

ANNUAL REPORT 2023



Navana CNG Limited

LETTER OF TRANSMITTAL

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

Subject: Annual Report-2023

Dear Sir(s),

We are pleased to present before you 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 2023 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

Abul Layes Afsary

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

Abul Layes Afsary

- Member

Nomination and Remuneration Committee

Abul Layes Afsary

- Chairperson

Saiful Islam

- Member

Md. Mustafizur Rahman

- Member

External Auditors

FAMES & R

Chartered Accountants

Corporate Governance Compliance Auditors

Snehasish Mahmud & 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 17 CNG re-fueling stations, 2 LPG stations and 6 CNG & LPG conversion workshops located at various locations in Bangladesh.

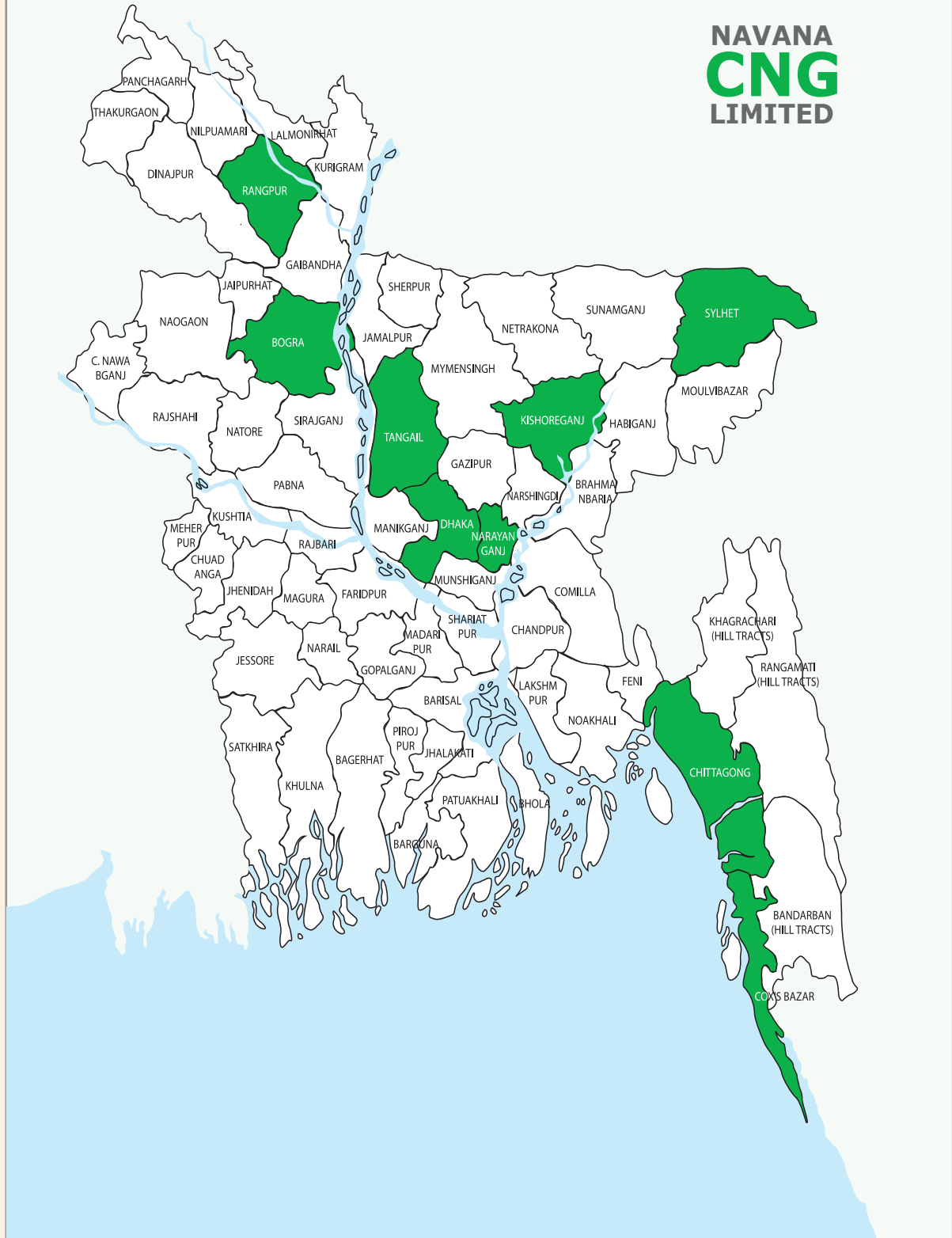
Nature of Business

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)	2023
Face value per share	TK. 10/-
Authorized Capital	TK. 1,500,000,000/-
Paid-up Capital	TK. 755,527,720/-
No. of Securities (Shares)	75,552,772

Our Presence

NAVANA
CNG
LIMITED



Notice of The 19th Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting (AGM) of the Shareholders of Navana CNG Limited will be held on **Thursday, 28 December 2023 at 12:00 PM** under Digital Platform to transact the following business:

01. To receive, consider and adopt the Audited Financial Statements for the year ended 30 June 2023 together with Auditors' Reports and Directors' Reports thereon.
02. To declare Dividend for the year ended 30 June 2023.
03. To re-elect Directors in terms of Articles of Association of the Company.
04. To approve the appointment of Independent Directors of the Company.
05. To appoint External Auditors of the Company for the year 30 June 2024 and fix their remuneration.
06. To appoint Corporate Governance Compliance Auditors of the Company for the year 30 June 2024.
07. Any other business with the permission of the Chair..

By Order of the Board



(Nafis Ahmed)

Company Secretary

Dated : Dhaka
05 December 2023

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 2023 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-2023 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- 2023 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 2023. On behalf of the Board of Directors, I would like to welcome you all to the momentous gathering of the 19th 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.

While we were recovering from the effects of COVID-19, the geopolitical conflict in Ukraine started another crisis and dragged us back into a difficult situation. It had a cascading effect on our economy and our business was no exception. Due to low foreign currency reserves, the market crisis and higher rate of the US dollar, lower remittance and the high price of gas and power, the economy was under tremendous pressure in 2023.

Despite hurdles and challenges, the performance of Navana CNG Limited is encouraging. The revenue has increased compared to last year due to incremental market demand for LPG conversion.

In the face of yearlong geopolitical headwinds, despite our best efforts, the financial results of Navana Engineering Limited and Navana Welding Electrode Limited were inadequate compared to the preceding year. Our Company accepts collective responsibility for this performance, and we are determined to convert some of the key learnings of this period into constructive outcomes for the future.

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 as a result, revenue increased during the year under review compared to the last financial year. Due to our prudent cost management, it was possible to run the business smoothly at optimal efficiency and achieve net profit for the year ending on June 30, 2023.

Finally, I have the honor and privilege of expressing my sincere appreciation to the Board Members and shareholders for their firm belief in us. I thank the employees of the Company for their hard and untiring efforts to meet up the challenges of the times ahead. We owe our gratitude to our customers, shareholders, suppliers, bankers, government officials, and agencies.

(Shafiu Islam)
Chairman



DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,
Assalamu Alaikum,

On behalf of the Board of Directors and Management, it is indeed a great privilege for me to welcome you to the 19th Annual General Meeting of the Company. We are pleased to place here with the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended on 30 June 2023 for your valued consideration, adoption and approval. These were approved by the Board of Directors on 26 October 2023.

PERFORMANCE

Revenue Earnings

The sales proceeds of 17 CNG re-fueling stations, 2 LPG stations and 6 CNG & LPG conversion workshops and modern service center 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. 133 crore.

Navana Engineering Limited, subsidiary of Navana CNG Limited has been contributed an amount of Tk. 30 crore during the present financial year.

The sale of Navana Welding Electrode Limited, subsidiary of Navana CNG Limited is Tk. 40 crore during the year under review.

Navana LPG Limited another subsidiary of Navana CNG Limited contributed on amount of Tk. 207 crore in the financial year ended 30 June 2023.

Amount in taka

Particulars	June 30, 2023	June 30, 2022
Retained Earnings Brought Forward	1,470,885,683	1,514,055,572
Less: Adjustment for the application of IFRS 16 (lease)	-	393,684
Add: Total Comprehensive income for the year	9,855,575	11,194,167
Less: Stock Dividend	35,977,510	34,264,290
Less: Cash Dividend	20,691,389	19,706,082
Profit available for appropriation	1,424,072,359	1,470,885,683
Recommended for appropriation:		
Cash Dividend 5%	20,691,389	19,706,082
Stock Dividend 5%	35,977,510	34,264,290
Inappropriate profit carried forward	1,367,403,460	1,416,915,311
Total	1,424,072,359	1,470,885,683

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 consolidated 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 and its subsidiaries 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, 2023	June 30, 2022
Turnover	4,094,196,308	4,248,855,417
Cost of sales	3,264,465,687	3,374,712,994
Gross profit	829,730,621	874,142,423
Net profit for the year	9,855,920	11,191,689

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 & report of Compliance Auditors in page no. 23 of this Annual Report-2023.

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

Internal control systems are the set of policies, processes, tasks, behaviors and other aspects of an organization that are taken together. The internal control system also facilitates to conduct of the organization efficiently, safeguarding the assets of the company, preventing and detecting fraud and other unlawful acts, completeness and accuracy of financial records. The systems of internal controls of the Company were sound, implemented and monitored effectively. The management and employees of the company are responsible to follow the internal control system. As per the Corporate Governance Code, two sub-committees are in the Board of Directors; one is Audit Committee and another is Nomination and Remuneration Committee. Both Committees play an important role in overseeing the company's internal control processes. During the year under review, the Audit Committee of the Company met quarterly to review the quarterly Financial Statements as well as Annual Financial Statements.

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.

Application of IAS and IFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh have been followed in the preparation of the Financial Statements and any departure therefrom has been adequately disclosed.

Human Resources

A dynamic business environment required having a well-trained work force. So, the Company develops the appropriate management skills to suit the challenging business environment.

A wide range of training programs and workshops were carried out during the year. The management and employee relationship in the Company was excellent throughout the year.

Five Years Operating and Financial Data

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

Declaration by the Managing Director and the CFO

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

Shareholders Rights

The Company upholds the principle of equal shareholders' rights regardless of their shareholdings. All shareholders are encouraged to attend the shareholders' meeting. During the Annual General Meeting, shareholders are invited to vote on the adoption of the Annual Financial Statements and the Directors' Report, the election of the Board members, the appointment of Auditors and other matters which require their participation.

Remuneration paid to Directors and Independent Directors

Navana CNG Limited paid an amount of Tk. 2,10,000 to Directors and Tk. 35,000 paid to Independent Directors for attending at Board of Directors meeting held during the financial year ended on 30 June 2023.

Independent Directors

Mr. Md. Mustafizur Rahman, currently serving as an Independent Director of Navana CNG Limited, brings a wealth of expertise to his role.

Mr. 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 from 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. Abul Layes Afsary appointed as Independent Director of Navana CNG Limited vide Board resolution dated 15.06.2023 for three years up to 14.06.2026 subject to approval by the shareholders in the ensuing Annual General Meeting.

Mr. Abul Layes Afsary is a seasoned corporate leader who has more than 35 years of experience in Banking. In his academic attainments, he completed his graduation and post-graduation from the University of Dhaka. Later on, he completed his Banking Professional Examination JAIBB and DAIBB from the Institute of Bankers Bangladesh. Mr. Afsary had started his career as Senior Officer at Sonali Bank Limited and served the Bank till 2018 in different capacities across the country and abroad. Along with various career accomplishment Mr. Afsary achieved all business/remittance targets of about 200% in 2002 and 2003, and received letter of appreciation from the Chairman of the Board of Directors of Sonali Exchange Co. Inc. New York, USA & Managing Director of Sonali Bank Limited. He attended various training programs at home and abroad.

Re-election by Rotation of Directors

In terms of Article 127 of the Articles of Association of the Company, Mr. Saiful Islam and Ms. Farhana Islam, Directors retire by rotation from the Board in the 19th Annual General Meeting. Being eligible under Article 128 of the Articles of Association of the Company, the retiring Directors are eligible for re-election by Rotation of Director.

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

Mr. Saiful Islam

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

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

Names of companies in which Mr. Saiful Islam also holds the directorship:

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

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

Ms. Farhana Islam

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

Names of companies in which Ms. Farhana Islam also holds the directorship:

Navana Limited, Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Electronics Ltd., Navana Batteries Ltd., Navana Engineering Limited, Navana Welding Electrode Limited, Navana Furniture Ltd., Navana Interlinks Ltd., Essential Industries Ltd., Biponon Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Paints Ltd., Navana Building Products Ltd. and Navana LPG Ltd.

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

Board of Directors Meetings

Total 11 (eleven) meetings held during the year ended on 30 June 2023 by the Board of Directors.

Name of Directors	Position	Number of Board Meeting attended
Mr. Shafiul Islam	Chairman	9
Mrs. Khaleda Islam	Director	9
Mr. Saiful Islam	Director	9
Mr. Sajedul Islam	Managing Director	11
Ms. Farhana Islam	Director	4
Mr. Md. Mustafizur Rahman	Independent Director	4
Mr. Md. Dilwar Hossain Bhuiyan	Independent Director	3
Mr. Abul Layes Afsary	Independent Director	-

* Mr. Md. Dilwar Hossain Bhuiyan, Independent Director has resigned on 3 April 2023

* Mr. Abul Layes Afsary appointed as Independent Director on 15 June 2023

Information Regarding Subsidiary Companies:

a) Navana Engineering Limited

The Company earned an amount of Tk.23.48 crore during the year from the sales of HDPE product. Further from PVC Pipe earned an amount of Tk. 3.72 crore during the year from the sales. Besides, an amount of Tk. 3.24 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 2023 as follows:

Amount of taka

Particulars	June 30, 2023	June 30, 2022
Turnover	304,586,949	431,155,504
Gross Profit	81,751,847	116,244,239
Net Loss After Tax	(97,242,002)	(73,164,650)
Earnings Per Share (EPS)	(9.72)	(7.32)
Net Assets Value Per Share (NAVPS)	26.40	36.12

b) Navana Welding Electrode Limited

The Company is manufacturing and selling various types of electrodes for construction, light engineering & ship building industries. During the year Tk. 40 crore added by selling welding electrodes.

The operating results for the year ended 30 June 2023 as follows:

Amount of taka

Particulars	June 30, 2023	June 30, 2022
Turnover	396,321,746	532,631,622
Gross Profit	69,036,842	142,875,144
Net Profit After Tax	19,454,910	63,366,805
Earnings Per Share (EPS)	1.95	6.34
Net Assets Value Per Share (NAVPS)	44.66	42.71

c) Navana LPG Limited

During the year under review Navana LPG Limited added Tk.207 crore by selling LPG.

The operating results for the year ended 30 June 2023 as follows:

Amount of taka

Particulars	June 30, 2023	June 30, 2022
Turnover	2,066,426,497	2,000,562,599
Gross Profit	427,046,596	368,873,798
Net Profit / Loss After Tax	7,674,577	(49,461,355)

Future Prospect

Due to the high price of fuels and scarcity of dollars, banks were reluctant to open LC with regular margins. As a result, the company had to sell LPG after procuring from local sources, which were only available for short period of time. Suppliers were paid at a higher rate, resulting in a significant decrease in revenue. 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. 15
- 4) Audit Committee Report in page no. 33

Dividend

The Board of Directors of Navana CNG Limited in its meeting held on 26 October 2023 has recommended 10% Cash Dividend for the general shareholders only excluding Sponsors and Directors. The Sponsors and Directors are holding 3,21,00,852 shares out of total 7,55,52,772 shares of Navana CNG Limited. Dividend amount payable to the general shareholders only is Tk. 4,34,51,920/- for 4,34,51,920 shares;

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 2023 will be entitled to have the cash dividend, subject to approval in the ensuing Annual General Meeting scheduled to be held on 28 December 2023.

Explanation for reducing profit

Profit of Navana Welding Electrode Limited, subsidiary of Navana CNG Ltd. reduced due to increase of raw material prices and dollar crisis. Higher raw material costs directly reduced the gross profit margin because the cost of goods sold (COGS) increased. Navana Welding Electrode Limited had to open Letters of Credit with over 100% margin which tied up more capital and affected the company's liquidity, impacting profitability.

Corporate Governance Compliance Report

Fundamentally, the conduct of the Company is guided by our core values, our code of ethics and a commitment to openness and transparency. Our corporate governance practices are a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Navana CNG Limited adheres to appropriate good Corporate Governance practices, as described on pages 19 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 Snehasish Mahmud & Co., Chartered Accountants issued the Corporate Governance Compliance Certificate which is shown in Annexure- B of this report.

Appointment of External Auditors

Existing External Auditors FAMES & R., Chartered Accountants (Panel Auditors of BSEC) have completed their work as Auditors for the year ended 30 June 2023. Being eligible they have shown their interest to continue as External Auditors of the Company for the year 30 June 2024, The Board of Directors, in its meeting held on 03 December 2023, recommended their appointment, subject to approval by the shareholders of the Company in the ensuing Annual General Meeting scheduled to be held on 28 December 2023.

Appointment of Corporate Governance Compliance Auditors

Existing Corporate Governance Compliance Auditors Snehasish Mahmud & Co., Chartered Accountants have completed their work as compliance Auditors for year ended 30 June 2023. The Board of Directors in a meeting dated 03 December 2023 recommended to appoint MNA Associates 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 2023.

Acknowledgement

The Board of Directors extends its' heart felt gratitude to valued clients, shareholders, supplier and all stakeholders for their all-out support to us. The Board of Directors remembers gratefully the co-operation of Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange PLC (CSE) and other regulatory agencies of the Government. The Board thanks the Banks and the Financial Institutions for their support. The Board of Directors wishes all levels of officers, employees, customers, well-wishers and all concerned for their sincere contributions towards our business success.

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

On behalf of the Board of Directors



(Sajedul Islam)
Managing Director

The pattern of shareholdings of the Directors and others as on 30 June 2023 are as follows:

Namewise Details	No. of Shares held
<p>i. Parent/Subsidiary/Associated Companies and other related parties</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 18,967,274 Mr. Sajedul Islam - Managing Director 3,750,475 Mrs. Khaleda Islam - Director 3,934,428 Mr. Saiful Islam - Director 3,777,637 Ms. Farhana Islam - Director 1,596,244</p> <p>Mr. Md. Mustafizur Rahman - Independent Director Nil Mr. Abul Layes Afsary - 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. Shareholders holding ten percent (10 %) or more voting interest in the company:</p> <p>Mr. Shafiul Islam 18,967,274</p>	

Highlights of Financial and Key Operating Data (Consolidated)

(Taka in 'million')

Particulars	2023	2022	2021	2020	2019
Turnover (net)	4,094	4,249	5,024	5,928	5,887
Gross profit	830	874	982	1,252	1,294
Operating Profit / Loss	(50)	(63)	(68)	(23)	39
Net profit after tax	10	11	15	62	88
Earnings Per Share	0.13	0.15	0.22	.90	1.29
Net cash operating activities	0.62	3.41	2.36	9.75	8.41

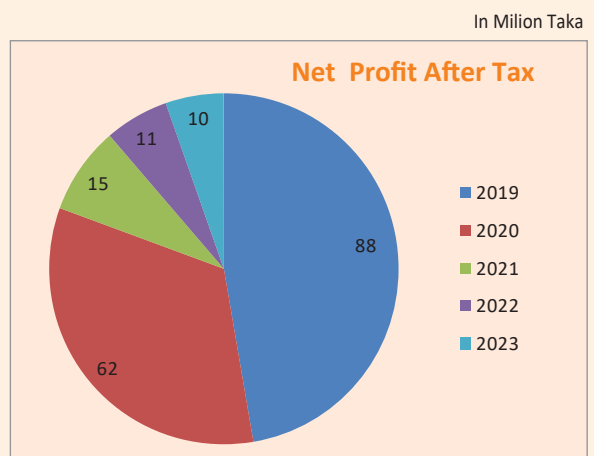
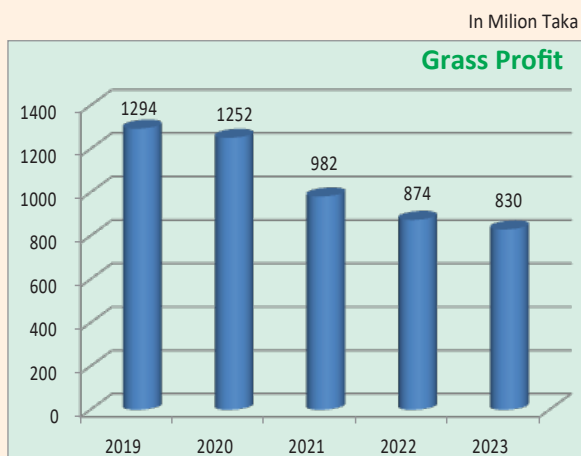
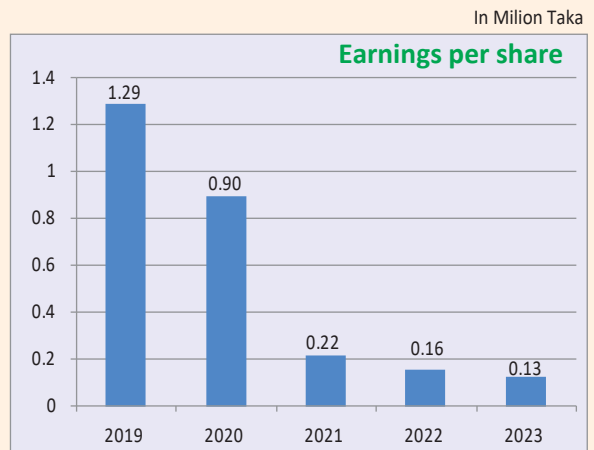
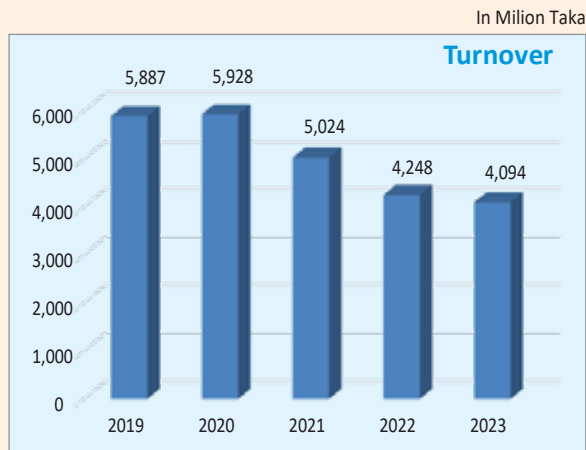
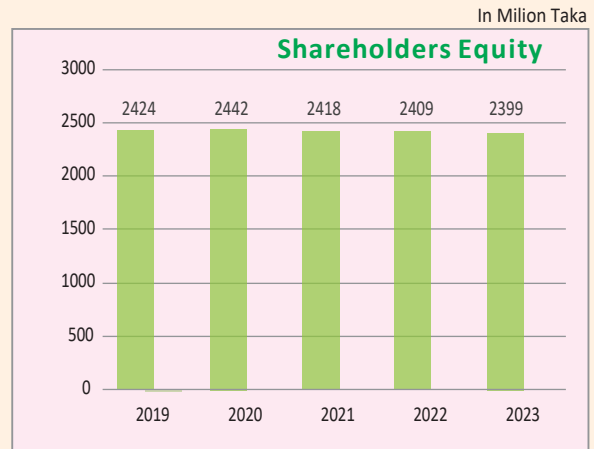
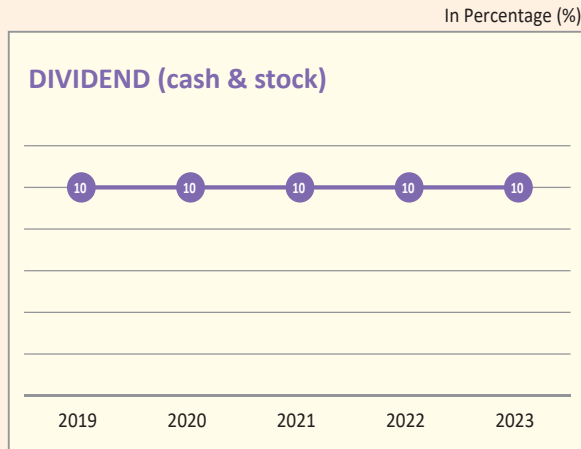
Table: Summary Balance Sheet

Particulars	2023	2022	2021	2020	2019
Authorized capital	1,500	1,500	1,500	1,500	1,500
Paid-up capital	756	720	685	685	685
Reserve and surplus	1,643	1,690	1,732	1,756	1,739
Shareholders' Equity	2,398	2,409	2,418	2,442	2,424
Deferred Tax Assets / liabilities	550	438	294	148	8
Non-current liabilities	8,216	7,867	5,485	5,189	5,563
Current Liabilities	3,355	2,994	4,839	4,720	4,062
Fixed Assets (Property, Plant & Equipment)	5,511	5,812	6,250	6,737	6,696
Other Non-current Assets	1,585	1,472	1,339	1,217	1,347
Total Non-current Assets	7,097	7,284	7,589	7,954	8,043
Current Assets	6,873	5,986	5,152	4,397	4,006
Book value per share	31.75	33.49	35.28	35.63	35.37
Cash Dividend	10%	5%	5%	10%	10%
Stock Dividend	-	5%	5%	-	-
Numbers of shareholders	11,607	10,745	10,799	11,744	12,422

Table: Ratios

Profitability Ratios	2023	2022	2021	2020	2019
Current Ratio	2.04	2.00	1.06	.93	0.99
Gross profit / Sales (%)	20.27%	20.57%	19.55%	21.12%	21.98%
Operating profit / Sales (%)	(1.21%)	(1.48%)	(1.35%)	(.38%)	0.66%
Profit after tax / Sales (%)	.24%	.26%	.30%	1.03%	1.49%
Return on Asset (%)	.07%	.09%	0.12%	1.00%	1.00%
Return on Equity (%)	.42%	.47%	1.00%	3.00%	4.00%

GRAPHICAL PRESENTATION

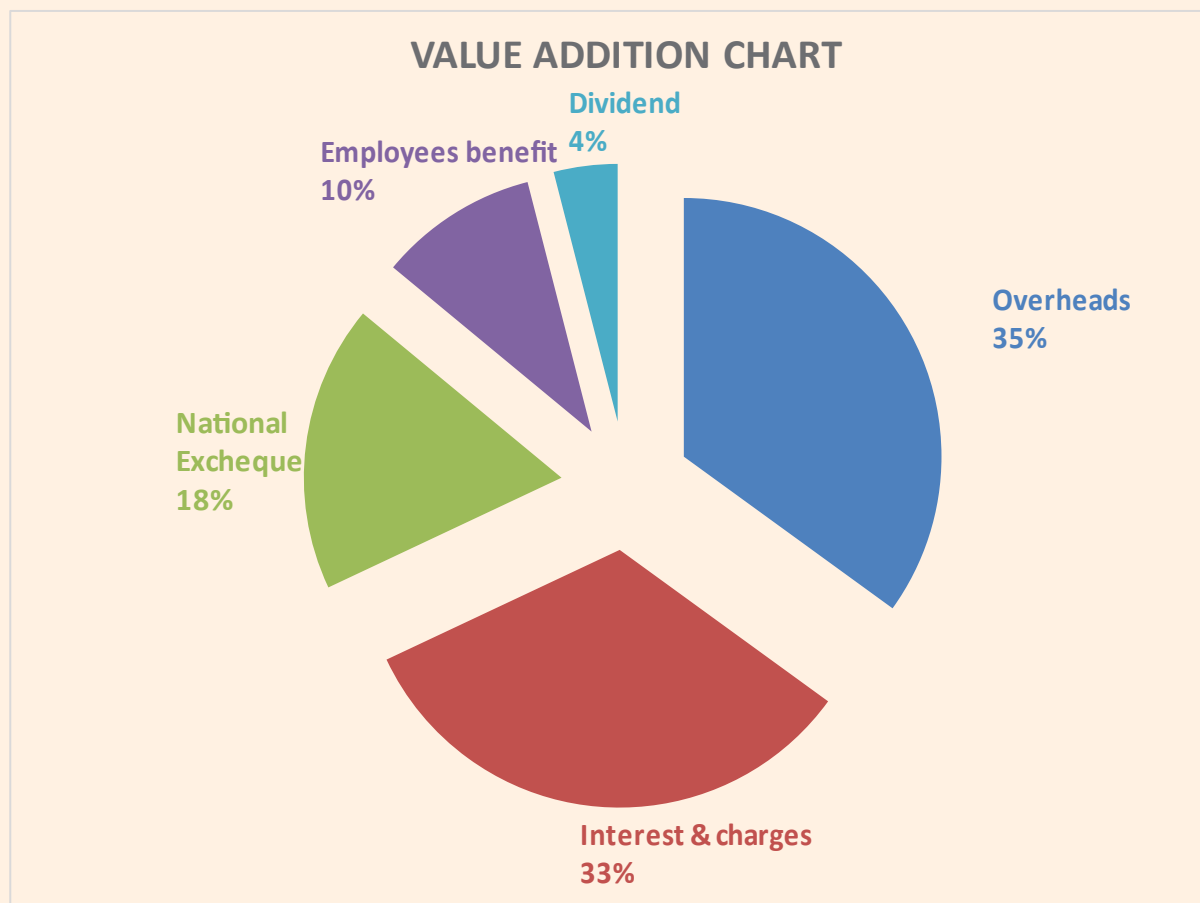


VALUE ADDED STATEMENT

For the year ended June 30, 2023

Gross Sales	4,346,782,116	
Other additions	117,575,252	
Material	2,841,993,315	
Reserve & Surplus	46,580,656	
Value Added	<u><u>1,668,944,709</u></u>	100%

Application to :		
Overheads	587,623,510	35%
Interest & charges	552,966,647	33%
National Exchequer	303,858,066	18%
Employees benefit	167,827,587	10%
Dividend	56,668,899	4%
	<u><u>1,668,944,709</u></u>	100%





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. Abul Layes Afsary as Independent Director of the Company w.e.f. 23-10-2022 and 15-06-2023 respectively. The Board believes that their experience and knowledge will enable them to provide constructive as well as an effective contribution to the Company.

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

Head of Internal Audit & Compliance (HIAC)

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.

Communication with Shareholders

Navana CNG Limited values shareholder engagement and maintains communication with them through out the year, inviting their participation at shareholders' meetings. The Company shares its business, financial position, and earnings with shareholders quarterly, with reports provided in the form of Quarterly Financial Statements, Half Yearly Financial Statements, and the Annual Report. The letter is considered the Company's primary communication with its shareholders and other stakeholders. Additionally, the Company publishes its quarterly and half-yearly results in news papers. Shareholders receive their Annual Reports in digital format, which are sent to the email addresses provided in their beneficial owner (BO) accounts with the depository. Further more, the Annual Report can be accessed on Navana CNG Limited 's website at www.navanacng.com

Independent Scrutinizer

An Independent Scrutinizer has been appointed to oversee the e-voting process of the AGM. Their responsibilities include verifying the authenticity of the votes and preparing areport to be submitted to the Bangladesh Securities and Exchange Commission.

Annual General Meeting

The Board considers the Company's AGM as the main means of communication with the shareholders and welcomes their participation. Among other things, the Annual General Meeting decides the adoption of annual Financial Statements and the Directors' declaration in the Directors' Report, the election of the Board members and the appointment of the Auditors. All shareholders are entitled to attend the AGM, at which the Board members are present.

e-Voting before/during the AGM

Pursuant to the provisions of the Bangladesh Securities and Exchanges Commission notifications, the Company is providing the facility of e-Voting to its Members in respect of the business to be transacted at the AGM. The members of the Company holding shares either in physical form or in electronic form as on the record date 20 November, 2023 may cast their vote by e-Voting.

Declaration by Managing Director and Chief Financial Officer

26 October 2023

The Board of Directors
Navana CNG Limited

Subject: Declaration on Financial Statements for the year ended on 30 June 2023.

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 2023 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 2023 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



(Mostafa Zahid Ahmed)
Chief Financial Officer



Snehasish Mahmud & Co.
Chartered Accountants
Plot 10 (3rd Floor), Road 9
Block J, Baridhara, Dhaka 1212
Phone: +88-02-8834063
info@smac-bd.com
www.smac-bd.com

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

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

(Issued under Condition No. 9.00 of Corporate Governance Guidelines of "BSEC" vide notification no. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018)

We have examined the compliance status to the Corporate Governance Code by **Navana CNG Limited** for the year ended on 30 June 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969; of the Bangladesh Securities and Exchange Commission.

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

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

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

- The Company has complied with the conditions of the Corporate Governance Code except condition nos. 1(2)(c), 3(1)(e), 5(2)(d) as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- 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;
- 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
- The Governance of the Company is satisfactory.

Dated, Dhaka;
13th December, 2023



Zareen Mahmud Hosein
Partner
Snehasish Mahmud & Co.,
Chartered Accountants
Enrolment no.: 1152



AUDIT • TAX • CONSULTING

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)].	✓		NAVANA CNG Board is comprised of 07 (Seven) Directors
1 (2)	Independent Directors			
1 (2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		There are 02 Independent Directors out of 07 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	✓		The IDs have submitted their declarations about their compliances
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	✓		Do
1 (2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		Do
1 (2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		Do
1 (2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		Do
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	✓		Do
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	✓		Do
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies	✓		Do
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	✓		Do
1 (2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude	✓		Do

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)		✓	Md. Mustafizur Rahman and Md. Dilwar Hossain Bhuiyan appointment was approved in 18th AGM. No BSEC approval for new ID appointment
1 (2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		No such event occurred
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]:	✓		The IDs are in their regular term of office
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.	✓		The qualifications and backgrounds justify their abilities as ID
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	✓		Do
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	✓		Do
1 (3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	N/A		Do
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)	✓		Both ID are former official of government have experience of 35 years in banking
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.	✓		The Chair and MD/CEO are different individual
1 (4)(b)	The Managing Director (MD) of a listed company shall not hold the same position in another listed company.	✓		The MD/CEO does not hold the same position in any other Listed company
1 (4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	✓		The Chair of the Board is Non-Executive Director
1 (4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director.	✓		
1 (4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		

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)	✓		
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	None		No such issues occurred
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	None		No such issues occurred
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.	✓		NAVANACNG conducts its Board meeting and record the minutes of the meetings as well as keep required books and records as provisions of Bangladesh Secretarial Standards (BSS) as adopted by ICSB
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	✓		The Code of Conduct as recommended by the NRC is available on the website of the Company

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	✓		Board size Complied with One Independent Director in each Subsidiary Company.
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3 (1)	Appointment			
3 (1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		New CFO: Mostafa Zahid Ahmed
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)		✓	Prior approval not obtained for CFO removal.
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;	✓		The MD/CEO and CFO have duly certified to the Board and the Declaration is disclosed in the Annual Report
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;	✓		DO
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;	✓		DO
3 (3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		The declaration by the MD/CEO and CFO is 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	✓		Audit Committee is established as per BSEC guidelines
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.	✓		The duties of Audit committee are clearly set forth in written as per BSEC guidelines
5 (2)	Constitution of the Audit Committee			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members	✓		Audit Committee is Comprised of 3 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.	✓		All the member of the Audit Committee are non-executive Directors and Chairperson of the Committee is an ID
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.		✓	New ID appointed after 1 month
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	✓		In practice
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In practice
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;	✓		The Chair of the Audit Committee is 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;			No such case in the reporting year
5 (3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		The Chair of the Audit Committee attended in the 18th AGM held on 28 Dec 2022
5 (4)	Meeting of the Audit Committee			
5 (4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		There were 4 meetings conducted during the reporting period
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.	✓		In Practice

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;	✓		The Audit Committee performs as per BSEC's guidelines
5 (5)(b)	Monitor choice of accounting policies and principles;	✓		Do
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;	✓		Do
5 (5)(d)	Oversee hiring and performance of external auditors;	✓		Do
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;	✓		Do
5 (5)(f)	Review the annual financial statements before submission to the Board for approval;	✓		Do
5 (5)(g)	Review the quarterly and half yearly financial statements before submission to the Board for approval;	✓		Do
5 (5)(h)	Review the adequacy of internal audit function;	✓		Do
5 (5)(i)	Review and Analysis before disclosing in the Annual Report;	✓		Do
5 (5)(j)	Review statement of all related party transactions	✓		Do
5 (5)(k)	Review Letter of Internal Control weakness issued by statutory auditors;	✓		Do
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	✓		Do
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	None		No such event occurred
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	None		Do
5 (6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	None		Do
5 (6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	None		Do
5 (6)(b)	Reporting to the Authorities			
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;	✓		NRC is Established as per BSEC guidelines
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;	✓		The NRC discharges as per given guidelines
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).	✓		The duties of the NRC are clearly defined as per BSEC's guidelines
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	✓		NRC comprise of 03 members, which includes one ID
6 (2)(b)	All members of the Committee shall be non-executive directors;	✓		All members of NRC are non-executive directors
6 (2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		All members of the NRC are appointed by the Board
6 (2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		In practice
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;	✓		No such event occurred
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;	None		No such event occurred
6 (2)(g)	The Company Secretary shall act as the secretary of the Committee;	✓		In practice
6 (2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		No such event occurred
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.	✓		In practice
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;	✓		The chairperson of NRC is 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;	None		No such event occurred
6 (3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the Shareholders.	✓		The Chair of NRC attended in 18th AGM
6 (4)	Meeting of the NRC			
6 (4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		NRC conduct one meeting during the reporting year
6 (4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC	None		No such event occurred
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)	✓		All the member was present in the meeting
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	✓		The NRC performs as per BSEC's guidelines
6 (5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		The NRC performs as per BSEC's guidelines
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:	✓		Do
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	✓		Do
6 (5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	✓		Do

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	✓		Do
6 (5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	✓		Do
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	✓		Do
6 (5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		Do
6 (5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	✓		Do
6 (5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	✓		Do
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.	✓		The Policy, Evaluation and activities on NRC in 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	✓		As declared by the Auditors
7 (1)(ii)	Financial information systems design and implementation	✓		Do
7 (1)(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		Do
7 (1)(iv)	Broker-dealer services	✓		Do
7 (1)(v)	Actuarial services	✓		Do
7 (1)(vi)	Internal audit services or special audit services	✓		Do
7 (1)(vii)	Any service that the Audit Committee determines	✓		Do
7 (1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1)	✓		Do
7 (1)(ix)	Any other service that creates conflict of interest.	✓		Do
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.	✓		Do
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.	✓		In practice
8 (2)	The company shall keep the website functional from the date of listing.	✓		In practice
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).	✓		In practice
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.	✓		The company obtained the certificate from Snehish Mahmud & Co. Chartered Accountants
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.	✓		The Auditors has been appointed in the 18th AGM held on 28 Dec 2022
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.	✓		Detailed status of Compliance is included in the Annual report.

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. Abul Layes Afsary	Independent Director	Member
Mr. Saiful Islam	Non-Executive Director	Member

The Committee held on Four (4) 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:

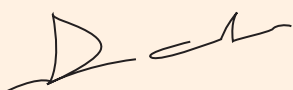
- Oversee the financial reporting process;
- Monitor choice of accounting policies and principles;
- Oversee hiring and performance of external auditors;
- Review the quarterly and annual financial statements before submission to the Board for approval;
- Review the adequacy of internal audit function;
- 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 2023 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 2023 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 2023 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.

The Audit Committee expressed its sincere thanks to the members of the Committee, Board, Management and the auditors for their valuable wisdom, guidance and support in carrying out their duties and responsibilities.



(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. Abul Layes Afsary	Independent Director	Chairperson
Mr. Md. Mustafizur Rahman	Independent Director	Member
Mr. Saiful Islam	Non-Executive Director	Member

The Committee held on one (1) meeting during the year under review. 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;

The Nomination and Remuneration Committee expressed its sincere thanks to the members of the Committee, Board and Management for their support in carrying out their duties and responsibilities.



(Abul Layes Afsary)
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 deem fit and necessary in accordance with related laws/ directives/notifications.

GLIMPSES OF 18th ANNUAL GENERAL MEETING



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কঠিনতম পথ দিতে পাড়ি
গাড়ির মাসপেনশন ও শক অ্যাবজরবারের
নিয়মিত পরীক্ষণ জরুরি

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, 2023 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, 2023 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, 2023 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 4,094,196,308 for the year ended 30th June, 2023.</p> <p>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. 1,743,617,140 and for the prior year is Tk. 1,388,062,875. 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 2,904,723,456 at 30th June, 2023 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, 2023 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
	<p>* we have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.</p>
Current Tax Provisioning	How our audit addressed the key audit matters
<p>Current Tax provision amounting Tk. 51,272,258 at the year end the company reported total income tax expense (Current Tax) of BDT. 51,272,258 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. 549,911,800 as at 30th June, 2023. 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. 43,562,830</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. 3.16 and 28.00 to the financial statements.</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>We assessed the design and operating effectiveness of the Company's key controls supporting the identification, measurement and oversight of valuation of the defined benefits payable provision.</p> <p>We examined the basis on which WPPF and Welfare expense are payable to the employees and is worked out the liability for WPPF and Welfare on the presumption that all employees are entitle to participate to WPPF and Welfare on the balance sheet date.</p> <p>We ensured that the basis of computing WPPF and Welfare is valid; verify the computation of liability on aggregate basis.</p> <p>Employee data used calculating obligation is also tested and appropriateness and presentation of disclosures against IAS 19: Employee Benefits were assessed.</p>
Consolidation of the financial statements	How our audit addressed the key audit matters
<p>The Company has prepared consolidated financial statements of the group as whole by taking consideration of three subsidiaries named Navana Engineering Ltd., Navana Welding Electrode Ltd. and Navana LPG Ltd. with 99.95% shares.</p> <p>The key risk is that whether the consolidated financial statements of the company are prepared in compliance with IFRS 10: Consolidated Financial Statements and IFRS 3: Business Combination and provide adequate disclosure required in this standards.</p>	<p>We have obtained a good understanding of the structure of the group, the significance (i.e. materiality) of each component of the group, the methodology of the consolidation process, and the risk of material misstatement presented by each of the company's financial statements. We have also established materiality level for the group in aggregate, and for the individually significant components. The types of audit procedures that was performed include:</p> <ul style="list-style-type: none"> • checking of the figures taken into the consolidation have been accurately extracted from the financial statements of the components. • evaluating the classification of the components of the group for example, whether the components have been correctly identified and treated as subsidiaries, associates. • 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 scepticism 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.



Fouzia Haque, FCA
Partner

FAMES & R

Chartered Accountants

DVC # 2311021032AS551948

Dated : 02 November, 2023

Place : Dhaka, Bangladesh

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2023

Particulars	Notes	Amount in Taka	
		30 June, 2023	30 June, 2022
Non-Current Assets:			
Property, Plant & Equipment	4.00	5,511,114,820	5,812,152,563
Intangible Assets	5.00	21,451,461	22,509,872
Right of Use Asset	6.00	705,196	1,180,798
Capital Work-in-Progress	7.00	949,667,127	958,441,594
Long Term Security Deposit	8.00	60,088,425	48,518,217
Deferred Tax Assets	9.00	549,911,800	437,632,648
Investment in Shares	10.00	3,735,923	3,477,788
		7,096,674,752	7,283,913,480
Current Assets:			
Inventories	11.00	2,904,723,455	2,733,445,165
Accounts Receivables	12.00	1,743,617,140	1,388,062,875
Other Receivables	13.00	194,875,944	195,112,494
Current Account with Group Companies	14.00	146,589,025	145,715,025
Advances, Deposits & Pre-Payments	15.00	1,625,781,222	1,330,211,766
Cash and Cash Equivalents	16.00	257,032,861	193,774,040
		6,872,619,647	5,986,321,365
Total Assets		13,969,294,399	13,270,234,845
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	755,527,720	719,550,210
Tax Holiday Reserve		216,004,824	216,004,824
Fair Value Reserve	18.00	3,267,831	3,035,509
Retained Earnings	19.00	1,424,072,359	1,470,885,683
Equity Attributable to Owners of Company		2,398,872,734	2,409,476,226
Non-Controlling Interest		(9,547)	(9,892)
Non-Current Liabilities:			
Lease Liability	20.00	377,930	695,645
Security Retention Money	21.00	327,851,465	424,708,865
Loan from Others	22.00	50,000,000	50,000,000
Long Term Loan-Net of Non-Current Portion	23.00	7,837,596,261	7,391,643,901
		8,215,825,656	7,867,048,411
Current Liabilities:			
Long Term Loan-Current Portion	24.00	1,513,498,890	1,542,292,109
Short Term Loan	25.00	1,186,358,457	809,583,230
Provision for Income Tax	26.00	427,474,358	386,245,242
Unclaimed Dividend Account	27.00	38,215,498	43,047,616
Payables & Accruals	28.00	189,058,353	212,551,903
		3,354,605,556	2,993,720,100
Total Liabilities		11,570,431,212	10,860,768,511
Total Shareholders' Equity & Liabilities		13,969,294,399	13,270,234,845
Net Assets Value (NAV) per Share	36.00	31.75	33.49

The annexed notes form an integral part of this Financial Statements

The financial statement were approved by the Board of Directors on 26th October, 2023 and were signed on its behalf by:


Managing Director



Director


Director


Company Secretary


Chief Financial Officer

Signed in terms of our separate report of even date annexed


Fouzia Haque, FCA
Partner
FAMES & R
Chartered Accountants
DVC # 2311021032AS551948

Date : 02 November, 2023
Place: Dhaka

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2023

Particulars	Notes	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
Revenue (Net)	29.00	4,094,196,308	4,248,855,417
Less: Cost of Goods Sold	30.00	3,264,465,687	3,374,712,994
Gross Profit		829,730,621	874,142,423
Less: Operating Expenses:			
Administrative & Selling Expenses	31.00	326,429,836	386,061,407
Financial Expenses	32.00	552,966,647	550,866,440
		879,396,483	936,927,847
Operating Profit/Loss		(49,665,862)	(62,785,424)
Add: Other Income	33.00	5,150,364	3,952,894
Less: Foreign Exchange Loss		(112,400)	177,166
Profit/Loss before Contribution to WPPF		(44,627,898)	(58,655,364)
Less: Contribution to WPPF		6,548,890	8,940,684
Net Profit/Loss before Tax		(51,176,788)	(67,596,048)
Less: Income Tax Expenses	34.00	(61,032,708)	(78,787,737)
Current Tax	34.01	51,272,258	64,681,978
Deferred Tax	34.02.1	(112,304,966)	(143,469,715)
Net Profit for the year attributable to Equity holder		9,855,920	11,191,689
Add: Other Comprehensive Income:			
Revaluation Gain/Loss on Investment in Share	40.00	258,135	218,712
Less: Deferred Tax Adjustment		(25,813)	(21,871)
		232,322	196,841
Total Comprehensive Income for the year		10,088,242	11,388,530
Profit Attributable to:			
Equity Holders of the Company		10,087,897	11,391,008
Non-Controlling Interests		345	(2,478)
		10,088,242	11,388,530
Earnings per Share	35.00	0.13	0.15

The annexed notes form an integral part of this Financial Statements

The financial statement were approved by the Board of Directors on 26th October, 2023 and were signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Signed in terms of our separate report of even date annexed



Fouzia Haque, FCA
Partner
FAMES & R
Chartered Accountants
DVC # 2311021032A5551948

Date : 02 November, 2023
Place: Dhaka

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2023

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, 2022	719,550,210	216,004,824	3,035,509	1,470,885,683	2,409,476,226	(9,892)	2,409,466,334
Fair Value Reserve	-	-	232,322	-	232,322	-	232,322
Net Profit for the year	-	-	-	9,855,575	9,855,575	345	9,855,920
Stock dividend	35,977,510	-	-	(35,977,510)	-	-	-
Cash Dividend	-	-	-	(20,691,389)	(20,691,389)	-	(20,691,389)
Balance at 30th June, 2023	755,527,720	216,004,824	3,267,831	1,424,072,359	2,398,872,734	(9,547)	2,398,863,187
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

The financial statement were approved by the Board of Directors on 26th October, 2023 and were signed on its behalf by:



Managing Director

Khalida Islam

Director



Director



Company Secretary



Chief Financial Officer

Date : 02 November, 2023
 Place: Dhaka

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2023

Particulars	Notes	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
Cash Receipts from Customers		3,738,642,043	3,957,976,930
Cash Receipts of Other Income		5,150,364	3,952,894
Foreign Exchange Loss		(112,400)	177,166
Payments for Materials, Services and Expenses		(3,668,010,972)	(3,690,557,846)
Cash Generated from Operations		75,669,035	271,549,144
Income Tax Paid		(29,020,439)	(26,428,322)
Net Cash Generated from Operating Activities	38.00	46,648,596	245,120,822
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(9,515,223)	(13,663,061)
Acquisition of Intangible Assets		(1,255,344)	(3,255,000)
Capital Work-in-Progress		(78,998,365)	(46,785,320)
Advance for L/C Margin		-	52,436,220
Other Receivables		236,550	12,560
Long Term Security Deposits		(11,570,208)	(5,320,701)
Net Cash used in Investing Activities		(101,102,590)	(16,575,302)
Cash Flows from Financing Activities			
Net paid to Group Companies		(874,000)	(145,715,025)
Bank Interest Paid		(552,966,647)	(550,866,440)
Security Retention Money		(96,857,400)	(166,530,522)
Dividend Paid		(20,523,507)	(19,212,962)
Unclaimed Dividend transfer to CMSF Fund		(5,000,000)	-
Net Loan Increase/ (decreased)		793,934,368	661,616,654
Net Cash Provided in Financing Activities		117,712,814	(220,708,295)
Net Changes in Cash and Cash Equivalents		63,258,821	7,837,226
Cash and Cash Equivalents at the Beginning of the Year		193,774,040	185,936,814
Cash and Cash Equivalents at the End of the Year		257,032,861	193,774,040
Net Operating Cash Flows Per Share (NOCFPS)	37.00	0.62	3.41

The financial statement were approved by the Board of Directors on 26th October, 2023 and were signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Date : 02 November, 2023
Place: Dhaka

NAVANA CNG LIMITED AND IT'S SUBSIDIARIES
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2023
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: 17-07-2023

(ii) e-TIN No.: 892172367019, date: 30.06.2014

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

1.03 Nature of Business

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

1.04 Group Structure of Navana CNG Limited

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

(a) Navana Engineering Limited

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

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

(b) Navana Welding Electrode Limited

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

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

(c) Navana LPG Limited

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

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

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

1.05 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, 2023;
- * Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2023;
- * Consolidated Statement of Changes in Equity for the year ended 30th June, 2023;
- * Consolidated Statement of Cash Flows for the year ended 30th June, 2023;
- * 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 2013)
DSE/CSE Rules;
Listing Regulations, 2015;

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

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

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	Complied
15	27	Separate Financial Statements	Complied
16	28	Investment in Associated and Joint Venture	N/A
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments : Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Complied
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Complied
25	40	Investment Property	N/A
26	41	Agriculture	N/A

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

2.04 Basis of Measurement

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

2.05 Basis of Consolidation

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

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

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

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

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

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

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

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

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

2.06 Accrual basis of Accounting

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

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

2.07 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the

functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.08 Key Accounting Estimates and Judgments in Applying Accounting Policies

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

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an 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 2021-2022 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, 2022 to 30th June, 2023.

2.15 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October 2023.

- 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 Work-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, 2013 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;

4.00 Consolidated Property, Plant & Equipment

This is made up as follows:

	Amount in Taka	
	30 June, 2023	30 June, 2022
Land and Land Development	1,180,687,289	1,180,687,289
Building & Shed	740,144,478	795,928,131
Plant & Machinery	1,801,948,766	1,910,973,238
Cylinder	1,519,986,976	1,628,235,897
Tools & Equipment	82,467,382	90,166,410
Furniture & Fixture	17,808,665	19,787,406
Electrical Equipment	14,974,965	16,590,959
Office Equipment	5,440,337	5,721,055
Vehicles	147,655,962	164,062,178
	5,511,114,820	5,812,152,563

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

5.00 Consolidated Intangible Assets

This is made up as follows:

Software System	21,451,461	22,509,872
	21,451,461	22,509,872

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

6.00 Consolidated Right of Use Assets

This is made up as follows:

At Cost:

Opening Balance	21,788,137	23,273,745
Addition during the year	-	-
Disposal / Adjustment during the year	-	1,485,608
	21,788,137	21,788,137

Less: Accumulated Depreciation:

Opening Balance	20,607,340	15,260,462
Add: Charged during the year	475,602	5,346,878
Disposal / Adjustment during the year	-	-
	21,082,942	20,607,340

Written Down Value (WDV)	705,196	1,180,798
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The details of which have been shown in **Annexure -C**

7.00 Consolidated Capital Work-In-Progress

This is made up as follows:

Opening Balance	958,441,594	968,885,418
Add: Addition during the year	78,998,365	46,785,320
	1,037,439,959	1,015,670,738
Less: Transfer to Property, Plant and Equipment	87,772,832	57,229,144
	949,667,127	958,441,594

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.

8.00 Consolidated Long Term Security Deposit

This is made up as follows:

PDBF	5,056	5,056
Titas Gas T&D Co. Ltd.	25,977,645	25,977,645
Karnaphuly Gas Co.	14,614,898	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

Amount in Taka		
	30 June, 2023	30 June, 2022
Delta Life Insurance Co. Ltd.	10,000	10,000
Roads & Highway	190,350	190,350
North South University	16,143	16,143
Standard Bank Ltd.	745,038	745,038
Bangladesh Telecommunication Co. Ltd. (BTCL)	10,000	10,000
UCEP	338,000	338,000
Dhaka Metropolitan Police	147,331	147,331
Mobile Com	22,000	22,000
Road Cutting	10,413	10,413
PDB	1,104,225	1,104,225
DPDC Limited	240,000	240,000
Narayangonj Palli Bidyut Samity-2	500,000	500,000
Cox's Bazar Pally Bidyut Samity	392,000	392,000
Pally Bidyut Samity-Bagerhat	5,028,094	5,028,094
Mongla Port Authority	5,399,998	5,399,998
Desco-Nikunja	400,000	400,000
	60,088,425	48,518,217

9.00 Consolidated Deferred Tax Assets

This is made up as follows:

Defferred tax for temporary difference	(538,702,393)	(426,397,427)
Defferred tax for gratuity provision	(11,572,500)	(11,572,500)
Defferred tax on Unrealized Gain/(loss)	363,092	337,279
Consolidated Deferred tax (assets)/Liabilities	549,911,800	437,632,648

10.00 Consolidated Investment in Share

This is made up as follows:

Name of the Share	No. of Shares	Market Value as on 30.06.2023	Market Value as on 30.06.2022
Lafarge Surma Cement Ltd.	21,000	1,459,500	1,428,000
Aftab Automobiles Ltd.	82,779	2,276,423	2,049,788
	103,779	3,735,923	3,477,788

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

This is made up as follows:

Raw Materials	775,681,361	782,796,904
Work in Process	191,066,779	175,385,797
Finished Goods	1,591,811,325	1,404,280,744
Spare Parts	28,233,397	19,936,119
Stock in Transit	317,930,593	351,045,601
	2,904,723,455	2,733,445,165

12.00 Consolidated Accounts Receivables

This is made up as follows:

Tejgaon CNG Conversion Center	9,378,663	13,616,416
Kallayanpur CNG Conversion Center	5,103,735	5,921,441
Dipnagar Diesel Conversion Center	17,438,618	17,438,618
Chittagong CNG Conversion Center	5,057,717	5,057,717
Sylhet CNG Conversion Center	6,402,507	6,481,983
Cylinder Testing Unit	2,318,395	2,318,395

Kalurghat CNG Conversion Center
Kalurghat CRT
Uttara CNG Conversion Center
Uttara CRT
Bogra CNG Conversion Center
Paltan CNG Conversion Center
Auto Repair & Services - Paltan-Dhaka
Paltan CRT
Kalyanpur CRT
Auto Repair & Services-Kally-Dhaka
Auto Repair & Services-Kalurghat - Chitagong
Denso CNG Station
Binimoy CNG Station
Sylhet CNG Station
Sylhet CNG Station-2
Station Technical Department Sylhet
Station Technical Department Chittagong
Station Technical Department Dhaka
Station Maintenance Department-Chittagong
Station Maintenance Department-Sylhet
PRS Department
Engineering Service Department
Baipail CNG Station
Bogra CNG Station
Leguna CNG Station
Sitakunda CNG Station
BOC CNG Station
Kwality CNG Station
Bhoirab CNG Station
Elenga CNG Station
United CNG Station
Jagajog CNG Station
Sonarbangla CNG Station
Mymensingh Zone
Chittagong Zone
Khulna Zone
Gazipur Zone
Sylhet Zone
Dhaka Zone
HDPE
Tender
Navana Real Estate Ltd.
Navana Construction Ltd.
Navana Batteries Ltd.
Sylhet Zone
Jessore Zone
Kushtia Zone
Dhaka South Zone
Dhaka North Zone
Rajshahi Zone
Rangpur Zone
Chittagong South Zone
Chittagong North Zone
Barishal Zone
Corporate Customer
Channel Partners & Distribution
Other Customer
Receivable from Employees' Provident Fund

Amount in Taka	
30 June, 2023	30 June, 2022
6,149,937	3,249,131
235,460	217,947
2,731,851	2,733,041
68,353	68,353
2,320,613	2,288,024
1,096,216	1,048,842
2,510,167	3,115,317
119,801	91,501
180,479	400,205
28,257,550	35,456,920
5,987,800	2,503,366
14,183,362	8,385,221
22,560,863	15,488,067
5,487,707	1,474,971
627,785	603,724
12,295,212	6,757,047
22,227,728	20,289,728
66,732,185	52,662,769
52,992	52,992
-	81,510
4,463,439	4,463,439
1,529,505	1,529,505
8,753,973	2,469,234
2,636	2,636
61,305	286,848
69,582	56,753
35,395	6,111
170,609	190,257
45,337	4,175
132,240	102,192
252,145	222,462
9,397,868	4,337,520
16,638,680	17,062,833
62,620,975	56,554,995
58,081,378	53,715,566
47,973,753	41,716,773
47,424,021	41,825,347
48,423,179	39,724,428
74,146,511	70,288,745
69,118,035	68,881,486
3,150,158	3,150,158
2,098,962	1,627,917
5,854,997	7,854,997
667,785	783,785
2,697,298	2,192,537
2,462,876	2,473,104
2,495,448	2,003,108
18,633,909	19,530,264
4,552,381	6,547,861
51,820,986	43,593,310
2,371,012	1,723,898
6,580,410	5,706,518
2,888,405	3,399,461
71,825,756	59,613,884
372,693,100	248,029,908
427,044,713	313,889,732
74,305,840	52,091,040
2,606,842	2,606,842
1,743,617,140	1,388,062,875

		Amount in Taka	
		30 June, 2023	30 June, 2022
Ageing schedule of Accounts Receivables:			
Duration			
1-30 days		22,512,011	17,066,032
31-60 days		345,707,705	288,959,698
61-90 days		402,773,036	310,480,982
91-180 days		488,981,822	385,104,814
181-365 days		290,736,515	229,996,206
Over 365 days		192,906,051	156,455,145
		1,743,617,140	1,388,062,875
(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		194,875,944	195,112,494
It represents the total balance of Consolidated Other Receivables as on 30th June, 2023.			
(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		146,589,025	145,715,025
It represents the total balance of consolidated current account with group companies as on 30 June, 2023.			
15.00 Consolidated Advance, Deposit & Pre-payments			
This is made up as follows:			
Advance against Land Rent		37,948,624	37,933,624
Advance against Local Procurement		147,266,517	76,067,277
Bank Guarantee Margin		52,657,724	35,656,921
Security Deposit		7,278,638	3,024,765
Advance Income Tax		434,940,390	415,963,093
Jakshon International Ltd.		251,031	251,031
VAT Account		4,097,616	3,191,350
Advance for Rent		19,077,478	19,077,478
Advance for Tender		1,138,560	1,138,560
Earnest Money & Security Deposit		1,317,939	1,517,939
Clearing & Forwarding Agent		1,351,023	1,351,023
Rose Valley International		340,470	340,470
Advance to Suppliers		390,326,005	327,115,594
Security Deposit Bangladesh Railway		20,000	20,000
Advance against Employee		11,562,992	10,975,224
Advance to Others		434,091,300	322,459,794
Advance against Civil Construction		82,114,914	74,127,622
		1,625,781,222	1,330,211,766
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			
This is made up as follows:			
Cash in Hand		19,608,150	6,508,711
Cash at Banks:			
Fixed Deposit Receipt (FDR)	16.01	123,905,134	134,962,033
Bank Balances	16.02	113,519,577	52,303,296
		257,032,861	193,774,040

Amount in Taka	
30 June, 2023	30 June, 2022

16.01 Consolidated Fixed Deposit Receipt (FDR)

This is made up as follows:

Mercantile Bank Ltd.	40,913,305	39,385,079
Standard Bank Ltd.	16,772,292	8,403,563
Shahjalal Islami Bank Ltd.	65,715,760	56,205,789
State Bank of India	-	30,967,602
Mutual Trust Bank Limited	503,777	-
	123,905,134	134,962,033

16.02 Consolidated Bank Balances

This is made up as follows:

AB Bank Ltd.	1,054,548	838,874
Bank Alfalah Ltd.	4,343	7,563
Al-Arafah Islami Bank Ltd.	33,222	42,233
Bank Asia Ltd.	8,094,887	6,305,731
BRAC Bank Ltd.	266,154	154,057
Dhaka Bank Ltd.	208,507	1,099,107
Dutch-Bangla Ltd.	33,383,766	20,743,488
IFIC Bank Ltd.	259,980	378,065
Jamuna Bank Ltd.	40,972	106,421
Mutual Trust Bank Ltd.	20,460,244	9,612,740
National Bank Ltd.	2,260,155	1,233,971
NCC Bank Ltd.	190,514	328,197
Prime Bank Ltd.	51,081	134,821
Pubali Bank Ltd.	14,440	1,164,422
Rupali Bank Ltd.	-	17,611
Shahjalal Islami Bank Ltd.	26,012,504	1,635,382
Social Investment Bank Ltd.	-	40,912
Southeast Bank Ltd.	2,595	197,018
Standard Bank Limited	2,354,966	2,200,664
Standard Chartered Bank	-	174,213
Uttara Bank Ltd.	312,444	1,181,658
Mercantile Bank Ltd.	405,014	589,767
Trust Bank Ltd.	604,889	116,546
Islami Bank Bangladesh Ltd.	2,014,950	1,151,182
Sonali Bank Ltd.	10,965,934	23,162
United Commercial Bank Ltd.	48,040	205,763
City Bank Ltd.	2,470,320	2,181,793
State Bank of India	24,371	249,356
Agrani Bank Ltd.	103,715	111,623
Bangladesh Commerce Bank Ltd.	-	17,680
First Security Islami Bank Ltd.	-	3,623
The Premier Bank Ltd.	4,183	16,724
Community Bank Ltd.	11,061	13,936
Janata Bank Ltd.	-	24,993
NRB Commercial Bank Ltd.	32,997	-
One Bank Ltd.	1,450,145	-
Dormant Account	378,636	-
	113,519,577	52,303,296

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, 2023.

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

Amount in Taka	
30 June, 2023	30 June, 2022

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:

75,552,772 Ordinary Shares @ Tk. 10/- each.

755,527,720

719,550,210

This is made up as follows:

Date	No. of Shares	Particulars	Share Capital	Share Capital
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	34,264,290
19.01.2023	3,597,751	Ordinary Shares @ Tk. 10 each Issued as Bonus	35,977,510	-
			755,527,720	719,550,210

Shareholding Position:

Class of Shareholders	Number of Investors	Number of Share Hold	Shareholding % 2023	Shareholding % 2022
Sponsors	6	32,100,852	42.49%	42.49%
General Public	11415	23,719,572	31.39%	30.29%
Institutional Investors	186	19,732,348	26.12%	27.22%
Total	11,607	75,552,772	100.00%	100.00%

Classification of Shareholders:

Particulars	Number of Investors	Number of Shares	% of Shares Holding 2023	% of Shares Holding 2022
1 to 500	6,417	1,103,378	1.46%	1.55%
501 to 5000	4,238	6,664,907	8.82%	7.99%
5001 to 10000	465	3,192,802	4.23%	3.33%
10001 to 20000	267	3,690,693	4.88%	3.72%
200001 to 30000	74	1,764,614	2.34%	1.51%
300001 to 40000	39	1,380,720	1.83%	1.40%
400001 to 50000	19	838,192	1.11%	0.73%
500001 to 100000	37	2,583,156	3.42%	3.14%
1000001 to 1000000	41	13,209,558	17.48%	15.66%
Above 10000000	10	41,124,752	54.43%	60.96%
Total	11,607	75,552,772	100%	100%

18.00 Consolidated Fair Value Reserve

3,267,831

3,035,509

It represents the total balance of Consolidated Fair Value Reserve as on 30th June, 2023.

19.00 Consolidated Retained Earnings

This is made up as follows:

Opening Balance

1,470,885,683

1,514,055,572

Add/Less: Adjustment

-

(393,684)

Add: Total Comprehensive Income for the year

9,855,575

11,194,167

Less: Stock dividend

1,480,741,258

1,524,856,055

Less: Cash Dividend

(35,977,510)

(34,264,290)

(20,691,389)

(19,706,082)

1,424,072,359

1,470,885,683

Amount in Taka	
30 June, 2023	30 June, 2022

20.00 Lease Liability /Lease Obligation -Leases as Lessee

At Cost:

Opening Balance	695,645	5,857,056
Additon during the year	-	-
Finance Charge during the year	44,935	133,979
Closing Balance	740,580	5,991,035
Less: Transferred to Current Maturity	362,650	3,729,758
Less: Adjustment of lease	-	1,565,631
	377,930	695,645

21.00 Consolidated Security Retention Money

It represents the total balance of Consolidated Security Retention Money as on 30th June, 2023.

327,851,465 **424,708,865**

22.00 Consolidated Loan from Others

This is as per last account.

50,000,000 **50,000,000**

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

This is made up as follows:

City Bank Ltd., Gulshan Avenue Branch	4,201,825,077	4,162,375,044
Shahjalal Islami Bank Ltd.	2,612,212,854	2,421,928,128
One Bank Ltd., Gulshan Branch	2,122,605,800	1,938,962,022
Standard Bank Ltd.	89,333,894	85,553,290
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	9,351,095,151	8,933,936,010
Less: Long Term Loan-Non-Current Portion	1,513,498,890	1,542,292,109
Long Term Loan-Net of Current Portion	7,837,596,261	7,391,643,901

Brief Terms & Condition of above Loan:

(i) Non-current persion 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

This is made up as follows:

City Bank Ltd., Gulshan Avenue Branch	4,201,825,077	4,162,375,044
Shahjalal Islami Bank Ltd.	2,612,212,854	2,421,928,128
One Bank Ltd., Gulshan Branch	2,122,605,800	1,938,962,022
Standard Bank Ltd.	89,333,894	85,553,290
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	9,351,095,151	8,933,936,010
Less: Long Term Loan-Current Portion	1,513,498,890	1,542,292,109
Long Term Loan-Net of Current Portion	7,837,596,261	7,391,643,901

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

25.00 Consolidated Short Term Loan

This is made up as follows:

Sahjalal Islami Bank Ltd.	73,903,489	81,666,159
One Bank Ltd.	268,154,909	256,313,402
City Bank Ltd.	634,812,362	262,330,403
Janata Bank Ltd.	209,487,697	209,273,266
	1,186,358,457	809,583,230

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

26.00 Consolidated Provision for Income Tax

This is made up as follows:

Navana CNG Ltd.

Navana Welding Electrode Ltd.

Navana Engineering Ltd.

Navana LPG Ltd.

27.00 Unclaimed Dividend Account

This is made up as follows:

Opening Balance

Add: Cash Dividend for the year 30.06.2022

Less: Dividend Paid during the year

Less: Fund transfer to CMSF during the year

Closing Balance

The ageing of Unclaimed Dividend are as follows:

Unclaimed for less than 3 year's

Unclaimed for more than 3 year's

28.00 Consolidated Payables & Accruals

This is made up as follows:

Navana CNG Ltd.

Navana Engineering Ltd.

Navana Welding Electrode Ltd.

Navana LPG Ltd.

29.00 Consolidated Revenue (Net)

This is made up as follows:

Navana CNG Ltd.

Navana Engineering Ltd.

Navana Welding Electrode Ltd.

Navana LPG Ltd.

30.00 Consolidated Cost of Goods Sold

This is made up as follows:

Navana CNG Ltd.

Navana Engineering Ltd.

Navana Welding Electrode Ltd.

Navana LPG Ltd.

Raw Material Consumed 30.01

Add: Direct Cost

Add: Factory Overhead

Cost of Production

Add: Opening Work in Progress

Less: Closing Work in Progress

Cost of Goods Manufacture

Add: Opening Finished Goods

Less: Closing Finished Goods

Cost of Goods Sold

Amount in Taka	
30 June, 2023	30 June, 2022
60,977,610	44,192,968
154,920,154	144,701,761
128,722,423	126,894,901
82,854,171	70,455,612
427,474,358	386,245,242
43,047,616	42,554,496
20,691,389	19,706,082
63,739,005	62,260,578
20,523,507	19,212,962
5,000,000	
38,215,498	43,047,616
3,965,209	8,033,629
34,250,289	35,013,987
38,215,498	43,047,616
108,556,368	103,848,765
25,826,384	35,037,358
40,720,249	44,877,233
13,955,352	28,788,547
189,058,353	212,551,903
1,326,861,116	1,284,505,692
304,586,949	431,155,504
396,321,746	532,631,622
2,066,426,497	2,000,562,599
4,094,196,308	4,248,855,417
1,074,965,780	1,038,356,450
222,835,102	314,911,265
327,284,904	389,756,478
1,639,379,901	1,631,688,801
3,264,465,687	3,374,712,994
3,045,204,878	3,069,681,011
17,071,962	13,776,422
405,400,410	506,599,272
3,467,677,250	3,590,056,705
175,385,797	167,128,675
3,643,063,047	3,757,185,380
191,066,779	175,385,797
3,451,996,268	3,581,799,583
1,404,280,744	1,197,194,155
4,856,277,012	4,778,993,738
1,591,811,325	1,404,280,744
3,264,465,687	3,374,712,994

30.01 Consolidated Raw Material Consumed

This is made up as follows:

Opening Stock of Raw Materials
Add: Purchased during the year
Add: Cost of CNG Sales

Less: Closing Stock of Raw Materials
Raw Materials Consumed

31.00 Consolidated Administrative and Selling Expenses

This is made up as follows:

Salary & Allowances
Gratuity Expenses
Vehicle Maintenance
Electricity Bill
Rental Expenses
Telephone & Mobile Bill
Conveyance
CDBL & Annual Listing Fee
Electrical Expenses
Entertainment
Labour Charge
Meeting Fee
Medical Expenses
Carrying Charge
Professional & Consultancy Fees
Distribution Expenses
Mineral Water
Annual General Meeting Expenses
Miscellaneous Expenses
Newspaper & Periodicals
Office Maintenance
Audit Fees
ISO Audit Fee
Oil, Gas & Lubricants
Photocopy Expenses
Postage, Courier & Stamp
Security Guard Expenses
Uniform & Liveries
Printing Expenses
Stationery Expenses
Registration & Renewals
TA/DA Expenses
Bank Charge
Internet Bill
Gas Bill
Utility & Service Charge
Transport Expenses
Advertisement
Repair & Maintenance
Subsidy to canteen
Other Interest Expenses
Insurance exp.
Software Maintenance Fee
Business Promotional Expenses
Service & Other exp.
Depreciation of Right of Use Asset
Depreciation
Amortization

Amount in Taka	
30 June, 2023	30 June, 2022
782,796,904	791,142,634
2,124,262,723	2,183,667,863
913,826,612	877,667,418
3,820,886,239	3,852,477,915
775,681,361	782,796,904
3,045,204,878	3,069,681,011
136,881,284	143,476,543
-	7,500,000
846,368	1,890,504
2,831,367	2,581,004
3,350,250	4,932,135
2,208,196	2,765,227
3,931,789	5,003,792
1,053,478	1,012,621
482,557	264,304
1,627,628	1,939,200
944,907	1,489,748
615,000	620,000
115,239	38,744
495,125	1,136,547
1,223,450	1,448,100
16,464,177	27,032,184
251,994	669,352
54,980	78,750
1,070,062	1,137,471
70,249	88,070
1,747,843	2,771,482
782,000	611,500
48,956	44,505
5,171,515	5,965,530
2,467	15,402
264,174	367,207
4,652,454	5,059,196
87,886	-
1,674,923	1,253,548
1,102,747	784,089
7,712,055	7,217,146
1,773,885	2,405,879
2,564,255	1,931,500
1,292,852	1,769,593
-	975
1,183,893	886,515
927,185	1,755,718
1,245,627	795,627
5,010,403	4,500,981
1,612,851	1,629,701
4,794,452	5,010,379
1,255,849	769,705
365,625	1,023,700
2,601,059	2,287,107
834,389	-
475,602	5,346,878
102,264,037	126,283,168
462,751	470,080
326,429,836	386,061,407

			Amount in Taka	
			30 June, 2023	30 June, 2022
32.00 Consolidated Financial Expenses				
This is made up as follows:				
Navana CNG Ltd.			4,597,931	5,043,663
Navana Engineering Ltd.			152,902,224	150,047,686
Navana Welding Electrode Ltd.			2,662,788	5,543,518
Navana LPG Ltd.			392,803,704	390,231,573
			552,966,647	550,866,440
33.00 Consolidated Other Income				
This is made up as follows:				
Navana CNG Ltd.			1,458,405	687,892
Navana Welding Electrode Ltd.			3,691,959	3,265,002
			5,150,364	3,952,894
34.00 Consolidated Income Tax Expenses				
This is made up as follows:				
Current Tax	34.01		51,272,258	64,681,978
Deferred Tax	34.02.01		(112,304,966)	(143,469,715)
			(61,032,708)	(78,787,737)
34.01 Calculation of Consolidated Current Tax				
This is made up as follows:				
A.	Income Tax on Regular Rate			
Cosolidated Profit/Loss Before Tax			(51,176,788)	(67,596,048)
Add: Cosolidated Adjustment for admisible and inadmisible expenses			182,154,593	246,409,733
Cosolidated Taxable profit/(loss)			130,977,806	178,813,685
Cosolidated Tax expenses based on applicable tax rate as per ITO 1984			37,046,177	49,750,323
B.	Minimum Tax		14,226,081	14,931,655
Total Cosolidated Current Tax			51,272,258	64,681,978
34.02 Consolidated Deferred tax (assets)/Liabilities				
This is made up as follows:				
Deferred tax for temporary difference	34.02.1		(538,702,393)	(426,397,427)
Deferred tax for gratuity provision	34.02.2		(11,572,500)	(11,572,500)
Deferred tax on Unrealized Gain/(loss)	34.02.3		363,092	337,279
			(549,911,800)	(437,632,648)
34.02.1 Calculation of Consolidated Deferred Tax				
This is made up as follows:				
A. Deferred Tax for Assets				
Deferred Tax for Temporary Difference of PPE				
Accounting Base WDV			5,532,566,280	5,834,662,435
Tax Base WDV			6,947,231,054	6,913,083,898
Temporary Difference			(1,414,664,774)	(1,078,421,463)
Less: Unabsorbed Depreciation			(339,898,949)	(297,779,995)
Taxable Temporary Difference			(1,754,563,723)	(1,376,201,458)
Tax Rate 22.5% & 30% respectively			-	-
Closing Deferred Tax Asset/Liabilities			(538,702,393)	(426,397,427)
Opening Deferred Tax Asset/Liabilities			(426,397,427)	(284,765,212)
Deferred Tax enpenses/(income) forTemporary Difference			(112,304,966)	(141,632,215)
Deferred Tax Expenses/(Income) for the year for gratuty (34.02.2)			-	(1,837,500)
Total deferred Tax Expenses/(Income) for the year			(112,304,966)	(143,469,715)

Amount in Taka	
30 June, 2023	30 June, 2022

34.02.2 Consolidated Deferred tax for gratuity provision

This is made up as follows:

Closing Provision	46,200,000	46,200,000
Applicable Tax rate @22.5% and 30% respectively	-	-
Closing deferred tax for gratuity	(11,572,500)	(11,572,500)
Less: Opening Deferred Tax for gratuity	(11,572,500)	(9,735,000)
Deferred Tax expense/(income) for the period	-	(1,837,500)

34.02.3 Consolidated Deferred tax on Unrealized Gain/(loss)

This is made up as follows:

Opening Balance	337,279	315,408
Add: During the year	25,813	21,871
Closing Balance	363,092	337,279

35.00 Consolidated Earning Per Share (EPS)

This is made up as follows:

Basic Earnings Per Share (EPS)

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

Profit Attributable to Ordinary Shareholders	9,855,920	11,191,689
Number of Ordinary Shares used to Compute Earning Per Share	75,552,772	75,552,772
Earning Per Share	0.13	0.15

The gross profit of the group decreased due to a combination of factors specifically, the dollar crisis and a shortage of materials within the subsidiaries. As a result, the Earnings per share (EPS) of the group experienced a significant reduction.

36.00 Consolidated Net Assets Value Per Share (NAVPS)

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

Particulars	Amount (Tk.) 30.06.2023	Amount (Tk.) 30.06.2022
A. Assets:		
Property, Plant & Equipment	5,511,114,820	5,812,152,563
Intangible Assets	21,451,461	22,509,872
Right of Use Asset	705,196	1,180,798
Capital Work-in-Progress	949,667,127	958,441,594
Long Term Security Deposit	60,088,425	48,518,217
Deferred Tax Assets	549,911,800	437,632,648
Investment in Shares	3,735,923	3,477,788
Inventories	2,904,723,455	2,733,445,165
Accounts Receivables	1,743,617,140	1,388,062,875
Other Receivables	194,875,944	195,112,494
Current account with group companies	146,589,025	145,715,025
Advances, Deposits & Pre-Payments	1,625,781,222	1,330,211,766
Cash & Cash Equivalents	257,032,861	193,774,040
Total Assets	13,969,294,399	13,270,234,845
B. Liabilities:		
Non Controlling Interest	(9,547)	(9,892)
Lease Liability	377,930	695,645
Security Retention Money	327,851,465	424,708,865
Loan from Others	50,000,000	50,000,000
Long Term Loan Net of Current Portion	7,837,596,261	7,391,643,901
Long Term Loan of Current Portion	1,513,498,890	1,542,292,109
Short Term Loan	1,186,358,457	809,583,230
Provision for Income Tax	427,474,358	386,245,242
Unclaimed dividend account	38,215,498	43,047,616
Payables & Accruals	189,058,353	212,551,903
Total Liabilities	11,570,421,666	10,860,758,619
Net Assets (A-B)	2,398,872,733	2,409,476,226
No. of Shares	75,552,772	71,955,021
Intrinsic Value/Net Assets Value Per Share	31.75	33.49

Stock and Cash dividends paid during the year exceed the profit for the year which reduces retained earnings, leading to a decrease in the Net Assets Value Per Share (NAVPS).

37.00 Consolidated Net Operating Cash Flows Per Share (NOCFPS)

	Amount in Taka	
	30 June, 2023	30 June, 2022
	<div> <div>Net Operating Cash Flows</div> <div>Number of Ordinary Shares</div> </div>	
Net Operating Cash Flows	46,648,596	245,120,822
Number of Ordinary Shares used to Compute NOCFPS	75,552,772	71,955,021
Net Operating Cash Flows Per Share	0.62	3.41

Revenue collection represents the income a group generates from its primary operations. The group's revenue by 15 crore directly affects the cash flow generated from its operations. Reduced revenue is the root cause of fewer funds flowing into the group from its core business activities.

38.00 Reconciliation of Consolidated 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: Reconciliation of Net Operating cash flow under Indirect Method:

Net Profit/(Loss) before Interest & Income Tax during the year	501,789,859	497,221,455
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
Interest on Lease	44,935	133,979
Payment of Lease Liability	(362,650)	(3,729,758)
Depreciation	401,115,156	516,086,054
Income Tax Paid during the year	(29,020,439)	(26,428,322)
Changes in Current Assets and Liabilities:		
Decrease/(Increase) in Inventories	(171,278,290)	(221,697,242)
Decrease/(Increase) in Advance and Pre-payments	(276,592,159)	(201,477,704)
Decrease/(Increase) in Payables & Accruals	(23,493,550)	(24,109,150)
Decrease/(Increase) in Trade Receivables	(355,554,265)	(290,878,489)
Consolidatd Net Cash Flow from Operating Activities	46,648,596	245,120,822
Total Cash Flow from Operating Activities-Indirect Method	46,648,596	245,120,822
Total Cash Flow from Operating Activities-Direct Method	46,648,596	245,120,822
Difference	-	-
* Details in the Statement of Cash Flow		

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, 2023

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-Current Assets			
Property, Plant & Equipments	212,049,197	494,781,459	706,830,656
Right of Use Asset	167,365	390,519	557,884
Investment in Subsidiaries	725,613,717	-	725,613,717
Long Term Security Deposit	9,852,067	39,408,266	49,260,333
Investment in Shares	3,735,923	-	3,735,923
Total Non-Current Assets	951,418,268	534,580,244	1,485,998,513
Current Assets			-
Inventories	363,394,375	-	363,394,375
Accounts Receivables	113,317,492	169,976,239	283,293,731
Advances, Deposits & Pre-payments	175,023,036	18,897,803	193,920,839
Inter Company Receivables	665,906,422	-	665,906,422
Inter Unit Balances	-	455,061,219	-
Cash & Cash Equivalents	41,314,455	61,971,683	103,286,138
Total Current Assets	1,358,955,781	705,906,944	1,609,801,505
Total Assets	2,310,374,049	1,240,487,188	3,095,800,018
Equity and Liabilities			
Capital and Reserves			
Share Capital	755,527,720	-	755,527,720
Tax Holiday Reserve	180,618,848	-	180,618,848
Fair Value Reserve	3,267,831	-	3,267,831
Other Reserve	828,897	1,243,346	2,072,243
Retained Earnings	285,195,089	1,140,780,359	1,425,975,448
Total Equity	1,225,438,385	1,142,023,705	2,367,462,090
Non-Current Liabilities			-
Deferred Tax Liabilities	12,199,998	18,299,997	30,499,995
Lease Liability	66,160	154,374	220,534
Long Term Loan	138,500,000	-	138,500,000
Total Non-Current Liabilities	150,766,158	18,454,371	169,220,529
Current Liabilities			-
Short Term Loans	47,832,560	-	47,832,560
Provision for Income Tax	24,391,044	36,586,566	60,977,610
Inter Company Payables	303,535,362	-	303,535,362
Inter Unit Balances	455,061,220	-	-
Unclaimed Dividend Account	38,215,498	-	38,215,498
Payables and Accruals	65,133,821	43,422,547	108,556,368
Total Current Liabilities	934,169,505	80,009,114	559,117,399
Total Liabilities	1,084,935,663	98,463,485	728,337,928
Total Equity and Liabilities	2,310,374,048	1,240,487,190	3,095,800,018

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, 2023

Particulars	Conversion Workshop	CNG Station	Total
Revenue	209,732,058	1,117,129,058	1,326,861,116
Less: Cost of Sales	161,139,168	913,826,612	1,074,965,780
Gross Profit	48,592,890	203,302,446	251,895,336
Less: Administrative & Selling Exp.	22,180,382	118,142,882	140,323,264
Less: Interest Expenses	4,597,931	-	4,597,931
Operating Profit	21,814,577	85,159,564	106,974,141
Add: Other Income	1,458,405	-	1,458,405
Add: Foreign Exchange loss	(88,214)	-	(88,214)
Profit before Contribution to WPPF	23,184,768	85,159,564	108,344,332
Less: Contribution to WPPF	1,104,037	4,055,217	5,159,254
Profit before Tax	-	81,104,347	103,185,078
Add: Share of Profit from Subsidiaries	(11,082,482)	(59,030,377)	(70,112,859)
Less: Income Tax Expenses	4,968,164	18,248,478	23,216,642
Current Tax	5,740,918	21,086,866	26,827,784
Deferred Tax	(772,754)	(2,838,388)	(3,611,142)
Net Profit for year	6,030,086	3,825,492	9,855,577
Other Comprehensive Income:	232,322		232,322
Unrealized Profit/Loss on Investment in Share	258,135	-	258,135
Deferred Tax Adjustment	(25,813)	-	(25,813)
	-	-	-
Total Comprehensive Income for the year	6,262,408	3,825,492	10,087,899

40.00 Revaluation Gain/(Loss) on Investment in Shares (Change in Fair Value of Marketable Securities)	258,135	218,712
Closing Balance of Marketable Securities	3,735,923	3,477,788
Opening Balance of Marketable Securities	3,477,788	3,259,076
	258,135	218,712

41.00 Related Party Transactions

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

(i) Parent and Ultimate Controlling Party

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

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

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

(iii) Subsidiaries

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

(iv) Associates

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

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

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

(vi) Transactions with key management personnel and their compensation

(a) Loans to Director

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

(b) Key Management Personnel and their Compensation

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

Particulars	Amount (Tk.) 30.06.2023	Amount (Tk.) 30.06.2022
Salary	136,881,284	163,840,068
Gratuity	-	23,812,213
Meeting Fee	615,000	470,000
Provision for Post Employment Benefits	18,091,739	39,047,205
	155,588,023	227,169,486

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)	
			2023		2023	2022
			Dr.	Cr.		
Loan from Chairman	Director	Temporary Loan	-	-	(325,117,526)	(325,117,526)
Aftab automobiles Ltd.	Alliance Companies	Temporary Loan	-	10,600,000	31,136,953	41,736,953
Navana Limited.	Alliance Companies	Temporary Loan	42,000,000	10,100,000	384,832,072	352,932,072
Navana Construction Ltd.	Alliance Companies	Temporary Loan	-	-	(13,884,000)	(13,884,000)
Navana Furniture Limited	Alliance Companies	Temporary Loan	-	-	5,000,000	5,000,000
Navana Electronics Limited	Alliance Companies	Temporary Loan	-	-	10,000,000	10,000,000
Navana Real Estate Ltd.	Alliance Companies	Temporary Loan	-	19,426,000	(240,496,000)	(221,070,000)
Navana Toyota 3s Centre	Alliance Companies	Temporary Loan	-	-	3,000,000	3,000,000
Navana Foods Limited	Alliance Companies	Temporary Loan	500,000	1,500,000	(18,000,000)	(17,000,000)
Navana Interlinks Limited	Alliance Companies	Temporary Loan	-	-	(15,000,000)	(15,000,000)
Meeting Fee	Director	Fees	615,000	-	615,000	620,000

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 523 who drawing above Tk. 5,000 per month.

44.00 Significant Disclosure

Sales amount has been decreased and gross profit (GP) ratio decreased due to increases 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, 2023.

46.00 Contingent Assets

There was no contingent assets as on 30th June, 2023.

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 Exchanges/Loss or Gain

During the year the company incurred a foreign exchange loss / gain a sum of Tk. 112,400 the break up of the above is as follows:

L/C Number	Euro Rate		Euro Value	L/C Margin
296522010255	Costing Rate	106.000	56,580	5,377,929
	Final Payment Rate	101.470	-	-
		4.530	56,580	5,377,929
296522020074	Costing Rate	104.092	37,177	3,779,063
	Final Payment Rate	107.576		
		-3.484	37,177	3,779,063
296523020012	Costing Rate	118.155	35,977	4,250,815
	Final Payment Rate	124.131		
		-5.976	35,976.60	4,250,815
33323010095	Costing Rate	108.690	75,000	8,966,925
	Final Payment Rate	109.020		
		-0.330	75,000.00	8,966,925
Rest Margin	At the time value of Costing	At the time value of deferred L/C Final Payment		Foreign Exchange Gain/(Loss)
296522010255	5,997,480	5,741,173		256,307
296522020074	3,869,828	3,999,371		(129,544)
296523020012	4,250,815	4,465,793		(214,978)
33323010095	7,965,890	7,990,076		(24,186)
Foreign Exchange Gain /(Loss)				(112,400)

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, 2023 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 23 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, 2022 to June, 2023	23	21
Khaleda Islam	Director		23	21
Saiful Islam	Director		23	21
Sajedul Islam	Managing Director		23	23
Farhana Islam	Director		23	16
Md. Mustafizur Rahman	Independent Director		23	4
Md. Dilwar Hossain Bhuiyan	Independent Director		23	3
Abul Layes Afsary	Independent Director		23	-

* Md. Dilwar Hossain Bhuiyan, Independent Director has resigned on 03 April 2023

* Abul Layes Afsary appointed as Independent Director on 15 June 2023

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. 402,500. 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, 2023)**

(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	67	456	523
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	4,200,000	350,000	657,876	3,892,124
Farhana Islam	Director				
Md. Mustafizur Rahman	Independent Director				
Md. Dilwar Hossain Bhuiyan	Independent Director				
Abul Layes Afsary	Independent Director				

* Md. Dilwar Hossain Bhuiyan, Independent Director has resigned on 03 April 2023

* Abul Layes Afsary appointed as Independent Director on 15 June 2023

Period of payment to Directors is from 1st July, 2022 to 30th June, 2023.

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.

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	4,094,196,308
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	3,045,204,878
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 2,124,262,723 OB 782,796,904 CB 775,681,361
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	829,730,621
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	5,037,964
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	OB 958,441,594 CB 949,667,127
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	61,032,708
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	3,045,204,878
3(i)(p)(ii) Power and Fuel	8,002,882
3(i)(p)(iii) Rent	3,350,250
3(i)(p)(iv) Repairs of Buildings	5,010,403
3(i)(p)(v) Repairs of Machinery	nil
3(i)(p)(vi) Other include:	
3(i)(p)(vi)(1) Salaries, wages and bonus	136,881,284
3(i)(p)(vi)(2) Contribution to provident and other funds	10,859,536
3(i)(p)(vi)(3) Workmen and staff welfare expenses to the extent not adjusted from any	Nil
3(i)(p)(vi)(4) Any previous provision or reserve.	Nil

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.) 30.06.2023	Amount (Tk.) 30.06.2022
1	Within 3 Months	773,797,701	616,006,712
2	Within 6 Months	482,493,804	384,104,814
3	Within 12 Months	287,653,907	228,996,206
4	More than 12 Months	199,671,728	154,555,144

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
30.06.2023		-	-	-	-	-	-	-
Financial Assets measured at Fair Value		-	-	-	-	-	-	-
Equity Securities								
Financial Assets not measured at Fair Value								
Long Term Security Deposit	8.00	-	-	-	-	6,008	-	6,008
Investment in Shares	10.00	-	-	-	-	3,735	-	3,735
Accounts Receivables	12.00	-	-	-	-	1,743,617	-	1,743,617
Other Receivables	13.00	-	-	-	-	194,876	-	194,876
Advance,Deposits & Pre-payments	15.00	-	-	-	-	1,625,781	-	1,625,781
Cash and Cash Equivalents	16.00	-	-	-	-	257,033	-	257,033
Total		-	-	-	-	3,831,050	-	3,831,050
Financial Liabilities measured at fair value:								
Financial Liabilities not measured at fair value:								
Long Term loans-net of non -Current portion	23.00						7,837,596	7,837,596
Long Term loans (Current portion)	24.00						1,513,499	1,513,499
Short Term loan	25.00						1,186,358	1,186,358
Lease Liabilities	20.00						337	337
Security Retention Money	21.00						327,851	327,851
Unclaimed Dividend	27.00						38,215	38,215
Payables & Accruals	28.00	-	-	-	-	-	189,058	189,058
Total		-	-	-	-	-	11,092,914	11,092,914
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

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:

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.

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, 2023, 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 (Tk.) 30.06.2023	Amount (Tk.) 30.06.2022
Non-Derivative Financial Assets:		
Accounts Receivable	1,743,617,140	1,388,062,875
Others Receivables	194,875,944	195,112,494
Advance to Suppliers	390,326,005	327,115,594
Advance against Employees	11,562,992	10,975,224
Security Deposits	1,317,939	1,517,939
Other advances	1,222,574,276	990,603,011
FDR	123,905,134	134,962,033
Cash at bank	113,519,577	52,303,296
Cash in Hand	19,608,150	6,508,711
	1,176,080,605	3,107,161,177

At 30th June, 2023 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

	Amount (Tk.) 30.06.2023	Amount (Tk.) 30.06.2022
Domestic	1,938,493,084	1,487,434,495
Foreign Receivable	-	-
	1,938,493,084	1,487,434,495

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

0 to 1 Months	21,193,414	17,066,032
More than 1 Months to 3 Months	348,505,110	288,959,697
More than 3 Months to 6 Months	382,513,570	310,480,982
More than 6 Months to 9 Months	470,498,466	385,104,814
More than 9 Months to 12 Months	294,663,995	229,996,206
Above 12 Months	226,172,843	156,455,145
	1,743,547,398	1,388,062,875

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 ii. 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, 2023 was:

30th June, 2023

		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	25	1,186,358,457	1,186,358,457	533,861,306			-
Long Term interest bearing loans	23	7,837,596,261	7,837,596,261	-	652,497,151		-
Finance lease liabilities	20	377,930	377,930			377,930	-
Trade and other payables	28	189,058,353	189,058,353	41,592,838	90,748,009	32,139,920	24,577,586
Inter Company Payables		-	-	-	-	-	-
Non-Current Liabilities	-	8,215,825,656	8,215,825,656	1,643,165,131	2,875,538,980	2,464,747,697	1,232,373,848
		17,429,216,658	17,429,216,658	2,218,619,275	3,618,784,141	2,497,265,547	1,256,951,434
Derivative financial liabilities							
		-	-	-	-	-	-
		17,429,216,658	17,429,216,658	2,218,619,275	3,618,784,141	2,497,265,547	1,256,951,434

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	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	46,761,419	102,024,913	36,133,824	27,631,747.39
Inter Company Payables	-	-	-	-	-	-	-
Non-Current Liabilities	-	7,867,048,411	7,867,048,411	1,573,409,682	2,753,466,944	2,360,114,523	1,180,057,262
		16,281,523,090	16,281,523,090	1,984,483,555	3,300,762,634	2,396,943,992	1,207,689,009
Derivative Financial Liabilities							
		-	-	-	-	-	-
		16,281,523,090	16,281,523,090	1,984,483,555	3,300,762,634	2,396,943,992	1,207,689,009

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, 2023 has recommended 10% cash dividend for the general Shareholders only excluding sponsors & directors whose name will be appeared in the Shareholders Registers at the date of book closure which is subject to Shareholders approval at the forthcoming 19th annual general meeting to be held on 28th day of December 2023.

"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.

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AS ON 30TH JUNE, 2023

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2023
	Opening Balance 01.07.2022	Addition during the year	Adjustment/ Disposal during the year		Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2023	
Land and Land Development	1,180,687,289	-	-	0%	-	-	-	1,180,687,289
Building & Shed	1,359,350,064	24,254,236	-	10%	80,037,889	-	643,459,822	740,144,478
Plant & Machinery	3,274,241,813	16,038,641	-	10%	125,063,114	-	1,488,331,688	1,801,948,766
Cylinder	2,431,423,301	55,265,487	-	10%	163,514,408	-	966,701,812	1,519,986,976
Tools & Equipment	190,668,960	1,377,794	-	10%	9,076,823	-	109,579,372	82,467,382
Furniture & Fixtures	39,481,370	-	-	10%	1,978,741	-	21,672,705	17,808,665
Electrical Equipment	41,224,202	45,172	-	10%	1,661,166	-	26,294,409	14,974,965
Office Equipment	11,272,768	306,725	-	10%	587,442	-	6,139,156	5,440,337
Vehicles	274,881,892	-	-	10%	16,406,217	-	127,225,930	147,655,962
Total	8,803,231,659	97,288,055	-		398,325,800	-	3,389,404,894	5,511,114,820
Total as on 2022	8,732,339,454	70,892,205	-		508,388,774	-	2,991,079,094	5,812,152,563

SCHEDULE OF INTANGIBLE ASSETS AS ON 30TH JUNE, 2023

Annexure-B

Particulars	Cost			Rate of Dep.	Amortization			Written Down Value as on 30.06.2023
	Opening Balance 01.07.2022	Addition during the year	Adjustment/ Disposal during the year		Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2023	
Software System	33,804,032	1,255,344	-	10%	2,313,754	-	13,607,915	21,451,461
Total	33,804,032	1,255,344	-		2,313,754	-	13,607,915	21,451,461
Total as on 2022	30,549,032	3,255,000	-		2,350,402	-	11,294,161	22,509,871

SCHEDULE OF RIGHT OF USE ASSETS AS ON 30TH JUNE, 2023

Annexure-C

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2023
	Opening Balance 01.07.2022	Addition during the year	Adjustment/ Disposal during the year		Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2023	
Right of Use Assets	21,788,137	-	-	0%	475,602	-	21,082,942	705,196
Total	21,788,137	-	-		475,602	-	21,082,942	705,196
Total as on 2022	23,273,745	-	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, 2023, 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, 2023 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, 2023 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 1,326,861,116 for the year ended 30th June, 2023.</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. 283,293,731 and for the prior year is Tk. 240,752,532.</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 363,394,375 at 30th June, 2023 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, 2023 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 to Tk. 26,827,784</p> <p>At the year end the company reported total income tax expense (Current Tax) of BDT 26,827,784 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. 30,499,995 as at 30th June, 2023. 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. 43,562,830. 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
Particulars	CPF	GF	WPPF	<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>
Opening balance	930,312	12,378,771	28,553,131	
Add: Provision during the year	10,860,546		7,231,193	
	11,790,858	12,378,771	35,784,324	
Less: Paid/Adjust during the year	10,859,536		5,531,587	
Total	931,322	12,378,771	30,252,737	
<p>Liability for the following funds is provided at the following rates: (i) CPF @ 10% of basic salary; (ii) GF @ 2 no. basic of salary; (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>				

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 scepticism 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.

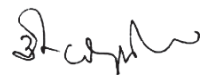
We have not come across any key audit issues for the year under audit and as such nothing is reportable.

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 : 02 November, 2023
Place : Dhaka, Bangladesh



Fouzia Haque, FCA
Partner

FAMES & R
Chartered Accountants
DVC # . 2311021032AS551948

NAVANA CNG LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2023

Particulars	Notes	Amount in Taka	
		30 June, 2023	30 June, 2022
Property and Assets			
Non-Current Assets:			
Property, Plant & Equipment	4.00	706,830,656	728,804,030
Right of Use Asset	5.00	557,884	836,826
Investment in Subsidiaries	6.00	725,613,717	795,726,577
Long Term Security Deposit	7.00	49,260,333	37,690,125
Investment in Shares	8.00	3,735,923	3,477,788
Total Non-Current Assets		1,485,998,513	1,566,535,346
Current Assets:			
Inventories	9.00	363,394,375	437,488,093
Accounts Receivables	10.00	283,293,731	240,752,532
Advances, Deposits & Pre-Payments	11.00	193,920,839	136,231,999
Inter Group Company Receivables	12.00	665,906,422	665,906,422
Cash and Cash Equivalents	13.00	103,286,138	59,672,558
Total Current Assets		1,609,801,505	1,540,051,604
Total Property and Assets		3,095,800,018	3,106,586,950
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	755,527,720	719,550,210
Tax Holiday Reserve		180,618,848	180,618,848
Fair Value Reserve	15.00	3,267,831	3,035,509
Other Reserve	16.00	2,072,243	2,072,243
Retained Earnings	17.00	1,425,975,448	1,472,788,770
Shareholders' Equity		2,367,462,090	2,378,065,580
Non-Current Liabilities:			
Deferred Tax Liability	30.02	30,499,995	34,085,324
Lease Liability	18.00	220,534	316,827
Long Term Loan	19.00	138,500,000	138,500,000
Total Non-Current Liabilities		169,220,529	172,902,151
Current Liabilities:			
Short Term Loan	20.00	47,832,560	50,994,508
Provision for Income Tax	21.00	60,977,610	44,192,968
Inter Group Company Payables	22.00	303,535,362	313,535,362
Unclaimed Dividend Account	23.00	38,215,498	43,047,616
Payables & Accruals	24.00	108,556,369	103,848,765
Total Current Liabilities		559,117,399	555,619,219
Total Liabilities		728,337,928	728,521,370
Total Shareholders' Equity & Liabilities		3,095,800,018	3,106,586,950
Net Assets Value (NAV) per Share	32.00	31.34	33.05

The annexed notes form an integral part of this Financial Statements

The financial statements were approved by the Board of Directors on the 26th October, 2023 and were Signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Signed in terms of our separate report of even date annexed



Fousia Haque, FCA
Partner
FAMES & R
Chartered Accountants
DVC # 2311021032AS551948



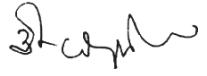
Date : 02 November, 2023
Place: Dhaka

NAVANA CNG LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2023

Particulars	Notes	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
Revenue (Net)	25.00	1,326,861,116	1,284,505,692
Less: Cost of Goods Sold	26.00	1,074,965,780	1,038,356,450
Gross Profit		251,895,336	246,149,242
Less: Operating Expenses:			
Administrative & Selling Expenses	27.00	140,323,264	149,266,474
Financial Expenses	28.00	4,597,931	5,043,663
Operating Profit		106,974,141	91,839,105
Add: Other Income	29.00	1,458,405	687,892
Less: Foreign Exchange Gain/Loss		(88,214)	177,166
Profit before Contribution to WPPF		108,344,332	92,704,163
Less: Contribution to WPPF		5,159,254	4,414,484
Net Profit before Tax		103,185,078	88,289,679
Add: Share of Profit from Subsidiaries		(70,112,859)	(59,256,721)
Less: Income Tax Expenses:	30.00	23,216,642	17,838,791
Current Tax	30.01	26,827,784	21,109,602
Deferred Tax	30.02	(3,611,142)	(3,270,811)
Net Profit for the year attributable to Equity holder		9,855,577	11,194,167
Add: Other Comprehensive Income			
Revaluation Gain/Loss on Investment in Share	36.00	258,135	218,712
Less: Deferred Tax Adjustment		(25,813)	(21,871)
		232,322	196,841
Shares of Other Comprehensive Income from Subsidiaries		-	-
Total Comprehensive Income for the year		10,087,899	11,391,008
Earnings Per Share (Operating)	31.00	0.13	0.15

The annexed notes form an integral part of this Financial Statements

The financial statements were approved by the Board of Directors on the 26th October, 2023 and were Signed on its behalf by:

 Managing Director	 Director	 Director	 Company Secretary	 Chief Financial Officer
Signed in terms of our separate report of even date annexed				 Fousia Haque, FCA Partner FAMES & R Chartered Accountants DVC # 2311021032AS551948

Date : 02 November, 2023
Place: Dhaka

NAVANA CNG LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE, 2023

Amount in Taka

Particulars	Share Capital	Tax Holiday Reserve	Fair Value Reserve	Other Reserve	Retained Earnings	Total Taka
Balance at 1st July, 2022	719,550,210	180,618,848	3,035,509	2,072,243	1,472,788,770	2,378,065,580
Other Comprehensive Income	-	-	232,322	-	-	232,322
Net Profit for the year	-	-	-	-	9,855,577	9,855,577
Stock dividend	35,977,510	-	-	-	(35,977,510)	-
Cash dividend	-	-	-	-	(20,691,389)	(20,691,389)
Balance at 30th June, 2023	755,527,720	180,618,848	3,267,831	2,072,243	1,425,975,448	2,367,462,090
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

The financial statements were approved by the Board of Directors on the 26th October, 2023 and were Signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Date : 02 November, 2023
Place: Dhaka

NAVANA CNG LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2023

Particulars	Notes	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
Cash Flows from Operating Activities:			
Cash Receipts from Customers		1,284,319,917	1,213,014,628
Cash Receipts of Other Income		1,458,405	687,892
Foreign Exchange Loss		(88,214)	177,166
Payments for Materials, Services and Expenses		(1,170,904,572)	(1,107,213,236)
Cash Generated from Operations		114,785,536	106,666,450
Income Tax Paid		(10,043,142)	(7,837,693)
Net Cash Generated from Operating Activities	34.00	104,742,394	98,828,757
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(6,275,220)	(5,709,139)
Long Term Security Deposits		(11,570,208)	(5,320,701)
Net Cash used in Investing Activities		(17,845,428)	(11,029,840)
Cash Flows from Financing Activities			
Inter Group Company Receivable		-	(12,300,000)
Interest Paid		(4,597,931)	(5,043,663)
Short Term Loan		(3,161,948)	(12,243,294)
Dividend Paid		(20,523,507)	(19,212,962)
Unclaimed Dividend Transfer to CMSF Fund		(5,000,000)	-
Inter Group Company Payable		(10,000,000)	(42,007,842)
Net Cash Provided in Financing Activities		(43,283,386)	(90,807,761)
Net Changes in Cash and Cash Equivalents		43,613,580	(3,008,844)
Cash and Cash Equivalents at the Beginning of the Year		59,672,558	62,681,402
Cash and Cash Equivalents at the End of the Year		103,286,138	59,672,558
Net Operating Cash Flows Per Share (NOCFPS)	33.00	1.39	1.37

The financial statements were approved by the Board of Directors on the 26th October, 2023 and were Signed on its behalf by:


Managing Director


Director


Director


Company Secretary


Chief Financial Officer

Date : 02 November, 2023
Place: Dhaka

NAVANA CNG LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2023
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: 17/07/2023

(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 CNG Limited. The company started its commercial production in November, 2017.

The main objective is to carry on the business of import, export, indenting and marketing of all types of gases 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, 2023;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2023;
- * Statement of Changes in Equity for the year ended 30th June, 2023;
- * Statement of Cash Flows for the year ended 30th June, 2023;
- * 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), 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 Act, 2023;

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 2013)

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	N/A
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.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments : Disclosures	Complied
8	8	Operating Segments	Complied
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
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 2021-2022 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, 2022 to 30th June, 2023.

2.14 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October, 2023.

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 an 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;

4.00 Property, Plant & Equipment

This is made up as follows:

At Cost

Opening balance

Add: Addition during the year

Balance at Cost

Accumulated Depreciation:

Opening balance

Add: Addition during the year

Written Down Balance

Details have been shown **Annexure - A.**

5.00 Right of Use Assets

At Cost

Opening Balance

Addition during the year

Less: Accumulated Depreciation

Opening Balance

Add: Charged during the year

Written Down Value (WDV)

The details of the above have been shown in **Annexure - B**

6.00 Investment in Subsidiaries

Navana Engineering Ltd.

6.01

Navana Welding Electrode Ltd.

6.02

Navana LPG Limited

6.03

6.01 Navana Engineering Ltd.

Opening Balance of Profit Accrued

Add: Profit Accrued under Equity Method during the year

Cost of Value of Investment Share

Add: Additional Investment

6.02 Navana Welding Electrode Ltd.

Opening Balance of Profit Accrued

Add: Profit Accrued under Equity Method during the year

Cost Value of Share

6.03 Navana LPG Limited

Opening Balance of Profit Accrued

Add: Profit Accrued under Equity Method during the year

Cost Value of Share

Amount in Taka	
30 June, 2023	30 June, 2022

1,345,490,650	1,339,781,511
6,275,221	5,709,139
1,351,765,871	1,345,490,650
616,686,620	585,929,854
28,248,595	30,756,766
644,935,215	616,686,620
706,830,656	728,804,030
15,730,822	15,730,822
-	-
15,730,822	15,730,822
(14,893,996)	(9,995,406)
(278,942)	(4,898,590)
(15,172,938)	(14,893,996)
557,884	836,826
477,026,278	574,268,231
446,748,413	427,293,514
(198,160,974)	(205,835,168)
725,613,717	795,726,577
229,268,281	302,432,894
(97,241,953)	(73,164,613)
132,026,328	229,268,281
99,999,950	99,999,950
245,000,000	245,000,000
477,026,278	574,268,231
327,293,564	263,926,791
19,454,899	63,366,773
346,748,463	327,293,564
99,999,950	99,999,950
446,748,413	427,293,514
(206,835,118)	(157,376,237)
7,674,194	(49,458,881)
(199,160,924)	(206,835,118)
999,950	999,950
(198,160,974)	(205,835,168)

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

Amount in Taka		
	30 June, 2023	30 June, 2022
PDBF	5,056	5,056
Titas Gas T&D Co. Ltd.	25,977,645	25,977,645
Karnaphuly Gas Co.	14,614,898	3,044,690
Pashchimanchal Gas Co.	2,650,741	2,650,741
Dhaka Electricity Supply Co. Ltd. (DESCO)	58,752	58,752
Dhaka Electricity Supply Authority (DESA)	270,000	270,000
Jalalabad Gas Co. Ltd.	1,299,297	1,299,297
Dhaka Palli Bidyut Samity (PBS-1)	658,444	658,444
Delta Life Insurance Co. Ltd.	10,000	10,000
Roads & Highway	190,350	190,350
North South University	16,143	16,143
Standard Bank Ltd.	745,038	745,038
Bangladesh Telecommunication Co. Ltd. (BTCL)	10,000	10,000
UCEP	338,000	338,000
Dhaka Metropolitan Police	147,331	147,331
Mobile Com	22,000	22,000
Road Cutting	10,413	10,413
PDB	1,104,225	1,104,225
DPDC Limited	240,000	240,000
Narayangonj Palli Bidyut Samity-2	500,000	500,000
Cox's Bazar Pally Bidyut Samity	392,000	392,000
	49,260,333	37,690,125

8.00 Investment in Share

Lafarge Surma Cement Ltd.	1,459,500	1,428,000
Aftab Automobiles Ltd.	2,276,423	2,049,788
	3,735,923	3,477,788

Name of the Share	Face Value per Share	Total Cost Value	No. of Shares	Market Value as on 30.06.2023	Market Value as on 30.06.2022
Lafarge Surma Cement Ltd.	10.00	-	21,000	1,459,500	1,428,000
Aftab Automobiles Ltd.	10.00	105,000	82,779	2,276,423	2,049,788
		105,000	103,779	3,735,923	3,477,788

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

Stock & Stores	342,558,367	432,794,890
Goods in Transit	20,836,008	4,693,203
	363,394,375	437,488,093

10.00 Accounts Receivables

Tejgaon CNG Conversion Center	9,378,663	13,616,416
Kallyanpur CNG Conversion Center	5,103,735	5,921,441
Dipnagar Diesel Conversion Center	17,438,618	17,438,618
Chittagong CNG Conversion Center	5,057,717	5,057,717
Sylhet CNG Conversion Center	6,402,507	6,481,983
Cylinder Testing Unit	2,318,395	2,318,395
Kalurghat CNG Conversion Center	6,149,937	3,249,131
Kalurghat CRT	235,460	217,947
Uttara CNG Conversion Center	2,731,851	2,733,041
Uttara CRT	68,353	68,353
Bogra CNG Conversion Center	2,320,613	2,288,024
Palton CNG Conversion Center	1,096,216	1,048,842
Auto repair & services- Palton-Dhaka	2,510,167	3,115,317
Palton CRT	119,801	91,501
Kallyanpur CRT	180,479	400,205
Auto Repair & Services and Diesel- Kally-Dhaka	28,257,550	35,456,920
Auto Repair & Services- Kalug-Ctg.	5,987,800	2,503,366
Denso CNG Station	14,183,362	8,385,221
Binimoy CNG Station	22,560,863	15,488,067
Sylhet CNG Station	5,487,707	1,474,971
Sylhet CNG Station-2	627,785	603,724
Station Technical Department Sylhet	12,295,212	6,757,047
Station Technical Department Chittagong	22,227,728	20,289,728
Station Technical Department Dhaka	66,732,185	52,662,769

Station Maintenance Department-Chittagong
Station Maintenance Department -Sylhet
PRS Department
Engineering Service Department
Baipail CNG Station
Bogra CNG Station
Leguna CNG Station
Sitakundu CNG Station
B.O.C CNG Station
Kwality CNG Station
Bhoirab CNG Station
Elenga Station CNG Station
United CNG Station
Jogajog CNG Station
Sonarbangla CNG Station
Receivable from Employees' Provident Fund

The ageing of Accounts Receivable are as follows:

0 to 1 Months
More than 1 Months to 3 Months
More than 3 Months to 6 Months
More than 6 Months to 9 Months
More than 9 Months to 12 Months
Above 12 Months

Amount in Taka	
30 June, 2023	30 June, 2022
52,992	52,992
-	81,510
4,463,439	4,463,439
1,529,505	1,529,505
8,753,973	2,469,234
2,636	2,636
61,305	286,848
69,582	56,753
35,395	6,111
170,609	190,257
45,337	4,175
132,240	102,192
252,145	222,462
9,397,868	4,337,520
16,638,680	17,062,833
2,215,321	2,215,321
283,293,731	240,752,532
118,615,085	100,803,085
62,182,974	52,845,181
42,380,742	36,016,579
28,952,619	24,604,909
24,504,907	20,825,093
6,657,403	5,657,685
283,293,731	240,752,532

(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

Advance for Rent
Advance against Suppliers
Advance against Employee
Bank Guarantee Margin
Security Deposit
Advance to Others

22,948,624	22,933,624
69,831,570	54,481,905
10,568,889	9,726,476
47,377,900	30,377,097
7,278,638	3,024,765
35,915,218	15,688,132
193,920,839	136,231,999

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.

12.00 Inter Group Company Receivables

It represents the total balance of Inter Company Receivables as on 30th June, 2023.

665,906,422	665,906,422
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13.00 Cash and Cash Equivalent

Cash in Hand
Cash at Banks:
Fixed Deposit Receipt (FDR) **13.01**
Bank Balances **13.02**

17,854,670	3,347,255
60,490,783	42,830,165
24,940,685	13,495,138
103,286,138	59,672,558

13.01 Fixed Deposit Receipt (FDR)

Shahjalal Islami Bank Ltd.
Standard Bank Ltd.
Mutual Trust Bank Limited (FDR)

51,206,140	42,231,667
8,780,866	598,498
503,777	-
60,490,783	42,830,165

13.02 Bank Balances

AB Bank Ltd.
Bank Alfalah Ltd.
Al-Arafah Islami Bank Ltd.
Bank Asia Ltd.

1,054,548	838,874
4,343	7,563
-	2,222
-	390,734

	Amount in Taka	
	30 June, 2023	30 June, 2022
BRAC Bank Ltd.	266,154	154,057
Dhaka Bank Ltd.	208,507	1,099,107
Dutch-Bangla Ltd.	1,298,129	1,202,702
IFIC Bank Ltd.	851	117,257
Jamuna Bank Ltd.	10,000	73,379
Mutual Trust Bank Ltd.	8,752,684	2,213,002
National Bank Ltd.	2,212,570	1,184,316
NCC Bank Ltd.	190,514	230,161
Prime Bank Ltd.	16,719	99,769
Pubali Bank Ltd.	1,647	581,853
Rupali Bank Ltd.	-	1,176
Shahjalal Islami Bank Ltd.	3,727,453	828,691
Social Investment Bank Ltd.	-	40,912
Southeast Bank Ltd.	2,595	103,900
Standard Bank Limited	2,331,613	1,927,293
Standard Chartered Bank	-	174,213
Uttara Bank Ltd.	312,444	1,181,658
United Commercial Bank Ltd.	42,199	174,074
City Bank Ltd.	637,402	641,802
Trust Bank Ltd.	2,098	27,799
Mercantile Bank Ltd.	18,339	198,622
Sonali Bank Limited	3,845,509	-
NRB Commercial Bank Ltd.	4,368	-
	24,940,685	13,495,138

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, 2023 except the following dormant accounts which have been closed long ago but no steps have yet been taken to realized the under mentioned amount:

Name of Bank	Account No.	Amount (Tk.)	Amount (Tk.)
Al-Arafah Islami Bank Ltd.	CD-04210006417	-	2,222
Bank Asia Ltd.	CD-00833007524	-	385,334
Bank Asia Ltd.	CD-615330000072	-	5,400
Bank Al-Falah Ltd.	CD-12023482	4,343	7,563
BRAC Bank Ltd.	CD-6303200416662001	-	2,431
BRAC Bank Ltd.	CD-6303200419079001	-	17,304
BRAC Bank Ltd.	CD-6303200419079002	-	49,780
IFIC Bank Ltd.	CD-1001114468001	-	114,871
Jamuna Bank Ltd.	CD-00060210010034	-	16,224
Jamuna Bank Ltd.	CD-11346	10,000	10,000
Mutual Trust Bank Ltd.	CD-00570210001365	-	5,543
Mutual Trust Bank Ltd.	CD-00200210014836	-	159,097
NCC Bank Ltd.	CD-00020210013759	73,304	73,304
Standard Chartered Bank Ltd.	CD-11354	30,165	30,165
Shahjalal Islami Bank Ltd.	CD-401011100001126	-	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
Prime Bank Ltd.	CD-159110200011703	1,895	-
Rupali Bank Ltd.	CD-4747020000873	-	1,176

Amount in Taka	
30 June, 2023	30 June, 2022

14.00 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

This is made up as follows:

Date	No. of Shares	Particulars	Share Capital June 30, 2023	Share Capital June 30, 2022
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	Bonus	200,000,000	200,000,000
20.05.2009	6,300,000	Bonus	63,000,000	63,000,000
26.07.2010	7,260,000	Bonus	72,600,000	72,600,000
09.10.2011	6,098,400	Bonus	60,984,000	60,984,000
07.10.2012	7,448,760	Bonus	74,487,600	74,487,600
06.10.2013	11,421,432	Bonus	114,214,320	114,214,320
20.01.2022	3,426,429	Bonus	34,264,290	34,264,290
19.01.2023	3,597,751	Bonus	35,977,510	-
			755,527,720	719,550,210

Shareholding Position:

Class of Shareholders	Number of Investors	Number of Share Hold	Shares Holding % 2023	Shares Holding % 2022
Sponsors	6	32,100,852	42.49%	42.49%
General Public	11,415	23,719,572	31.39%	30.29%
Institutional Investors	186	19,732,348	26.12%	27.22%
Total	11,607	75,552,772	100.00%	100.00%

Classification of Shareholders:

Particulars	Number of Investors	Number of Shares	% of Shares Holding 2023	% of Shares Holding 2022
1 to 500	6,417	1,103,378	1.46%	1.55%
501 to 5000	4,238	6,664,907	8.82%	7.99%
5001 to 10000	465	3,192,802	4.23%	3.33%
10001 to 20000	267	3,690,693	4.88%	3.73%
200001 to 30000	74	1,764,614	2.34%	1.51%
300001 to 40000	39	1,380,720	1.83%	1.40%
400001 to 50000	19	838,192	1.11%	0.73%
500001 to 100000	37	2,583,156	3.42%	3.14%
1000001 to 1000000	41	13,209,558	17.48%	15.66%
Above 10000000	10	41,124,752	54.43%	60.96%
Total	11,607	75,552,772	100.00%	100.00%

15.00 Fair Value Reserve Account

It represents the total balance of Fair Value Reserve Account as on 30th June, 2023.

3,267,831 **3,035,509**

16.00 Other Reserve

This is as per last account.

2,072,243 **2,072,243**

17.00 Retained Earnings

Opening Balance

Add: Net Profit after Tax

Less: Stock Dividend

Less: Cash Dividend

1,472,788,770	1,515,564,975
9,855,577	11,194,167
1,482,644,347	1,526,759,142
(35,977,510)	(34,264,290)
(20,691,389)	(19,706,082)
1,425,975,448	1,472,788,770

18.00 Lease Liability

At Cost:

Opening Balance

Addition during the year

Finance Charge during the year

Closing Balance

Less: Transferred to Current Maturity

316,827	3,444,029
-	-
23,707	85,505
340,534	3,529,534
120,000	3,212,707
220,534	316,827

		Amount in Taka	
		30 June, 2023	30 June, 2022
19.00 Long Term Loan			
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			
Shajalal Islamic Bank Ltd.		47,832,560	50,994,508
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			
Opening Balance		44,192,968	30,921,059
Add: Current Tax Expenses for the year		26,827,784	21,109,602
		71,020,752	52,030,661
Less: Tax Paid/Adjusted in current year		(10,043,142)	(7,837,693)
		60,977,610	44,192,968
22.00 Inter Group Company Payables		303,535,362	313,535,362
It represents the total balance of Inter Company Payables as on 30th June, 2023.			
23.00 Unclaimed Dividend Account			
Opening Balance		43,047,616	42,554,496
Add: Cash Dividend for the year June 30,2022		20,691,389	19,706,082
		63,739,005	62,260,578
Less: Dividend Paid during the year		(20,523,507)	19,212,962
Less: Fund transfer to CMSF during the year		(5,000,000)	-
Closing Balance		38,215,498	43,047,616
The ageing of Unclaimed Dividend are as follows:			
Unclaimed for less than 3 year's		3,965,209	8,033,629
Unclaimed for more than 3 year's		34,250,289	35,013,987
		38,215,498	43,047,616
24.00 Payable & Accrual			
Accounts Payables		10,858,052	12,091,644
Liabilities for Expenses		65,327,088	62,100,393
Workers Profit Participation Fund		30,252,737	28,553,131
Sundry Payables		2,118,492	1,103,597
		108,556,369	103,848,765
25.00 Revenue (Net)			
CNG & LPG Conversion		83,595,313	52,202,723
CNG & LPG Gas Sales		1,117,129,058	1,062,946,015
Spare Parts & Service Revenue (Auto Repairs)		126,136,745	169,356,954
		1,326,861,116	1,284,505,692
26.00 Cost of Goods Sold			
Cost of CNG & LPG Conversion, Spare Parts & Service Revenue	26.01	161,139,168	160,689,032
Cost of CNG & LPG Sales	26.02	913,826,612	877,667,418
		1,074,965,780	1,038,356,450
26.01 Cost of CNG & LPG Conversion, Spare Parts & Service Revenue			
Opening Balance of Conversion Materials		432,794,890	526,543,446
Add: Purchase during the year		62,939,435	62,637,651
Available for Consumption		495,734,325	589,181,097
Less: Closing Balance of Conversion Materials		342,558,367	432,794,890
Conversion Materials Consumed		153,175,958	156,386,207
Add: Wages and Salaries		7,963,210	4,302,825
Cost of CNG Conversion, Spare Parts & Service Revenue		161,139,168	160,689,032

		Amount in Taka	
		30 June, 2023	30 June, 2022
26.02 Cost of CNG & LPG Sales			
CNG Gas (Including VAT)		774,986,269	751,757,283
LPG Gas (Including VAT)		10,214,084	13,349,433
Electricity & Fuel		74,403,185	72,271,870
Land Rent		5,880,000	3,268,793
Station Direct Expenses		48,343,074	37,020,039
		913,826,612	877,667,418
27.00 Administrative and Selling Expenses			
Salary & Allowances		77,175,755	75,026,592
Gratuity Expenses		-	5,500,000
Vehicle Maintenance		469,620	764,984
Electricity Bill		2,729,140	2,043,097
Rental Expenses		3,012,300	4,165,500
Telephone & Mobile Bill		810,075	738,304
Conveyance		1,095,730	1,127,091
CDBL & Annual Listing Fee		1,053,479	1,012,621
Electrical Expenses		470,830	223,554
Entertainment		861,434	976,261
Labour Charge		240,378	452,955
Meeting Fee		315,000	320,000
Medical Expenses		114,169	32,404
Carrying Charge		131,481	172,695
Professional & Consultancy Fees		158,375	531,300
Mineral Water		251,994	669,352
Annual General Meeting Expenses		54,980	78,750
Miscellaneous Expenses		496,563	436,670
Newspaper & Periodicals		69,709	80,370
Office Maintenance		937,125	1,292,556
Audit Fees		506,000	439,000
Oil & Lubricants		2,497,099	2,155,204
Photocopy Expenses		2,467	15,402
Postage & Stamp		205,301	311,023
Uniform & Liveries		87,886	-
Printing Expenses		1,544,880	1,019,913
Stationery Expenses		587,050	507,948
Registration & Renewals		2,003,897	2,143,214
TA / DA Expenses		174,687	101,586
Security Guard		4,588,984	4,648,429
Bank Charge		1,150,405	833,120
Internet Expenses		505,949	451,102
Insurance Premium Expense		1,148,920	-
Repair & Maintenance		2,920,280	1,872,624
Subsidy to canteen		786,219	908,770
Advertisement		565,627	565,627
Other Interest Expenses		2,071,939	1,993,099
Depreciation of Right of use assets		278,942	4,898,590
Depreciation		28,248,595	30,756,766
		140,323,264	149,266,474
28.00 Financial Expenses/ Interest Expenses			
Interest on Short Term Loan		4,574,224	4,958,158
Interest on Lease Liability		23,707	85,505
		4,597,931	5,043,663
29.00 Other Income/(Loss)			
Interest Income on FDR		2,343,426	974,503
Interest Income on STD Account		23,283	23,283
Dividend Income		140,241	90,048
Income/(Loss) from Machine		(1,048,545)	(399,942)
		1,458,405	687,892
30.00 Income Tax Expenses			
Current Tax	30.01	26,827,784	21,109,602
Deferred Tax	30.02	(3,611,142)	(3,270,811)
		23,216,642	17,838,791

30.01 Calculation of Current Tax

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

A. Income Tax on Regular Rate

Profit Before Tax

Add: Disallowable Depreciation

Add: Gratuity Provision

Less: Allowable Depreciation

Less: Gratuity Paid

Current Tax @ 22.5%

Total Current Tax Expenses

B. Minimum Tax on Gross Receipt (U/S 163(5))

Gross Receipt on Business Income and Other Income

Minimum Tax @ .60%

30.02 Deferred Tax Liability

Deferred Tax Temporary Difference

Deferred Tax on Unrealized Gain / Loss

Deferred Tax for Gratuity Provision

i. Deferred Tax Temporary Difference

Accounting base WDV

Tax base WDV

Taxable Temporary Difference

Tax Rate

Deferred Tax Liabilities

Less: Opening Balance

Provision for Deferred Tax

Deferred Tax Expense / (Income) for the year

ii. Deferred Tax on Unrealized Gain/(Loss)

Opening Balance

Add: For the year

iii. Deferred Tax for Gratuity Provision

Opening Provision

Add: During the year

Closing Provision

Applicable Rate

Closing Deferred Tax for Gratuity Provision

Less: Opening Deferred Tax for Gratuity Provision

Deferred Tax Expense/(Income) for the year

31.00 Earning Per Share (EPS)

Profit Attributable to Ordinary Shareholders

Number of Ordinary Shares used to Compute Earning Per Share

Earning Per Share

32.00 Net Assets Value Per Share (NAVPS)

Net Asset Value

Number of Ordinary Shares used to Compute NAVPS

33.00 Net Operating Cash Flows Per Share (NOCFPS)

Net Operating Cash Flows

Number of Ordinary Shares used to Compute NOCFPS

Net Operating Cash Flows Per Share

Amount in Taka	
30 June, 2023	30 June, 2022

103,185,078	88,289,679
28,248,596	30,756,766
-	5,500,000
131,433,674	124,546,445
12,199,076	21,719,827
-	9,006,164
119,234,598	93,820,454
26,827,784	21,109,602
26,827,784	21,109,602
1,328,319,521	1,285,193,584
7,969,917	7,711,162
36,999,403	40,610,545
363,092	337,279
(6,862,500)	(6,862,500)
30,499,995	34,085,324
706,830,656	728,804,030
542,388,863	548,312,719
164,441,793	180,491,312
22.50%	22.50%
36,999,403	40,610,545
40,610,545	42,643,856
(3,611,142)	(2,033,311)
-	(1,237,500)
(3,611,142)	(3,270,811)
337,279	315,408
25,813	21,871
363,092	337,279
30,500,000	25,000,000
-	5,500,000
30,500,000	30,500,000
22.50%	22.50%
6,862,500	6,862,500
(6,862,500)	(5,625,000)
-	(1,237,500)

Profit Attributable to Shareholders

Number of Ordinary Shares

9,855,577	11,194,167
75,552,772	75,552,772
0.13	0.15

Total Asset-Total Liabilities

Number of Ordinary Shares

2,367,462,090	2,378,065,580
75,552,772	71,955,021
31.34	33.05

Net Operating Cash Flows

Number of Ordinary Shares

104,742,394	98,828,757
75,552,772	71,955,021
1.39	1.37

Amount in Taka	
30 June, 2023	30 June, 2022

34.00 Reconciliation 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: Reconciliation of Net Operating cash flow under Indirect Method:

Net Profit/(Loss) before Interest & Income Tax & WPPF during the year	107,783,009	99,740,925
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
Interest on Lease	23,707	85,505
Payment of Lease Liability	(120,000)	(3,212,707)
Depreciation	28,527,538	35,655,356
Income Tax Paid during the year	(10,043,142)	(7,837,693)
Changes in Current Assets and Liabilities:		
Decrease/(Increase) in Inventories	74,093,718	94,472,159
Decrease/(Increase) in Trade Receivables	(42,541,199)	(71,491,064)
Decrease/(Increase) in Advance and Pre-payments	(57,688,840)	(24,763,034)
Decrease/(Increase) in Payables & Accruals	4,707,603	(23,820,690)
Net Cash Flow from Operating Activities	104,742,394	98,828,757
Total Cash Flow from Operating Activities- Indirect Method	104,742,394	98,828,757
Total Cash Flow from Operating Activities- Direct Method	104,742,394	98,828,757
Difference	-	-

*Details in the Statement of Cash Flow

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, 2023

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-Current Assets			
Property, Plant & Equipments	212,049,197	494,781,459	706,830,656
Right of Use Asset	167,365	390,519	557,884
Investment in Subsidiaries	725,613,717	-	725,613,717
Long Term Security Deposit	9,852,067	39,408,266	49,260,333
Investment in Shares	3,735,923	-	3,735,923
Total Non-Current Assets	951,418,268	534,580,244	1,485,998,513
Current Assets			
Inventories	363,394,375	-	363,394,375
Accounts Receivables	113,317,492	169,976,239	283,293,731
Advances, Deposits & Pre-payments	175,023,036	18,897,803	193,920,839
Inter Company Receivables	665,906,422	-	665,906,422
Inter Unit Balances	-	455,061,219	-
Cash & Cash Equivalents	41,314,455	61,971,683	103,286,138
Total Current Assets	1,358,955,781	705,906,943	1,609,801,505
Total Assets	2,310,374,049	1,240,487,187	3,095,800,018
Equity and Liabilities			
Capital and Reserves			
Share Capital	755,527,720	-	755,527,720
Tax Holiday Reserve	180,618,848	-	180,618,848
Fair Value Reserve	3,267,831	-	3,267,831
Other Reserve	828,897	1,243,346	2,072,243
Retained Earnings	285,195,089	1,140,780,359	1,425,975,448
Total Equity	1,225,438,385	1,142,023,705	2,367,462,090
Non-Current Liabilities			
Deferred Tax Liabilities	12,199,998	18,299,997	30,499,995
Lease Liability	66,160	154,374	220,534
Long Term Loan	138,500,000	-	138,500,000
Total Non-Current Liabilities	150,766,158	18,454,371	169,220,529
Current Liabilities			
Short Term Loans	47,832,560	-	47,832,560
Provision for Income Tax	24,391,044	36,586,566	60,977,610
Inter Company Payables	303,535,362	-	303,535,362
Inter Unit Balances	455,061,219	-	-
Unclaimed Dividend Acocunt	38,215,498	-	38,215,498
Payables and Accruals	65,133,821	43,422,547	108,556,369
Total Current Liabilities	934,169,504	80,009,114	559,117,399
Total Liabilities	1,084,935,663	98,463,485	728,337,928
Total Equity and Liabilities	2,310,374,048	1,240,487,190	3,095,800,018

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.

35.02 Segment wise Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2023

Particulars	Conversion Workshop	CNG Station	
Revenue	209,732,058	1,117,129,058	1,326,861,116
Less: Cost of Sales	161,139,168	913,826,612	1,074,965,780
Gross Profit	48,592,890	203,302,446	251,895,336
Less: Administrative & Selling Exp.	22,180,382	118,142,882	140,323,264
Less: Interest Expenses	4,597,931	-	4,597,931
Operating Profit	21,814,577	85,159,564	106,974,141
Add: Other Income	1,458,405	-	1,458,405
Add: Foreign Exchange Loss	(88,214)	-	(88,214)
Profit before Contribution to WPPF	23,184,768	85,159,564	108,344,332
Less: Contribution to WPPF	1,104,037	4,055,217	5,159,254
Profit before Tax	22,080,731	81,104,347	103,185,078
Add: Share of Profit from Subsidiaries	(11,082,482)	(59,030,377)	(70,112,859)
Less: Income Tax Expenses	4,968,164	18,248,478	23,216,642
Current Tax	5,740,918	21,086,866	26,827,784
Deferred Tax	(772,754)	(2,838,388)	(3,611,142)
Net Profit for year	6,030,085	3,825,492	9,855,577
Other Comprehensive Income:			
Unrealized Profit/Loss on Investment in Share	258,135	-	258,135
Deferred Tax Adjustment	(25,813)	-	(25,813)
	232,322	-	232,322
Total Comprehensive Income for the year	6,262,407	3,825,492	10,087,899

Amount in Taka	
30 June, 2023	30 June, 2022

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

Closing Balance of Marketable Securities	3,735,923	3,477,788
Opening Balance of Marketable Securities	3,477,788	3,259,076
	258,135	218,712

37.00 Related Party Transactions

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

i. Parent and Ultimate Controlling Party

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

ii. Entities with joint control of, or significant influence over

There is no joint control 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. 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 in Taka	
	30 June, 2023	30 June, 2022
Salary & Allowances	85,138,965	75,026,592
Gratuity	-	5,500,000
Meeting Attendance Fee	315,000	320,000
Provision for Post Employment Benefits (PF & WPPF)	18,091,739	18,187,957
	103,545,704	99,034,549

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

Vi. 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)	
			2023		2023	2022
			Dr.	Cr.		
Loan from Chairman	Director	Temporary Loan	-	-	138,000,000	138,000,000
Navana Real Estate Ltd.	Alliance Companies	Temporary Loan	-	-	500,000	500,000
Navana Construction Ltd.	Alliance Companies	Temporary Loan	-	-	10,000,000	10,000,000
Navana Construction Ltd.	Alliance Companies	Temporary Loan	-	-	(3,000,000)	(3,000,000)
Navana Limited	Alliance Companies	Temporary Loan	-	-	27,600,000	27,600,000
Navana Limited	Alliance Companies	Temporary Loan	10,000,000	-	(24,535,362)	(34,535,362)

Inter Group Company Receivables/Payables

Name of Related Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2023		2023	2022
			Dr.	Cr.		
Navana LPG Limited	Subsidiaries	Temporary Loan	-	-	489,432,079	489,432,079
Navana Engineering Limited	Subsidiaries	Temporary Loan	-	-	(238,000,000)	(238,000,000)
Navana Engineering Limited	Subsidiaries	Temporary Loan	-	-	31,362,105	31,362,105
Navana Welding Electrode Ltd.	Subsidiaries	Temporary Loan	-	-	(38,000,000)	(38,000,000)
Navana Welding Electrode Ltd.	Subsidiaries	Temporary Loan	-	-	107,012,238	107,012,238
Meeting Fee	Director	Fees	315,000	-	315,000	320,000

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 of the company is 523 who has been drawing above Tk. 5,000 or more per month.

40.00 Significant disclosure

Sales amount has been increased and Gross Profit (GP) ratio decreased due to increases 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, 2023.

42.00 Contingent Assets

There is no contingent assets as on 30th June, 2023.

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 loss a sum of Tk.88,214, the break up of the above is as follows:

L/C Number	Euro Rate		Euro Value	L/C Margin
296522010255	Costing Rate	106.000	56,580	5,377,929
	Final Payment Rate	101.470	-	-
		4.530	56,580	5,377,929
296522020074	Costing Rate	104.092	37,177	3,779,063
	Final Payment Rate	107.58		
		-3.484	37,177	3,779,063
296523020012	Costing Rate	118.155	35,977	4,250,815
	Final Payment Rate	124.131		
		-5.976	35,977	4,250,815
Rest Margin	At the time value of Costing	At the time value of deferred L/C Final Payment		Foreign Exchange Gain/(Loss)
296522010255	5,997,480	5,741,173		256,307
296522020074	3,869,828	3,999,371		(129,544)
296523020012	4,250,815	4,465,793		(214,978)
Foreign Exchange Gain /(Loss)				(88,214)

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, 2023 other than trade credit available in the ordinary course of business.

47.00 Attendance Status of Board Meeting of Directors

During the year 11 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, 2022 to June, 2023	11	9
Khaleda Islam	Director		11	9
Saiful Islam	Director		11	9
Sajedul Islam	Managing Director		11	11
Farhana Islam	Director		11	4
Md. Mustafizur Rahman	Independent Director		11	4
Md. Dilwar Hossain Bhuiyan	Independent Director		11	3
Abul Layes Afsary	Independent Director		11	-

* Md. Dilwar Hossain Bhuiyan, Independent Director has resigned on 03 April 2023

* Abul Layes Afsary appointed as Independent Director on 15 June 2023

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. 402,500. 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, 2023)

(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	67	456	523
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	4,200,000	350,000	657,876	3,892,124
Farhana Islam	Director				
Md. Mustafizur Rahman	Independent Director				
Md. Dilwar Hossain Bhuiyan	Independent Director				
Abul Layes Afsary	Independent Director				

* Md. Dilwar Hossain Bhuiyan, Independent Director has resigned on 03 April 2023

* Abul Layes Afsary appointed as Independent Director on 15 June 2023

Period of payment to Directors is from 1st July, 2022 to 30th June, 2023.

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.

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	1,326,861,116
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	153,175,958
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 62,939,435, OB 432,794,890 CB 342,558,367
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	251,895,336
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	1,370,191
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)(j) 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	23,216,642
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.	65,327,088
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, separately for each item:	
3(i)(p)(i) Consumption of stores and spare parts	153,175,958
3(i)(p)(ii) Power and Fuel	77,132,325
3(i)(p)(iii) Rent	8,892,300
3(i)(p)(iv) Repairs of Buildings	937,125
3(i)(p)(v) Repairs of Machinery	nil
3(i)(p)(vi) Other include:	
3(i)(p)(vi)(1) Salaries, wages and bonus	85,138,965
3(i)(p)(vi)(2) Contribution to provident and other funds	10,860,546
3(i)(p)(vi)(3) Workmen and staff welfare expenses to the extent not adjusted from any	5,159,254
3(i)(p)(vi)(4) Any previous provision or reserve.	P 65,327,088, R 53,40,074

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.) 30.06.2023	Amount (Tk.) 30.06.2022
1	Within 3 Months	180,798,059	153,648,265
2	Within 6 Months	42,380,742	36,016,579
3	Within 12 Months	53,457,526	45,430,003
4	More than 12 Months	6,657,403	5,657,685

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

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	708	21,865,932
Capacity Utilization	47.20%	46.34%

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, Part II, Para 8 (GA)

Particulars	Local Purchase (Tk.)	Import (Tk.)	Total Purchase (Tk.)	Consumption (Tk.) on Purchase	% of Consumption on Purchase
Material, Component & Spare Parts	24,572,386	38,367,049	62,939,435	62,036,520	98.57%
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							
	Note	Fair Value Hedging Instruments	Mandatory FVTPL-Others	FVOCI-debt instrument	FVOCI-equity instrument	Financial assets at amortized cost	Other Financial Liabilities	Total Amount
30.06.2023		-	-	-	-	-	-	-
Financial Assets measured at Fair Value		-	-	-	-	-	-	-
Equity Securities								
Financial Assets not measured at Fair Value								
Long Term Security Deposit	7.00	-	-	-	-	49,260	-	49,260
Investment in Subsidiaries	6.00	-	-	-	-	725,614	-	725,614
Investment in Shares	8.00	-	-	-	-	3,736	-	3,736
Accounts Receivables	10.00	-	-	-	-	283,294	-	283,294
Advance, Deposits & Pre-payments	11.00	-	-	-	-	193,921	-	193,921
Cash and Cash Equivalents	13.00	-	-	-	-	103,286	-	103,286
Total		-	-	-	-	1,359,111	-	1,359,111
Financial Liabilities measured at fair value:								
Financial Liabilities not measured at fair value:								
Short Term loan	20.00	-	-	-	-	-	47,833	47,833
Lease Liabilities	18.00	-	-	-	-	-	221	221
Unclaimed Dividend	23.00	-	-	-	-	-	38,215	38,215
Payables & Accruals	24.00	-	-	-	-	-	108,556	108,556
Total		-	-	-	-	-	194,825	194,825
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	23.00	-	-	-	-	-	43,047	43,047
Payables & Accruals	24.00	-	-	-	-	-	103,849	103,849
Total		-	-	-	-	-	198,206	198,206

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, 2023, 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 (Tk.) 30.06.2023	Amount (Tk.) 30.06.2022
Non-Derivative Financial Assets:		
Accounts Receivable	283,293,731	240,752,532
Inter Company Receivables	665,906,422	665,906,422
Advance to Suppliers	69,831,570	54,481,905
Advance against Employees	10,568,889	9,726,476
Security Deposits	7,278,638	3,024,765
Other advances	35,915,218	68,998,853
FDR	60,490,783	42,830,165
Cash at bank	24,940,685	13,495,138
Cash in Hand	17,854,670	3,347,255
	1,176,080,605	1,102,563,511

Amount (Tk.) 30.06.2023	Amount (Tk.) 30.06.2022
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At 30th June, 2023 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

Domestic	283,293,731	240,752,532
Foreign Receivable	-	-
	283,293,731	240,752,532

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

0 to 1 Months	118,615,085	100,803,085
More than 1 Months to 3 Months	62,182,974	52,845,181
More than 3 Months to 6 Months	42,380,742	36,016,579
More than 6 Months to 9 Months	28,952,619	24,604,909
More than 9 Months to 12 Months	24,504,907	20,825,093
Above 12 Months	6,657,404	5,657,685
	283,293,731	240,752,532

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, 2023.

30th June, 2023

In Taka	Note	Carrying Amount	Total	Contractual Cash Flows			
				2 months or less	2-12 months	1-5 years	More than 5 years
Non-Derivative Financial Liabilities:							
Short Term interest bearing loans	20.00	47,832,560	47,832,560	12,914,791	34,917,769	-	-
Long Term interest bearing loans	19.00	138,500,000	138,500,000	-	-	109,415,000	29,085,000
Finance lease liabilities	18.00	220,534	220,534	-	-	220,534	-
Trade and other payables	24.00	108,556,369	108,556,369	24,967,965	56,449,312	20,625,710	6,513,382
Inter Company Payables	22.00	303,535,362	303,535,362	-	-	303,535,362	-
Non-Current Liabilities	-	169,220,529	169,220,529	28,767,490	87,994,675	38,920,722	13,537,642
		767,865,354	767,865,354	66,650,246	179,361,756	472,717,328	49,136,024
Derivative Financial Liabilities							
		-	-	-	-	-	-
		767,865,354	767,865,354	66,650,246	179,361,756	472,717,328	49,136,024

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	67,047,098	181,136,467	482,765,949	49,148,098
Derivative Financial Liabilities							
		-	-	-	-	-	-
		780,097,613	780,097,613	67,047,098	181,136,467	482,765,949	49,148,098

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, 2023 recommended 10% cash dividend for the general Shareholders only excluding sponsors & directors whose name will be appeared in the Shareholders Registers at the date of book closure which is subject to Shareholders approval at the forthcoming 19th annual general meeting to be held on 28th day of December 2023.

"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.

NAVANA CNG LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AS ON 30TH JUNE, 2023

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30 June, 2023
	Opening Balance 01 July, 2022	Addition during the year	Total as on 30 June, 2023		Opening Balance 01 July, 2022	Charged during the year	Total as on 30 June, 2023	
Land and Land Development	449,042,715	-	449,042,715	0%	-	-	-	449,042,715
Building & Shed	127,525,728	2,971,532	130,497,260	10%	85,693,936	4,331,755	90,025,691	40,471,569
Plant & Machinery	571,020,578	2,181,345	573,201,923	10%	417,642,581	15,419,600	433,062,180	140,139,743
Tools & Equipment	90,730,790	1,122,344	91,853,134	10%	51,514,982	3,963,668	55,478,650	36,374,484
Furniture & Fixtures	16,438,955	-	16,438,955	10%	11,507,335	493,162	12,000,497	4,438,458
Vehicles	90,731,884	-	90,731,884	10%	50,327,786	4,040,410	54,368,196	36,363,688
Total	1,345,490,650	6,275,221	1,351,765,871		616,686,620	28,248,595	644,935,215	706,830,656

Total as on 30, June 2022	1,339,781,511	5,709,139	1,345,490,650		585,929,854	30,756,766	616,686,620	728,804,030
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SCHEDULE OF RIGHT USE OF ASSETS AS ON 30TH JUNE, 2023

Annexure-B

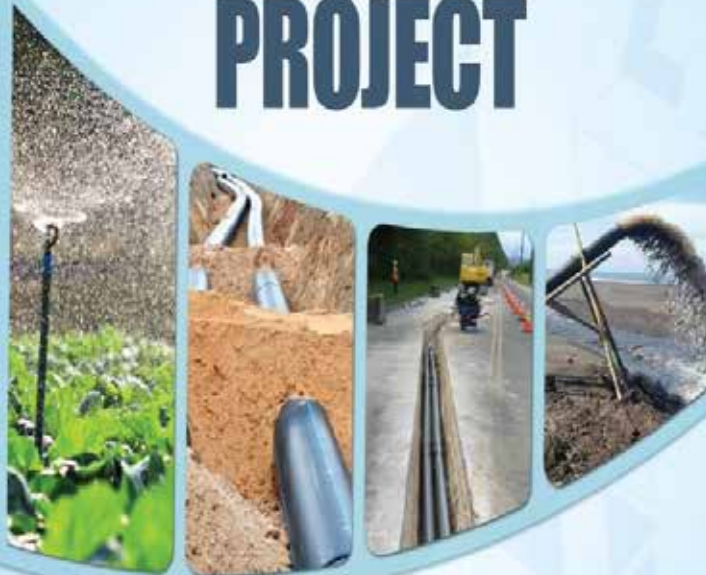
Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30 June, 2023
	Opening Balance 01 July, 2022	Addition during the year	Total as on 30 June, 2023		Opening Balance 01 July, 2022	Charged during the year	Total as on 30 June, 2023	
Right of Use Assets	15,730,822	-	15,730,822	0%	14,893,996	278,942	15,172,938	557,884
Total	15,730,822	-	15,730,822		14,893,996	278,942	15,172,938	557,884

Total as on 30, June 2022	15,730,822	-	15,730,822		9,995,406	4,898,590	14,893,996	836,826
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NAVANA

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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, 2023, 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, 2023** 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, 2023**, 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: November 04, 2023



Md. Nurul Hossain Khan FCA
Enrollment No: 0240
Managing Partner
Kazi Zahir Khan & Co.
Chartered Accountants
DVC: 2311120240AS886324

Navana Engineering Limited

Statement of Financial Position
As at June 30, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Assets			
Non-current assets			
Property, plant and equipment	4.00	1,174,245,654	1,211,619,649
Intangible Assets	5.00	10,768,560	11,965,067
Capital Work-in- progress	6.00	350,094,016	351,475,361
Deferred tax assets		11,694,088	-
Total Non-current assets		1,546,802,318	1,575,060,077
Current assets			
Inventories	7.00	1,100,478,303	1,065,843,040
Accounts receivables	8.00	636,866,276	545,654,130
Advances, deposits & prepayments	9.00	597,677,483	547,969,976
Inter-company receivable	10.00	288,674,000	294,430,000
Cash & Cash equivalent	11.00	2,698,349	3,686,481
Total Current assets		2,626,394,410	2,457,583,627
Total assets		4,173,196,728	4,032,643,704
Equity and liabilities			
Equity			
Share capital	12.00	100,000,000	100,000,000
Tax holiday reserve		35,385,976	35,385,976
Retained earnings	13.00	128,613,879	225,855,881
Total Equity		263,999,855	361,241,857
Non Current liabilities			
Deferred tax liability	14.00	-	9,629,266
Long Term Loan- Net of current portion	15.00	2,140,045,626	2,198,403,994
Loan from Others		50,000,000	50,000,000
Loan from Parent company		245,000,000	245,000,000
Total Non-Current liabilities		2,435,045,625	2,503,033,260
Current liabilities			
Long Term Loan- Current portion	15.00	419,020,405	153,391,797
Short-term loan	16.00	268,154,909	256,313,402
Intercompany Payable	17.00	632,427,128	596,731,128
Provision for income Tax	18.00	128,722,423	126,894,901
Payables & accruals	19.00	25,826,384	35,037,359
Total Current liabilities		1,474,151,248	1,168,368,587
Total Liabilities		3,909,196,873	3,671,401,847
Total Equity & Liabilities		4,173,196,728	4,032,643,704
Net assets value per share		26.40	36.12

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


Signed in term of our separate report of event date


Director


Director


Company Secretary

Place: Dhaka
Date: November 04, 2023
DVC: 2311120240AS886324


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

Navana Engineering Limited
Statement of Profit or Loss and others comprehensive income
For the year ended June 30, 2023

Particulars	Note	Amount in Taka	
		2022-2023	2021-2022
Revenue	20.00	304,586,949	431,155,504
Less: Cost of goods sold	21.00	222,835,102	314,911,265
Gross profit		81,751,847	116,244,239
Less: Administrative & selling expenses	22.00	45,587,457	60,009,547
Less: Interest expenses		152,902,224	150,047,686
Operating profit/ Loss		(116,737,834)	(93,812,994)
Add: Other income		-	-
Net profit/ Loss before tax		(116,737,834)	(93,812,994)
Less: Income Tax Expenses	23.00	(19,495,832)	(20,648,344)
Current tax	23.01	1,827,522	2,928,279
Deferred tax	23.02	(21,323,354)	(23,576,623)
Profit / Loss after Tax		(97,242,002)	(73,164,650)
Total Others Comprehensive Income/ (Loss) for the year		(97,242,002)	(73,164,650)
Earnings per share		(9.72)	(7.32)

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

Signed in term of our separate report of event date



Director



Director



Company Secretary

Place: Dhaka
Date: November 04, 2023
DVC: 2311120240AS886324



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

Navana Engineering Limited

Statement of Changes in Equity
For the year ended June 30, 2023

Particulars	Share capital	Tax holiday reserve	Retained Earnings	Total
Opening Balance at July 01, 2022	100,000,000	35,385,976	225,855,881	361,241,857
Add: Net profit / (Loss) during the year	-	-	(97,242,002)	(97,242,002)
Closing Balance at June 30, 2023	100,000,000	35,385,976	128,613,879	263,999,855

Navana Engineering Limited

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

Particulars	Share capital	Tax holiday reserve	Retained Earnings	Total
Opening 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
Add: Net profit / (Loss) during the year			(73,164,650)	(73,164,650)
Closing Balance at June 30, 2022	100,000,000	35,385,976	225,855,881	361,241,857

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

Signed in term of our separate report of event date


Director


Director


Company Secretary

Navana Engineering Limited

Statement of Cash Flows
For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		June 30,2023	June 30,2022
Cash flows from operating activities			
Receipts from customers		213,374,803	359,871,259
Payments for materials, services and expenses		(281,835,119)	(410,594,456)
		(68,460,316)	(50,723,197)
Income tax paid		(9,063,339)	(2,928,279)
Net cash Provided by operating activities	24.00	(77,523,655)	(53,651,476)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(420,000)
Capital Work-in- progress		(31,126,000)	-
Net cash used in investing activities		(31,126,000)	(420,000)
Cash flows from financing activities			
Interest paid		(152,902,224)	(150,047,686)
Inter company receivable		5,756,000	-
Inter company payable		35,696,000	11,392,817
Net Loan increased/(decreased)		219,111,747	193,539,916
Net cash inflows from financing activities		107,661,523	54,885,047
Net changes in cash and cash equivalents		(988,132)	813,571
Cash and cash equivalents at the beginning of the year		3,686,481	2,872,910
Cash and cash equivalents at the end of the year		2,698,349	3,686,481

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

Signed in term of our separate report of event date


Director


Director


Company Secretary

NAVANA ENGINEERING LIMITED

Notes to the Financial Statements for the year ended 30th June, 2023 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, 2023;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2023;
- * Statement of Changes in Equity for the year ended 30th June, 2023;
- * Statement of Cash Flows for the year ended 30th June, 2023;
- * 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, 2022 to 30th June, 2023.

3.00 Accounting Principles and Policies

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

Assets and Basis of their Valuation

3.01 Property, Plant and Equipments

3.01.1 Recognition and Measurements

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

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

3.01.2 Maintenance Activities

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

3.01.3 Subsequent Cost

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost measured reliably.

The cost of the day of day servicing of properly and equipment are recognized in the Statement of Comprehensive Income as incurred.

3.01.4 Depreciation on Tangible Fixed Assets

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

No depreciation has been charged on land and land development. Depreciation on all other fixed assets is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the comprehensive income statement for the year ended. The annual depreciation rates applicable to the principal categories are:

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

Depreciation has been allocated to factory overhead and administrative overhead.

3.01.5 Software: Intangible Asset

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

Amortization

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

3.02 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).

3.03 Inventories

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

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

3.04 Accounts Receivables

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

3.05 Advance, Deposits and Prepayments

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

3.06 Cash and Cash Equivalents

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

3.07 Liabilities and Basis of their Valuation

3.07.1 Liabilities for Expenses and Finance

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

3.07.2 Financial Liability

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

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

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

(a) Loans and Borrowings

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

(b) Payables

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

3.07.3 Provisions

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

3.08 Statement of Cash Flows

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

3.09 Income Tax Expenses

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

(a) Current Tax

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

(b) Deferred Tax

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

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

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

As per IAS 12 para 34, deferred tax assets shall be recognized for carry forward of unused tax losses and unused tax credits to the extent that is possible that future taxable profit will be available against which the unused tax losses and unused tax credit can be utilized. unabsorbed depreciation is adjustable with taxable profit and there is no time limit for adjustment. Hence, this tax credit has been considered as deferred tax assets.

3.10 Related party Disclosure

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

Name of Related Party	Relationship	Nature of Transaction	Transaction Value		Outstanding (Receivable / Payable) as on June 30,2023	Outstanding (Receivable / Payable) as on June 30,2022
			Dr.	Cr.		
Navana CNG Limited	Parent Company	Working Capital			(31,362,105)	(31,362,105)
Navana Real Estate Limited	Alliance Companies	Temporary Loan		19,426,000	(335,226,000)	(315,800,000)
Loan from Chairman	Director	Temporary Loan			86,933,137	86,933,137
Navana Real Estate Limited	Alliance Companies	Temporary Loan	6,596,045	6,125,000	2,098,962	1,627,917

Navana LPG Limited	Sister Concern	Temporary Loan			(159,091,976)	(159,091,976)
Navana Construction Ltd.	Alliance Companies	Temporary 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	Temporary Loan			0	5,430,000
Navana Welding Electrode Limited	Sister Concern	Temporary Loan		326,000	50,674,000	51,000,000
Aftab Automobiles Ltd.	Alliance Companies	Temporary Loan	5,430,000	10,600,000	(27,013,047)	(21,843,047)
Board Meeting Fee	Director	Fees	100,000		100,000	100,000
Navana Construction Ltd.	Alliance Companies	Temporary Loan		2,000,000	5,,854,997	7,854,997
Navana Batteries Ltd.	Alliance Companies	Temporary Loan		116,000	667,785	783,785
Navana Interlinks Ltd.	Alliance Companies	Temporary Loan			(15,000,000)	(15,000,000)
Navana Limited	Alliance Companies	Temporary Loan		10,100,000	(15,350,000)	(5,250,000)
Navana Foods Ltd.	Alliance Companies	Temporary Loan	500,000	1,500,000	(16,000,000)	(15,000,000)

3.11 Borrowing Costs

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

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

3.12 Contingencies

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

3.13 General

- (i) Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.
- (ii) 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.

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
4 Property, plant and equipment			
	Land and land development	515,883,508	515,883,508
	Building & Shed	258,368,539	264,392,837
	Plant & Machinery	347,322,923	372,820,321
	Tools & equipment	36,647,356	40,719,284
	Furniture & fixtures	2,370,096	2,633,441
	Motor vehicle	13,653,232	15,170,258
		1,174,245,654	1,211,619,649
	Details Calculation		
	Cost		
	Opening Balance July 01	1,715,886,423	1,715,466,423
	Add: Addition during the year	32,507,345	420,000
		1,748,393,768	1,715,886,423
	Less: Depreciation		
	Opening Balance July 01	504,266,774	427,007,481
	Add: Depreciation During the year	69,881,340	77,259,293
		574,148,114	504,266,774
	Balance as at June 30	1,174,245,654	1,211,619,649
	*An elaborate schedule of PPE are shown in annexure -A.		
5 Intangible Assets			
	Software System	10,768,560	11,965,067
		10,768,560	11,965,067
	Details Calculation		
	Cost		
	Opening Balance July 01	20,158,432	20,158,432
	Add: Addition during the year	-	-
		20,158,432	20,158,432
	Less: Depreciation		
	Opening Balance July 01	8,193,365	6,863,913
	Add: Depreciation During the year	1,196,507	1,329,452
		9,389,872	8,193,365
	Balance as at June 30	10,768,560	11,965,067
	*An elaborate schedule of Intangible Assets are shown in annexure -B.		
6 Capital work in progress			
	Opening Balance	351,475,361	351,475,361
	Add: Addition during the year	31,126,000	-
		382,601,361	351,475,361
	Less : Transfer to PPF	32,507,345	-
	Closing Balance	350,094,016	351,475,361
	Capital Work in progress represents land and land development, civil construction, Plant and machineries etc. for BMRE project at Gabtoli and Baligoan, Kalligonj.		
7 Inventories			
	Stock in raw materials	59,869,229	50,353,774
	Stock In Transit	92,924,985	105,164,589
	Work in process	169,203,434	161,326,890
	Closing finished goods	778,480,655	748,997,787
		1,100,478,303	1,065,843,040

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
8	Accounts Receivables		
	Mymensing Zone	62,620,975	56,554,995
	Chattagram Zone	58,081,378	53,715,566
	Khulna Zone	47,973,753	41,716,773
	Rajshahi Zone	49,495,652	41,932,442
	Gazipur Zone	47,424,021	41,825,347
	Sylhet Zone	48,423,179	39,724,428
	Dhaka Zone	74,146,511	70,288,745
	Barishal Zone	70,713,996	58,348,009
	HDPE	69,118,035	68,881,486
	Tender	3,150,158	3,150,158
	Navana Real estate Ltd.	2,098,962	1,627,917
	Corporate	22,593,004	6,960,412
	Navana Construction Limited	5,854,997	7,854,997
	Navana Batteries Limited	667,785	783,785
	Others	74,305,840	52,091,040
	Receivable from Employees 'provident fund	198,030	198,030
		636,866,276	545,654,130
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	180,218,618	171,155,279
	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	43,530	135,867
	Rose valley International	340,470	340,470
	Advance against Suppliers	148,867,441	132,867,441
	Advance against others	159,144,594	142,395,381
	Advance against civil construction	82,114,914	74,127,622
		597,677,483	547,969,976
9.01	Advance Income Tax		
	Opening Balance	171,155,279	168,227,000
	Add: Addition during the year	9,063,339	2,928,279
		180,218,618	171,155,279
	Less : Adjustment during the year	-	-
	Closing Balance	180,218,618	171,155,279
10	Inter-company Receivable		
	Navana CNG Ltd.	238,000,000	238,000,000
	Aftab Automobiles Ltd.	-	5,430,000
	Navana Welding Electrode Ltd.	50,674,000	51,000,000
		288,674,000	294,430,000
11	Cash & Cash Equivalent		
	Cash in hand	70,892	36,340
	Cash at Banks	2,627,457	3,650,141
		2,698,349	3,686,481

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
11.01	Cash at banks		
	Al- Arafah Islami Bank	-	6,789
	Islami Bank Bangladesh Ltd.	56,406	103,764
	Shahjalal islami Bank Ltd.	-	3,450
	Southeast Bank Ltd	-	35,878
	Standard Bank Limited	20,834	269,008
	Dutch Bangla Bank Ltd.	665,381	2,315,933
	Mutual Trust Bank Ltd.	82,504	93,574
	Trust Bank Ltd.	-	82,542
	Mercantile Bank Ltd.	-	2,710
	IFIC Bank Ltd.	107,862	108,702
	Pubali Bank Ltd.	12,793	582,569
	Bank Asia Ltd.	-	5,000
	Bangladesh Commerce Bank Ltd.	-	17,680
	First Security islami Bank Ltd.	-	3,623
	Agrani Bank Limited	-	6,378
	The premier Bank Ltd.	-	12,541
	Sonali Bank Ltd.	4,160	-
	One Bank Ltd.	1,450,145	-
	Dormant Account	227,372	-
		2,627,457	3,650,141
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	100.0000%	99,999,950
	Non -controlling interest (Sponsors)	0.0001%	50
		100,000,000	100,000,000
13	Retained earnings		
	Opening balance	225,855,881	298,940,508
	Adjustment for IFRS-16 (Lease)	-	80,023
	Add: Net profit / Loss for the year	(97,242,002)	(73,164,650)
	Closing balance	128,613,879	225,855,881
14	Calculation of Deferred tax asset:		
	Deferred tax for temporary difference	(11,694,088)	9,629,266
		(11,694,088)	9,629,266
14.01	Deferred tax for temporary difference of PPE		
	Accounting Base WDV	1,185,014,214	1,223,584,716
	Tax Base WDV	884,095,559	893,707,168
	Temporary difference	300,918,656	329,877,548
	Less: Unabsorbed Depreciation	(339,898,949)	(297,779,995)
	Taxable temporary difference	(38,980,294)	32,097,553
	Tax rate	30.0%	30.0%
	Deferred tax liabilities	(11,694,088)	9,629,266
	Less: Opening balance	9,629,266	33,205,889
	Current deferred tax	(21,323,354)	(23,576,623)

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
15 Long Term Loan-Net of current portion			
	One Bank Limited, Gulshan Br.	2,122,605,800	1,938,962,022
	Standard Bank Limited	89,333,894	85,553,290
	Shahjalal Islami Bank Limited, Gulshan Br.	260,193,200	240,347,342
	Due to Director (15.01)	86,933,137	86,933,137
		2,559,066,031	2,351,795,791
	Less: Long Term Loan- Current portion	419,020,405	153,391,797
	Long Term Loan-Net of current portion	2,140,045,626	2,198,403,994
15.01 Director Loan			
	Opening Balance	86,933,137	86,933,137
	Add: During this 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.	268,154,909	256,313,402
		268,154,909	256,313,402
17 Inter Company Payable			
	Navana CNG Ltd.	31,362,105	31,362,105
	Navana Real Estate Ltd.	335,226,000	315,800,000
	Navana LPG Ltd.	159,091,976	159,091,976
	Navana Construction Ltd.	33,384,000	33,384,000
	Aftab Automobiles Ltd.	27,013,047	21,843,047
	Navana Interlinks Ltd.	15,000,000	15,000,000
	Navana Limited	15,350,000	5,250,000
	Navana Foods Ltd.	16,000,000	15,000,000
		632,427,128	596,731,128
18 Provision for income tax			
	Opening balance	126,894,901	123,966,622
	Add: provision during the year	1,827,522	2,928,279
		128,722,423	126,894,901
	Less: Tax paid/adjusted during the year	-	-
	Closing balance	128,722,423	126,894,901
19 Payables & accrual			
	Liabilities for Expenses	8,992,290	13,354,392
	Workers profit participation fund	14,972,935	18,298,998
	Sundry payables	1,861,159	3,383,969
		25,826,384	35,037,359
20 Revenue (net)			
	HDPE Pipe	231,145,837	262,524,770
	HDPE Fittings	3,746,057	620,517
	uP V C Pipe	37,207,759	104,842,720
	uP V C Pipe Fitting	80,055	270,392
	Plastic Item (Household)	31,968,220	58,386,116
	Gas stove	179,607	1,851,315
	Water pump	259,414	2,659,674
		304,586,949	431,155,504

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
21	Cost of goods sold		
	Raw materials Consumed 21.01	167,410,922	198,257,061
	Add: Factory overhead 21.02	92,783,592	110,415,984
		260,194,514	308,673,045
	Add: Opening Work in Process	161,326,890	154,241,103
		421,521,404	462,914,148
	Less : Closing Work in Process	169,203,434	161,326,890
		252,317,970	301,587,258
	Add: Opening finished goods	748,997,787	762,321,794
		1,001,315,757	1,063,909,052
	Less: Closing finished goods	778,480,655	748,997,787
		222,835,102	314,911,265
21.01	Raw materials		
	Opening stock of raw materials	50,353,774	12,847,660
	Add: Purchased during the year	176,926,377	235,763,175
		227,280,151	248,610,835
	Less: Closing stock of raw material	59,869,229	50,353,774
		167,410,922	198,257,061
21.02	Factory overhead		
	Salary & Allowances	4,781,283	5,966,032
	Labor & wages	6,148,259	9,884,649
	Gas for Generator & others	15,330	13,830
	Electricity expenses	20,849,041	25,649,513
	Factory Repair & maintenance	206,680	16,518
	Loading & unloading expenses	368,403	602,816
	Canteen expenses	480,000	322,040
	Stationery	29,972	179,593
	Postage, Courier & mobile bill	71,327	71,899
	Others Expenses	143,082	103,519
	Conveyance	46,468	53,150
	Office Maintenance	195,288	1,024,432
	Fire insurance premium	2,586,182	3,656,996
	Depreciation (Annexure-A)	55,905,072	61,807,435
	Amortization (Annexure-B)	957,205	1,063,562
		92,783,592	110,415,984
22	Administrative and selling expense		
	Salary & allowances	20,128,041	27,812,052
	Audit Fee	92,000	57,500
	ISO audit Fee	48,956	44,505
	Bank charge	529,318	286,451
	Board meeting attendance fee	100,000	100,000
	Telephone & mobile bill	481,630	901,188
	Conveyance	809,087	1,279,240
	Electrical expense	11,727	40,750
	Entertainment	186,136	509,157
	Internet expenses	326,350	598,700
	Transport allowances	-	298,793

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
	Miscellaneous expense	400,693	501,149
	Office maintenance	236,894	926,884
	Distribution expenses	4,109,407	4,453,946
	Postage & stamp	1,060	2,710
	Printing & other expense	67,000	52,600
	Professional & Consultancy fee	60,950	184,000
	Stationary expense	56,729	20,661
	Subsidy to canteen	298,620	313,915
	Software Maintenance fee	294,375	112,500
	Registration & renewals	309,613	818,511
	Gas, Fuel & Diesel expenses	334,675	1,454,183
	Vehicle maintenance	376,748	1,125,520
	TA/DA Expense	-	105,684
	Security & Cleaning Service	63,470	410,767
	Electricity	70,798	309,506
	Office/Depot rent	-	60,000
	Sales Promotional Exp.	741,313	-
	Other interest expenses	1,236,297	1,510,926
	Depreciation (Annexure-A)	13,976,268	15,451,859
	Amortization (Annexure-B)	239,301	265,890
		45,587,457	60,009,547
23	Income tax Expense		
	Current tax	1,827,522	2,928,279
	Deferred tax	(21,323,354)	(23,576,623)
		(19,495,832)	(20,648,344)
23.01	Calculation of Current tax		
	Current Tax Expenses (Higher of A & B)		
		1,827,522	2,928,279
		1,827,522	2,928,279
	A. Income Tax on Regular rate		
	Profit/ loss Before Tax	(116,737,834)	(93,812,994)
	Add: accounting Depreciation	69,881,340	77,259,293
	Add: accounting Amortization	1,196,507	1,329,452
		(45,659,988)	(15,224,249)
	Less: Tax base Depreciation	42,118,954	72,259,197
		(87,778,942)	(87,483,446)
	Unabsorbed Depreciation	42,118,954	72,259,197
	Taxable Business Income	-	-
	B) Minimum Tax on Gross Receipt (under section163(5))		
	Gross receipt on Business income and Other Income	304,586,949	431,155,504
	Minimum Tax @ .60%	1,827,522	2,586,933
23.02	Deferred Tax		
	This is made up as follows:		
	Deferred Tax Assets/Liabilities	(11,694,088)	9,629,266
	Less : Opening Balance	9,629,266	33,205,889
	Current Deferred Tax	(21,323,354)	(23,576,623)

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
24	Reconciliation of Cash Flows from operating activities		
	under indirect method:		
	Net profit/ (loss) before interest & income tax during the year	36,164,390	57,745,619
	Adjustments to reconcile net income to net cash provided by operating activities:		
	Depreciation	71,077,846	78,588,745
	Income tax paid during the year	(9,063,339)	(2,928,279)
	Changes in current assets and liabilities :		
	Decrease/increase in inventories	(34,635,263)	(32,322,564)
	Increase/ Decrease in trade receivable	(91,212,146)	(71,284,246)
	Increase/Decrease in advance and prepayments	(40,644,169)	(77,868,463)
	Increase/Decrease in payable & accrual	(9,210,975)	(5,582,287)
		(77,523,655)	(53,651,476)
	Total cash flow from operating activities- Indirect Method*	(77,523,655)	(53,651,476)
	Total cash flow from operating activities- direct Method*	(77,523,655)	(53,651,476)
	Difference	-	-
	* Details in the statement of cash flows		

Navana Engineering Limited

Schedule of Property, plant and equipment
As at June 30, 2023

KAZI ZAHIR KHAN & Co.
Chartered Accountants

Annexure-A

Particulars	Cost		Rate of Dep.	Depreciation			Written Down Value at June 30, 2023
	Opening Balance July 01, 2022	Addition During This Year		Opening Balance July 01, 2022	Depreciation Charged During this Year	Closing Balance June 30, 2023	
Land and land development	515,883,508	-	0%	-	-	-	515,883,508
Building & Shed	431,633,339	20,673,403	10%	167,240,502	26,697,701	193,938,203	258,368,539
Plant & Machinery	655,408,672	11,833,942	10%	282,588,351	37,331,340	319,919,691	347,322,923
Tools & equipment	84,084,576	-	10%	43,365,292	4,071,928	47,437,220	36,647,356
Furniture & fixtures	4,541,348	-	10%	1,907,908	263,344	2,171,252	2,370,096
Motor vehicle	24,334,980	-	10%	9,164,722	1,517,026	10,681,748	13,653,232
Closing Balance June 30, 2023	1,715,886,423	32,507,345		504,266,774	69,881,340	574,148,114	1,174,245,654
Closing Balance June 30, 2022	1,715,466,423	420,000		427,007,481	77,259,293	504,266,774	1,211,619,649

Depreciation Charged to :

Cost of good sold	80%	55,905,072
Administrative & selling Expenses	20%	13,976,268
		69,881,340

Navana Engineering Limited

Schedule of Intangible Asset

As at June 30, 2023

Annexure-B

Particulars	Cost			Rate of Amr.	Amortization			Written Down Value at June 30, 2023
	Opening Balance July 01, 2022	Addition During This Year	Closing Balance June 30, 2023		Opening Balance July 01, 2022	Amortization Charged Dur. This Year	Closing Balance June 30, 2023	
Software System	20,158,432	-	20,158,432	10%	8,193,365	1,196,507	9,389,872	10,768,560
Closing Balance June 30, 2023	20,158,432	-	20,158,432		8,193,365	1,196,507	9,389,872	10,768,560
Closing Balance June 30, 2022	20,158,432	-	20,158,432		6,863,913	1,329,452	8,193,365	11,965,067

Amortization Charged to :

Cost of good sold	80%	957,205
Administrative & selling Expenses	20%	239,301
		<u>1,196,507</u>



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, 2023**, 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, 2023** 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, 2023**, 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: November 04, 2023

Md. Nurul Hossain Khan FCA
Enrollment No: 0240
Managing Partner
KaziZahir Khan & Co.
Chartered Accountants
DVC: 2311120240AS496605

Navana Welding Electrode Limited

Statement of Financial Position
As at June 30, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Assets:			
Non-Current Assets			
Property, Plant and Equipment	4	245,680,279	260,582,507
Right of use asset	5	147,312	343,973
Intangible Assets	6	4,806,963	4,015,985
Total Non-Current Assets		250,634,554	264,942,465
Current Assets			
Inventories	7	176,153,693	190,681,615
Accounts Receivables	8	72,039,982	63,956,357
Inter Company Receivable	9	175,634,300	165,634,300
Advances, Deposits & Prepayments	10	152,762,785	119,137,904
Cash & Cash Equivalent	11	119,065,294	123,450,367
Total Current Assets		695,656,054	662,860,543
Total Assets:		946,290,608	927,803,008
Equity and Liabilities:			
Equity			
Share Capital	12	100,000,000	100,000,000
Retained Earnings	13	346,578,299	327,123,389
Total Equity		446,578,299	427,123,389
Non-Current Liabilities			
Term Loan	14	99,679,389	99,679,389
Lease Liability	15.02	157,395	378,818
Deferred Tax Liabilities	15.03	20,477,955	22,358,529
Total Non-Current Liabilities		120,314,739	122,416,736
Current Liabilities			
Short-Term Loan	16	26,070,930	30,671,651
Inter Company Payable	17	157,686,238	158,012,238
Provision for Income Tax	18	154,920,153	144,701,761
Payables & Accruals	19	40,720,249	44,877,233
Total Current Liabilities		379,397,571	378,262,883
Total Liabilities		499,712,310	500,679,619
Total Equity & Liabilities		946,290,608	927,803,008
Net Assets Value Per Share		44.66	42.71

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


Signed in term of our separate report of event date


Director


Director


Company Secretary

Place: Dhaka
Date: November 04, 2023
DVC: 2311120240AS496605


Md. Nurul Hossain Khan FCA
Enrollment 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, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Revenue	20	396,321,746	532,631,622
Less: Cost of Goods Sale	21	327,284,904	389,756,478
Gross profit		69,036,842	142,875,144
Less: Administrative and Selling Expenses	22	40,859,463	45,546,421
Less: Interest Expenses		2,662,788	5,543,518
Operating Profit		25,514,591	91,785,205
Add: Other Income	23	3,691,959	3,265,002
Less: Foreign Exchange Loss		24,186	-
Profit Before Contribution to WPPF		29,182,364	95,050,207
Less: Contribution to WPPF		1,389,636	4,526,200
Profit Before Tax		27,792,728	90,524,007
Less: Income Tax Expenses			
Current Tax	15.01	10,218,392	28,640,721
Deferred Tax	15.03	(1,880,574)	(1,483,519)
		8,337,818	27,157,202
Total Comprehensive Income for the year		19,454,910	63,366,805
Earnings Per Share		1.95	6.34

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


Signed in term of our separate report of event date


Director


Director


Company Secretary

Place: Dhaka
Date: November 04, 2023
DVC: 2311120240AS496605


Md. Nurul Hossain Khan FCA
Enrollment 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, 2023

Particulars	Share capital	Retained Earnings	Total
Opening Balance at July 01, 2022	100,000,000	327,123,389	427,123,389
Net profit for the year	-	19,454,910	19,454,910
Closing Balance at June 30, 2023	100,000,000	346,578,299	446,578,299

Navana Welding Electrode Limited

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

Particulars	Share capital	Retained Earnings	Total
Opening Balance at July 01, 2021	100,000,000	263,756,584	363,756,584
Adjustment for IFRS-16 (Lease)	-	-	-
Net profit for the year	-	63,366,805	63,366,805
Closing Balance at June 30, 2022	100,000,000	327,123,389	427,123,389

The annexed notes 1 to 24 and Annexure-A & B & C form an integral part of these financial statements.
Signed in term of our separate report of event date


Director


Director


Company Secretary

Navana Welding Electrode Limited

Statement of Cash Flows
For the year ended June 30, 2023

Sl. NO.	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
A.	Cash flows from operating activities		
	Receipts from customers	388,238,121	506,704,642
	Receipts of other income	3,691,959	3,265,002
	Foreign exchange loss	(24,186)	-
	Payments for materials, services and expenses	(367,368,286)	(398,204,149)
		24,537,608	111,765,495
	Income tax paid	(9,097,629)	(10,089,087)
	Net cash Inflow by operating activities	15,439,979	101,676,408
B.	Cash flows from investing activities		
	Acquisition of property, plant and equipment	(980,198)	(7,533,922)
	Payments for intangible assets	(1,255,344)	(3,255,000)
	Capital Work-in-progress	-	-
	Net cash used by investing activities	(2,235,542)	(10,788,922)
C.	Cash flows from financing activities		
	Inter company receivable	(10,000,000)	(10,500,000)
	Interest paid	(2,662,788)	(5,543,518)
	Short-term loan	(4,600,722)	(52,503,324)
	Net cash inflows from financing activities	(17,589,510)	(68,546,842)
D.	Net changes in cash and cash equivalents (A+B+C)	(4,385,073)	22,340,644
	Cash and cash equivalents at the beginning of the year	123,450,367	101,109,723
E.	Cash and cash equivalents at the end of the year	119,065,294	123,450,367

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

Signed in term of our separate report of event date


Director


Director


Company Secretary

NAVANA WELDING ELECTRODE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2023 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, 2023;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2023;
- * Statement of Changes in Equity for the year ended 30th June, 2023;
- * Statement of Cash Flows for the year ended 30th June, 2023;
- * 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, 2022 to 30th June, 2023.

3.00 Accounting Principles and Policies

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

Assets and Basis of their Valuation

3.01 Property, Plant and Equipments

3.01.1 Recognition and Measurements

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

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

3.01.2 Maintenance Activities

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

3.01.3 Subsequent Cost

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

3.01.4 Depreciation on Tangible Fixed Assets

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

No depreciation has been charged on land and land development. Depreciation on all other fixed assets is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the comprehensive income statement for the year ended. The annual depreciation rates applicable to the principal categories are:

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

Depreciation has been allocated to factory overhead and administrative overhead.

3.02 Leases

IFRS 16 introduces a single, on balance sheet lease accounting model for leases. A lease 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.

Lessors 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 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.

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

(a) Loans and Borrowings

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

(b) Payables

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

3.08.3 Provisions

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

3.09 Statement of Cash Flows

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

3.10 Income Tax Expenses

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

(a) Current Tax

Income tax is calculated and provision has been made in accordance with 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".

As per IAS 12 para 34, deferred tax assets shall be recognized for carry forward of unused tax losses and unused tax credits to the extent that is possible that future taxable profit will be available against which the unused tax losses and unused tax credit can be utilized. unabsorbed depreciation is adjustable with taxable profit and there is no time limit for adjustment. Hence, this tax credit has been considered as deferred tax assets.

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, 2023	Outstanding (Receivable / Payable) as on June 30, 2022
			Dr.	Cr.		
Navana CNG Limited	Parent Company	Temporary Loan			(107,012,238)	(107,012,238)
Navana CNG Limited	Parent Company	Temporary Loan			38,000,000	38,000,000
Navana Engineering Ltd.	Sister Concern	Temporary Loan	326,000		(50,674,000)	(51,000,000)
Loan from Chairman	Director	Temporary Loan			(99,679,389)	(99,679,389)
Navana Real Estate Limited	Alliance Companies	Temporary Loan			14,230,000	14,230,000
Navana LPG Limited	Sister Concern	Temporary Loan	10,000,000		89,500,000	79,500,000
Navana Construction Ltd.	Alliance Companies	Temporary Loan			5,000,000	5,000,000
Navana Furniture Ltd.	Alliance Companies	Temporary Loan			5,000,000	5,000,000
Aftab Automobiles Ltd.	Alliance Companies	Temporary Loan			19,200,000	19,200,000
Navana Limited.	Alliance Companies	Temporary Loan			4,704,300	4,704,300
Board Meeting Fee	Director	Fees	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.

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
4	Property, Plant and Equipment Net		
	Land and land development	102,324,202	102,324,202
	Building & Civil construction	47,384,131	52,014,346
	Plant & machinery	55,094,169	61,195,863
	Office equipment	5,440,338	5,721,055
	Furniture & fittings	6,399,004	7,110,005
	Electrical equipment	14,974,966	16,590,960
	Vehicles	14,063,469	15,626,076
		245,680,279	260,582,507
	Details Calculation		
	Cost		
	Opening Balance July 01	453,783,538	446,249,616
	Add: Addition during the year	980,198	7,533,922
		454,763,737	453,783,538
	Less: Depreciation		
	Opening Balance July 01	193,201,032	175,898,762
	Add: Depreciation During the year	15,882,427	17,302,269
		209,083,459	193,201,031
	Balance as at June 30	245,680,279	260,582,507
	*An elaborate schedule of PPE are shown in annexure -A.		
5	Right of Use Assets		
	Details Calculation		
	Cost		
	Opening Balance July 01	2,256,281	2,256,281
	Add: Addition during the year	-	-
		2,256,281	2,256,281
	Less: Depreciation		
	Opening Balance July 01	1,912,309	1,557,840
	Add: Depreciation During the year	196,660	354,469
		2,108,969	1,912,309
	Balance as at June 30	147,312	343,972
	*An elaborate schedule of intangible assets are shown in annexure -C.		
6	Intangible Assets		
	Software System	4,806,963	4,015,985
		4,806,963	4,015,985
	Details Calculation		
	Cost		
	Opening Balance July 01	5,022,700	1,767,700
	Add: Addition during the year	1,255,344	3,255,000
		6,278,044	5,022,700
	Less: Depreciation		
	Opening Balance July 01	1,006,715	711,189
	Add: Depreciation During the year	464,366	295,526
		1,471,081	1,006,715
	Balance as at June 30	4,806,963	4,015,985
	*An elaborate schedule of intangible assets are shown in annexure -B.		

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
7 Inventories			
	Raw materials	44,758,504	43,539,097
	Work-in-process	21,863,345	14,058,907
	Finished goods	3,283,793	26,235,957
	Stock In Transit	78,014,654	86,911,535
	Spare parts	28,233,397	19,936,119
		176,153,693	190,681,615
8 Trade receivables			
	Sylhet Zone	2,697,298	2,192,537
	Jessore Zone	2,462,876	2,473,104
	Kustia Zone	2,495,448	2,003,108
	Dhaka South zone	18,633,909	19,530,264
	Dhaka North zone	4,552,381	6,547,861
	Rajshahi Zone	2,325,334	1,660,868
	Rangpur Zone	2,371,012	1,723,898
	Chitta. South Zone	6,580,410	5,706,518
	Chitta. North Zone	2,888,405	3,399,461
	Barishal Zone	1,111,760	1,265,875
	Corporate	25,795,816	17,327,530
	Receivable from Employees 'provident fund	125,333	125,333
		72,039,982	63,956,357
9 Inter company Receivables			
	Navana LPG Limited	89,500,000	79,500,000
	Navana CNG Limited	38,000,000	38,000,000
	Navana Limited	4,704,300	4,704,300
	Navana Furniture Limited	5,000,000	5,000,000
	Navana Real Estate limited	14,230,000	14,230,000
	Navana Contruction Ltd.	5,000,000	5,000,000
	Aftab Automobiles Ltd.	19,200,000	19,200,000
		175,634,300	165,634,300
10 Advances, deposits & prepayments			
	Advance Income Tax	108,647,655	99,550,026
	Advance to Suppliers	24,634,950	9,634,656
	Earnest Money & Security Deposit	1,317,939	1,517,939
	Security Deposit Bangladesh Railway	20,000	20,000
	Advance House Rent	150,000	150,000
	Vat Account	3,823,362	3,055,483
	Advance against employee	782,725	834,966
	Advance against others	13,386,154	4,374,834
		152,762,785	119,137,904
10.01 Advance Income Tax			
	Opening Balance July 01	99,550,026	89,460,939
	Add: Addition during the year	9,097,629	10,089,087
		108,647,655	99,550,026
	Less : Adjustment during the year	-	-
	Closing Balance June 30	108,647,655	99,550,026

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
11	Cash & Cash equivalent		
	Cash in hand	675,456	2,547,227
	Cash at banks :		
	Fixed Deposit Receipt (FDR)	11.01 63,414,351	92,131,868
	Bank Balances	11.02 54,975,487	28,771,272
		119,065,294	123,450,367
11.01	The Bank Balances Consists of :		
	Fixed Deposit Receipt (FDR) :		
	Shahjalal Islami Bank Ltd.	14,509,620	13,974,122
	Mercantile Bank Ltd.	40,913,305	39,385,079
	Standard Bank Ltd.	7,991,426	7,805,065
	State Bank of India Ltd.	-	30,967,602
		63,414,351	92,131,868
11.02	Bank Balances :		
	Al-Arafah Bank Ltd.	33,222	33,222
	Dutch Bangla Bank Ltd.	23,865,599	15,825,844
	Mercantile Bank Ltd.	386,675	388,435
	Prime Bank Ltd.	34,362	35,052
	Mutual Trust Bank Ltd.	11,494,298	6,323,150
	Bank Asia Ltd.	7,478,351	3,842,152
	Shahjalal Islami Bank Ltd.	2,371,904	797,903
	Standard Bank Ltd.	2,519	3,669
	Islami Bank Ltd.	1,958,544	1,047,418
	Sonali Bank Ltd.	7,105,552	6,923
	United commercial Bank Ltd.	5,841	31,689
	Jamuna Bank Ltd.	30,170	30,170
	State Bank of India	24,371	249,356
	IFIC Bank Ltd.	151,267	152,106
	Premier Bank Ltd.	4,183	4,183
	NRB Commercial Bank Ltd.	28,629	-
		54,975,487	28,771,272
12	Share Capital		
	The break up of the above is as under:		
	Authorized Capital:		
	50,000,000 Ordinary Shares @ Tk. 10 each	500,000,000	500,000,000
	Issued, Subscribed and Paid-up Capital		
	10,000,000 Ordinary Shares @ Tk. 10 each	100,000,000	100,000,000
	Navana CNG Limited	99,999,950	99,999,950
	Non -controlling interest (Sponsors)	50	50
		100,000,000	100,000,000
13	Retained Earnings		
	Opening Balance July 1	327,123,389	263,756,584
	Add: Total Comprehensive Income for the year	19,454,910	63,366,805
	Closing Balance June 30	346,578,299	327,123,389

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
14	Term Loan		
	Due to Director	99,679,389	99,679,389
	This represents un-secured and Interest free loan from Mr.Shafiul Islam, Chairman.		
15	Income tax Expense		
	Current tax	15.01 10,218,392	28,640,721
	Deferred tax	15.03 (1,880,574)	(1,483,519)
		8,337,818	27,157,202
15.01	Calculation of Current Tax		
	Current Tax Expenses (Higher of A& B)	10,218,392	28,640,721
		10,218,392	28,640,721
	A. Income Tax on Regular rate		
	Profit Before Tax	27,792,728	90,524,007
	Add. Disallowable Depreciation	15,882,427	17,302,269
	Add. Disallowable Amortization	464,366	295,526
	Add. Gratuity provision	-	2,000,000
		44,139,521	110,121,803
	Less: Allowable Depreciation	8,600,366	12,952,383
	Less: Allowable Amortization	1,477,846	1,700,348
	Less: Gratuity paid	-	-
		34,061,308	95,469,071
	Current Tax@ 30%	10,218,392	28,640,721
	Current Tax	10,218,392	28,640,721
	B) Minimum Tax on Gross Receipt (under section 163(5))		
	Gross receipt on Business income and Other Income	400,013,705	535,896,624
	Minimum Tax @ .60%	2,400,082	3,215,380
15.02	Lease Liability		
	Opening Balance July 01	378,818	600,241
	Less: Adjustment/Paid During This Year	221,423	221,423
	Closing Balance June 30	157,395	378,818
15.03	Deferred tax:		
	Taxable temporary difference	25,187,955	27,068,529
	Deferred tax for Gratuity	15.04 (4,710,000)	(4,710,000)
		20,477,955	22,358,529
	Accounting base WDV	250,487,242	264,598,492
	Tax base WDV	166,527,392	174,370,063
	Taxable temporary difference	83,959,849	90,228,429
	Tax rate	30.0%	30.0%
	Deferred tax liabilities	25,187,955	27,068,529
	Less: Opening balance	27,068,529	27,952,048
	Provision for deferred tax	(1,880,574)	(883,519)
	Deferred tax expense/(income) for the year	-	(600,000)
		(1,880,574)	(1,483,519)

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
15.04	Deferred Tax for Gratuity Provision		
	Closing Provision	15,700,000	15,700,000
	Applicable rate	30.0%	30.0%
	Closing deferred tax for gratuity provision	(4,710,000)	(4,710,000)
	Less: Opening deferred tax for gratuity provision	(4,710,000)	(4,110,000)
	Deferred tax expense/(income) for the year	-	(600,000)
16	Short-term loan		
	Shahjalal Islami bank Ltd.	26,070,930	30,671,651
		26,070,930	30,671,651
17	Inter company payable		
	Navana CNG Limited	107,012,238	107,012,238
	Navana Engineering Limited	50,674,000	51,000,000
		157,686,238	158,012,238
18	Provision for income tax		
	Opening Balance July 1	144,701,761	116,061,040
	Add: Provision during the year	10,218,392	28,640,721
		154,920,153	144,701,761
	Less: Tax paid/adjusted during the year	-	-
	Closing Balance June 30	154,920,153	144,701,761
19	Payables & accruals		
	Liabilities for Expenses	18,070,409	19,235,289
	Workers profit participation fund	19,389,358	22,769,886
	Sundry payables	2,492,980	2,104,557
	Provision for doubtful debts	767,502	767,502
		40,720,249	44,877,233
20	Revenue	396,321,746	532,631,622
21	Cost of goods sold	As Per Sales & Mushak 9.1 Amount Shown	
	Raw materials	21.01 261,252,417	337,075,967
	Factory overhead	21.02 41,776,009	46,191,778
	Direct Labor	9,108,752	9,473,597
		312,137,178	392,741,342
	Add: Opening Work in Process	14,058,907	12,887,572
		326,196,085	405,628,914
	Less: Closing Work in Process	21,863,345	14,058,907
		304,332,740	391,570,007
	Add: opening stock of finished goods	26,235,957	24,422,428
		330,568,697	415,992,435
	Less: Closing stock of finished goods	3,283,793	26,235,957
		327,284,904	389,756,478

Gross profit of NWEL was reduced significantly compared to last year due to the following reasons:

- i) **Raw Material Price Increases:** The 35% increase in raw material prices on a year-on-year basis is a significant cost driver for NWEL. Higher raw material costs directly reduce the gross profit margin because the cost of goods sold (COGS) increases.
- ii) **Dollar Crisis and Letter of Credit (L/C) Margin:** Due to the dollar crisis in the country, NWEL had to open Letters of Credit with over 100% margin. NWEL had to deposit more money as collateral to import raw materials. This ties up more capital and affects the company's liquidity, impacting profitability.
- iii) **Foreign Exchange Fluctuations:** Foreign exchange fluctuations have a substantial impact on the cost of imported raw materials. As the local currency weakens relative to the U.S. dollar, the cost of raw materials in the local currency increases, further eroding the gross profit margin.
- iv) **Inability to Raise Sales Prices:** In a competitive market, the company is constrained from increasing its selling prices, even in the face of rising costs. This means that higher costs cannot be passed on to customers, putting additional pressure on profit margins.
- v) **Production Constrains:** Due to a shortage of raw materials, NWEL could not be able to produce at full capacity, reducing the economies of scale and potentially increasing per-unit production costs.

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
21.01	Raw materials		
	Opening stock of raw materials	43,539,097	94,123,802
	Add: Purchase for the year	262,471,824	286,491,262
		306,010,921	380,615,064
	Less: Closing stock of raw materials	44,758,504	43,539,097
		261,252,417	337,075,967
21.02	Factory overhead		
	Salary & Allowances	11,659,457	13,463,538
	Q.C Test & other exp.	315,877	845,505
	Carrying charge	32,927	855
	Conveyance	53,435	32,490
	Subsidy to Canteen	2,089,531	1,653,760
	Dress & Uniform	105,290	3,400
	Electrical Expenses	-	46,767
	Entertainment expenses	518,207	633,455
	Fuel Expenses	3,520,983	1,853,555
	Insurance expenses	-	26,250
	Labor Charge	23,600	54,050
	Medical Expenses	30,355	21,908
	Oil & Lubricant exp	188,202	257,823
	Stationery exp.	87,147	227,390
	Spare Parts	3,503,555	4,209,594
	Repair & Maintenance	875,198	1,108,216
	Office Maintenance	620,091	609,717
	Telephone & Mobile Bill	87,732	59,206
	Electricity bill	4,986,988	7,002,583
	Security guard bill	-	3,480
	Depreciation (Annexure-A)	12,705,941	13,841,815
	Amortization (Annexure-B)	371,493	236,421
		41,776,009	46,191,778

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
22	Administrative and Selling expenses		
	Salary & Allowance	20,084,765	20,251,684
	Gratuity expenses	-	2,000,000
	Conveyance	1,092,182	1,422,070
	Daily Allowance	859,754	1,137,022
	Electricity bill	31,429	228,401
	Entertainment	369,743	367,944
	Gas Bill	-	975
	Internet bill	336,953	452,791
	Labor expenses	704,529	1,036,793
	Board meeting attendance fee	100,000	100,000
	Telephone & Mobile Bill	654,888	498,099
	Paper & periodicals	540	7,700
	Office Rent	218,350	123,800
	Repair and Maintenance	1,580,038	1,998,174
	Office Maintenance	359,150	434,418
	Fuel & Lubricant Expenses	2,075,385	2,160,594
	Postage & Courier	50,553	41,620
	Printing expenses	63,043	181,035
	Professional & Service fee	55,250	216,250
	Stationery expenses	402,855	155,485
	Registration & Renewal Exp	1,627,207	599,145
	Service & Carrying Charges	205,430	74,543
	TA/DA Allowances	892,767	1,127,170
	Audit Fee	92,000	57,500
	Bank Charges	660,829	485,277
	Transport expenses	927,185	1,456,925
	Miscellaneous expenses	172,806	199,652
	Other interest expenses	1,486,216	1,506,353
	Business promotional expenses	1,834,348	2,204,707
	Software Maintenance fee	71,250	848,200
	Subsidy to Canteen	384,000	298,066
	Depreciation of Right of use assets	196,660	354,469
	Depreciation (Annexure-A)	3,176,485	3,460,454
	Amortization (Annexure-B)	92,873	59,105
		40,859,463	45,546,421

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
23 Other income			
	Interest income on FDR	3,574,544	3,211,113
	Interest income on STD Account	117,415	53,889
		3,691,959	3,265,002
24 Reconciliation of Cash Flows from operating activities under indirect method:			
	Net profit/ (loss) before interest & income tax during the year	30,455,516	102,100,078
	Adjustments to reconcile net income to net cash provided by operating activities:		
	Interest on lease	21,228	48,474
	Payment of lease liability	(242,650)	(400,200)
	Depreciation exp.	16,543,452	17,952,264
	Tax paid during the year	(9,097,629)	(10,089,087)
	Changes in current assets and liabilities :		
	Decrease/Increase in inventories	14,527,922	8,865,006
	Increase/ Decrease in trade receivable	(8,083,625)	(25,926,980)
	Increase/Decrease in advance and prepayments	(24,527,252)	2,970,860
	Increase/Decrease in payable & accrual	(4,156,984)	6,155,992
		15,439,979	101,676,408
	Total cash flow from operating activities- Indirect Method*	15,439,979	101,676,408
	Total cash flow from operating activities- direct Method*	15,439,979	101,676,408
	Difference	-	-

* Details in the statement of cash flows

Navana Welding Electrode Limited

Schedule of Property, plant and equipment

As at June 30, 2023

Annexure-A

Particulars	Cost		Rate of Dep't.	Depreciation			Written Down Value at June 30, 2023
	Opening Balance July 01, 2022	Addition During this Year		Opening Balance July 01, 2022	Depreciation during the year	Closing Balance June 30, 2023	
Land and land development	102,324,202	-	0%	-	-	-	102,324,202
Building & civil construction	103,986,689	609,301	10%	51,972,343	5,239,516	57,211,859	47,384,131
Plant & machinery	156,931,116	19,000	10%	95,735,253	6,120,695	101,855,947	55,094,169
Office equipment	11,272,768	306,725	10%	5,551,713	587,442	6,139,155	5,440,338
Furniture & fittings	10,800,936	-	10%	3,690,931	711,000	4,401,932	6,399,004
Electrical equipment	41,224,202	45,172	10%	24,633,242	1,661,166	26,294,408	14,974,966
Vehicles	27,243,625	-	10%	11,617,549	1,562,608	13,180,157	14,063,469
Total	453,783,538	980,198		193,201,032	15,882,427	209,083,458	245,680,279

Depreciation Charged to :

Cost of good sold	80%	12,705,941
Administrative & selling Expenses	20%	3,176,485
		15,882,427

TK

Navana Welding Electrode Limited

Schedule of Intangible asset
As at June 30, 2023

Annexure-B

Particulars	Cost		Rate of Amort.	Amortization		Written Down Value at June 30, 2023
	Opening Balance July 01, 2022	Closing Balance June 30, 2023		Opening Balance July 01, 2022	Depreciation during the year	
Software system	5,022,700	6,278,044	10%	1,006,715	464,366	4,806,963
Total	5,022,700	6,278,044		1,006,715	464,366	4,806,963

TK

Amortization Charged to :

Cost of good sold	80%	371,493
Administrative & selling Expenses	20%	92,873
		464,366

Navana Welding Electrode Limited

Schedule of Right of Use Assets
As at June 30, 2023

Annexure-C

Particulars	Cost		Rate of Dep.	Depreciation		Written Down Value at June 30, 2023
	Opening Balance July 01, 2022	Closing Balance June 30, 2023		Opening Balance July 01, 2022	Depreciation during the year	
Right of use assets	2,256,281	2,256,281		1,912,309	196,660	147,312
Closing Balance June 30, 2023	2,256,281	2,256,281		1,912,309	196,660	147,312

Closing Balance June 30, 2022	2,256,281	-		1,557,840	354,469	343,973
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তৈশি প্রাপ্ত
 তৈশি শক্তি
 তৈশি সামগ্র্য

13.6KG / B17
 নাভানা
 এলপিগ্যাস
 ১২ কেজি এলপি গ্যাস

NAVANATM
 LPG
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সম্পূর্ণ প্যাকেজ
 ব্র্যান্ডেড সিলিডার. রেগুলেটর
 টোভ ও হোজ পাইপ

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, 2023**, 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, 2023** 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, 2023**, 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: November 04, 2023



Md. Nurul Hossain Khan FCA
Enrollment No: 0240
Managing Partner
KaziZahir Khan & Co.
Chartered Accountants
DVC: 2311120240AS987930

Navana LPG Limited
Statement of Financial Position
As at June 30, 2023

Particulars	Note	Amount in Taka	
		2022-2023	2021-2022
Assets :			
Non- Current Assets			
Property, Plant and Equipment	4	3,384,358,231	3,611,146,377
Intangible Assets	5	5,875,938	6,528,820
Capital Work-in-Progress	6	599,573,111	606,966,233
Long-Term Security Deposit	7	10,828,092	10,828,092
Deferred Tax Assets	8	589,195,521	503,705,625
Total Non-Current Assets		4,589,830,893	4,739,175,147
Current Assets:			
Inventories	9	1,264,697,084	1,039,432,417
Accounts Receivable	10	751,417,150	537,699,855
Other Receivables		194,875,944	195,112,494
Inter-Company Receivable	11	793,827,810	761,827,810
Advances, Deposits & Prepayments	12	681,420,115	526,871,887
Cash & Bank Balances	13	31,983,080	6,964,634
Total Current Assets		3,718,221,183	3,067,909,097
Total Assets		8,308,052,076	7,807,084,244
Equity & Liabilities :			
Equity			
Share Capital	14	1,000,000	1,000,000
Retained Earnings	15	(199,563,481)	(207,238,058)
Total Equity		(198,563,481)	(206,238,058)
Non-Current Liabilities:			
Security Retention Money		327,851,465	424,708,865
Long Term Loan	16	5,459,371,246	4,955,060,518
Total Non-Current Liabilities		5,787,222,711	5,379,769,383
Current Liabilities:			
Long Term Loan	16	1,094,478,485	1,388,900,312
Short Term Loan	17	844,300,059	471,603,669
Provision for Income Tax	18	82,854,171	70,455,612
Inter-Company Payable	19	683,804,779	673,804,779
Payables & Accruals	20	13,955,352	28,788,547
Total Current Liabilities		2,719,392,846	2,633,552,919
Total Liabilities		8,506,615,557	8,013,322,302
Total Equity & Liabilities		8,308,052,076	7,807,084,244


The Annexed notes 1 to 24 and Annexure A & B from an Integral Parts of these Financial Statements
Signed in terms of our separate report of even date.


Director


Director


Company Secretary

Place: Dhaka
Dated: November 04, 2023
DVC: 2311120240AS987930


Md. Nurul Hossain Khan FCA
Enrollment 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, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Revenue	21	2,066,426,497	2,000,562,599
Less: Cost of goods sold	22	1,639,379,901	1,631,688,801
Gross Profit		427,046,596	368,873,798
Less: Administrative & Selling expenses	23	99,659,652	131,238,965
Less: Interest expenses		392,803,704	390,231,573
Operating Profit / Loss		(65,416,760)	(152,596,740)
Add: Other income		-	-
Net Profit / (Loss) Before Tax		(65,416,760)	(152,596,740)
Current tax		12,398,559	12,003,376
Deferred tax		(85,489,896)	(115,138,761)
Less: Income Tax Expenses		(73,091,337)	(103,135,385)
Net Profit/ (Loss) After Tax		7,674,577	(49,461,355)

The Annexed notes 1 to 24 and Annexure A & B from an Integral Parts of these Financial Statements
Signed in terms of our separate report of even date.

Khaleda Islam

Director

[Signature]

Director

[Signature]

Company Secretary

[Signature]

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

Place: Dhaka
Dated: November 04, 2023
DVC: 2311120240AS987930

Navana LPG Limited
Statement of Changes in Equity
For the year ended June 30, 2023

Particulars	Share capital	Retained Earnings	Total
Opening Balance at July 01, 2022	1,000,000	(207,238,058)	(206,238,058)
Net Profit/ (Loss) for During The Year		7,674,577	7,674,577
Closing Balance at June 30, 2023	1,000,000	(199,563,481)	(198,563,481)

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

Particulars	Share capital	Retained Earnings	Total
Opening Balance at July 01, 2021	1,000,000	(157,776,703)	(156,776,703)
Net Profit/(Loss) for During The Year	-	(49,461,355)	(49,461,355)
Closing Balance at June 30, 2022	1,000,000	(207,238,058)	(206,238,058)

The Annexed notes 1 to 24 and Annexure A & B form an Integral Parts of these Financial Statements

Signed in terms of our separate report of even date.


Director


Director



Company Secretary

Navana LPG Limited
Statement of Cash Flows
For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		June 30, 2023	June 30, 2022
A) Cash flows from operating activities			
Receipts from customers		1,852,709,202	1,878,386,401
Payments for materials, services and expenses		(1,847,902,994)	(1,774,546,004)
		4,806,208	103,840,397
Income tax paid		(816,329)	(5,573,263)
Net cash Provided by operating activities	24	3,989,879	98,267,134
B) Cash flows from investing activities			
Payments for property, plant and equipment		(2,259,805)	-
Capital Work-in- progress		(47,872,365)	(46,785,320)
Advance for LC margin		-	52,436,220
Other receivables		236,550	12,560
Net cash used in investing activities		(49,895,620)	5,663,460
C) Cash flows from financing activities			
Inter company Receivable		(32,000,000)	(100,300,000)
Interest paid		(392,803,704)	(390,231,573)
Inter company Payable		10,000,000	8,000,000
Net Loan increased / (decreased)		582,585,291	532,823,356
Security retention Money		(96,857,400)	(166,530,522)
Net cash inflows from financing activities		70,924,187	(116,238,739)
D) Net changes in cash and cash equivalents (A+B+C)		25,018,446	(12,308,145)
Cash and cash equivalents at the beginning of the year		6,964,634	19,272,779
F) Cash and cash equivalents at the end of the year (D+E)		31,983,080	6,964,634

The Annexed notes 1 to 24 and Annexure A & B from an Integral Parts of these Financial Statements

Signed in terms of our separate report of even date.


Director


Director


Company Secretary

NAVANA LPG LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2023 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, 2023;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2023;
- * Statement of Changes in Equity for the year ended 30th June, 2023;
- * Statement of Cash Flows for the year ended 30th June, 2023;
- * 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 management 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, 2022 to 30th June, 2023.

3.00 Accounting Principles and Policies

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

Assets and Basis of their Valuation

3.01 Property, Plant and Equipments

3.01.1 Recognition and Measurements

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. Cost also includes initial estimate of the costs of dismantling, removing the item and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities and Contingent Assets.

3.01.2 Maintenance Activities

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

3.01.3 Subsequent Cost

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

3.01.4 Depreciation on Tangible Fixed Assets

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

No depreciation has been charged on land and land development. Depreciation on all other fixed assets is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the comprehensive income statement for the year ended. The annual depreciation rates applicable to the principal categories are:

<u>Category of Fixed Assets</u>	<u>Rate of Depreciation</u>
Land and Land Development	--
Building & Shed	10%
Plant & Machinery	5%
Cylinder	10%
Tools & Equipment	10%
Furniture & Fixture	10%
Motor Vehicles	10%
Software System	10%

Depreciation has been allocated to factory overhead and administrative overhead.

The board meeting held on 01.06.2023 decided to change depreciation rate of plant and machinery from 10% to 5% considering the useful life of the machines.

3.02 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).

3.03 Inventories

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

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

3.04 Accounts Receivables

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

3.05 Advance, Deposits and Prepayments

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

3.06 Cash and Cash Equivalents

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

3.07 Liabilities and Basis of their Valuation

3.07.1 Liabilities for Expenses and Finance

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

3.07.2 Financial Liability

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

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

(a) Loans and Borrowings

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

(b) Payables

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

3.07.3 Provisions

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

3.08 Statement of Cash Flows

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

3.09 Income Tax Expenses

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

(a) Current Tax

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

(b) Deferred Tax

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

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

As per IAS 12 para 34, deferred tax assets shall be recognized for carry forward of unused tax losses and unused tax credits to the extent that it is possible that future taxable profit will be available against which the unused tax losses and unused tax credit can be utilized. unabsorbed depreciation is adjustable with taxable profit and there is no time limit for adjustment. Hence, this tax credit has been considered as deferred tax assets.

3.10 Related party Disclosure

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

Name of Related Party	Relationship	Nature of Transaction	Transaction Value		Outstanding (Receivable / Payable) as on June 30, 2023	Outstanding (Receivable / Payable) as on June 30, 2022
			Dr.	Cr.		
Navana Construction Ltd.	Alliance Companies	Temporary Loan			7,500,000	7,500,000
Navana Engineering Ltd.	Sister Concern	Temporary Loan			159,091,976	159,091,976
Aftab Automobiles Ltd.	Alliance Companies	Temporary Loan			38,950,000	38,950,000
Navana Limited	Alliance Companies	Temporary Loan	32,000,000		495,285,834	463,285,834
Navana Electronics Limited	Alliance Companies	Temporary Loan			10,000,000	10,000,000
Navana Real Estate Ltd.	Alliance Companies	Temporary Loan			80,000,000	80,000,000
Navana CNG Ltd.	Parent Company	Working Capital			(489,432,079)	(489,432,079)
Navana Welding Electrode Ltd.	Sister Concern	Temporary Loan	24,000,000	34,000,000	(89,500,000)	(79,500,000)
Navana Limited	Alliance Companies	Temporary Loan			(102,872,700)	(102,872,700)
Board Meeting Fee	Director	Fees	100,000		100,000	100,000
Navana Toyota 3s Centre	Alliance Companies	Temporary Loan			3,000,000	3,000,000
Navana Foods Limited	Alliance Companies	Temporary Loan			(2,000,000)	(2,000,000)

3.11 Borrowing Costs

In compliance with the requirements of IAS 23 "Borrowing Costs" borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

3.12 Contingencies

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

3.13 General

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

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
4	Property, plant and equipment		
	Land and land development	113,436,864	113,436,864
	Building & Shed	393,920,240	437,689,156
	Plant & Machinery	1,259,391,932	1,323,579,057
	Cylinder	1,519,986,976	1,628,235,897
	Tools & equipment	9,445,540	10,231,316
	Furniture & fixtures	4,601,106	5,112,340
	Motor vehicle	83,575,572	92,861,747
		3,384,358,231	3,611,146,377
	Details Calculation		
	Cost		
	Opening Balance July 01	5,288,071,048	5,230,841,904
	Add: Addition during the year	57,525,292	57,229,144
		5,345,596,340	5,288,071,048
	Less: Depreciation		
	Opening Balance July 01	1,676,924,671	1,293,854,225
	Add: Depreciation During the year	284,313,439	383,070,446
		1,961,238,109	1,676,924,671
	Balance as at June 30	3,384,358,231	3,611,146,377

*An elaborate schedule of PPE are shown in annexure -A.

5	Intangible Assets		
	Software System	5,875,938	6,528,820
		5,875,938	6,528,820
	Details Calculation		
	Cost		
	Opening Balance July 01	8,622,900	8,622,900
	Add: Addition during the year	-	-
		8,622,900	8,622,900
	Less: Depreciation		
	Opening Balance July 01	2,094,080	1,368,656
	Add: Depreciation During the year	652,882	725,424
		2,746,962	2,094,080
		5,875,938	6,528,820

*An elaborate schedule of Intangible Assets are shown in annexure -B.

6	Capital work in progress		
	Opening Balance July 01	606,966,233	617,410,057
	Add: Addition during the year	47,872,365	46,785,320
		654,838,598	664,195,377
	Less : Transfer to PPF	55,265,487	57,229,144
	Closing Balance June 30	599,573,111	606,966,233

Capital Work in progress represents land and land development, civil construction, Plant and machineries etc. .

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
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
	This Long Time Security Deposit Start in Company, Stay in This Amounts.		
8	Deferred tax Assets		
	Accounting base WDV	3,390,234,169	3,617,675,197
	Tax base WDV	5,354,219,240	5,296,693,948
	Taxable temporary difference	(1,963,985,071)	(1,679,018,751)
	Tax rate	30.00%	30.00%
	Deferred tax assets	(589,195,521)	(503,705,625)
	Add/Less : Deferred tax adjustment	-	-
		(589,195,521)	(503,705,625)
	Less: Opening balance	(503,705,625)	(388,566,864)
	Current Deferred tax income	(85,489,896)	(115,138,761)
9	Inventories		
	Stock in raw materials	328,495,261	256,109,143
	Goods in Transit	126,154,946	154,276,274
	Closing finished goods	810,046,877	629,047,000
		1,264,697,084	1,039,432,417
10	Accounts receivables		
	Channel Partners & Distributors	427,044,713	313,889,732
	Corporate Customer	324,304,279	223,741,965
	Receivable from Employees 'provident fund	68,158	68,158
		751,417,150	537,699,855
11	Inter Company Receivables		
	Navana Construction Ltd.	7,500,000	7,500,000
	Navana Engineering Ltd.	159,091,976	159,091,976
	Navana Electronics Ltd.	10,000,000	10,000,000
	Navana Real Estate Ltd.	80,000,000	80,000,000
	Navana Limited	495,285,834	463,285,834
	Aftab Automobiles Ltd.	38,950,000	38,950,000
	Navana Toyota 3s Centre	3,000,000	3,000,000
		793,827,810	761,827,810
12	Advances, deposits & prepayments		
	Advance against Land	15,000,000	15,000,000
	Advance Income Tax	146,074,117	145,257,788
	Advance to employee	211,378	413,782
	Advance to Suppliers	216,823,615	184,613,498
	Advance against local procurement	77,434,947	21,585,372
	Vat Account	230,724	
	Advance to Others	225,645,334	160,001,447
		681,420,115	526,871,887

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
12.01	Advance Income Tax		
	Opening Balance	145,257,788	139,684,525
	Add: Addition during the year	816,329	5,573,263
		146,074,117	145,257,788
	Less : Adjustment during the year	-	-
	Closing Balance	146,074,117	145,257,788
13	Cash & Cash Equivalent		
	Cash in Hand 13.01	1,007,132	577,889
	Cash at Banks 13.02	30,975,948	6,386,745
		31,983,080	6,964,634
13.01	Cash in Hand	1,007,132	577,889
13.02	Cash at Banks		
	Bank Asia Ltd.	616,536	2,067,845
	City Bank Ltd.	1,832,918	1,539,991
	Dutch Bangla Bank Ltd.	7,554,658	1,399,009
	Shahjalal islami Bank Ltd.	19,913,147	5,338
	Mutual Trust Bank Ltd.	130,758	983,013
	Agrani Bank Ltd.	103,715	105,245
	Jamuna Bank Ltd.	802	2,872
	NCC Bank Ltd.	-	98,036
	Rupali Bank Ltd.	-	16,435
	Sonali Bank Ltd.	10,713	16,239
	Southeast Bank Ltd.	-	57,240
	National Bank Ltd.	47,585	49,655
	Standard Bank Ltd.	-	693
	Community Bank Ltd.	11,061	13,936
	Trust Bank Ltd.	602,791	6,205
	Janata Bank Ltd.	-	24,993
	Dormant A/C	151,264	-
		30,975,948	6,386,745
14	Share Capital :		
	Authorized Capital:		
	300,000,000 Ordinary Shares @ Tk. 10 each	3,000,000,000	3,000,000,000
	Issued, Subscribed and Paid-up Capital		
	100,000 Ordinary Shares @ Tk. 10 each 14.01	1,000,000	1,000,000
	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 Structure		
	Name	Share Amount	Share Amount
	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
	Total	1,000,000	1,000,000

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
15	Retained earnings		
	Opening balance July 01	(207,238,058)	(157,776,703)
	Add: Net profit / Loss for the year	7,674,577	(49,461,355)
	Closing balance June 30	(199,563,481)	(207,238,058)
16	Long Term Loan		
	City Bank Limited, Gulshan Br.	4,201,825,077	4,162,375,044
	Shahjalal Islami Bank Limited	2,352,019,654	2,181,580,786
	Director Loan (16.01)	5,000	5,000
		6,553,849,731	6,343,960,830
	Less: Long Term Loan- Current portion	1,094,478,485	1,388,900,312
	Long Term Loan-Net of current portion	5,459,371,246	4,955,060,518
16.01	Director Loan	5,000	5,000
		5,000	5,000

This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman of the Company.

17	Short-term loan		
	City Bank Limited, Gulshan Br.	634,812,362	262,330,403
	Janata Bank Limited	209,487,697	209,273,266
		844,300,059	471,603,669
18	Provision for income tax		
	Opening balance July 01	70,455,612	58,452,236
	Add: provision during the year	12,398,559	12,003,376
		82,854,171	70,455,612
	Less: Tax paid/adjusted during the year	-	-
	Closing balance	82,854,171	70,455,612
19	Inter Company payable		
	Navana Welding Electrode Limited	89,500,000	79,500,000
	Navana Limited	102,872,700	102,872,700
	Navana Food limited	2,000,000	2,000,000
	Navana CNG Limited	489,432,079	489,432,079
		683,804,779	673,804,779
20	Payables & accrual		
	Liabilities for Expenses	12,801,148	19,314,982
	Sundry payables	1,154,204	9,473,565
		13,955,352	28,788,547

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
21	Revenue		
	LPG 12 KG	-	3,920
	LPG 33 KG	1,494,830	5,100,000
	LPG 45 KG	858,069	-
	Refill 12 KG LPG	1,980,286,075	1,810,077,212
	Refill 33 KG LPG	179,019,127	283,600,768
	Refill 45 KG LPG	12,691,343	7,050,422
	LPG Auto Gas	30,758,088	-
	LPG in Bulk	5,578,334	34,009,453
	Less: VAT	(144,259,369)	(139,279,176)
		2,066,426,497	2,000,562,599
22	Cost of goods sold		
	Raw materials Consumed	22.01 1,549,538,969	1,500,294,358
	Add: Factory overhead	22.02 270,840,809	349,991,510
		1,820,379,778	1,850,285,868
	Add: Opening Work in Process	-	-
		1,820,379,778	1,850,285,868
	Less : Closing Work in Process	-	-
		1,820,379,778	1,850,285,868
	Add: opening finished goods	629,047,000	410,449,933
		2,449,426,778	2,260,735,801
	Less: Closing finished goods	810,046,877	629,047,000
		1,639,379,901	1,631,688,801
22.01	Raw materials		
	Opening stock of raw materials	256,109,143	157,627,726
	Add: Purchased during the year	1,621,925,087	1,598,775,775
		1,878,034,230	1,756,403,501
	Less: Closing stock of raw material	328,495,261	256,109,143
		1,549,538,969	1,500,294,358
22.02	Factory overhead		
	Salary & Allowance	10,268,546	10,273,940
	Labor & Wages	1,599,954	2,225,647
	Fuel & Lubricant	602,144	517,078
	Conveyance	114,596	72,152
	Entertainment	470,722	514,894
	Electricity bill	5,480,467	4,311,824
	Repair & Maintenance	1,731,461	1,395,323
	Loading & Unloading exp.	375,130	2,547,966
	Insurance Premium	3,617,560	7,132,958
	Security Service	8,943,263	4,361,846

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
	Jetty rent (Mongla Port)	5,459,412	5,459,412
	Subsidy to Canteen	979,214	793,861
	Stationery exp.	196,087	223,017
	postage, Courier & mobile bill	557,238	688,249
	Water Bill	120,888	147,744
	Other expenses	679,070	636,235
	Internet bill	300,000	-
	Registration & Renewal	1,372,000	1,652,668
	Depreciation (Annexure-A)	227,450,751	306,456,357
	Amortization (Annexure-B)	522,306	580,340
		270,840,809	349,991,510
23	Administrative and selling expense		
	Salary & allowances	19,492,723	20,386,215
	Audit Fee	92,000	57,500
	Bank charge	223,703	326,652
	Board meeting attendance fee	100,000	100,000
	Telephone & mobile bill	261,603	627,636
	Conveyance	75,036	38,369
	Office Rent	119,600	582,835
	Entertainment	210,315	85,838
	Internet expenses	123,600	267,000
	Repair & Maintenance	510,086	630,183
	Software Maintenance fee	-	63,000
	Subsidy to canteen	144,012	108,950
	Office maintenance	214,674	117,624
	Medical Exp	1,070	6,340
	Postage & stamp	7,260	11,854
	Professional & consultancy fees	948,875	516,550
	Stationary expense	56,113	99,995
	Registration & renewals	3,771,338	3,656,276
	Fuel & Lubricant	264,356	195,549
	Tours & Travelling Expense	706,431	1,071,439
	Utility & service charge	978,463	811,972
	Advertisement	680,000	230,000
	Insurance	106,929	769,705
	Loading & unloading expenses	363,644	963,852
	Distribution expenses	12,354,770	22,578,238
	Sales promotional expenses	25,398	82,400
	Service & other expenses	834,389	-
	Depreciation of Right of use asset	-	93,819
	Depreciation (Annexure-A)	56,862,688	76,614,089
	Amortization (Annexure-B)	130,576	145,085
		99,659,652	131,238,965

Notes	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022
24	Reconciliation of cash flows from operating activities under indirect method:		
	Caules no.5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: June 20,2019 : Reconciliation of Net Operating Cash Flow Under Indirect Method:		
	Net profit/(loss) before interest & income tax during the year	327,386,944	237,634,833
	Adjustments to reconcile net income to net cash provided by operating activities:		
	Payment of lease liability	-	(116,851)
	Depreciation & Amortization	284,966,321	383,889,689
	Tax paid during the year	(816,329)	(5,573,263)
	Changes in current assets and liabilities		
	Decrease/ increase in inventories	(225,264,667)	(292,711,843)
	Decrease/ increase in trade receivable	(213,717,295)	(122,176,198)
	Decrease/ increase in advance and prepayments	(153,731,899)	(101,817,068)
	Decrease/ increase in payables & accruals	(14,833,195)	(862,165)
		3,989,879	98,267,134
	Total cash flow from operating activities- Indirect Method*	3,989,879	98,267,134
	Total cash flow from operating activities- direct Method*	3,989,879	98,267,134
	Difference	-	-

* Details in the statement of cash flows

Navana LPG Limited

Schedule of Property, plant and equipment
As at June 30, 2023

Annexure-A

Particulars	Cost		Rate of Dep.	Depreciation		Written Down Value at June 30, 2023
	Opening Balance July 01, 2022	Addition During this Year		Opening Balance July 01, 2022	Depreciation During This Year	
Land and land develop.	113,436,864	-	0%	-	-	113,436,864
Building & Shed	696,204,308	-	10%	258,515,152	43,768,916	393,920,240
Plant & Machinery	1,890,881,447	2,004,355	5%	567,302,390	66,191,480	1,259,391,932
Cylinder	2,431,423,301	55,265,487	10%	803,187,404	163,514,408	1,519,986,976
Tools & equipment	15,853,594	255,450	10%	5,622,278	1,041,226	9,445,540
Furniture & fixtures	7,700,131	-	10%	2,587,791	511,234	4,601,106
Vehicles	132,571,403	-	10%	39,709,656	9,286,175	83,575,572
Closing Balance June 30, 2023	5,288,071,048	57,525,292		1,676,924,671	284,313,439	3,384,358,231
Closing Balance June 30, 2022	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	80%	227,450,751
Administrative & selling Expenses	20%	56,862,688
		284,313,439

Navana LPG Limited
Schedule of Intangible Asset
As at June 30, 2023

Annexure-B

Particulars	Cost			Rate of Amr.	Amortization			Written Down Value at June 30, 2023
	Opening Balance July 01, 2022	Addition During this Year	Closing Balance June 30, 2023		Opening Balance July 01, 2022	Amortization Dur. This Year	Closing Balance June 30, 2023	
Software System	8,622,900	-	8,622,900	10%	2,094,080	652,882	2,746,962	5,875,938
Closing Balance June 30, 2023	8,622,900	-	8,622,900		2,094,080	652,882	2,746,962	5,875,938
Closing Balance June 30, 2022	8,622,900	-	8,622,900		1,368,656	725,424	2,094,080	6,528,820

Amortization Charged to :

Cost of good sold	80%	522,306
Administrative & selling Expenses	20%	130,576
		<u>652,882</u>

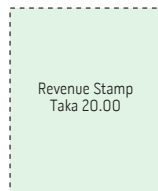


Navana CNG Limited

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 19th Annual General Meeting of the Company to
be held on **Thursday, 28 December 2023** at 12:00 PM 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. Phone : 02-223381812