

**AUDITORS' REPORT
ON THE ACCOUNTS
OF
NAVANA CNG LIMITED AND IT'S SUBSIDIARIES
FOR THE YEAR ENDED 30 JUNE, 2022**

REPORT AND ACCOUNTS

FOR THE YEAR/PERIOD ENDED _____



**এ, হক এন্ড কোং
A HOQUE & CO.
Chartered Accountants**

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**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NAVANA CNG LIMITED AND IT'S SUBSIDIARIES**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Navana CNG Limited and its Subsidiaries (the Group) which comprise the Consolidated Statement of Financial Position as at 30th June, 2022 the consolidated Statement of Profit or Loss and Other Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended and notes to the consolidated Financial Statements including a Summary of Significant Accounting Policies and other explanatory information disclosed in notes 1 to 60 and Annexure-A, B & C.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30th June, 2022 and there consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

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

Other Matter

The financial statements of Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited, all are subsidiary companies of Navana CNG Limited for the year ended 30th June, 2022 were audited by another auditor and give fair opinion.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters and accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Revenue Recognition and Account Receivables	How our audit addressed the key audit matters
<p>The company has reported a revenue of Taka 4,248,855,417 for the year ended 30th June, 2022.</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. 1,388,062,875 and for the prior year is Tk. 1,097,184,386. Following the application of the revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the Company adopted its accounting policies.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service to a customer.</p> <p>Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).</p> <p>The sales of the company are derived from a large number of CNG stations located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company's different CNG stations. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods.</p> <p>See note no. 3.06 and 29.00 to the financial statements.</p>	<p>Our procedures included obtaining an understanding of management's revenue recognition process, we tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in note 3.06 and 29 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>With regard to the implementation of IFRS 15 we verified management's conclusion on assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p> <p>These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> * Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. * We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoices and depot wise sales bank reconciliation report, bank statement and also, we confirmed selected customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amount outstanding with those customers.

Key Audit Matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> * We specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off. * We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers. * Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p>Valuation of Inventory</p> <p>The Company had inventory of Taka 2,733,445,165 at 30th June, 2022 held in different depot and warehouses.</p> <p>Inventories consisting of raw materials, working process, finished goods, spare parts, fuel and stock in transit are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.</p> <p>Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value.</p> <p>Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgment involved and use of some manual process in estimating the provision and net realisable value of inventories, we considered this to be a key audit matter.</p> <p>See note no. 3.07 and 11.00 to the financial statements.</p>	<p>How our audit addressed the key audit matters</p> <p>We tested the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse, and sales depots; • evaluating internal controls to monitor or keep track of Inventory Movement; • attending inventory count on 30th June, 2022 and reconciling the count results to the inventory listing to test the completeness of data; • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; • challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete; • evaluating the correctness of the batch wise costing of final products; • evaluating the correctness of the valuation of raw materials and packing material as per weighted average method; • reviewing the calculation of standard labour hours and their regular comparison with actual labour hours of production; and reviewing the process of valuing work-in-process;

Valuation of Inventory	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> • we have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.
Current Tax Provisioning	How our audit addressed the key audit matters
<p>Current Tax provision amounting Tk. 64,681,978</p> <p>At the year end the company reported total income tax expense (Current Tax) of BDT. 64,681,978 The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies.</p> <p>We have determined this to be a key audit matter, due to the complexity in income tax provisioning.</p> <p>See note no. 3.14 (a) and 34.01 to the Financial Statements.</p>	<p>Our audit procedure in this area included, among others:</p> <p>Use of own tax specialist to assess the company's tax computation. Our tax specialists were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation.</p> <p>To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation.</p> <p>Evaluating the adequacy of the financial statement disclosure, including disclosure of key assumption judgments and sensitive related to tax.</p>
Measurement of Deferred Tax Assets	How our audit addressed the key audit matters
<p>The Company reported net deferred tax asset totalling Tk. 437,632,648 as at 30th June, 2022. Significant judgement is required in relation to deferred tax assets as the asset is dependent on forecasts of future profitability over a number of years.</p> <p>See note no. 3.14 (b) and 9.00 to the financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable income/expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense/income.</p> <p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Asset.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax asset balances and the level of estimation involved.</p> <p>We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
Valuation of defined benefits obligation	How our audit addressed the key audit matters
<p>The Company operates different types of defined benefit schemes such as Contributory Provident Fund, Gratuity Fund</p>	<p>Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan.</p>



Valuation of defined benefits obligation	How our audit addressed the key audit matters
<p>And Workers Profit Participation Fund (WPPF) which in total are significant in the context over all financial position. At the year end the company reported a net defined benefit scheme liability of Tk. 41,862,214</p> <p>Liability for the following funds is provided at the following rates:</p> <p>(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. 3.15 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. 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. • reviewing the disclosures necessary in the group financial statements, such as related party transactions and minority interests.



Consolidation of the financial statements	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> • gathering evidence appropriate to the specific consolidation adjustments made necessary by financial reporting standards, including, for example: • the calculating of goodwill and its impairment review • cancellation of inter-company balances and transactions • provision for unrealized profits, if any, as a result of inter-company transactions • fair value adjustments needed for assets and liabilities held by the component.

Other Information

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

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

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

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

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

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with IFRS's, The Companies Act, 1994, The Securities and Exchange Rules, 2020 and applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▲ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▲ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▲ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▲ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▲ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.




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

Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994, International Standards on Auditing (ISAs) and the Securities and Exchange Rules, 2020, we also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books adequate for the purposes of our audit;
- (c) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred for the purposes of the company's business.

Dated : 27.10.2022
Place : Dhaka, Bangladesh



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

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

Particulars	Notes	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Assets			
Non-Current Assets:			
Property, Plant & Equipment	4.00	5,812,152,563	6,249,649,132
Intangible Assets	5.00	22,509,872	21,605,274
Right of Use Asset	6.00	1,180,798	8,013,284
Capital Work-in-Progress	7.00	958,441,594	968,885,418
Long Term Security Deposit	8.00	48,518,217	43,197,516
Deferred Tax Assets	9.00	437,632,648	294,184,804
Investment in Shares	10.00	3,477,788	3,259,076
		7,283,913,480	7,588,794,504
Current Assets:			
Inventories	11.00	2,733,445,165	2,511,747,923
Accounts Receivables	12.00	1,388,062,875	1,097,184,386
Other Receivables	13.00	195,112,494	195,125,054
Current Account with Group Companies	14.00	145,715,025	-
Advances, Deposits & Pre-Payments	15.00	1,330,211,766	1,162,579,654
Cash and Cash Equivalents	16.00	193,774,040	185,936,814
		5,986,321,365	5,152,573,831
Total Assets		13,270,234,845	12,741,368,335
Shareholders' Equity and Liabilities:			
Authorized Capital:		1,500,000,000	1,500,000,000
150,000,000 Ordinary Shares of Tk. 10/- each.			
Shareholders' Equity:			
Share Capital	17.00	719,550,210	685,285,920
Tax Holiday Reserve		216,004,824	216,004,824
Fair Value Reserve	18.00	3,035,509	2,364,961
Retained Earnings	19.00	1,470,885,683	1,514,055,572
Equity Attributable to Owners of Company		2,409,476,226	2,417,711,277
Non-Controlling Interest		(9,892)	(7,414)
Non-Current Liabilities:			
Lease Liability	20.00	695,645	5,857,056
Security Retention Money	21.00	424,708,865	591,239,387
Loan from Others	22.00	50,000,000	50,000,000
Long Term Loan-Net of Non-Current Portion	23.00	7,391,643,901	4,832,599,450
		7,867,048,411	5,484,695,893
Current Liabilities:			
Long Term Loan-Current Portion	24.00	1,542,292,109	1,360,852,732
Short Term Loan	25.00	809,583,230	2,883,450,404
Provision for Income Tax	26.00	386,245,242	329,400,956
Unclaimed Dividend Account	27.00	43,047,616	42,554,496
Payables & Accruals	28.00	212,551,903	222,709,991
		2,993,720,100	4,838,968,579
Total Liabilities		10,860,768,511	10,323,664,472
Total Shareholders' Equity & Liabilities		13,270,234,845	12,741,368,335
Net Assets Value (NAV) per Share	36.00	33.49	35.28

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

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

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

Managing Director

Director

Director

Company Secretary

Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh

(A.K.M. Amrui Hoque, FCA)
Enrolment No. 407
DVC- 2210270407A5830431
A. Hoque & Co.
Chartered Accountants

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

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

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

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

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


Managing Director



Director


Director


Company Secretary


Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh


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

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

Particulars	Share Capital	Tax Holiday Reserve	Fair Value Reserve	Retained Earnings	Attributable to Owners of the Company	Non-Controlling Interests	Total
Balance at 1st July, 2021	685,285,920	216,004,824	2,364,961	1,514,055,572	2,417,711,277	(7,414)	2,417,703,863
Adjustment of IFRS-16 (Lease)	-	-	473,707	(393,684)	80,023	-	80,023
Fair Value Reserve	-	-	196,841	-	196,841	-	196,841
Net Profit for the year	-	-	-	11,194,167	11,194,167	(2,478)	11,191,689
Stock dividend	34,264,290	-	-	(34,264,290)	-	-	-
Cash Dividend	-	-	-	(19,706,082)	(19,706,082)	-	(19,706,082)
Balance at 30th June, 2022	719,550,210	216,004,824	3,035,509	1,470,885,683	2,409,476,226	(9,892)	2,409,466,334
Balance at 1st July, 2020	685,285,920	216,004,824	1,705,086	1,538,647,565	2,441,643,395	(6,200)	2,441,637,195
Adjustment of IFRS-16 (Lease)	-	-	-	(96,282)	(96,282)	-	(96,282)
Fair Value Reserve	-	-	659,875	-	659,875	-	659,875
Net Profit for the year	-	-	-	14,916,454	14,916,454	(1,214)	14,915,240
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance at 30th June, 2021	685,285,920	216,004,824	2,364,961	1,514,055,572	2,417,711,277	(7,414)	2,417,703,863

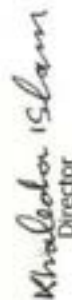
The annexed notes from 1 to 60 and Annexure-A, B & C form an integral part of these Financial Statements.

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

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


Managing Director


Director


Director


Company Secretary


Chief Financial Officer


(MCA Annual Report, FCA)
Enrolment No. 407
DVC-2210270407AS830431
A. Hoque & Co.
Chartered Accountants

Dated: 27.10.2022
Place: Dhaka, Bangladesh

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

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


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

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

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

 Managing Director
 Director
 Director
 Company Secretary
 Chief Financial Officer

Dated: 27.10.2022
Place: Dhaka, Bangladesh


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

**NAVANA CNG LIMITED AND IT'S SUBSIDIARIES
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE, 2022
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

1.00 Reporting Entity

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

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

Registered Office

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

1.02 Other Corporate Information

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

1.03 Nature of Business

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

1.04 Group Structure of Navana CNG Limited

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

(a) Navana Engineering Limited

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

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

(b) Navana Welding Electrode Limited

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

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



(c) **Navana LPG Limited**

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

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

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

1.05 **Structure, Content and Presentation of Consolidated Financial Statements**

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

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

2.00 **Basis of Preparation of Consolidated Financial Statements**

2.01 **Statement of Compliance**

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

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

2.02 **Other Regulatory Compliances**

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

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



2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

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

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



Sl. No.	IFRS No.	IFRS Title	Compliance Status
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

2.04 Basis of Measurement

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

2.05 Basis of Consolidation

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

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

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

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

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

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

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

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

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

2.06 Accrual basis of Accounting

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

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

2.07 Functional and Presentation Currency

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

2.08 Key Accounting Estimates and Judgments in Applying Accounting Policies

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

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

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

2.09 Materiality, Aggregation and Off Setting

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

2.10 Going Concern Assumption

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

2.11 Comparative Information

Comparative information has been disclosed in respect of 2020-2021 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.12 Changes in Accounting Policies

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

2.13 Responsibility for Preparation and Presentation of Financial Statements

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

2.14 Reporting Period

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

2.15 Approval of Financial Statements

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

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

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

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

Assets and Basis of their Valuation

3.01 Property, Plant and Equipment

3.01.1 Recognition and Measurements

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

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

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

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

3.01.2 Maintenance Activities

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

3.01.3 Subsequent Cost

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

3.01.4 Depreciation on Tangible Fixed Assets

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

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

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

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

3.01.5 Impairment

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

3.01.6 Disposal of Property, Plant and Equipment

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

3.01.7 Capital Worn-in-Progress

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

3.01.8 Intangible Assets

(i) Recognition and Measurement

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

(ii) **Subsequent Expenditure**

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

(iii) **Amortization**

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

3.02 **Investment in FDR and Shares**

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

3.03 **Recognition of Investment in Subsidiary in a separate Financial Statement**

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

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

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

3.05 **Other Current Assets**

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

3.06 **Revenue Recognition**

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

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



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

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

(a) **Petrol and Diesel Vehicle Conversion Services**

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

(b) **Sale of CNG**

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

(c) **Dividend**

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

(d) **Other Revenues**

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

3.07 **Inventories**

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

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

Raw materials:

Purchase costs on a weighted average basis;

Finished goods and work-in-progress:

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

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

3.08 **Foreign Currency Transactions**

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

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

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

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

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

3.09 Financial Instruments

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

(a) Financial Assets

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

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

Financial assets include advance, deposits & prepayments, accounts receivables, investment in subsidiary and cash and cash equivalents.

(i) Advance, Deposits & Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit & loss account.

(ii) Accounts Receivables

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

(iii) Investment in Subsidiary

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

(iv) Cash and Cash Equivalents

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

(b) **Financial Liabilities**

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

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

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

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

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

(i) **Interest bearing borrowings**

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

(ii) **Payables and Accruals**

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

3.10 **Equity Instruments**

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

3.11 **Impairment**

(i) **Non-derivative Financial Assets**

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

Objective evidence that financial assets are impaired includes:

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

(ii) **Financial Assets measured at amortized cost**

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

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

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

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

(iii) **Non-Financial Assets**

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

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

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

3.12 **Derivatives**

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

3.13 **Leases**

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

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

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

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

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

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

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

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

Subsequent Measurement:

The Lease Liability:

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

Right to Use Assets:

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

3.14 Taxation

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

(a) Current Tax:

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

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

(b) **Deferred Tax:**

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

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

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

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

(c) **Value Added Tax:**

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

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

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

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

3.15 **Proposed Dividend**

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

3.16 **Cost of Post-Employment Benefits**

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

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

(a) **Short-Term Employee Benefits:**

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

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

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

(c) **Insurance Scheme:**

Employees of the company are covered under insurance schemes.

(d) **Defined Contribution Plan (Provident Fund):**

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under 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.

3.17 **Capitalization of Borrowing Costs**

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

3.18 **Accruals, Provisions and Contingencies**

(a) **Accruals**

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

(b) **Provisions**

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

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

(c) **Contingencies**

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

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

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

3.19 Operating Segments

Basis for Segmentation

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has two distinguishable operating segments vide conversion workshop and CNG station in case of Navana CNG Ltd. which are disclosed in **note 39**.

The following summary describes the operation of each reportable segment:

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

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

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

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

3.20 Cash and Cash Equivalents

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

3.21 Statement of Cash Flows

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

3.22 Earnings per Share (EPS)

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

Basic Earnings Per Share

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

Diluted Earnings Per Share

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

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

3.23 Risk Exposure

Interest Rate Risk

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

Management Perception

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

Exchange Rate Risk

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

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

Management Perception

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

Industry Risks

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

Management Perception

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

Market Risk

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

Management Perception

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

Operational Risks

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

Management Perception

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

Liquidity Risk

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

Management Perception

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

Labour Unrest Risk

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

Management Perception

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

3.24 Events after the Reporting Period

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

3.25 Related Party Disclosure

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

3.26 General

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



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

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



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



	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Dhaka North Zone	6,547,861	4,731,563
Rajshahi Zone	43,593,310	42,348,772
Rangpur Zone	1,723,898	850,564
Chittagong South Zone	5,706,518	4,333,719
Chittagong North Zone	3,399,461	2,531,751
Barishal Zone	59,613,884	52,741,164
Corporate Customer	248,029,908	182,770,785
Channel Partners & Distribution	313,889,732	248,456,831
Other Customer	52,091,040	33,674,380
Receivable from Employees' Provident Fund	2,606,842	2,606,842
	<u>1,388,062,875</u>	<u>1,097,184,386</u>
Ageing schedule of Accounts Receivables:		
Duration		
1-30 days	17,066,032	5,852,329
31-60 days	288,959,698	234,221,897
61-90 days	310,480,982	248,392,263
91-180 days	385,104,814	304,578,386
181-365 days	229,996,206	175,330,065
Over 365 days	156,455,145	128,809,447
	<u>1,388,062,875</u>	<u>1,097,184,386</u>
(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	<u>195,112,494</u>	<u>195,125,054</u>
It represents the total balance of Consolidated Other Receivables as on 30th June, 2022.		
(i) Net receivables are considered good. The company holds no security other than debtors' personal security in the form of work orders etc.		
(ii) No amount was due by the directors (including the Managing Director and Chairman), managers and other officers of the company or any of them either severally or jointly with any other person.		
14.00 Consolidated Current Account With Group Companies	<u>145,715,025</u>	-
It represents the total balance of consolidated current account with group companies as on 30 June, 2022.		
15.00 Consolidated Advance, Deposit & Pre-payments	<u>1,330,211,766</u>	<u>1,162,579,654</u>
This is made up as follows:		
Advance against Land Rent	37,933,624	39,493,624
Advance against Local Procurement	76,067,277	39,963,650
Bank Guarantee Margin	35,656,921	36,189,089
Security Deposit	3,024,765	3,160,453
Advance Income Tax	415,963,093	397,372,464
Jakshon International Ltd.	251,031	251,031
VAT Account	3,191,350	15,295,348
Advance for Rent	19,077,478	19,077,478
Advance for Tender	1,138,560	1,138,560
Earnest Money & Security Deposit	1,517,939	1,503,375
Clearing & Forwarding Agent	1,351,023	1,351,023
Rose Valley International	340,470	340,470
Advance to Suppliers	327,115,594	254,267,102
Security Deposit Bangladesh Railway	20,000	125,000
Advance against Employee	10,975,224	12,970,961



		Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
	L/C Margin for Machinery	-	52,436,220
	Advance to Others	322,459,794	236,241,704
	Advance against Civil Construction	74,127,622	51,402,101
		<u>1,330,211,766</u>	<u>1,162,579,654</u>
Advance paid to suppliers against work orders are considered good. Advance to employees against expenses, salary etc. which are realizable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, bangladesh railway etc. security money against tender and bank guarantee are considered good.			
16.00	Consolidated Cash and Cash Equivalent	193,774,040	185,936,814
	This is made up as follows:		
	Cash in Hand	6,508,711	7,451,041
	Cash at Banks:		
	Fixed Deposit Receipt (FDR)	134,962,033	108,931,276
	Bank Balances	52,303,296	69,554,497
		<u>193,774,040</u>	<u>185,936,814</u>
16.01	Consolidated Fixed Deposit Receipt (FDR)	134,962,033	108,931,276
	This is made up as follows:		
	Mercantile Bank Ltd.	39,385,079	37,913,690
	Standard Bank Ltd.	8,403,563	8,170,341
	Shahjalal Islami Bank Ltd.	56,205,789	39,235,363
	State Bank of India	30,967,602	23,611,882
		<u>134,962,033</u>	<u>108,931,276</u>
16.02	Consolidated Bank Balances	52,303,296	69,554,497
	This is made up as follows:		
	AB Bank Ltd.	838,874	722,920
	Bank Alfalah Ltd.	7,563	7,563
	Al-Arafah Islami Bank Ltd.	42,233	43,613
	Bank Asia Ltd.	6,305,731	3,729,684
	BRAC Bank Ltd.	154,057	540,000
	Dhaka Bank Ltd.	1,099,107	862,660
	Dutch-Bangla Ltd.	20,743,488	22,709,506
	IFIC Bank Ltd.	378,065	497,856
	Jamuna Bank Ltd.	106,421	130,811
	Mutual Trust Bank Ltd.	9,612,740	15,771,159
	National Bank Ltd.	1,233,971	904,128
	NCC Bank Ltd.	328,197	604,947
	Prime Bank Ltd.	134,821	648,731
	Pubali Bank Ltd.	1,164,422	940,405
	Rupali Bank Ltd.	17,611	17,611
	Shahjalal Islami Bank Ltd.	1,635,382	3,884,818
	Social Investment Bank Ltd.	40,912	40,912
	Southeast Bank Ltd.	197,018	744,703
	Standard Bank Limited	2,200,664	3,555,146
	Standard Chartered Bank	174,213	174,902
	Uttara Bank Ltd.	1,181,658	1,225,066
	Mercantile Bank Ltd.	589,767	804,416
	Trust Bank Ltd.	116,546	763,759
	Islami Bank Bangladesh Ltd.	1,151,182	1,094,716
	Sonali Bank Ltd.	23,162	961,668
	United Commercial Bank Ltd.	205,763	417,132



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

The cash at bank balances represents the balance as per cash book. The above balances are yet to be reconciled with the balances as per bank statement as on 30th June, 2022.

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

Equity and Liabilities

17.00 Share Capital :

Authorized Capital	1,500,000,000	1,500,000,000
150,000,000 Ordinary Shares of Tk. 10/- each.		
Issued, Subscribed and Paid up Capital:	719,550,210	685,285,920
71,955,021 Ordinary Shares @ Tk. 10/- each.		

This is made up as follows:

Date	No. of Shares	Particulars	Share Capital 30.06.2022	Share Capital 30.06.2021
19.04.2004	10,000	Subscription @ Tk. 100 each.	1,000,000	1,000,000
10.11.2004	250,000	Cash Allotment @ Tk. 100 each.	25,000,000	25,000,000
25.04.2005	250,000	Cash Allotment @ Tk. 100 each.	25,000,000	25,000,000
30.12.2007	490,000	Cash Allotment @ Tk. 100 each.	49,000,000	49,000,000
08.02.2009	20,000,000	Ordinary Shares @ Tk. 10 each Issued as Bonus	200,000,000	200,000,000
20.05.2009	6,300,000	Ordinary Shares @ Tk. 10 each Issued as Bonus	63,000,000	63,000,000
26.07.2010	7,260,000	Ordinary Shares @ Tk. 10 each Issued as Bonus	72,600,000	72,600,000
09.10.2011	6,098,400	Ordinary Shares @ Tk. 10 each Issued as Bonus	60,984,000	60,984,000
07.10.2012	7,448,760	Ordinary Shares @ Tk. 10 each Issued as Bonus	74,487,600	74,487,600
06.10.2013	11,421,432	Ordinary Shares @ Tk. 10 each Issued as Bonus	114,214,320	114,214,320
20.01.2022	3,426,429	Ordinary Shares @ Tk. 10 each Issued as Bonus	34,264,290	0
			719,550,210	685,285,920

Shareholding Position:

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



Amount (Tk.)
30.06.2022

Amount (Tk.)
30.06.2021

Classification of Shareholders:

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

18.00 **Consolidated Fair Value Reserve** **3,035,509** **2,364,961**

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

19.00 **Consolidated Retained Earnings** **1,470,885,683** **1,514,055,572**

This is made up as follows:

Opening Balance	1,514,055,572	1,538,647,565
Add/Less: Adjustment	(393,684)	(96,282)
Add: Total Comprehensive Income for the year	11,194,167	14,916,454
	1,524,856,055	1,553,467,737
Less: Stock dividend	(34,264,290)	-
Less: Cash Dividend	(19,706,082)	(39,412,165)
	1,470,885,683	1,514,055,572

20.00 **Lease Liability / Lease Obligation - Leases as Lessee** **695,645** **5,857,056**

At Cost:

Opening Balance	5,857,056	16,289,100
Addition during the year	-	-
Finance Charge during the year	133,979	1,223,007
Closing Balance	5,991,035	17,512,107
Less: Transferred to Current Maturity	3,729,758	11,093,073
Less: Adjustment of lease	1,565,631	561,979
	695,645	5,857,056

21.00 **Consolidated Security Retention Money** **424,708,865** **591,239,387**

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

22.00 **Consolidated Loan from Others** **50,000,000** **50,000,000**

This is as per last account.

23.00 **Consolidated Long Term Loan-Net of Non-Current Portion** **7,391,643,901** **4,837,599,450**

This is made up as follows:

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



	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Brief Terms & Condition of above Loan:		
(i) Non-current portion of Loan amount represent the amounts which would be due for repayment after 12 (twelve) months from the date of statement of financial position.		
(ii) The loan was taken from the above mentioned banks and financial institutions against mortgage of 5548.59 Decimals of land including 227,500 Square feet factory building located there on to import capital machinery and other purpose.		
24.00 Consolidated Long Term Loan-Current Portion	1,542,292,109	1,360,852,732
This is made up as follows:		
City Bank Ltd., Gulshan Avenue	4,162,375,044	3,397,729,859
Shahjalal Islami Bank Ltd.	2,421,928,128	998,539,349
One Bank Ltd., Gulshan Branch	1,938,962,022	1,396,152,550
Standard Bank Ltd.	85,553,290	80,912,898
Dues to Director (Mr. Shafiqul Islam, Chairman)	325,117,526	325,117,526
	8,933,936,010	6,198,452,182
Less: Long Term Loan-Current Portion	1,542,292,109	1,360,852,732
Long Term Loan-Net of Current Portion	7,391,643,901	4,837,599,450
The amounts represent current maturity of long term finance of obtained from the above noted banks and director which are repayable within next 12 (twelve) months from the date of statement of financial position.		
25.00 Consolidated Short Term Loan	809,583,230	2,883,450,404
This is made up as follows:		
Sahjalal Islami Bank Ltd.	81,666,159	1,415,508,761
One Bank Ltd.	256,313,402	625,434,328
State Bank of India	-	10,752,381
City Bank Ltd.	262,330,403	629,478,851
Janata Bank Ltd.	209,273,266	202,276,083
	809,583,230	2,883,450,404
Short term loan is repayable within twelve months other than any revolving credit.		
26.00 Consolidated Provision for Income Tax	386,245,242	329,400,956
This is made up as follows:		
Navana CNG Ltd.	44,192,968	30,921,059
Navana Welding Electrode Ltd.	144,701,761	116,061,040
Navana Engineering Ltd.	126,894,901	123,966,622
Navana LPG Ltd.	70,455,612	58,452,236
	386,245,242	329,400,956
27.00 Unclaimed Dividend Account	43,047,616	42,554,496
This is made up as follows:		
Opening Balance	42,554,496	45,798,322
Add: Cash Dividend for the year 30.06.2021	19,706,082	39,412,165
	62,260,578	85,210,487
Less: Dividend Paid during the year	19,212,962	42,655,991
Closing Balance	43,047,616	42,554,496
The ageing of Unclaimed Dividend are as follows:		
Unclaimed for less than 3 year's	8,033,629	12,110,994
Unclaimed for more than 3 year's	35,013,987	30,443,502
	43,047,616	42,554,496



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



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



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



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

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



	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
36.00 Consolidated Net Assets Value Per Share	33.49	35.63

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

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

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

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

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



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



Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
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39.00 Information about Reportable Segments

Information related to each reportable segment is setout below:

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

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



Amount (Tk.)
30.06.2022

Amount (Tk.)
30.06.2021

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

Segment wise Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022

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

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

Closing Balance of Marketable Securities	3,477,788	3,259,076
Opening Balance of Marketable Securities	3,259,076	2,525,882
	218,712	733,194

- 41.00 **Related Party Transactions**

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

- (i) **Parent and Ultimate Controlling Party**
There is no such parent company as well as ultimate holding company/controlling party of the company.
- (ii) **Entities with joint control of, or significant influence over**
There is no joint control of, or significant influence over the Company.
- (iii) **Subsidiaries**
There are three subsidiary companies namely Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited of which 99.99% shares owned by the entity (company).
- (iv) **Associates**
There is no Associate Company of the entity (company).
- (v) **Joint Venture in which the Entity is a Joint Venturer**
The Company has not entered into Joint Venture Agreement in which the company is a Joint Venturer.



(vi) Transactions with key management personnel and their compensation

(a) Loans to Director

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

(b) Key Management Personnel and their Compensation

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

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

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

(vii) Other related party transactions

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

Intra group Company Receivables/Payables

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

42.00 Amount due by Directors

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

43.00 Number of Employees

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

44.00 Significant Disclosure

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

45.00 Capital Expenditure Commitment

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

46.00 Contingent Assets

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



47.00 **Contingent Liabilities**

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

48.00 **Foreign Earnings/Loss or Gain**

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

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

49.00 **Remittance of Dividend**

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

50.00 **Credit Facility not Availed**

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

51.00 **Attendance Status of Board Meeting of Directors**

During the year there was 22 Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Duration Period	Meeting Held	Attended
Shafiu Islam	Chairman	July, 2021 to June, 2022	22	20
Khaleda Islam	Director		22	17
Saiful Islam	Director		22	21
Sajedul Islam	Managing Director		22	22
Farhana Islam	Director		22	14
Farhad Fariduddin Ahmad	Alternate Director		22	2
Md. Kausar Alam FOMA	Independent Director		22	5
Dr. Melita Mehjabeen	Independent Director		22	5

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

52.00 **Auditors fees for service rendered**

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



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

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

Monthly Salary Range	Head Office	Factory	No. of Employee
Above 5000	65	486	551
Below 5000	-	-	-

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

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

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

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

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

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



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

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

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

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

The details of trade receivable are given below:

Sl. No.	Particulars	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
1	Within 3 Months	616,006,712	488,466,489
2	Within 6 Months	384,104,814	304,578,386
3	Within 12 Months	228,996,206	175,330,065
4	More than 12 Months	154,555,144	128,809,447



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

There are no debts outstanding in this respect.

56.00 Disclosure in line with Instruction of Part of Schedule XI

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

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

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

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

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

(III) Debt considered doubtful or bad

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

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

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

(V) Debt due by common management

There is no debt under common management.

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

There is no such debt in this respect.

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

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



58.00 Financial Instrument-Fair Values and Risk Management

58.01 Accounting Classifications and Fair Values

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

Reconciliation of Carrying Amount	Carrying Amount Tk. '000							Total Amount
	Note	Fair Value Hedging Instruments	Mandatory FVTPL- Others	FVOCI-debt instrument	FVOCI-equity instrument	Financial assets at amortized cost	Other Financial Liabilities	
30.06.2022								
Financial Assets measured at Fair Value								
Equity Securities		-	-	-	-	-	-	-
Financial Assets not measured at Fair Value								
Long Term Security Deposit	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	-	-	-	-	195,122	-	195,122
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	26.00	-	-	-	-	-	895	895
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		-	-	-	-	-	10,424,523	10,424,523
30.06.2021								
Financial Assets measured at Fair Value								
Equity Securities		-	-	-	-	-	-	-
Financial Assets not measured at Fair Value								
Long Term Security Deposit	8.00	-	-	-	-	43,198	-	43,198
Investment in Shares	10.00	-	-	-	-	3,259	-	3,259
Accounts Receivables	12.00	-	-	-	-	1,097,184	-	1,097,184
Other Receivables	13.00	-	-	-	-	195,125	-	195,125
Advance/Deposits & Pre-payments	15.00	-	-	-	-	1,162,580	-	1,162,580
Cash and Cash Equivalents	16.00	-	-	-	-	185,937	-	185,937
Total		-	-	-	-	2,687,283	-	2,687,283
Financial Liabilities measured at fair value:								
Financial Liabilities not measured at fair value:								
Long Term loans-net of non-Current portion	23.00	-	-	-	-	-	4,837,599	4,837,599
Long Term loans (Current portion)	24.00	-	-	-	-	-	1,360,853	1,360,853
Short Term loan	25.00	-	-	-	-	-	2,883,450	2,883,450
Lease Liabilities	26.00	-	-	-	-	-	5,857	5,857
Security Retention Money	21.00	-	-	-	-	-	591,239	591,239
Unclaimed Dividend	27.00	-	-	-	-	-	42,554	42,554
Payables & Accruals	28.00	-	-	-	-	-	222,709	222,709
Total		-	-	-	-	-	9,844,261	9,844,261

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

58.02 Financial Risk Management Framework

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

58.02.1 Credit Risk, 58.02.2 Liquidity Risk 58.02.3 Market Risk.

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

58.02.1 Credit Risk

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

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

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

Management has a credit policy in place and the exposure to credit risk is monitoring on an ongoing basis. As at 30th June, 2022, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to Credit Risk

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

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

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

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



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

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

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

58.02.2 Liquidity Risk

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



Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements. The carrying amount of financial liabilities represent the maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 30th June, 2022 was:

30th June, 2022

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	25	809,583,230	809,583,230		364,312,454	445,270,777	-	-
Long Term interest bearing loans	23	7,391,643,901	7,391,643,901		-	-	-	-
Finance lease liabilities	20	695,645	695,645		-	-	695,645	-
Trade and other payables	28	212,551,903	212,551,903		46,761,418.66	102,024,913.44	36,133,823.51	27,631,747.39
Inter Company Payables	-	7,867,048,411	7,867,048,411		1,573,409,682.20	2,753,466,943.85	2,360,114,523.30	1,180,057,261.65
Non-Current Liabilities	-	16,281,523,090	16,281,523,090		1,984,483,554	3,300,762,634	2,396,943,992	1,207,689,009
Derivative financial liabilities								
		16,281,523,090	16,281,523,090		1,984,483,554	3,300,762,634	2,396,943,992	1,207,689,009

30th June, 2021

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	25	2,883,450,404	2,883,450,404		1,297,552,682	1,585,897,722	-	-
Long Term interest bearing loans	23	6,198,452,182	6,198,452,182		476,298,456.00	884,554,276	2,176,919,753	2,660,679,698
Finance lease liabilities	20	5,857,056	5,857,056		-	-	5,857,056	-
Trade and other payables	28	222,709,991	222,709,991		48,996,198.02	106,900,795.68	37,860,698.47	28,952,298.83
Inter Company Payables	-	5,484,695,893	5,484,695,893		1,096,939,178.60	1,919,643,562.55	1,645,408,767.90	822,704,383.95
Non-Current Liabilities	-	14,795,165,526	14,795,165,526		2,919,786,515	4,496,996,356	3,866,046,275	3,512,336,380
Derivative Financial Liabilities								
		14,795,165,526	14,795,165,526		2,919,786,515	4,496,996,356	3,866,046,275	3,512,336,380



58.02.3 Market Risk

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

(i) Interest Rate Risk

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

(ii) Currency Risk

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

59.00 Capital Management

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

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

The directors in the meeting held on 26th day of October, 2022 recommended 5% cash dividend for the general Shareholders only excluding sponsors & directors and 5% stock dividend for all shareholders including sponsors & directors whose name will be appeared in the Shareholders Registers at the date of book closure which is subject to Shareholders approval at the forthcoming 18th annual general meeting to be held on 28th day of December, 2022.

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



NAVANA CNG LIMITED AND ITS SUBSIDIARIES
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AS ON 30TH JUNE, 2022

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2022
	Opening Balance 01.07.2021	Addition during the year	Adjustment/ Disposal during the year		Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2022	
Land and Land Development	1,180,687,289	-	-	0%	-	-	-	1,180,687,289
Building & Shed	1,356,677,041	2,673,023	-	10%	88,300,333	-	563,421,933	795,928,131
Plant & Machinery	3,214,730,585	59,511,228	-	10%	206,618,243	-	1,363,268,573	1,910,973,238
Cylinder	2,431,423,301	-	-	10%	180,915,100	-	803,187,404	1,628,235,897
Tools & Equipment	189,594,583	1,074,377	-	10%	9,933,932	-	100,502,549	90,166,410
Furniture & Fixtures	35,614,168	3,867,202	-	10%	2,072,813	-	19,693,964	19,787,406
Electrical Equipment	40,486,147	738,055	-	10%	1,819,522	-	24,633,243	16,590,959
Office Equipment	11,044,448	228,320	-	10%	4,922,383	-	5,551,714	5,721,055
Vehicles	272,081,892	2,800,000	-	10%	92,720,213	-	110,819,713	164,062,178
Total	8,732,339,454	70,892,205	-		508,388,774	-	2,991,079,094	5,812,152,563

SCHEDULE OF INTANGIBLE ASSETS AS ON 30TH JUNE, 2022

Annexure-B

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

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

Annexure-C

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

