	35,052	35,742
	Mutual Trust Bank Ltd.	6,323,150	2,895,656
	Bank Asia Ltd.	3,842,152	1,998,162
	Shahjalal Islami Bank Ltd.	797,903	591,781
	Standard Bank Ltd.	3,669	7,819
	Islami Bank Ltd.	1,047,418	640,051
	Sonali Bank Ltd.	6,923	9,981
	United commercial Bank Ltd.	31,689	51,580
	Jamuna Bank Ltd.	30,170	30,170
	State Bank of India	249,356	701,805
	IFIC Bank Ltd.	152,106	153,787
	Premier Bank Ltd.	4,183	4,183
		28,771,272	16,679,590

		Amount in Taka	
		June 30, 2022	June 30, 2021
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
	Non -controlling interest (Sponsors)	50	50
		100,000,000	100,000,000
12	Opening balance	263,756,584	181,659,650
	Adjustment for IFRS-16 (Lease)	-	(96,282)
	Add: Total Comprehensive Income for the year	63,366,805	82,193,216
	Closing balance	327,123,389	263,756,584
13	Term Loan		
	Due to Director	99,679,389	99,679,389
	<i>This represents un-secured and Interest free loan from Mr.Shafiul Islam, Chairman.</i>		
14	Income tax Expense		
	Current tax 14.01	28,640,721	35,252,583
	Deferred tax 14.02	(1,483,519)	(3,309,368)
		27,157,202	31,943,215
14 .01	Current Tax		
	Current Tax Expenses (Higher of A, B & C)	28,640,721	35,252,583
		28,640,721	35,252,583
	A. Income Tax on Regular rate		
	Profit Before Tax	90,524,007	114,136,431
	Add. Disallowable Depreciation	17,302,269	18,513,631
	Add. Disallowable Amortization	295,526	107,205
	Add. Gratuity provision	2,000,000	4,000,000
		110,121,803	136,757,268
	Less: Allowable Depreciation	12,952,383	18,405,815
	Less: Allowable Amortization	1,700,348	145,696
	Less: Gratuity paid	-	697,148
		95,469,071	117,508,609
	Current Tax@ 30%	28,640,721	35,252,583
	Current Tax	28,640,721	35,252,583
	B) Income Tax Paid at Source (U/S 82(c)(2))		
	Tax deducted at source by Customer	2,059,824	3,438,476
	Tax deducted at source (Trade License)	10,600	-
	Tax deducted at source (Vehicle)	248,000	135,000
		2,318,424	3,573,476
	C) Minimum Tax on Gross Receipt (under section 82(c)(4)(a))		
	Gross receipt on Business income and Other Income	535,896,624	697,228,796
	Minimum Tax @ .60%	3,215,380	4,183,373

		Amount in Taka	
		June 30, 2022	June 30, 2021
14.02	Deferred tax:		
	Taxable temporary difference	27,068,529	27,952,048
	Deferred tax for Gratuity	(4,710,000)	(4,110,000)
		22,358,529	23,842,048
	Accounting base WDV	264,598,492	271,407,365
	Tax base WDV	174,370,063	178,233,872
	Taxable temporary difference	90,228,429	93,173,493
	Tax rate	30.0%	30.0%
	Deferred tax liabilities	27,068,529	27,952,048
	Less: Opening balance	27,952,048	30,303,916
	Provision for deferred tax	(883,519)	(2,351,868)
	Deferred tax expense/(income) for the year	(600,000)	(957,500)
		(1,483,519)	(3,309,368)
14.03	Deferred Tax for Gratuity Provision		
	Opening Provision	13,700,000	9,700,000
	Add: During the year	2,000,000	4,000,000
	Closing Provision	15,700,000	13,700,000
	Applicable rate	30.0%	30.0%
	Closing deferred tax for gratuity provision	(4,710,000)	(4,110,000)
	Less: Opening deferred tax for gratuity provision	(4,110,000)	(3,152,500)
	Deferred tax expense/(income) for the year	(600,000)	(957,500)
15	Short-term loan		
	Shahjalal Islami bank Ltd.	30,671,651	72,422,594
	State Bank of India	-	10,752,381
		30,671,651	83,174,975
16	Inter company payable		
	Navana CNG Limited	107,012,238	107,012,238
	Navana Engineering Limited	51,000,000	51,000,000
		158,012,238	158,012,238
17	Provision for income tax		
	Opening balance	116,061,040	80,808,457
	Add: Provision during the year	28,640,721	35,252,583
		144,701,761	116,061,040
	Less: Tax paid/adjusted during the year	-	-
	Closing balance	144,701,761	116,061,040
18	Payables & accruals		
	Liabilities for Expenses	19,235,288	8,042,280
	Workers profit participation fund	22,769,886	16,737,253
	Sundry payables	2,104,557	7,141,652
	Provision for doubtful debts	767,502	767,502
		44,877,233	32,688,687

		Amount in Taka	
		June 30, 2022	June 30, 2021
19	Cost of goods sold		
	Raw materials	19.01 337,075,967	468,502,937
	Factory overhead	19.02 46,191,778	57,163,122
	Direct Labour	9,473,597	12,514,321
		392,741,342	538,180,380
	Add: Opening Work in Process	12,887,572	2,887,572
		405,628,914	541,067,952
	Less: Closing Work in Process	14,058,907	12,887,572
		391,570,007	528,180,380
	Add: opening stock of finished goods	24,422,428	6,572,435
		415,992,435	534,752,815
	Less: Closing stock of finished goods	26,235,957	24,422,428
		389,756,478	510,330,387
19.01	Raw materials		
	Opening stock of raw materials	94,123,802	54,516,783
	Add: Purchase for the year	286,491,262	508,109,956
		380,615,064	562,626,739
	Less: Closing stock of raw materials	43,539,097	94,123,802
		337,075,967	468,502,937
19.02	Factory overhead		
	Salary & Allowances	13,463,538	13,596,286
	Q.C Test & other exp.	845,505	755,807
	Carrying charge	855	4,100
	Conveyance	32,490	68,566
	Subsidy to Canteen	1,653,760	1,709,190
	Dress & Uniform	3,400	199,630
	Electrical Expenses	46,767	578,965
	Entertainment expenses	633,455	998,158
	Fuel Expenses	1,853,555	3,393,631
	Insurance expenses	26,250	184,950
	Labour Charge	54,050	49,700
	Medical Expenses	21,908	37,473
	Oil & Lubricant exp	257,823	768,308
	Stationery	227,390	199,517
	Spare Parts	4,209,594	7,104,934
	Repair & Maintenance	1,108,216	1,904,675
	Office Maintenance	609,717	600,973
	Telephone & Mobile Bill	59,206	95,830
	Electricity bill	7,002,583	9,766,126
	Security guard bill	3,480	249,634
	Depreciation (Annexure-A)	13,841,815	14,810,905
	Amortization (Annexure-B)	236,421	85,764
		46,191,778	57,163,122

20 Administrative and Selling expenses

Amount in Taka	
June 30, 2022	June 30, 2021
Salary & Allowance	20,251,684
Gratuity expenses	2,000,000
Conveyance	1,422,070
Daily Allowance	1,137,022
Electricity bill	228,401
Entertainment	367,944
Gas Bill	975
Internet bill	452,791
Labor expenses	1,036,793
Board meeting attendance fee	100,000
Telephone & Mobile Bill	498,099
Paper & periodicals	7,700
Office Rent	123,800
Repair and Maintenance	1,998,174
Office Maintenance	434,418
Fuel & Lubricant Expenses	2,160,594
Postage & Courier	41,620
Printing expenses	181,035
Professional & Service fee	216,250
Stationery expenses	155,485
Registration & Renewal Exp	599,145
Service Charges	74,543
TA/DA Allowances	1,127,170
Audit Fee	57,500
Bank Charges	485,277
Transport expenses	1,456,925
Miscellaneous expenses	199,652
Other interest expenses	1,506,353
Business promotional expenses	2,204,707
Software Maintenance fee	848,200
Subsidy to Canteen	298,066
Depreciation of Right of use asset	354,469
Depreciation (Annexure-A)	3,460,454
Amortization (Annexure-B)	59,105
45,546,421	60,622,873

		Amount in Taka	
		June 30, 2022	June 30, 2021
21	Other income		
	Interest income on FDR	3,211,113	3,979,184
	Interest income on STD Account	53,889	70,031
		3,265,002	4,049,215
22	Reconciliation of Cash Flows from operating activities under indirect method:		
	Net profit/ (loss) before interest & income tax during the year	102,100,078	127,186,305
	Adjustments to reconcile net income to net cash provided by operating activities:		
	Interest on lease	48,474	267,887
	Payment of lease liability	(400,200)	(1,200,255)
	Depreciation exp.	17,952,264	19,629,480
	Tax paid during the year	(10,089,087)	(28,447,285)
	Changes in current assets and liabilities :		
	Decrease/Increase in inventories	8,865,006	(84,995,604)
	Increase/ Decrease in trade receivable	(25,926,980)	7,612,542
	Increase/Decrease in advance and prepayments	2,970,860	(12,269,110)
	Increase/Decrease in payable & accrual	6,155,992	(2,463,735)
		101,676,408	25,320,226
	Total cash flow from operating activities- Indirect Method*	101,676,408	25,320,226
	Total cash flow from operating activities- direct Method*	101,676,408	25,320,226
	Difference	-	-

* Details in the statement of cash flows

Navana Welding Electrode Limited
Schedule of Property, plant and equipment
As at June 30, 2022

Annexure-A

Particulars	Cost			Rate of dep.	Depreciation			Written Down Value at 30.06.2022
	As at 01.07.2021	Addition Dur. the year	As at 30.06.2022		As at 01.07.2021	Charged Dur. the year	As at 30.06.2022	
Land and land development	102,324,202	-	102,324,202	0%	-	-	-	102,324,202
Building & civil construction	103,986,689	-	103,986,689	10%	46,192,971	5,779,372	51,972,343	52,014,346
Plant & machinery	156,931,116	-	156,931,116	10%	88,935,712	6,799,540	95,735,253	61,195,863
Office equipment	11,044,448	228,320	11,272,768	10%	4,922,383	629,331	5,551,713	5,721,055
Furniture & fittings	7,033,389	3,767,547	10,800,936	10%	3,023,027	667,904	3,690,931	7,110,005
Electrical equipment	40,486,147	738,055	41,224,202	10%	22,813,721	1,819,522	24,633,242	16,590,960
Vehicles	24,443,625	2,800,000	27,243,625	10%	10,010,948	1,606,601	11,617,549	15,626,076
Total	446,249,616	7,533,922	453,783,538		175,898,762	17,302,269	193,201,032	260,582,507

Depreciation Charged to :

Cost of good sold
Administrative & selling Expenses

TK

13,841,815
3,460,454
17,302,269

Navana Welding Electrode Limited

Schedule of Intangible asset
As at June 30, 2022

Annexure-B

Particulars	Cost		Rate of Amr.	Amortization		Written Down Value at 30.06.2022
	As at 01.07.2021	Addition Dur. the year		As at 01.07.2021	Charged Dur. the year	
Software system	1,767,700	3,255,000	10%	711,189	295,526	4,015,985
Total	1,767,700	3,255,000		711,189	295,526	4,015,985

Amortization Charged to :

Cost of good sold	TK
	236,421
Administrative & selling Expenses	59,105
	<u>295,526</u>

Schedule of Right of Use Assets As at June 30, 2022

Annexure-C

Particulars	Cost		Rate of Amr.	Depreciation		Written Down Value at 30.06.2022
	As at 01.07.2021	Addition Dur. the year		As at 01.07.2021	Charged Dur. the year	
Right of use assets	2,256,281	-		1,557,840	354,469	343,973
Total	2,256,281	-		1,557,840	354,469	343,973

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 LPG LIMITED, which comprise the Statement of Financial Position as at June 30, 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholder's Equity and Statement of Cash Flows for the year then ended, June 30, 2022 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, 2022, 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 Profit and Loss and Other 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 30, 2022

Md. Nurul Hossain Khan FCA
Enrolment No: 0240
Managing Partner
KaziZahir Khan & Co.
Chartered Accountants
DVC: 2211030240AS302025

Navana LPG Limited
Statement of Financial Position
As at June 30, 2022

Particulars	Note	Amount in Taka	
		June 30, 2022	June 30, 2021
Assets :			
Non- current assets			
Property, plant and equipment	4	3,611,146,377	3,936,987,679
Intangible Assets	5	6,528,820	7,254,244
Right of use asset	Anx-C	-	93,819
Capital Work-in-progress	6	606,966,233	617,410,057
Long-term security deposit	7	10,828,092	10,828,092
Deferred tax assets	8	503,705,625	388,566,864
Total Non-current assets		4,739,175,147	4,961,140,755
Current assets			
Inventories	9	1,039,432,417	746,720,574
Accounts receivable	10	537,699,855	415,523,657
Other receivables		195,112,494	195,125,054
Inter/Sister company receivable	11	761,827,810	661,527,810
Advances, deposits & prepayments	12	526,871,887	471,917,776
Cash & Bank Balances	13	6,964,634	19,272,779
Total current assets		3,067,909,097	2,510,087,650
Total assets		7,807,084,244	7,471,228,405
Equity & Liabilities :			
Equity			
Share Capital	14	1,000,000	1,000,000
Retained earnings	15	(207,238,058)	(157,776,703)
Total Equity		(206,238,058)	(156,776,703)
Non-current Liabilities			
Lease Liability		-	116,851
Security Retention Money		424,708,865	591,239,387
Long Term Loan- Net of current portion	16	4,955,060,518	3,524,556,065
Total Non-current Liabilities		5,379,769,383	4,115,912,303
Current liabilities			
Long Term Loan- Current portion	16	1,388,900,312	871,718,143
Short term Loan	17	471,603,669	1,886,466,935
Provision for income tax	18	70,455,612	58,452,236
Inter company payable	19	673,804,779	665,804,779
Payables & accruals	20	28,788,547	29,650,712
Total Current liabilities		2,633,552,919	3,512,092,805
Total equity & Liabilities		7,807,084,244	7,471,228,405

The annexed notes 1 to 24 & annexure A to C from an integral part of these financial statements



Director


Director


Company Secretary

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 30, 2022.
DVC: 2211030240AS302025


Md Nurul Hossain Khan FCA
Enrolment No : 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Navana LPG Limited
Statement of Profit or Loss and other comprehensive income
For the year ended June 30, 2022

Particular	Note	Amount in Taka	
		June 30, 2022	June 30, 2021
Revenue (net)	21	2,000,562,599	2,790,185,645
Less: Cost of goods sold	22	1,631,688,801	2,299,986,554
Gross profit		368,873,798	490,199,091
Less: Administrative & Selling expenses	23	131,238,965	213,572,897
Less: Interest expenses		390,231,573	388,317,362
Operating profit / Loss		(152,596,740)	(111,691,168)
Add: Other income		-	-
Profit / Loss before tax		(152,596,740)	(111,691,168)
Less: Income Tax Expenses		(103,135,385)	(87,442,056)
Current tax		12,003,376	16,741,114
Deferred tax		(115,138,761)	(104,183,170)
Profit / Loss after Tax		(49,461,355)	(24,249,113)

The annexed notes 1 to 24 & annexure A to C from an integral part of these financial statements


Director


Director


Company Secretary

Signed in term of our separate report of event date

Place: Dhaka
Dated: October 30, 2022.
DVC: 2211030240AS302025


Md Nurul Hossain Khan FCA
Enrolment No : 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Navana LPG Limited
Statement of Changes in Equity
For the year ended June 30, 2022

Particulars	Share capital	Retained Earnings	Total
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)
Balance at July 01, 2021	1,000,000	(157,776,703)	(156,776,703)
Net profit/ Loss for the year		(49,461,355)	(49,461,355)
Balance at June 30, 2022	1,000,000	(207,238,058)	(206,238,058)


Director


Director


Company Secretary

Navana LPG Limited
Statement of Cash Flows
For the year ended June 30, 2022

Particulars	Notes	Amount in Taka	
		June 30, 2022	June 30, 2021
Cash flows from operating activities			
Receipts from customers		1,878,386,401	2,624,705,427
Other Received		-	-
Payments for materials, services and expenses		(1,774,546,004)	(2,471,021,465)
		103,840,397	153,683,962
Income tax paid		(5,573,263)	(31,149,735)
Net cash Provided by operating activities	24	98,267,134	122,534,227
Cash flows from investing activities			
Payments for property, plant and equipment		-	(12,323,268)
Capital Work-in- progress		(46,785,320)	-
Advance for LC margin		52,436,220	72,214,832
Other receivables		12,560	(277,634)
Net cash used in investing activities		5,663,460	59,613,930
Cash flows from financing activities			
Inter company Receivable		(100,300,000)	(131,000,000)
Interest paid		(390,231,573)	(388,317,362)
Inter company Payable		8,000,000	(298,392,240)
Net Loan taken / (paid)		532,823,356	709,071,846
Security retention Money		(166,530,522)	(59,000,000)
Net cash inflows from financing activities		(116,238,739)	(167,637,756)
Net changes in cash and cash equivalents		(12,308,145)	14,510,401
Cash and cash equivalents at the beginning of the year		19,272,779	4,762,378
Cash and cash equivalents at the end of the year		6,964,634	19,272,779


Director


Director


Company Secretary

NAVANA LPG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2022 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, 2022;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022;
- * Statement of Changes in Equity for the year ended 30th June, 2022;
- * Statement of Cash Flows for the year ended 30th June, 2022;
- * 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, 2021 to 30th June, 2022.

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%
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 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 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 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

Raw Materials
Work-in-progress
Finished Goods

Basis of Valuation

Weighted Average Cost Method
Weighted Average Cost Method
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.

(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 recognize directly in equity, in which case it is recognized in equity.

(a) Current Tax

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

(b) Deferred Tax

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

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

3.11 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 30,2022	Outstanding (Receivable / Payable) as on June 30,2021
			Dr.	Cr.		
Navana Construction Ltd.	Alliance Companies	Interest Free Loan			7,500,000	7,500,000
Navana Engineering Ltd.	Sister Concern	Interest Free Loan	5,000,000		159,091,976	154,091,976
Aftab Automobiles Ltd.	Alliance Companies	Interest Free Loan		26,500,000	38,950,000	64,950,000
Navana Limited	Alliance Companies	Interest Free Loan	121,300,000		463,285,834	341,985,834
Navana Electronics Limited	Alliance Companies	Interest Free Loan			10,000,000	10,000,000
Navana Real Estate Ltd.	Alliance Companies	Interest Free Loan			80,000,000	80,000,000
Navana CNG Ltd.	Parent Company	Working Capital		3,000,000	(489,432,079)	(486,432,079)
Navana Welding Electrode Ltd.	Sister Concern	Interest Free Loan		3,000,000	(79,500,000)	(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	110,000
Navana Toyota 3s Centre	Alliance Companies	Interest Free Loan			3,000,000	3,000,000
Navana Foods Limited	Alliance Companies	Interest Free Loan		2,000,000	(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
For The year ended 30 June 2022

	PARTICULARS	Amount in Taka	
		June 30, 2022	June 30, 2021
4	Property, plant and equipment		
	Land and land development	113,436,864	113,436,864
	Building & Shed	437,689,156	486,321,284
	Plant & Machinery	1,323,579,057	1,407,850,308
	Cylinder	1,628,235,897	1,809,150,997
	Tools & equipment	10,231,316	11,368,129
	Furniture & fixtures	5,112,340	5,680,378
	Motor vehicle	92,861,747	103,179,719
		3,611,146,377	3,936,987,679
	*An elaborate schedule of PPE are shown in annexure -A.		
5	Intangible Assets		
	Software System	6,528,820	7,254,244
		6,528,820	7,254,244
	*An elaborate schedule of Intangible Assets are shown in annexure -B.		
6	Capital work in progress		
	Opening Balance	617,410,057	662,448,307
	Add: Addition during the year	46,785,320	-
		664,195,377	662,448,307
	Less : Transfer to PPF	57,229,144	45,038,250
	Closing Balance	606,966,233	617,410,057
	Capital Work in progress represents land and land development, civil construction, Plant and mechneries 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	3,617,675,197	3,944,241,923
	Tax base WDV	5,296,693,948	5,239,464,804
	Taxable temporary difference	(1,679,018,751)	(1,295,222,881)
	Tax rate	30.00%	30.00%
	Deferred tax assets	(503,705,625)	(388,566,864)
	Add/Less : Deferred tax adjustment	-	-
		(503,705,625)	(388,566,864)
	Less: Opening balance	(388,566,864)	(284,383,695)
	Current Deferred tax income	(115,138,761)	(104,183,170)

		Amount in Taka	
		June 30, 2022	June 30, 2021
9 Inventories			
Stock in raw materials		256,109,143	157,627,726
Goods in Transit		154,276,274	178,642,915
Closing finished goods		629,047,000	410,449,933
		1,039,432,417	746,720,574
10 Accounts receivables			
Channel Partners & Distribution		313,889,732	248,456,831
Corporate Customer		223,741,965	166,998,668
Receivable from Employees' provident fund		68,158	68,158
		537,699,855	415,523,657
11 Inter Company Receivables			
Navana Construction Ltd.		7,500,000	7,500,000
Navana Engineering Ltd.		159,091,976	154,091,976
Navana Electronics Ltd.		10,000,000	10,000,000
Navana Real Estate Ltd.		80,000,000	80,000,000
Navana Limited		463,285,834	341,985,834
Aftab Automobiles Ltd.		38,950,000	64,950,000
Navana Toyota 3s Centre		3,000,000	3,000,000
		761,827,810	661,527,810
12 Advances, deposits & prepayments			
LC Margin		-	52,436,220
Advance against Land		15,000,000	15,000,000
Advance Income Tax	12.01	145,257,788	139,684,525
Advance to employee		413,782	944,324
Advance to Suppliers		184,613,498	152,267,622
Advance against local procurement		21,585,372	1,585,372
Advance to Others		160,001,447	109,999,713
		526,871,887	471,917,776
12.01 Advance Income Tax			
Opening Balance		139,684,525	108,534,790
Add: Addition during the year		5,573,263	31,149,735
		145,257,788	139,684,525
Less : Adjustment during the year		-	-
Closing Balance		145,257,788	139,684,525
13 Cash & Cash Equivalent			
Cash in hand		577,889	842,601
Cash at Banks	13.01	6,386,745	18,430,178
		6,964,634	19,272,779

13.01 Cash at banks

	Amount in Taka	
	June 30, 2022	June 30, 2021
Bank Asia Ltd.	2,067,845	1,332,728
City Bank Ltd.	1,539,991	2,474,184
Dutch Bangla Bank Ltd.	1,399,009	8,094,864
Shahjalal islami Bank Ltd.	5,338	5,338
Mutual Trust Bank Ltd.	983,013	722,810
Agrani Bank Ltd.	105,245	3,930,728
Jamuna Bank Ltd.	2,872	2,872
NCC Bank Ltd.	98,036	98,036
Rupali Bank Ltd.	16,435	16,435
Sonali Bank Ltd.	16,239	951,687
Southeast Bank Ltd.	57,240	57,240
National Bank Ltd.	49,655	49,655
Standard Bank Ltd.	693	143
Community Bank Ltd.	13,936	13,936
Trust Bank Ltd.	6,205	653,418
Janata Bank Ltd.	24,993	26,104

6,386,745 **18,430,178**

14 Authorized Capital:

300,000,000 Ordinary Shares @ Tk. 10 each

3,000,000,000 **3,000,000,000**

Issued, Subscribed and Paid-up Capital

1,000,000 1,000,000

100,000 Ordinary Shares @ Tk. 10 each

Navana CNG Limited

999,950 999,950

Non -controlling interest (Sponsors)

50 50

1,000,000 **1,000,000**

14.01 Breakup of share Capital

Navana CNG Limited 99,995 shares of tk. 10 each

999,950 **999,950**

Mr. Shafiul Islam 1 share of tk. 10 each

10 **10**

Mr. Khaleda Islam 1 share of tk. 10 each

10 **10**

Mr. Saiful Islam 1 share of tk. 10 each

10 **10**

Mr. Sajedul Islam 1 share of tk. 10 each

10 **10**

Mr. Farhana Islam 1 share of tk. 10 each

10 **10**

1,000,000 **1,000,000**

15 Retained earnings

Opening balance

(157,776,703) (133,527,590)

Add: Net profit /(Loss) for the year

(49,461,355) (24,249,113)

Closing balance

(207,238,058) (157,776,703)

		Amount in Taka	
		June 30, 2022	June 30, 2021
16	Long Term Loan-Net of current portion		
	City Bank Limited, Gulshan Br.	4,162,375,044	3,397,729,859
	Shahjalal Islami Bank Limited	2,181,580,786	998,539,349
	Due to Director (16.01)	5,000	5,000
		6,343,960,830	4,396,274,208
	Less: Long Term Loan- Current portion	1,388,900,312	871,718,143
	Long Term Loan-Net of current portion	4,955,060,518	3,524,556,065
16.01	Due to Director (Mr.Shafiul Islam, chairman)		
	Opening Balance	5,000	5,000
	Add: during the year	-	-
		5,000	5,000
This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman of the Company.			
17	Short-term loan		
	City Bank Limited, Gulshan Br.	262,330,403	629,478,851
	Shahjalal Islami Bank Limited, Gulshan Br.	-	1,054,712,001
	Janata Bank Limited	209,273,266	202,276,083
		471,603,669	1,886,466,935
18	Provision for income tax		
	Opening balance	58,452,236	41,711,122
	Add: provision during the year	12,003,376	16,741,114
		70,455,612	58,452,236
	Less: Tax paid/adjusted during the year	-	-
	Closing balance	70,455,612	58,452,236
19	Inter Company payable		
	Navana Welding Electrode Limited	79,500,000	76,500,000
	Navana Limited	102,872,700	102,872,700
	Navana Foods Limited	2,000,000	-
	Navana CNG Limited	489,432,079	486,432,079
		673,804,779	665,804,779
20	Payables & accrual		
	Liabilities for Expenses	19,314,982	19,549,558
	Sundry payables	9,473,565	10,101,154
		28,788,547	29,650,712

		Amount in Taka	
		June 30, 2022	June 30, 2021
21	Revenue (net)		
	LPG 12 KG	3,920	2,426,615
	LPG 33 KG	5,100,000	4,171,610
	Refill 12 KG LPG	1,810,077,212	2,127,177,155
	Refill 33 KG LPG	283,600,768	656,832,855
	Refill 45 KG LPG	7,050,422	21,211,841
	Regulator High Pressure	-	19,720
	Regulator Low Pressure	-	81,955
	Stove double Burner	-	78,120
	Stove Single Burner	-	36,800
	LPG in Bulk	34,009,453	115,140,237
	Less: VAT	(139,279,176)	(136,991,263)
		2,000,562,599	2,790,185,645
22	Cost of goods sold		
	Raw materials Consumed	1,500,294,358	1,961,042,732
	Add: Factory overhead	349,991,510	398,943,822
		1,850,285,868	2,359,986,554
	Add: Opening Work in Process	-	-
		1,850,285,868	2,359,986,554
	Less : Closing Work in Process	-	-
		1,850,285,868	2,359,986,554
	Add: opening finished goods	410,449,933	350,449,933
		2,260,735,801	2,710,436,487
	Less: Closing finished goods	629,047,000	410,449,933
		1,631,688,801	2,299,986,554
22.01	Raw materials		
	Opening stock of raw materials	157,627,726	93,346,558
	Add: Purchased during the year	1,598,775,775	2,025,323,900
		1,756,403,501	2,118,670,458
	Less: Closing stock of raw material	256,109,143	157,627,726
		1,500,294,358	1,961,042,732

22.02 Factory overhead

Amount in Taka		
	June 30, 2022	June 30, 2021
Salary & Allowance	10,273,940	13,626,665
Labour & Wages	2,225,647	4,080,718
Fuel & Lubricant	517,078	711,938
Conveyance	72,152	63,794
Entertainment	514,894	768,257
Electricity bill	4,311,824	5,596,006
Repair & Maintenance	1,395,323	2,258,453
Loading & Unloading exp.	2,547,966	3,493,037
Insurance Premium	7,132,958	10,484,830
Security Service	4,361,846	7,626,328
Jetty rent (Mongla Port)	5,459,412	11,256,228
Subsidy to Cantten	793,861	820,164
Stationery	223,017	143,597
poatage, Courier & mobile bill	688,249	514,446
Water Bill	147,744	154,044
Other expenses	636,235	696,646
Regitration & Renewal	1,652,668	491,769
Depreciation (Annexure-A)	306,456,357	335,512,081
Amortization (Annexure-B)	580,340	644,822

349,991,510

398,943,822

23 Administrative and selling expense

Salary & allowances	20,386,215	40,378,953
Audit Fee	57,500	57,500
Bank charge	326,652	423,605
Board meeting attendance fee	100,000	100,000
Telephone & mobile bill	627,636	1,413,733
Conveyance	38,369	141,792
Office Rent	582,835	645,710
Entertainment	85,838	192,006
Internet expenses	267,000	385,000
Repair & Maintenance	630,183	1,155,528
Software Maintenance fee	63,000	96,000
Subsidy to canteen	108,950	-
Office maintenance	117,624	420,627
Medical Exp	6,340	153,043
Postage & stamp	11,854	28,495

Amount in Taka		
	June 30, 2022	June 30, 2021
Professional & consultancy fees	516,550	-
Stationary expense	99,995	638,982
Registration & renewals	3,656,276	3,694,914
Fuel & Lubricant	195,549	349,069
Tours & Travelling Expense	1,071,439	2,095,288
Utility & service charge	811,972	3,072,107
Advertisement	230,000	2,395,000
Insurance	769,705	697,096
Loading & unloading expenses	963,852	3,025,087
Distribution expenses	22,578,238	65,862,275
Business promotional expenses	82,400	986,035
Depreciation of Right of use asset	93,819	1,125,826
Depreciation (Annexure-A)	76,614,089	83,878,020
Amortization (Annexure-B)	145,085	161,205
	131,238,965	213,572,897
24 Reconciliation of cash flows from operating activities under indirect method :		
Net profit/(loss) before interest & income tax during the year	237,634,833	276,626,194
Adjustments to reconcile net income to net cash provided by operating activities :		
Interest on lease	-	66,031
Payment of lease liability	(116,851)	(1,402,218)
Depreciation & Amortization	383,889,689	421,321,954
Tax paid during the year	(5,573,263)	(31,149,735)
Changes in current assets and liabilities		
Decrease/ increase in inventories	(292,711,843)	(228,395,388)
Decrease/ increase in trade receivable	(122,176,198)	(165,480,218)
Decrease/ increase in advance and prepayments	(101,817,068)	(132,989,470)
Decrease/ increase in payables & accruals	(862,165)	(16,062,923)
	98,267,134	122,534,227
Total cash flow from operating activities- Indirect Method*	98,267,134	122,534,227
Total cash flow from operating activities- direct Method*	98,267,134	122,534,227
Difference	-	-
* Details in the statement of cash flows		

Navana LPG Limited

Schedule of Property, plant and equipment
As at June 30, 2022

Annexure-A

Particulars	Cost		Rate of Dep.	Depreciation		Written Down Value at 30.06.2022
	As at 01.07.2021	Addition dur. The year		As at 01.07.2021	Charged dur. the year	
Land and land develop.	113,436,864	-	0%	-	-	113,436,864
Building & Shed	696,204,308	-	10%	209,883,024	48,632,128	437,689,156
Plant & Machinery	1,833,652,303	57,229,144	10%	425,801,995	141,500,395	1,323,579,057
Cylinder	2,431,423,301	-	10%	622,272,304	180,915,100	1,628,235,897
Tools & equipment	15,853,594	-	10%	4,485,465	1,136,813	10,231,316
Furniture & fixtures	7,700,131	-	10%	2,019,753	568,038	5,112,340
Vehicles	132,571,403	-	10%	29,391,684	10,317,972	92,861,747
Total	5,230,841,904	57,229,144		1,293,854,225	383,070,446	3,611,146,377

Depreciation Charged to :

Cost of good sold	306,456,357
Administrative & selling Expenses	76,614,089
	383,070,446

Navana LPG Limited
Schedule of Intangible Asset
As at June 30, 2022

Annexure-B

Particulars	Cost			Rate of Amr.	Amortization		Written Down Value at 30.06.2022
	As at 01.07.2021	Addition dur. the year	As at 30.06.2022		As at 01.07.2021	Charged dur.the year	
Software System	8,622,900	-	8,622,900	10%	1,368,656	725,424	6,528,820
Total	8,622,900	-	8,622,900		1,368,656	725,424	6,528,820

Amortization Charged to :

TK

Cost of good sold	580,340
Administrative & selling Expenses	145,085
	<u>725,424</u>

Schedule of Right of Use Assets
As at June 30, 2022

Annexure-C

Particulars	Cost				Depreciation		Written Down Value at 30.06.2022
	As at 01.07.2021	Addition dur. the year	As at 30.06.2022		As at 01.07.2021	Charged dur.the year	
Right of use assets	2,345,471	-	2,345,471		2,251,652	93,819	-
Total	2,345,471	-	2,345,471		2,251,652	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 18th Annual General Meeting of the Company to
be held on Wednesday, 28 December 2022 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.