

Navana CNG Limited
2nd Quarter (Half Yearly) Report

Dear Shareholders,

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



Managing Director

Dated: Dhaka

January 30 ,2024

Navana CNG Limited and its subsidiaries

Consolidated Statement of Financial Position (Un-audited)

As at December 31, 2023

	Note	31/12/2023 BD Taka	30/06/2023 BD Taka
Assets			
Non-current assets			
Property, plant & equipment	9	5,354,304,301	5,511,114,820
Intangible Assets	10	20,378,889	21,451,461
Right of Use Assets		519,205	705,196
Capital Work-in-progress	11	956,778,722	949,667,127
Long-term security deposit		60,088,425	60,088,425
Deferred tax assets	12	605,917,196	549,911,800
Investment in shares		3,938,670	3,735,923
Total non-current assets		7,001,925,408	7,096,674,752
Current assets			
Inventories	14	3,047,333,418	2,904,723,455
Accounts receivable		1,896,857,154	1,743,617,140
Other Receivables		194,804,723	194,875,944
Current account with Group companies		150,889,025	146,589,025
Advances, deposits & pre-payments		1,747,034,431	1,625,781,222
Cash & bank balances	15	201,285,781	257,032,861
Total current assets		7,238,204,532	6,872,619,647
Total assets		14,240,129,940	13,969,294,399
Equity and liabilities			
Capital and reserves			
Share capital		755,527,720	755,527,720
Tax holiday reserve		216,004,824	216,004,824
Fair Value reserve		3,450,303	3,267,831
Retained Earnings		1,384,316,080	1,424,072,359
Equity attributable to the owners of Company		2,359,298,927	2,398,872,734
Non-controlling interest		(11,377)	(9,547)
Total equity		2,359,287,550	2,398,863,187
Non-current liabilities			
Long term Loan- net of current maturity	16	8,507,083,102	7,837,596,261
Lease Liability		271,706	377,930
Security Retention Money		229,096,526	327,851,465
Loan from others		50,000,000	50,000,000
Total non-current liabilities		8,786,451,334	8,215,825,656
Current liabilities			
Long Term Loan- Current maturity	16	841,756,665	1,513,498,890
Short-term loans	17	1,565,679,472	1,186,358,457
Provision for income tax	18	445,518,191	427,474,358
Unclaimed Dividend Account	19	38,162,509	38,215,498
Payables and accruals	20	203,274,219	189,058,353
Total current liabilities		3,094,391,056	3,354,605,556
Total liabilities		11,880,842,390	11,570,431,212
Total equity and liabilities		14,240,129,940	13,969,294,399
Consolidated Net Assets Value Per Share (NAVPS)	21	31.23	31.75



Managing Director

Khalesta Islam

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 2nd Quarter ended December 31, 2023

Particulars	July ' 2023 to December' 2023 BD Taka	July ' 2022 to December' 2022 BD Taka	October ' 2023 to December' 2023 BD Taka	October ' 2022 to December' 2022 BD Taka
Revenue (Net)	1,971,073,373	2,090,665,080	984,552,848	1,067,112,544
Less: Cost of sales	1,539,317,283	1,620,617,622	766,173,796	826,461,899
Gross profit	431,756,090	470,047,458	218,379,052	240,650,645
Less: Administrative & Selling expenses	145,121,189	191,846,267	77,344,962	105,087,581
Less: Interest expenses	304,648,744	303,083,831	151,563,167	150,133,838
Operating profit/ (Loss)	(18,013,843)	(24,882,640)	(10,529,077)	(14,570,774)
Add: Other income	3,011,438	5,159,176	1,508,368	3,575,988
Less: Foreign exchange loss	-	111,188	-	111,188
Profit/(Loss) before contribution to WPPF	(15,002,405)	(19,612,276)	(9,020,709)	(10,883,598)
Less : Contribution to WPPF	4,809,084	6,397,969	2,612,478	3,512,466
Net profit/(Loss) before tax	(19,811,489)	(26,010,245)	(11,633,187)	(14,396,064)
Less: Income tax expenses	(23,505,300)	(32,003,521)	(12,893,637)	(17,623,487)
Current tax	13 32,520,370	39,802,257	17,101,403	20,737,343
Deferred tax expenses / (Income)	12.01 (56,025,670)	(71,805,779)	(29,995,040)	(38,360,831)
Net profit after tax	3,693,811	5,993,276	1,260,450	3,227,423
Revaluation Gain /Loss on investment in share	202,747	(88,897)	428,350	(234,313)
Deferred tax adjustment	(20,275)	8,890	(42,835)	23,431
	182,472	(80,007)	385,515	(210,882)
Total comprehensive income for the period	3,876,283	5,913,269	1,645,965	3,016,541
Attributable to:				
Equity holders of the Company	3,695,641	5,995,914	1,261,341	3,228,733
Non-controlling interests	(1,830)	(2,638)	(890)	(1,310)
Total	3,693,811	5,993,276	1,260,450	3,227,423
Number of shares	75,552,772	75,552,772	75,552,772	75,552,772
Consolidated Earnings per share	0.05	0.08	0.02	0.04

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, 2023

		July ' 2023 to December' 2023 BD Taka	July ' 2022 to December' 2022 BD Taka
Cash flows from operating activities			
Cash Receipts from customers		1,817,833,358	1,934,094,283
Cash Receipts from Other income		3,011,438	5,159,176
Foreign exchange loss		-	111,188
Payments for materials, services and expenses		(1,796,118,119)	(1,880,321,799)
Cash generated from operations		24,726,677	59,042,848
Income tax paid		(14,476,537)	(9,151,873)
Net cash generated by operating activities	24	10,250,140	49,890,975
Cash flows from investing activities			
Acquisition of property, plant and equipment		(15,702,595)	(26,103,656)
Capital work in Progress		(19,674,805)	-
Other receiveables		71,221	-
Net cash used in investing activities		(35,306,179)	(26,103,656)
Cash flows from financing activities			
Bank Interest paid		(304,648,744)	(303,083,831)
Net Loan increased/ decreased		377,065,631	412,054,877
Security Retention money		(98,754,939)	(5,674,385)
Net paid to Group Companies		(4,300,000)	-
Dividend paid		(52,989)	(5,291,931)
Net cash used in financing activities		(30,691,041)	98,004,730
Net changes in cash and cash equivalents		(55,747,080)	121,792,049
Cash and cash equivalents at the beginning of period		257,032,861	193,774,040
Cash and cash equivalents at the end of period		201,285,781	315,566,089
Consolidated Net operating cash flows per share	23	0.14	0.69



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 2nd quarter ended December 31, 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	-	-	-	5,995,914	5,995,914	(2,638)	5,993,276
Fair Value Reserve			(80,007)		(80,007)	-	(80,007)
Dividend				(56,668,899)	(56,668,899)	-	(56,668,899)
Balance at December 31, 2022	719,550,210	216,004,824	2,955,502	1,420,212,698	2,358,723,234	(12,530)	2,358,710,704
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	-	-	-	3,695,641	3,695,641	(1,830)	3,693,811
Fair Value Reserve			182,472		182,472	-	182,472
Dividend				(43,451,920)	(43,451,920)	-	(43,451,920)
Balance at December 31, 2023	755,527,720	216,004,824	3,450,303	1,384,316,080	2,359,298,927	(11,377)	2,359,287,550

Managing Director

Khaleeda Islam

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 December 31, 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 (4th 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 LPG 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 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, 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 December 31, 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 and Israel-Palestine 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 reduction of 11.95 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 confirm the current period's presentation.

7. Business Environment Update Amid Russia-Ukraine and Israel-Palestine 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 and Middle East area, the largest economic partner for emerging and developing economies (EMDEs) of Europe and Central Asia, has deteriorated markedly in the second half of 2023 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 2nd quarter ended December 31, 2023

		31/12/2023	30/06/2023
		BD Taka	BD Taka
09. Property, plant & equipment, net			
Land and land develop.		1,180,687,289	1,180,687,289
Building & Shed		715,015,794	740,144,478
Plant & Machinery		1,757,626,143	1,801,948,766
Cylinder		1,443,987,627	1,519,986,976
Tools & equipment		80,285,411	82,467,382
Furniture & fixtures		16,918,231	17,808,665
Electrical equipment		14,228,910	14,974,965
Office equipment		5,281,732	5,440,337
Vehicles		140,273,163	147,655,962
		5,354,304,301	5,511,114,820
10. Intangible Assets			
Software System ERP		20,378,889	21,451,461
		20,378,889	21,451,461
11. Capital Work-in-progress			
Opening Balance		949,667,127	958,441,594
Add : during the period		19,674,805	78,998,365
		969,341,932	1,037,439,959
Less: Transfer to Property, plant and equipment		12,563,210	87,772,832
Closing Balance		956,778,722	949,667,127
12 Deferred tax (Assets)/ Liabilities			
Deferred tax for temporary difference	12.01	(594,728,063)	(538,702,393)
Deferred tax on Unrealized Gain/ loss	12.02	383,367	363,092
Deferred tax for gratuity provision	12.03	(11,572,500)	(11,572,500)
		(605,917,196)	(549,911,800)
12.01 Deferred tax for temporary difference			
Accounting base WDV		5,374,683,188	5,532,566,280
Tax base WDV		6,958,990,424	6,947,231,054
Taxable temporary difference		(1,584,307,236)	(1,414,664,774)
Less: Unabsorbed Depreciation		(358,707,842)	(339,898,949)
		(1,943,015,078)	(1,754,563,723)
Tax rate @ 22.5% & 30% respectively		-	-
Deferred tax (Assets) / liabilities		(594,728,063)	(538,702,393)
Opening balance		(538,702,393)	(426,397,427)
Deferred tax expenses /(income) for temporary difference		(56,025,670)	(112,304,966)
Deferred tax expenses /(income) for gratuity (12.03)		-	-
Total Deferred Tax Expense/(Income) for the period		(56,025,670)	(112,304,966)
12.02 Deferred tax on Unrealized Gain			
Opening Balance		363,092	337,279
For the period		20,275	25,813
		383,367	363,092

	31/12/2023	30/06/2023
	BD Taka	BD Taka
12.03 Deferred Tax for Gratuity Provision		
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	-	-
Closing deferred tax for gratuity provision	(11,572,500)	(11,572,500)
Less: Opening deferred tax for gratuity provision	(11,572,500)	(11,572,500)
Deferred tax expense/(income) for the period	-	-
13 Consolidated Current tax expense		
A. Income tax on Regular Rate		
Consolidated Profit Before Tax	(19,811,489)	(51,176,788)
Add: Consolidated Adjustment for admissible and inadmissible expenses	115,993,170	182,154,593
Consolidated taxable profit/(Loss)	96,181,681	130,977,805
Consolidated tax expenses based on applicable tax rate as per ITO 1984	25,645,940	37,046,177
B. Minimum Tax	6,874,430	14,226,081
Total Consolidated Current tax	32,520,370	51,272,258
14. Inventories		
Raw materials	863,714,462	775,681,361
Work in process	189,337,179	191,066,779
Finished Goods	1,636,797,500	1,591,811,325
Spare Parts	22,917,555	28,233,397
Stock in transit	334,566,722	317,930,593
	3,047,333,418	2,904,723,455
15. Cash & bank balances		
Cash in Hand	22,898,090	19,608,150
Cash at banks :		
Fixed deposit receipt (FDR)	130,299,366	123,905,134
Cash at Bank	48,088,325	113,519,577
	201,285,781	257,032,861
16. Long term loan		
City Bank Limited, Gulshan Avenue Br.	4,047,960,138	4,201,825,077
Shahjalal Islami Bank Limited, Gulshan Br.	2,702,415,410	2,612,212,854
One Bank Limited, Gulshan Br.	2,184,846,042	2,122,605,800
Standard Bank Limited	88,500,651	89,333,894
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	9,348,839,767	9,351,095,151
Less: Long Term Loan- Current maturity	841,756,665	1,513,498,890
Long Term Loan- net of current maturity	8,507,083,102	7,837,596,261

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.

	31/12/2023	30/06/2023
	BD Taka	BD Taka
17. Short-term loans		
Shahjalal Islami Bank Limited	53,185,896	73,903,489
One Bank Limited	283,891,406	268,154,909
City Bank Limited	1,019,042,328	634,812,362
Janata Bank Limited	209,559,842	209,487,697
	1,565,679,472	1,186,358,457
18. Provision for income tax		
Opening Balance	427,474,358	386,245,242
Add : during the period	32,520,370	51,272,258
	459,994,728	437,517,500
Less: Paid in advance	(14,476,537)	(10,043,142)
Closing balance	445,518,191	427,474,358
19. Unclaimed Dividend		
Unclaimed for less than 3 Year's	3,928,896	3,965,209
Unclaimed for more than 3 Year's	34,233,613	34,250,289
	38,162,509	38,215,498
20. Payables and accruals		
Account payables	11,683,193	10,858,052
Liabilities for Expenses	86,001,178	105,190,934
Workers profit participation fund	56,296,330	64,615,030
Dividend Payable	43,451,920	
Sundry payables	5,074,096	7,626,835
Provision for doubtful debt	767,502	767,502
	203,274,219	189,058,353
21. Net assets value per share (NAVPS)		
Net assets value	2,359,298,927	2,398,872,734
Number of ordinary shares used to compute NAVPS	75,552,772	75,552,772
Net assets value per share	31.23	31.75
	July 01, 2023 to December 31, 2023	July 01, 2022 to December 31, 2022
	BD Taka	BD Taka
22. Earnings per share (EPS)		
Profit attributable to ordinary shareholders	3,693,811	5,993,276
Number of ordinary shares used to compute earnings per share	75,552,772	75,552,772
Earnings per share	0.05	0.08

	July 01, 2023 to December 31, 2023	July 01, 2022 to December 31, 2022
	BD Taka	BD Taka
23. Net operating cash flows per share (NOCFPS)		
Net operating cash flows	10,250,140	49,890,975
Number of ordinary shares used to compute NOCFPS	75,552,772	71,955,021
Net operating cash flows per share	0.14	0.69
24. Reconciliation of cash flows from operating activities under indirect method:		
Net profit/Loss before interest & income tax during the year	284,837,255	277,073,586
Adjustment to reconcile net income to net cash provided by operating activities:		
Interest on Lease	14,497	25,786
Payment for lease liability	(120,720)	(229,050)
Depreciation expenses	186,334,889	233,135,204
Income tax paid	(14,476,537)	(9,151,873)
Changes in current assets and liabilities:		
(Decrease)/ increase in inventories	(142,609,963)	(52,217,166)
Decrease/ (increase) in advance, Deposit and prepayments	(121,253,209)	(197,725,636)
Decrease/ (increase) in trade receivable	(153,240,015)	(156,570,795)
(Decrease)/ increase in payables & accruals	(29,236,057)	(44,449,081)
Net cash flow from operating activities	10,250,140	49,890,975
Total cash flow from operating activities- Indirect Method*	10,250,140	49,890,975
Total cash flow from operating activities- Direct Method*	10,250,140	49,890,975
Difference	-	-

* Details in the statement of cash flows