

Navana CNG Limited**3rd Quarter Report**

Dear Shareholders,

We are pleased to forward herewith the 3rd Quarter un-audited financial statements which consist of Consolidated statement of financial position as at March 31, 2024, 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 3rd quarter ended on that date.


Managing Director

Dated: Dhaka

29-04-2024

Navana CNG Limited and its subsidiaries

Consolidated Statement of Financial Position (Un-audited)**As at March 31, 2024**

	Note	March 31, 2024 BD Taka	June 30, 2023 BD Taka
Assets			
Non-current assets			
Property, plant & equipment	9	5,263,100,634	5,511,114,820
Intangible Assets	10	19,842,601	21,451,461
Right of Use Assets		426,211	705,196
Capital Work-in-progress	11	970,300,343	949,667,127
Long-term security deposit		60,088,425	60,088,425
Deferred tax assets	12	636,582,805	549,911,800
Investment in shares		5,194,689	3,735,923
Total non-current assets		6,955,535,708	7,096,674,752
Current assets			
Inventories	14	3,081,837,756	2,904,723,455
Accounts receivable		1,999,262,612	1,743,617,140
Other Receivables		194,804,723	194,875,944
Current account with Group companies		160,889,025	146,589,025
Advances, deposits & pre-payments		1,785,871,426	1,625,781,222
Cash & bank balances	15	194,933,339	257,032,861
Total current assets		7,417,598,881	6,872,619,647
Total assets		14,373,134,589	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		4,580,720	3,267,831
Retained Earnings		1,386,809,466	1,424,072,359
Equity attributable to the owners of Company		2,362,922,730	2,398,872,734
Non-controlling interest		(12,052)	(9,547)
Total equity		2,362,910,678	2,398,863,187
Non-current liabilities			
Long term Loan- net of current maturity	16	9,041,307,191	7,837,596,261
Lease Liability		216,782	377,930
Security Retention Money		189,096,526	327,851,465
Loan from others		50,000,000	50,000,000
Total non-current liabilities		9,280,620,499	8,215,825,656
Current liabilities			
Long Term Loan- Current maturity	16	486,946,203	1,513,498,890
Short-term loans	17	1,581,646,573	1,186,358,457
Provision for income tax	18	455,281,543	427,474,358
Unclaimed Dividend Account	19	38,155,218	38,215,498
Payables and accruals	20	167,573,875	189,058,353
Total current liabilities		2,729,603,412	3,354,605,556
Total liabilities		12,010,223,911	11,570,431,212
Total equity and liabilities		14,373,134,589	13,969,294,399
Consolidated Net Assets Value Per Share (NAVPS)	21	31.28	31.75


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 3rd Quarter ended March 31, 2024

Particulars	July ' 2023 to March' 2024 BD Taka	July ' 2022 to March' 2023 BD Taka	January ' 2024 to March' 2024 BD Taka	January ' 2023 to March' 2023 BD Taka
Revenue (Net)	3,134,268,958	3,277,804,453	1,163,195,585	1,187,139,373
Less: Cost of sales	2,451,349,718	2,547,027,424	912,032,435	926,409,802
Gross profit	682,919,240	730,777,029	251,163,150	260,729,571
Less: Administrative & Selling expenses	237,013,307	307,271,801	91,892,118	115,425,534
Less: Interest expenses	472,833,165	458,165,781	168,184,421	155,081,950
Operating profit/ (Loss)	(26,927,232)	(34,660,553)	(8,913,389)	(9,777,913)
Add: Other income	4,287,446	6,488,454	1,276,008	1,329,278
Less: Foreign exchange loss	-	111,188	-	-
Profit/(Loss) before contribution to WPPF	(22,639,786)	(28,060,911)	(7,637,381)	(8,448,635)
Less : Contribution to WPPF	7,390,734	8,582,673	2,581,650	2,184,704
Net profit/(Loss) before tax	(30,030,520)	(36,643,584)	(10,219,031)	(10,633,339)
Less: Income tax expenses	(36,217,042)	(45,516,284)	(12,711,742)	(13,512,762)
Current tax	13 50,599,839	54,145,667	18,079,469	14,343,410
Deferred tax expenses / (Income)	12.01 (86,816,881)	(99,661,951)	(30,791,211)	(27,856,172)
Net profit after tax	6,186,522	8,872,700	2,492,711	2,879,423
Revaluation Gain /Loss on investment in share	1,458,766	(88,897)	1,256,019	-
Deferred tax adjustment	(145,877)	8,890	(125,602)	-
	1,312,889	(80,007)	1,130,417	-
Total comprehensive income for the period	7,499,411	8,792,693	3,623,128	2,879,423
Attributable to:				
Equity holders of the Company	6,189,027	8,875,900	2,493,386	2,879,986
Non-controlling interests	(2,505)	(3,200)	(675)	(562)
Total	6,186,522	8,872,700	2,492,711	2,879,423
Number of shares	75,552,772	75,552,772	75,552,772	75,552,772
Consolidated Earnings per share	0.08	0.12	0.03	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 3rd Quarter ended March 31, 2024

		July ' 2023 to March' 2024 BD Taka	July ' 2022 to March' 2023 BD Taka
Cash flows from operating activities			
Cash Receipts from customers		2,878,623,485	2,978,399,920
Cash Receipts from Other income		4,287,446	6,488,454
Foreign exchange loss		-	111,188
Payments for materials, services and expenses		(2,803,699,559)	(2,908,536,023)
Cash generated from operations		79,211,372	76,463,539
Income tax paid		(22,792,654)	(13,972,281)
Net cash generated by operating activities	24	56,418,718	62,491,258
Cash flows from investing activities			
Acquisition of property, plant and equipment		(17,268,822)	(35,644,618)
Capital work in Progress		(33,196,426)	-
Other receiveables		71,221	(12,560)
Long-term security deposits		-	(16,890,908)
Net cash used in investing activities		(50,394,027)	(52,548,086)
Cash flows from financing activities			
Bank Interest paid		(472,833,165)	(458,165,781)
Net Loan increased/ decreased		572,446,359	594,239,811
Security Retention money		(138,754,939)	(55,674,385)
Net paid to Group Companies		(14,300,000)	-
Dividend paid		(14,682,468)	(25,444,416)
Net cash used in financing activities		(68,124,213)	54,955,229
Net changes in cash and cash equivalents		(62,099,522)	64,898,401
Cash and cash equivalents at the beginning of period		257,032,861	193,774,040
Cash and cash equivalents at the end of period		194,933,339	258,672,441
Consolidated Net operating cash flows per share	23	0.75	0.83

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 3rd quarter ended March 31, 2024

	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	-	-	-	8,875,900	8,875,900	(3,200)	8,872,700
Fair Value Reserve	-	-	(80,007)	-	(80,007)	-	(80,007)
Stock Dividend	35,977,510	-	-	(35,977,510)	-	-	-
Cash dividend	-	-	-	(20,691,389)	(20,691,389)	-	(20,691,389)
Balance at March 31, 2023	755,527,720	216,004,824	2,955,502	1,423,092,684	2,397,580,730	(13,092)	2,397,567,638
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	-	-	-	6,189,027	6,189,027	(2,505)	6,186,522
Fair Value Reserve	-	-	1,312,889	-	1,312,889	-	1,312,889
Dividend	-	-	-	(43,451,920)	(43,451,920)	-	(43,451,920)
Balance at March 31, 2024	755,527,720	216,004,824	4,580,720	1,386,809,466	2,362,922,730	(12,052)	2,362,910,678


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 March 31, 2024

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 March 31, 2024, 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 ongoing conflicts between Russia and Ukraine, as well as Israel and Palestine, are having different impacts on various industries. Sectors that are involved in the energy industry are particularly affected by the high cost of oil and gas. This has resulted in a shortage of materials in some subsidiaries. Because of the dollar crisis, it has become necessary to sell locally sourced LPG, which is not always available. As a result, the company's revenue has decreased.

Net operating Cash Flows:

Revenue Collection is the total amount of income generated by a group's primary operations. Unfortunately, the group recently experienced a significant reduction in revenue of 14.35 crore, which has directly affected the cash flow generated from its operations. As a result, fewer funds are now flowing into the group from its core business activities.

Earnings per share (EPS)

The company's gross profit has decreased due to several factors, including the dollar crisis and material shortages within its subsidiaries. As a result, the consolidated earnings per share (EPS) have significantly decreased when compared to the same period of the previous 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 ongoing war is having a severe impact on the global economy, causing major disruptions in trade and leading to price shocks in food and fuel. This has resulted in high inflation and tighter financing conditions worldwide. The economic situation in the Euro and Middle East region, which is the largest economic partner for emerging and developing economies in Asia specially in South Asia, has significantly worsened in the 1st quarter of 2024. This is due to supply chain disruptions, increased financial strains, and declines in consumer and business confidence. The most damaging effect of the war is the surge in energy prices, as Russia has significantly reduced its energy supply. As a result, the government of Bangladesh is being very cautious about saving its reserves and discouraging imports. The CNG group's business, which is highly dependent on imports, is being significantly impacted by the war.

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 3rd quarter ended March 31, 2024

	March 31, 2024	June 30, 2023
	BD Taka	BD Taka
09. Property, plant & equipment, net		
Land and land develop.	1,180,687,289	1,180,687,289
Building & Shed	696,980,754	740,144,478
Plant & Machinery	1,728,860,739	1,801,948,766
Cylinder	1,405,987,953	1,519,986,976
Tools & equipment	78,528,861	82,467,382
Furniture & fixtures	16,473,014	17,808,665
Electrical equipment	13,854,536	14,974,965
Office equipment	5,145,724	5,440,337
Vehicles	136,581,764	147,655,962
	5,263,100,634	5,511,114,820
10. Intangible Assets		
Software System ERP	19,842,601	21,451,461
	19,842,601	21,451,461
11. Capital Work-in-progress		
Opening Balance	949,667,127	958,441,594
Add : during the period	33,196,426	78,998,365
	982,863,553	1,037,439,959
Less: Transfer to Property, plant and equipment	12,563,210	87,772,832
Closing Balance	970,300,343	949,667,127
12 Deferred tax (Assets)/ Liabilities		
Deferred tax for temporary difference 12.01	(625,519,274)	(538,702,393)
Deferred tax on Unrealized Gain/ loss 12.02	508,969	363,092
Deferred tax for gratuity provision 12.03	(11,572,500)	(11,572,500)
	(636,582,805)	(549,911,800)
12.01 Deferred tax for temporary difference		
Accounting base WDV	5,282,943,235	5,532,566,280
Tax base WDV	6,961,365,062	6,947,231,054
Taxable temporary difference	(1,678,421,828)	(1,414,664,774)
Less: Unabsorbed Depreciation	(368,112,288)	(339,898,949)
	(2,046,534,116)	(1,754,563,723)
Tax rate @ 22.5% & 30% respectively	-	-
Deferred tax (Assets) / liabilities	(625,519,274)	(538,702,393)
Opening balance	(538,702,393)	(426,397,427)
Deferred tax expenses /(income) for temporary difference	(86,816,881)	(112,304,966)
Deferred tax expenses /(income) for gratuity (12.03)	-	-
Total Deferred Tax Expense/(Income) for the period	(86,816,881)	(112,304,966)
12.02 Deferred tax on Unrealized Gain		
Opening Balance	363,092	337,279
For the period	145,877	25,813
	508,969	363,092

	March 31, 2024	June 30, 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	(30,030,520)	(51,176,788)
Add: Consolidated Adjustment for admissible and inadmissible expenses	177,845,194	182,154,593
Consolidated taxable profit/(Loss)	147,814,674	130,977,805
Consolidated tax expenses based on applicable tax rate as per ITO 1984	39,426,383	37,046,177
B. Minimum Tax	11,173,456	14,226,081
Total Consolidated Current tax	50,599,839	51,272,258
14. Inventories		
Raw materials	868,901,768	775,681,361
Work in process	190,098,218	191,066,779
Finished Goods	1,633,046,547	1,591,811,325
Spare Parts	32,972,341	28,233,397
Stock in transit	356,818,882	317,930,593
	3,081,837,756	2,904,723,455
15. Cash & bank balances		
Cash in Hand	6,829,087	19,608,150
Cash at banks :		
Fixed deposit receipt (FDR)	135,615,763	123,905,134
Cash at Bank	52,488,489	113,519,577
	194,933,339	257,032,861
16. Long term loan		
City Bank Limited, Gulshan Avenue Br.	4,108,592,505	4,201,825,077
Shahjalal Islami Bank Limited, Gulshan Br.	2,755,392,119	2,612,212,854
One Bank Limited, Gulshan Br.	2,248,192,619	2,122,605,800
Standard Bank Limited	90,958,625	89,333,894
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	9,528,253,394	9,351,095,151
Less: Long Term Loan- Current maturity	486,946,203	1,513,498,890
Long Term Loan- net of current maturity	9,041,307,191	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.

	March 31, 2024	June 30, 2023
	BD Taka	BD Taka
17. Short-term loans		
Shahjalal Islami Bank Limited	54,498,297	73,903,489
One Bank Limited	293,859,070	268,154,909
City Bank Limited	1,023,729,364	634,812,362
Janata Bank Limited	209,559,842	209,487,697
	1,581,646,573	1,186,358,457
18. Provision for income tax		
Opening Balance	427,474,358	386,245,242
Add : during the period	50,599,839	51,272,258
	478,074,197	437,517,500
Less: Paid in advance	(22,792,654)	(10,043,142)
Closing balance	455,281,543	427,474,358
19. Unclaimed Dividend		
Unclaimed for less than 3 Year's	1,033,040	3,965,209
Unclaimed for more than 3 Year's	37,122,178	34,250,289
	38,155,218	38,215,498
20. Payables and accruals		
Account payables	9,523,644	10,858,052
Liabilities for Expenses	73,263,200	105,190,934
Workers profit participation fund	50,192,308	64,615,030
Dividend Payable	28,829,732	-
Sundry payables	4,997,490	7,626,835
Provision for doubtful debt	767,502	767,502
	167,573,875	189,058,353
21. Net assets value per share (NAVPS)		
Net assets value	2,362,922,730	2,398,872,734
Number of ordinary shares used to compute NAVPS	75,552,772	75,552,772
Net assets value per share	31.28	31.75
	July 01, 2023 to March 31, 2024	July 01, 2022 to March 31, 2023
	BD Taka	BD Taka
22. Earnings per share (EPS)		
Profit attributable to ordinary shareholders	6,186,522	8,872,700
Number of ordinary shares used to compute earnings per share	75,552,772	75,552,772
Earnings per share	0.08	0.12

	July 01, 2023 to March 31, 2024	July 01, 2022 to March 31, 2023
	BD Taka	BD Taka
23. Net operating cash flows per share (NOCFPS)		
Net operating cash flows	56,418,718	62,491,258
Number of ordinary shares used to compute NOCFPS	75,552,772	75,552,772
Net operating cash flows per share	0.75	0.83
24. Reconciliation of cash flows from operating activities under indirect method:		
Net profit/Loss before interest & income tax during the period	442,802,645	421,522,198
Adjustment to recocile net income to net cash provided by operating activities:		
Interest on Lease	19,933	35,926
Payment for lease liability	(181,080)	(302,290)
Depreciation expenses	279,734,063	349,855,580
Income tax paid	(22,792,654)	(13,972,281)
Changes in current assets and liabilities:		
(Decrease)/ increase in inventories	(177,114,301)	(26,565,967)
Decrease/ (increase) in advance, Deposit and prepayments	(160,090,204)	(321,427,513)
Decrease/ (increase) in trade receivable	(255,645,471)	(299,404,531)
(Decrease)/ increase in payables & accruals	(50,314,212)	(47,249,864)
Net cash flow from operating activities	56,418,718	62,491,258
Total cash flow from operating activities- Indirect Method*	56,418,718	62,491,258
Total cash flow from operating activities- Direct Method*	56,418,718	62,491,258
Difference	-	-
* Details in the statement of cash flows		