

Navana CNG Limited
2nd Quarter(Half yearly) Report

Dear Shareholders,

We are pleased to forward herewith the 2nd Quarter (Half yearly) un-audited financial statements which consist of Consolidated statement of financial position as at December 31, 2021, 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 2nd quarter ended on that date .



Managing Director

Dated: Dhaka
 January 29, 2022

Navana CNG Limited and its subsidiaries
Consolidated Statement of Financial Position (Un-audited)
 As at December 31, 2021

	Notes	December 31, 2021	June 30, 2021
		BD Taka	BD Taka
Assets			
<i>Non-current assets</i>			
Property, plant & equipment	9	6,058,366,374	6,249,649,132
Intangible Assets	10	23,712,198	21,605,274
Right of Use Assets		3,607,150	8,013,284
Capital Work-in-progress	11	922,467,528	968,885,418
Long-term security deposit		43,197,516	43,197,516
Deferred tax assets	12	369,695,372	294,184,804
Investment in shares		3,645,377	3,259,076
Total non-current assets		7,424,691,515	7,588,794,504
<i>Current assets</i>			
Inventories	14	2,663,982,681	2,511,747,923
Accounts receivable		1,185,244,076	1,097,184,386
Other Receivables		195,125,054	195,125,054
Advance against land		15,000,000	15,000,000
Advances, deposits & pre-payments		1,355,956,417	1,147,579,654
Cash & bank balances	15	196,404,603	185,936,814
Total current assets		5,611,712,831	5,152,573,831
Total assets		13,036,404,346	12,741,368,335
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital		685,285,920	685,285,920
Tax holiday reserve		216,004,824	216,004,824
Fair Value reserve		2,712,632	2,364,961
Retained Earnings		1,467,873,453	1,514,055,572
Equity attributable to the owners of Company		2,371,876,829	2,417,711,277
Non-controlling interest		(8,882)	(7,414)
Total equity		2,371,867,947	2,417,703,863
<i>Non-current liabilities</i>			
Long term Loan- net of current maturity	16	5,589,120,050	4,837,599,450
Lease Liability		2,057,521	5,857,056
Security Retention Money		591,239,387	591,239,387
Loan from others		50,000,000	50,000,000
Total non-current liabilities		6,232,416,958	5,484,695,893
<i>Current liabilities</i>			
Long Term Loan- Current maturity	16	1,470,741,983	1,360,852,732
Short-term loans	17	2,309,657,047	2,883,450,404
Provision for income tax	18	353,650,903	329,400,956
Current account with Group companies		41,500,000	-
Unclaimed Dividend Account	19	42,383,151	42,554,496
Payables and accruals	20	214,186,357	222,709,991
Total current liabilities		4,432,119,441	4,838,968,579
Total liabilities		10,664,536,399	10,323,664,472
Total equity and liabilities		13,036,404,346	12,741,368,335
Consolidated Net Assets Value Per Share (NAVPS)	21	34.61	35.28




Managing Director



Director

Khaleeda Islam
 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 2nd Quarter ended December 31, 2021

Particulars	Notes	July ' 2021 to	July ' 2020 to	October ' 2021 to	October ' 2020 to
		December' 2021	December' 2020	December' 2021	December' 2020
		BD Taka	BD Taka	BD Taka	BD Taka
Revenue (Net)		2,214,854,521	2,598,740,938	1,046,067,779	1,324,131,376
Less: Cost of sales		1,726,366,539	2,027,805,400	808,430,674	1,034,388,537
Gross profit		488,487,982	570,935,538	237,637,105	289,742,839
Less: Administrative & Selling expenses		220,445,525	311,441,392	102,529,770	156,717,421
Less: Interest expenses		300,239,245	297,441,139	149,567,923	149,110,111
Operating profit/Loss		(32,196,787)	(37,946,993)	(14,460,587)	(16,084,693)
Add: Other income		2,244,598	5,212,708	1,545,138	1,743,501
Add: Foreign exchange gain		350,381	-	350,381	-
Profit before contribution to WPPF		(29,601,808)	(32,734,285)	(12,565,068)	(14,341,192)
Less : Contribution to WPPF		4,888,986	4,490,875	3,473,480	2,740,796
Net profit/Loss before tax		(34,490,794)	(37,225,160)	(16,038,548)	(17,081,988)
Less: Income tax expenses		(42,277,586)	(48,581,847)	(19,482,765)	(21,234,498)
Current tax	13	33,271,612	38,102,735	20,169,108	21,532,661
Deferred tax expenses / (Income)	12.01	(75,549,198)	(86,684,582)	(39,651,873)	(42,767,160)
Net profit after tax		7,786,793	11,356,687	3,444,217	4,152,510
Revaluation Gain /Loss on investment in share		386,301	482,661	(1,058,114)	3,132
Deferred tax adjustment		(38,630)	(48,266)	105,812	(313)
		347,671	434,395	(952,302)	2,819
Total comprehensive income for the period		8,134,464	11,791,082	2,491,915	4,155,329
Attributable to:					
Equity holders of the Company		7,788,260	11,357,770	3,445,615	4,153,522
Non-controlling interests		(1,468)	(1,083)	(1,398)	(1,011)
Total		7,786,793	11,356,687	3,444,217	4,152,510
Number of shares		68,528,592	68,528,592	68,528,592	68,528,592
Consolidated Earnings per share	22	0.11	0.17	0.05	0.06


Managing Director


Director


Director


Chief Financial Officer


Company Secretary

Navana CNG Limited and its subsidiaries
Consolidated Statement of Cash Flows (Un-audited)
For the 2nd Quarter ended December 31, 2021

Particulars	Notes	July ' 2021 to	July ' 2020 to
		December' 2021	December' 2020
		BD Taka	BD Taka
Cash flows from operating activities			
Receipts from customers		2,126,794,831	2,480,992,789
Receipts from Other income		2,244,598	5,212,708
Foreign exchange loss		350,381	-
Payments for materials, services and expenses		(2,119,279,118)	(2,343,494,759)
Cash generated from operations		10,110,692	142,710,738
Income tax paid		(9,021,666)	(36,486,332)
Net cash generated by operating activities	24	1,089,026	106,224,406
Cash flows from investing activities			
Acquisition of property, plant and equipment		(6,246,510)	(13,312,802)
Acquisition of Intangible Assets		(3,255,000)	(220,000)
Capital work in Progress		(9,825,631)	-
Other receiveables		-	(26,240)
Net cash used in investing activities		(19,327,141)	(13,559,042)
Cash flows from financing activities			
Bank Interest paid		(300,239,245)	(297,441,139)
Long Term Loan		861,409,851	218,877,527
Short-term loans		(573,793,357)	74,539,703
Security Retention money		-	(59,000,000)
Current account with Group companies		41,500,000	43,500,000
Dividend paid		(171,345)	(8,999,137)
Net cash used in financing activities		28,705,904	(28,523,046)
Net changes in cash and cash equivalents		10,467,789	64,142,318
Cash and cash equivalents at the beginning of period		185,936,814	160,250,107
Cash and cash equivalents at the end of period		196,404,603	224,392,425
Consolidated Net operating cash flows per share	23	0.02	1.55



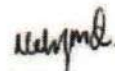
Managing Director



Director

Khaleeda Islam

Director



Chief Financial Officer



Company Secretary

Navana CNG Limited and its subsidiaries
Consolidated Statement of Changes in Equity (Un-audited)
 For the 2nd quarter ended December 31, 2021

	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, 2020	685,285,920	216,004,824	1,705,086	1,538,647,565	2,441,643,395	(6,200)	2,441,637,195
Net profit for the period			-	11,357,770	11,357,770	(1,083)	11,356,687
Transfer from other Comprehensive income		-	434,395	-	434,395	-	434,395
Dividend				(39,412,165)	(39,412,165)	-	(39,412,165)
Balance at December 30, 2020	685,285,920	216,004,824	2,139,481	1,510,593,170	2,414,023,395	(7,283)	2,414,016,112
Balance at July 01, 2021	685,285,920	216,004,824	2,364,961	1,514,055,572	2,417,711,277	(7,414)	2,417,703,863
Net profit for the period			-	7,788,260	7,788,260	(1,468)	7,786,793
Transfer from other Comprehensive Income			347,671		347,671	-	347,671
Dividend				(53,970,379)	(53,970,379)	-	(53,970,379)
Balance at December 31, 2021	685,285,920	216,004,824	2,712,632	1,467,873,453	2,371,876,829	(8,882)	2,371,867,947


 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 December 31, 2021

1. Corporate information

1.1 Reporting entity

Navana CNG Limited (the Company) was incorporated in Bangladesh as a private Limited company on April 19, 2004, vides registration no. C-52512(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 (4th floor), Dhaka-1000.

The Company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The principal activities of the Company are the conversion of petrol and diesel-driven vehicles to Compressed Natural Gas (CNG) driven vehicles, CNG Re-fueling stations, LPG Stations and other related services.

1.2 Subsidiaries

Navana Engineering Limited

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

The principal activities of the Company are to manufacture polymer, plastic, PVC, Poly Ethylene, pipes, tubes, conduits, 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 that was 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 principal activities of the Company are to produce welding electrode rod, welding, and cutting equipment, cutting rod, 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 which is 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 CNG Limited. The company started its commercial production in November 2017.

The main objective is to carry on the business of import, export, indenting and marketing of all types of gases also LPG, LNG, LPG, 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 Securities and Exchange Rule, 1987 as well as the provisions of the International Accounting Standards (IAS's) & International Financial reporting standards (IFRS's).

3. Accounting policies and method of Computations

Accounting policies and methods of computations followed in preparing this financial statement are consistent with the International Accounting Standards (IAS's) & International Financial reporting Standard's (IFRS's).

4. Earnings per share (EPS)

Earnings per share have been calculated based on the number of shares outstanding for the period ended December 31, 2021, 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:

The third wave of the Novel Corona Virus (COVID-19) hit the country during the period from July to mid of August this year and the government of Bangladesh had made a countrywide lockdown to control the situation. The overall revenue of the company has decreased from July 2021 to December 2021 and October 2021 to December 2021 than those of the same period of the previous year due to the adverse impact of the said Lockdown.

Net operating Cash Flows:

As stated above the significant difference in NOCFPS in between the period from July 2021 to December 2021, compared to the corresponding period of last year is due to the same reason.

Earnings per share (EPS)

The total sales revenue of the company has decreased significantly as stated above, due to the impact of the Novel Corona Virus (COVID-19) pandemic. Since Navana LPG Limited is running at loss from its initial operational stage. Therefore, the consolidated EPS resulted in a decrease 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 Previous period's figures whenever considered necessary have been re-arranged in order to conform to this period's presentation.

7. Business Environment Update Amid Coronavirus Pandemic

On 30 January 2020, the World Health Organization declared the outbreak of a novel corona virus (COVID-19) as a pandemic, which continues to spread worldwide. Since then the company temporarily closed its office and branches stopping all of its operations due to health concerns associated with COVID-19. While the disruption is currently expected to be temporary, there is uncertainty around the duration as well as the recovery timeline. Therefore, while the Company expects this matter to negatively impact its business. The Company has considered key accounting considerations related to conditions that may result from the COVID 19. Now Govt. of Bangladesh has declared the third wave of novel corona virus (COVID-19) pandemic which already hit the economy and impact of the same can not be ascertain till to date.

8. Foreign Currency gain / (loss)

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

Navana CNG Limited and its subsidiaries

Consolidated notes to the Financial Statements

For the 2nd quarter ended December 31, 2021

	December 31, 2021	June 30, 2021
	BD Taka	BD Taka
09. Property, plant & equipment, net		
Land and land develop.	1,180,687,289	1,180,687,289
Building & Shed	838,462,881	881,555,441
Plant & Machinery	2,012,184,505	2,058,080,253
Cylinder	1,718,693,447	1,809,150,997
Tools & equipment	94,936,884	99,025,965
Furniture & fixtures	17,205,704	17,993,017
Electrical equipment	16,906,697	17,672,426
Office equipment	5,919,274	6,122,066
Vehicles	173,369,692	179,361,678
	6,058,366,374	6,249,649,132
10. Intangible Assets		
Software System ERP	23,712,198	21,605,274
	23,712,198	21,605,274
11. Capital Work-in-progress		
Opening Balance	968,885,418	978,936,390
Add : during the period	9,825,631	34,987,278
	978,711,049	1,013,923,668
Less: Transfer to Property, plant and equipment	56,243,521	45,038,250
Closing Balance	922,467,528	968,885,418
12 Deferred tax (Assets)/ Liabilities		
Deferred tax for temporary difference	12.01 (359,676,910)	(284,765,212)
Deferred tax on Unrealized Gain/ loss	12.02 354,038	315,408
Deferred tax for gratuity provision	12.03 (10,372,500)	(9,735,000)
	(369,695,372)	(294,184,804)
12.01 Deferred tax for temporary difference		
Accounting base WDV	6,082,078,571	6,271,254,405
Tax base WDV	6,973,135,086	6,947,568,448
Taxable temporary difference	(891,056,515)	(676,314,043)
Less: Unabsorbed Depreciation	(261,650,396)	(225,520,798)
	(1,152,706,911)	(901,834,841)
Tax rate @ 22.5% & 30% respectively	-	-
Deferred tax (Assets) / liabilities	(359,676,910)	(284,765,212)
Opening balance	(284,765,212)	(141,137,212)
Deferred tax expenses /(income) for temporary difference	(74,911,698)	(143,628,000)
Deferred tax expenses /(Income) for gratuity (12.03)	(637,500)	(2,832,500)
Total Deferred Tax Expense/(Income) for the period	(75,549,198)	(146,460,500)
12.02 Deferred tax on Unrealized Gain		
Opening Balance	315,408	242,089
For the period	38,630	73,319
	354,038	315,408

	December 31, 2021	June 30, 2021
	BD Taka	BD Taka
12.03 Deferred Tax for Gratuity Provision		
Opening Provision	38,700,000	24,700,000
Add: during the period	2,500,000	14,000,000
Closing Provision	41,200,000	38,700,000
Applicable Tax rate @ 22.5% & 30% respectively	-	-
Closing deferred tax for gratuity provision	(10,372,500)	(9,735,000)
Less: Opening deferred tax for gratuity provision	(9,735,000)	(6,902,500)
Deferred tax expense/(income) for the period	(637,500)	(2,832,500)
13 Consolidated Current tax expense		
A. Income tax on Regular Rate		
Consolidated Profit/Loss Before Tax	(34,490,794)	(66,148,313)
Add: Consolidated Adjustment for admissible and inadmissible expenses	132,270,511	224,648,914
Consolidated taxable profit/(Loss)	97,779,717	158,500,601
Consolidated tax expenses based on applicable tax rate as per ITO 1984	25,118,475	46,584,603
B. Minimum Tax	8,153,137	18,812,342
Total Consolidated Current tax	33,271,612	65,396,946
14. Inventories		
Raw materials	796,505,439	791,142,634
Work in process	188,656,390	167,128,675
Finished Goods	1,302,873,820	1,197,194,155
Stores and Spare Parts	19,965,144	9,523,658
Stock in transit	355,981,888	346,758,801
	2,663,982,681	2,511,747,923
15. Cash & bank balances		
Cash in Hand	12,230,206	7,451,041
Cash at banks :		
Fixed deposit receipt (FDR)	117,194,452	108,931,276
Cash at Bank	66,979,945	69,554,497
	196,404,603	185,936,814

	December 31, 2021	June 30, 2021
	BD Taka	BD Taka
16. Long term loan		
City Bank Limited, Gulshan Avenue Br.	4,200,381,516	3,397,729,859
Shahjalal Islami Bank Limited, Gulshan Br.	1,017,211,446	998,539,349
One Bank Limited, Gulshan Br.	1,435,298,880	1,396,152,550
Standard Bank Limited	81,852,665	80,912,898
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	7,059,862,033	6,198,452,182
Less: Long Term Loan- Current maturity	1,470,741,983	1,360,852,732
Long Term Loan- net of current maturity	5,589,120,050	4,837,599,450
<p>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.</p>		
17. Short-term loans		
Shahjalal Islami Bank Limited	1,441,682,216	1,415,508,761
One Bank Limited	656,106,054	625,434,328
State Bank of India	7,074,636	10,752,381
City Bank Limited	3,188,867	629,478,851
Janata Bank Limited	201,605,274	202,276,083
	2,309,657,047	2,883,450,404
18. Provision for income tax		
Opening Balance	329,400,956	271,316,851
Add : during the period	33,271,612	65,396,946
	362,672,568	336,713,797
Less: Paid in advance	(9,021,666)	(7,312,840)
Closing balance	353,650,903	329,400,956
19. Unclaimed Dividend		
Unclaimed for less than 3 Year's	11,989,394	12,110,994
Unclaimed for more than 3 Year's	30,393,757	30,443,502
	42,383,151	42,554,496
20. Payables and accruals		
Account payables	17,629,972	33,996,283
Liabilities for Expenses	63,743,178	100,097,957
Workers profit participation fund	63,065,048	55,670,873
Dividend Payable	53,970,379	-
Sundry payables	15,010,278	32,177,376
Provision for doubtful debt	767,502	767,502
	214,186,357	222,709,991
21. Net assets value per share (NAVPS)		
Net assets value	2,371,876,829	2,417,711,277
Number of ordinary shares used to compute NAVPS	68,528,592	68,528,592
Net assets value per share	34.61	35.28

	July 01, 2021 to December 31, 2021	July 01, 2020 to December 31, 2020
	BD Taka	BD Taka
22. Earnings per share (EPS)		
Profit attributable to ordinary shareholders	7,786,793	11,356,687
Number of ordinary shares used to compute earnings per share	68,528,592	68,528,592
Earnings per share	0.11	0.17
23. Net operating cash flows per share (NOCFPS)		
Net operating cash flows	1,089,026	106,224,406
Number of ordinary shares used to compute NOCFPS	68,528,592	68,528,592
Net operating cash flows per share	0.02	1.55
24. Reconciliation of cash flows from operating activities under indirect method:		
Net profit/Loss before interest & income tax during the year	273,142,626	266,678,013
Adjustment to recocile net income to net cash provided by operating activities:		
Interest on Lease	158,968	827,829
Payment for lease liability	(3,958,502)	(5,679,879)
Depreciation expenses	259,327,000	286,927,712
Income tax paid	(9,021,666)	(36,486,332)
Changes in current assets and liabilities:		
(Decrease)/ increase in inventories	(152,234,757)	(60,168,487)
Decrease/ (increase) in advance, Deposit and prepayments	(208,376,764)	(159,073,681)
Decrease/ (increase) in trade receivable	(88,059,691)	(117,748,148)
(Decrease)/ increase in payables & accruals	(69,888,188)	(69,052,621)
Net cash flow from operating activities	1,089,026	106,224,406
Total cash flow from operating activities- Indirect Method*	1,089,026	106,224,406
Total cash flow from operating activities- Direct Method*	1,089,026	106,224,406
Difference	-	-
* Details in the statement of cash flows		