

**Navana CNG Limited****First Quarter Report**

Dear Shareholders,

We are pleased to forward herewith the 1st Quarter un-audited financial statements which consist of Consolidated statement of financial position as at September 30, 2023, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows along with consolidated notes to the financial statements for the 1st quarter ended on that date.


**Managing Director**

Dated: Dhaka

14-Nov-23

Navana CNG Limited and its subsidiaries

**Consolidated Statement of Financial Position (Un-audited)**

As at September 30, 2023

	Note	30/09/2023 BD Taka	30/06/2023 BD Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant & equipment	9	5,442,948,309	5,511,114,820
Intangible Assets	10	20,915,175	21,451,461
Right of Use Assets		612,201	705,196
Capital Work-in-progress	11	937,103,917	949,667,127
Long-term security deposit		60,088,425	60,088,425
Deferred tax assets	12	575,964,990	549,911,800
Investment in shares		3,510,319	3,735,923
<b>Total non-current assets</b>		<b>7,041,143,335</b>	<b>7,096,674,752</b>
<b>Current assets</b>			
Inventories	14	2,940,988,879	2,904,723,455
Accounts receivable		1,905,600,344	1,743,617,140
Other Receivables		194,804,723	194,875,944
Current account with Group companies		137,749,158	146,589,025
Advances, deposits & pre-payments		1,712,302,879	1,625,781,222
Cash & bank balances	15	202,958,918	257,032,861
<b>Total current assets</b>		<b>7,094,404,901</b>	<b>6,872,619,647</b>
<b>Total assets</b>		<b>14,135,548,236</b>	<b>13,969,294,399</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		755,527,720	755,527,720
Tax holiday reserve		216,004,824	216,004,824
Fair Value reserve		3,064,788	3,267,831
Retained Earnings		1,426,506,659	1,424,072,359
<b>Equity attributable to the owners of Company</b>		<b>2,401,103,991</b>	<b>2,398,872,734</b>
Non-controlling interest		(10,487)	(9,547)
<b>Total equity</b>		<b>2,401,093,504</b>	<b>2,398,863,187</b>
<b>Non-current liabilities</b>			
Long term Loan- net of current maturity	16	7,748,095,217	7,837,596,261
Lease Liability		325,413	377,930
Security Retention Money		308,966,457	327,851,465
Loan from others		50,000,000	50,000,000
<b>Total non-current liabilities</b>		<b>8,107,387,087</b>	<b>8,215,825,656</b>
<b>Current liabilities</b>			
Long Term Loan- Current maturity	16	1,521,059,641	1,513,498,890
Short-term loans	17	1,449,805,855	1,186,358,457
Provision for income tax	18	433,626,640	427,474,358
Unclaimed Dividend Account	19	38,168,842	38,215,498
Payables and accruals	20	184,406,667	189,058,353
<b>Total current liabilities</b>		<b>3,627,067,645</b>	<b>3,354,605,556</b>
<b>Total liabilities</b>		<b>11,734,454,732</b>	<b>11,570,431,212</b>
<b>Total equity and liabilities</b>		<b>14,135,548,236</b>	<b>13,969,294,399</b>
<b>Consolidated Net Assets Value Per Share ( NAVPS )</b>	21	<b>31.78</b>	<b>31.75</b>


**Managing Director**

**Director**

**Director**

**Chief Financial Officer**

**Company Secretary**

Navana CNG Limited and its subsidiaries

**Consolidated Statement of Profit or loss and other Comprehensive Income (Un-audited)**

For the 1st Quarter ended September 30, 2023

Particulars		July ' 2023 to September' 2023 BD Taka	July ' 2022 to September' 2022 BD Taka
<b>Revenue (Net)</b>		<b>986,520,525</b>	<b>1,023,552,536</b>
Less: Cost of sales		773,143,487	794,155,723
<b>Gross profit</b>		<b>213,377,038</b>	<b>229,396,813</b>
Less: Administrative & Selling expenses		67,776,228	86,758,686
Less: Interest expenses		153,085,577	152,949,993
<b>Operating profit/ (Loss)</b>		<b>(7,484,767)</b>	<b>(10,311,866)</b>
Add: Other income		1,503,070	1,583,188
<b>Profit/(Loss) before contribution to WPPF</b>		<b>(5,981,697)</b>	<b>(8,728,678)</b>
Less : Contribution to WPPF		2,196,606	2,885,503
<b>Net profit/(Loss) before tax</b>		<b>(8,178,303)</b>	<b>(11,614,181)</b>
Less: Income tax expenses		(10,611,662)	(14,380,034)
Current tax	13	15,418,967	19,064,914
Deferred tax expenses / (Income)	12.01	(26,030,629)	(33,444,948)
<b>Net profit after tax</b>		<b>2,433,360</b>	<b>2,765,853</b>
Revaluation Gain /Loss on investment in share		(225,603)	145,416
Deferred tax adjustment		22,560	(14,541)
		(203,043)	130,875
<b>Total comprehensive income for the period</b>		<b>2,230,317</b>	<b>2,896,728</b>
<b>Attributable to:</b>			
Equity holders of the Company		2,434,300	2,767,181
Non-controlling interests		(940)	(1,328)
<b>Total</b>		<b>2,433,360</b>	<b>2,765,853</b>
<b>Number of shares</b>		<b>75,552,772</b>	<b>75,552,772</b>
<b>Consolidated Earnings per share</b>	<b>22</b>	<b>0.03</b>	<b>0.04</b>

Managing Director

Director

Director

Chief Financial Officer

Company Secretary



Navana CNG Limited and its subsidiaries  
**Consolidated Statement of Cash Flows (Un-audited)**  
For the 1st Quarter ended September 30, 2023

		July ' 2023 to September' 2023 BD Taka	July ' 2022 to September' 2022 BD Taka
<b>Cash flows from operating activities</b>			
Cash Receipts from customers		824,537,320	908,541,257
Cash Receipts from Other income		1,503,070	1,583,188
<b>Payments for materials, services and expenses</b>		<b>(877,422,937)</b>	<b>(921,520,770)</b>
Cash generated from operations		<b>(51,382,547)</b>	<b>(11,396,325)</b>
Income tax paid		(9,266,685)	(3,509,510)
<b>Net cash generated by operating activities</b>	<b>24</b>	<b>(60,649,232)</b>	<b>(14,905,835)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(11,825,663)	(1,828,883)
Other receiveables		71,221	45,325
<b>Net cash used in investing activities</b>		<b>(11,754,442)</b>	<b>(1,783,558)</b>
<b>Cash flows from financing activities</b>			
Bank Interest paid		(153,085,577)	(152,949,993)
Net Loan increased/ decreased		181,507,105	194,211,862
Security Retention money		(18,885,008)	-
Net paid to Group Companies		8,839,867	-
Dividend paid		(46,656)	(276,261)
<b>Net cash used in financing activities</b>		<b>18,329,731</b>	<b>40,985,608</b>
<b>Net changes in cash and cash equivalents</b>		<b>(54,073,943)</b>	<b>24,296,215</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>257,032,861</b>	<b>193,774,040</b>
<b>Cash and cash equivalents at the end of period</b>		<b>202,958,918</b>	<b>218,070,255</b>
<b>Consolidated Net operating cash flows per share</b>	<b>23</b>	<b>(0.80)</b>	<b>(0.21)</b>



Managing Director



Director



Director



Chief Financial Officer




Company Secretary

Navana CNG Limited and its subsidiaries  
**Consolidated Statement of Changes in Equity (Un-audited)**  
For the 1st quarter ended September 30, 2023

	Share capital	Tax holiday reserve	Fair Value Reserve	Retained earnings	Attributable to owners of the Company	Non- controlling interests	Total
	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka
Balance at July 01, 2022	719,550,210	216,004,824	3,035,509	1,470,885,683	2,409,476,226	(9,892)	2,409,466,334
Net profit for the period	-	-	-	2,767,181	2,767,181	(1,328)	2,765,853
Fair Value Reserve			130,875		130,875	-	130,875
Balance at September 30, 2022	<u>719,550,210</u>	<u>216,004,824</u>	<u>3,166,384</u>	<u>1,473,652,864</u>	<u>2,412,374,282</u>	<u>(11,220)</u>	<u>2,412,363,062</u>
Balance at July 01, 2023	755,527,720	216,004,824	3,267,831	1,424,072,359	2,398,872,734	(9,547)	2,398,863,187
Net profit for the period	-	-	-	2,434,300	2,434,300	(940)	2,433,360
Fair Value Reserve			(203,043)		(203,043)	-	(203,043)
Balance at September 30, 2023	<u>755,527,720</u>	<u>216,004,824</u>	<u>3,064,788</u>	<u>1,426,506,659</u>	<u>2,401,103,991</u>	<u>(10,487)</u>	<u>2,401,093,504</u>

  
Managing Director

  
Director

  
Director

  
Chief Financial Officer

  
Company Secretary



## **Navana CNG Limited and its subsidiaries**

Selected Explanatory Consolidated Notes to the financial statements

For the period ended on September 30, 2023

### **1. Corporate information**

#### **1.1 Reporting Entity**

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

The Company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The Company's principal activities are converting petrol and diesel-driven vehicles to Compressed Natural Gas (CNG) driven vehicles, CNG Refueling stations, and other related services.

#### **1.2 Subsidiaries**

##### **Navana Engineering Limited**

Navana Engineering Limited is a public limited company incorporated in 2010 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 company's principal activities are manufacturing polymers, plastics, PVCs, polyethylene, pipes, tubes, conduits, and fittings for household, industrial, and commercial use. The company started its commercial operation on March 01, 2011.

##### **Navana Welding Electrode Limited**

Navana Welding Electrodes Limited is a private limited company incorporated in 2011 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 Company's principal activities are to produce welding electrode rods, welding and cutting equipment, cutting rods, welding and cutting consumables, etc. The company started its commercial operation on January 01, 2013.

##### **Navana LPG Limited**

Navana LPGL Limited is a Private Limited company that incorporated Vide # C-125694 dated September 13, 2015, with the registrar of Joint Stocks Companies & Firms, Dhaka, Bangladesh, under the Companies Act 1994, as a subsidiary with 99.99% share owned by Navana LPG Limited. The company started its commercial production in November 2017.

The main objective is to carry on the business of import, export, indenting, and marketing of all types of gases, LPG, LNG, LPG, Propane, Oxygen, nitrogen, acetylene, nitrous, Oxide, Medical & commercial Oxygen, and conversion from petrol, diesel, Octane to CNG, LPG light, heavy vehicles along with all types of gas cylinder refueling station and workshop for manufacturing of or repairing all kinds of equipment related with gas convert plant and also manufacturing of cylinder automotive, domestic, commercial and industrial use.



## **2. Reporting**

This quarterly financial report has been prepared in accordance with the provisions of the Securities and Exchange Rule, 1987, as well as the provisions of the International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs).

## **3. Accounting policies and method of Computation**

Accounting policies and methods of computations followed in preparing this financial statement are consistent with the International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs).

## **4. Earnings per share (EPS)**

Earnings per share have been calculated based on the number of shares outstanding for September 30, 2023, and distributable profit to ordinary equity holders for the same period.

## **5. The reason for Significant deviation between the quarterly periods of the company :**

### **Revenue:**

Different industries feel the Russia-Ukraine war's impact to different extents. High oil and gas prices mean energy-intensive manufacturing sectors are most affected. Due to the high price of fuels, the dollar crisis, and a shortage of materials within the subsidiaries, As a result, we have to sell LPG procured from local sources that are not always available. Hence, the revenue of the company goes down.

### **Net operating Cash Flows:**

Revenue Collection represents the income a group generates from its primary operations. The group's revenue by 3.7 crore directly affects the cash flow generated from its operations. Reduced revenue is the root cause of fewer funds flowing into the group from its core business activities.

### **Earnings per share (EPS)**

The company's gross profit has decreased due to a combination of factors, specifically, the dollar crisis and a shortage of materials within the subsidiaries. As a result, the consolidated earnings per share (EPS) resulted in a significant reduction compared to the corresponding period of last year.

## **6. General**

6.1 Figures appearing in these financial statements have been rounded off to the nearest Taka.

6.2 The previous period's figures, whenever considered necessary, have been re-arranged to conform to this period's presentation.

## **7. Business Environment Update Amid Russia-Ukraine War**

The global economy continues to be weakened by the war through significant disruptions in trade and food and fuel price shocks, all of which contribute to high inflation and subsequent tightening in global financing conditions. Activity in the euro area, the largest economic partner for emerging and developing economies (EMDEs) of Europe and Central Asia, has deteriorated markedly in the second half of 2022 due to distressing supply chains, increased financial strains, and consumer and business confidence declines. However, the most damaging effects of the invasion are surging energy prices amid large reductions in the Russian energy supply. Now, govt. Bangladesh is very cautious about saving its reserves and discouraging imports. LPG's business is highly dependent on imports, and the negative impact of the war is significant to our business.

## **8. Foreign Currency gain / ( loss)**

There is no foreign currency in cash and cash equivalents. Hence, as a separate line item, the company did not show any effect in foreign currency exchange rates on cash and cash equivalents.



# Navana CNG Limited and its subsidiaries

## Consolidated notes to the Financial Statements

For the 1st quarter ended September 30, 2023

	30/09/2023	30/06/2023
	BD Taka	BD Taka
<b>09. Property, plant &amp; equipment, net</b>		
Land and land develop.	1,180,687,289	1,180,687,289
Building & Shed	731,036,849	740,144,478
Plant & Machinery	1,786,424,155	1,801,948,766
Cylinder	1,481,987,302	1,519,986,976
Tools & equipment	81,463,679	82,467,382
Furniture & fixtures	17,363,447	17,808,665
Electrical equipment	14,603,285	14,974,965
Office equipment	5,417,741	5,440,337
Vehicles	143,964,562	147,655,962
	<b>5,442,948,309</b>	<b>5,511,114,820</b>
<b>10. Intangible Assets</b>		
Software System ERP	20,915,175	21,451,461
	<b>20,915,175</b>	<b>21,451,461</b>
<b>11. Capital Work-in-progress</b>		
Opening Balance	949,667,127	958,441,594
Add : during the period	-	78,998,365
	949,667,127	1,037,439,959
Less: Transfer to Property, plant and equipment	12,563,210	87,772,832
Closing Balance	<b>937,103,917</b>	<b>949,667,127</b>
<b>12 Deferred tax (Assets)/ Liabilities</b>		
Deferred tax for temporary difference 12.01	(564,733,022)	(538,702,393)
Deferred tax on Unrealized Gain/ loss 12.02	340,532	363,092
Deferred tax for gratuity provision 12.03	(11,572,500)	(11,572,500)
	<b>(575,964,990)</b>	<b>(549,911,800)</b>
<b>12.01 Deferred tax for temporary difference</b>		
Accounting base WDV	5,463,863,482	5,532,566,280
Tax base WDV	6,956,767,135	6,947,231,054
Taxable temporary difference	(1,492,903,653)	(1,414,664,774)
Less: Unabsorbed Depreciation	(349,303,395)	(339,898,949)
	(1,842,207,048)	(1,754,563,723)
Tax rate @ 22.5% & 30% respectively	-	-
Deferred tax (Assets) / liabilities	<b>(564,733,022)</b>	<b>(538,702,393)</b>
Opening balance	(538,702,393)	(426,397,427)
Deferred tax expenses /(income) for temporary difference	(26,030,629)	(112,304,966)
Deferred tax expenses /(income) for gratuity (12.03)	-	-
Total Deferred Tax Expense/(Income) for the period	<b>(26,030,629)</b>	<b>(112,304,966)</b>
<b>12.02 Deferred tax on Unrealized Gain</b>		
Opening Balance	363,092	337,279
For the period	(22,560)	25,813
	<b>340,532</b>	<b>363,092</b>

	30/09/2023	30/06/2023
	BD Taka	BD Taka
<b>12.03 Deferred Tax for Gratuity Provision</b>		
Opening Provision	46,200,000	46,200,000
Add: during the period	-	-
Closing Provision	46,200,000	46,200,000
Applicable Tax rate @ 22.5% & 30% respectively	-	-
<b>Closing deferred tax for gratuity provision</b>	<b>(11,572,500)</b>	<b>(11,572,500)</b>
Less: Opening deferred tax for gratuity provision	(11,572,500)	(11,572,500)
Deferred tax expense/(income) for the period	-	-
<b>13 Consolidated Current tax expense</b>		
<b>A. Income tax on Regular Rate</b>		
Consolidated Profit Before Tax	(8,178,303)	(51,176,788)
Add: Consolidated Adjustment for admissible and inadmissible expenses	52,110,416	182,154,593
Consolidated taxable profit/(Loss)	43,932,113	130,977,805
Consolidated tax expenses based on applicable tax rate as per ITO 1984	12,063,458	37,046,177
<b>B. Minimum Tax</b>	<b>3,355,509</b>	<b>14,226,081</b>
<b>Total Consolidated Current tax</b>	<b>15,418,967</b>	<b>51,272,258</b>
<b>14. Inventories</b>		
Raw materials	809,038,452	775,681,361
Work in process	189,337,185	191,066,779
Finished Goods	1,606,889,536	1,591,811,325
Spare Parts	19,680,605	28,233,397
Stock in transit	316,043,101	317,930,593
	<b>2,940,988,879</b>	<b>2,904,723,455</b>
<b>15. Cash &amp; bank balances</b>		
Cash in Hand	21,318,068	19,608,150
Cash at banks :		
Fixed deposit receipt (FDR)	127,611,607	123,905,134
Cash at Bank	54,029,243	113,519,577
	<b>202,958,918</b>	<b>257,032,861</b>
<b>16. Long term loan</b>		
City Bank Limited, Gulshan Avenue Br.	4,041,578,078	4,201,825,077
Shahjalal Islami Bank Limited, Gulshan Br.	2,648,556,540	2,612,212,854
One Bank Limited, Gulshan Br.	2,162,457,942	2,122,605,800
Standard Bank Limited	91,444,772	89,333,894
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	<b>9,269,154,858</b>	<b>9,351,095,151</b>
Less: Long Term Loan- Current maturity	1,521,059,641	1,513,498,890
<b>Long Term Loan- net of current maturity</b>	<b>7,748,095,217</b>	<b>7,837,596,261</b>

Long term loan from City Bank Limited & Shahjalal Islami Bank limited, Gulshan Branch taken for Navana LPG project and One Bank Limited , Gulshan Branch and Mutual trust Bank, for Navana Engineering Limited .

Dues to Director is un-secured and Interest free loan from Mr. Shafiul Islam, Chairman of the Company.



	30/09/2023	30/06/2023
	BD Taka	BD Taka
<b>17. Short-term loans</b>		
Shahjalal Islami Bank Limited	55,324,840	73,903,489
One Bank Limited	276,298,972	268,154,909
City Bank Limited	908,694,346	634,812,362
Janata Bank Limited	209,487,697	209,487,697
	<b>1,449,805,855</b>	<b>1,186,358,457</b>
<b>18. Provision for income tax</b>		
Opening Balance	427,474,358	386,245,242
Add : during the period	15,418,967	51,272,258
	442,893,325	437,517,500
Less: Paid in advance	(9,266,685)	(10,043,142)
<b>Closing balance</b>	<b>433,626,640</b>	<b>427,474,358</b>
<b>19. Unclaimed Dividend</b>		
Unclaimed for less than 3 Year's	3,928,896	3,965,209
Unclaimed for more than 3 Year's	34,239,946	34,250,289
	<b>38,168,842</b>	<b>38,215,498</b>
<b>20. Payables and accruals</b>		
Accounts payable	11,356,595	10,858,052
Liabilities for Expenses	97,594,847	105,190,934
Workers profit participation fund	68,265,474	64,615,030
Sundry payables	6,422,250	7,626,835
Provision for doubtful debt	767,502	767,502
	<b>184,406,667</b>	<b>189,058,353</b>
<b>21. Net assets value per share (NAVPS)</b>		
Net assets value	2,401,103,991	2,398,872,734
Number of ordinary shares used to compute NAVPS	75,552,772	75,552,772
<b>Net assets value per share</b>	<b>31.78</b>	<b>31.75</b>
	<b>July 01, 2023 to September 30, 2023</b>	<b>July 01, 2022 to September 30, 2022</b>
	<b>BD Taka</b>	<b>BD Taka</b>
<b>22. Earnings per share (EPS)</b>		
Profit attributable to ordinary shareholders	2,433,360	2,765,853
Number of ordinary shares used to compute earnings per share	75,552,772	75,552,772
<b>Earnings per share</b>	<b>0.03</b>	<b>0.04</b>

**23. Net operating cash flows per share (NOCFPS)**

Net operating cash flows  
Number of ordinary shares used to compute NOCFPS  
**Net operating cash flows per share**

**July 01, 2023 to  
September 30, 2023**  
**BD Taka**

**July 01, 2022 to  
September 30, 2022**  
**BD Taka**

(60,649,232)	(14,905,835)
75,552,772	71,955,021
<b>(0.80)</b>	<b>(0.21)</b>

**24. Reconciliation of cash flows from operating activities under indirect method:**

Net profit/Loss before interest & income tax  
during the year

**Adjustment to recocile net income to net cash  
provided by operating activities:**

Interest on Lease

Payment for lease liability

Depreciation expenses

Income tax paid

**Changes in current assets and liabilities:**

(Decrease)/ increase in inventories

Decrease/ (increase) in advance, Deposit and prepayments

Decrease/ (increase) in trade receivable

(Decrease)/ increase in payables & accruals

**Net cash flow from operating activities**

**Total cash flow from operating activities- Indirect Method\***

**Total cash flow from operating activities- Direct Method\***

Difference

\* Details in the statement of cash flows

148,557,719	145,787,810
7,844	13,975
(60,360)	(130,050)
93,184,666	116,520,842
(9,266,685)	(3,509,510)
(36,265,424)	4,084,925
(86,521,656)	(139,966,075)
(161,983,203)	(115,011,277)
(8,302,132)	(22,696,474)
<b>(60,649,232)</b>	<b>(14,905,835)</b>
(60,649,232)	(14,905,835)
(60,649,232)	(14,905,835)
-	-