

# 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, 2022, 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

April 27, 2022

Navana CNG Limited and its subsidiaries

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

As at March 31, 2022

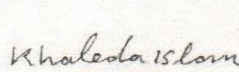
	Notes	March 31, 2022 BD Taka	June 30, 2021 BD Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant & equipment	9	5,933,758,938	6,249,649,132
Intangible Assets	10	23,172,066	21,605,274
Right of Use Assets		3,537,415	8,013,284
Capital Work-in-progress	11	922,467,528	968,885,418
Long-term security deposit		43,197,516	43,197,516
Deferred tax assets	12	407,475,383	294,184,804
Investment in shares		3,690,475	3,259,076
<b>Total non-current assets</b>		<b>7,337,299,321</b>	<b>7,588,794,504</b>
<b>Current assets</b>			
Inventories	14	2,646,858,951	2,511,747,923
Accounts receivable		1,256,249,842	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		1,481,647,568	1,147,579,654
Cash & bank balances	15	210,384,753	185,936,814
<b>Total current assets</b>		<b>5,805,266,168</b>	<b>5,152,573,831</b>
<b>Total assets</b>		<b>13,142,565,489</b>	<b>12,741,368,335</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		719,550,210	685,285,920
Tax holiday reserve		216,004,824	216,004,824
Fair Value reserve		2,753,221	2,364,961
Retained Earnings		1,470,155,504	1,514,055,572
<b>Equity attributable to the owners of Company</b>		<b>2,408,463,759</b>	<b>2,417,711,277</b>
Non-controlling interest		(9,305)	(7,414)
<b>Total equity</b>		<b>2,408,454,454</b>	<b>2,417,703,863</b>
<b>Non-current liabilities</b>			
Long term Loan- net of current maturity	16	8,291,453,270	4,837,599,450
Lease Liability		1,908,071	5,857,056
Security Retention Money		591,239,387	591,239,387
Loan from others		50,000,000	50,000,000
<b>Total non-current liabilities</b>		<b>8,934,600,728</b>	<b>5,484,695,893</b>
<b>Current liabilities</b>			
Long Term Loan- Current maturity	16	683,431,470	1,360,852,732
Short-term loans	17	516,633,656	2,883,450,404
Provision for income tax	18	365,232,340	329,400,956
Current account with Group companies		34,000,000	-
Unclaimed Dividend Account	19	43,159,725	42,554,496
Payables and accruals	20	157,053,116	222,709,991
<b>Total current liabilities</b>		<b>1,799,510,307</b>	<b>4,838,968,579</b>
<b>Total liabilities</b>		<b>10,734,111,035</b>	<b>10,323,664,472</b>
<b>Total equity and liabilities</b>		<b>13,142,565,489</b>	<b>12,741,368,335</b>
<b>Consolidated Net Assets Value Per Share ( NAVPS )</b>	21	<b>33.47</b>	<b>33.60</b>



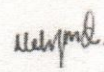
Managing Director



Director



Director



Chief Financial Officer




Company Secretary

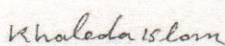



Navana CNG Limited and its subsidiaries  
Consolidated Statement of Profit or loss and other Comprehensive Income (Un-audited)  
For the 3rd Quarter ended March 31, 2022

Particulars	Notes	July ' 2021 to March' 2022 BD Taka	July ' 2020 to March' 2021 BD Taka	January ' 2022 to March' 2022 BD Taka	January ' 2021 to March' 2021 BD Taka
Revenue (Net)		3,256,806,509	3,793,314,287	1,041,951,988	1,194,573,349
Less: Cost of sales		2,531,636,050	2,957,080,129	805,269,511	929,274,729
Gross profit		725,170,459	836,234,158	236,682,477	265,298,620
Less: Administrative & Selling expenses		335,541,683	450,214,981	115,096,158	138,773,589
Less: Interest expenses		441,731,282	438,246,825	141,492,037	140,805,686
Operating profit/Loss		(52,102,506)	(52,227,648)	(19,905,718)	(14,280,655)
Add: Other income		3,370,046	10,393,584	1,125,448	5,180,875
Add: Foreign exchange gain		350,381	(952,015)	-	(952,015)
Profit before contribution to WPPF		(48,382,079)	(42,786,079)	(18,780,270)	(10,051,794)
Less : Contribution to WPPF		6,960,172	7,992,592	2,071,186	3,501,717
Net profit/Loss before tax		(55,342,250)	(50,778,671)	(20,851,456)	(13,553,511)
Less: Income tax expenses		(65,410,663)	(65,125,435)	(23,133,077)	(16,543,587)
Current tax	13	47,923,055	63,075,756	14,651,443	24,973,021
Deferred tax expenses / (Income)	12.01	(113,333,718)	(128,201,191)	(37,784,520)	(41,516,609)
Net profit after tax		10,068,413	14,346,763	2,281,621	2,990,076
Revaluation Gain /Loss on investment in share		431,399	307,234	45,098	(175,427)
Deferred tax adjustment		(43,139)	(30,723)	(4,509)	17,543
		388,260	276,511	40,589	(157,884)
Total comprehensive income for the period		10,456,673	14,623,274	2,322,210	2,832,192
Attributable to:					
Equity holders of the Company		10,070,304	14,347,792	2,282,044	2,990,022
Non-controlling interests		(1,891)	(1,029)	(423)	54
Total		10,068,413	14,346,763	2,281,621	2,990,076
Number of shares		71,955,021	71,955,021	71,955,021	71,955,021
Consolidated Earnings per share	22	0.14	0.20	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, 2022

Particulars	Notes	July ' 2021 to March'	July ' 2020 to March'
		2022 BD Taka	2021 BD Taka
<b>Cash flows from operating activities</b>			
Receipts from customers		3,097,741,053	3,677,976,950
Receipts from Other income		3,370,046	10,393,584
Foreign exchange loss		350,381	(952,015)
<b>Payments for materials, services and expenses</b>		<b>(3,026,240,467)</b>	<b>(3,388,329,553)</b>
Cash generated from operations		<b>75,221,013</b>	<b>299,088,966</b>
Income tax paid		(12,091,672)	(49,020,668)
<b>Net cash generated by operating activities</b>	<b>24</b>	<b>63,129,341</b>	<b>250,068,298</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(8,384,446)	(33,120,994)
Acquisition of Intangible Assets		(3,255,000)	(220,000)
Capital work in Progress		(9,825,631)	-
Other receiveables		-	(26,240)
<b>Net cash used in investing activities</b>		<b>(21,465,077)</b>	<b>(33,367,234)</b>
<b>Cash flows from financing activities</b>			
Bank Interest paid		(441,731,282)	(438,246,825)
Bank Loan		409,615,810	539,598,128
Security Retention money		-	(59,000,000)
Current account with Group companies		34,000,000	(144,385,000)
Dividend paid		(19,100,853)	(35,290,429)
<b>Net cash used in financing activities</b>		<b>(17,216,325)</b>	<b>(137,324,126)</b>
<b>Net changes in cash and cash equivalents</b>		<b>24,447,939</b>	<b>79,376,938</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>185,936,814</b>	<b>160,250,107</b>
<b>Cash and cash equivalents at the end of period</b>		<b>210,384,753</b>	<b>239,627,045</b>
<b>Consolidated Net operating cash flows per share</b>	<b>23</b>	<b>0.88</b>	<b>3.48</b>

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 3rd quarter ended March 31, 2022

	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	-	-	-	14,347,792	14,347,792	(1,029)	14,346,763
Transfer from other Comprehensive income	-	-	276,511	-	276,511	-	276,511
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance at March 31, 2021	<u>685,285,920</u>	<u>216,004,824</u>	<u>1,981,597</u>	<u>1,513,583,192</u>	<u>2,416,855,533</u>	<u>(7,229)</u>	<u>2,416,848,304</u>
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	-	-	-	10,070,304	10,070,304	(1,891)	10,068,413
Transfer from other Comprehensive income	-	-	388,260	-	388,260	-	388,260
Payment of stock dividend	34,264,290	-	-	(34,264,290)	-	-	-
Payment of cash dividend	-	-	-	(19,706,082)	(19,706,082)	-	(19,706,082)
Balance at March 31, 2022	<u>719,550,210</u>	<u>216,004,824</u>	<u>2,753,221</u>	<u>1,470,155,504</u>	<u>2,408,463,759</u>	<u>(9,305)</u>	<u>2,408,454,454</u>



Managing Director



Director

Khaleeda Islam

Director



Chief Financial Officer



Company Secretary



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

Selected Explanatory Consolidated Notes to the financial statements

For the period ended March 31, 2022

### **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, vide 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 (4<sup>th</sup> 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 March 31, 2022, 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 March 2022 and January 2022 to March 2022 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 March 2022, 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 is coming 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 3rd quarter ended March 31, 2022

		March 31, 2022	June 30, 2021
		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		817,238,749	881,555,441
Plant & Machinery		1,961,461,910	2,058,080,253
Cylinder		1,673,464,672	1,809,150,997
Tools & equipment		92,467,122	99,025,965
Furniture & fixtures		16,823,777	17,993,017
Electrical equipment		17,075,823	17,672,426
Office equipment		5,888,376	6,122,066
Vehicles		168,651,220	179,361,678
		<b>5,933,758,938</b>	<b>6,249,649,132</b>
<b>10. Intangible Assets</b>			
Software System ERP		23,172,066	21,605,274
		<b>23,172,066</b>	<b>21,605,274</b>
<b>11. Capital Work-in-progress</b>			
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		<b>922,467,528</b>	<b>968,885,418</b>
<b>12 Deferred tax (Assets)/ Liabilities</b>			
Deferred tax for temporary difference	12.01	(397,461,430)	(284,765,212)
Deferred tax on Unrealized Gain/ loss	12.02	358,547	315,408
Deferred tax for gratuity provision	12.03	(10,372,500)	(9,735,000)
		<b>(407,475,383)</b>	<b>(294,184,804)</b>
<b>12.01 Deferred tax for temporary difference</b>			
Accounting base WDV		5,956,931,003	6,271,254,405
Tax base WDV		6,956,418,907	6,947,568,448
Taxable temporary difference		(999,487,904)	(676,314,043)
Less: Unabsorbed Depreciation		(279,715,196)	(225,520,798)
		(1,279,203,099)	(901,834,841)
Tax rate @ 22.5% & 30% respectively		-	-
Deferred tax (Assets) / liabilities		<b>(397,461,430)</b>	<b>(284,765,212)</b>
Opening balance		(284,765,212)	(141,137,212)
Deferred tax expenses /(income) for temporary difference		(112,696,218)	(143,628,000)
Deferred tax expenses /(income) for gratuity (12.03)		(637,500)	(2,832,500)
Total Deferred Tax Expense/(Income) for the period		<b>(113,333,718)</b>	<b>(146,460,500)</b>
<b>12.02 Deferred tax on Unrealized Gain</b>			
Opening Balance		315,408	242,089
For the period		43,139	73,319
		<b>358,547</b>	<b>315,408</b>



	March 31, 2022	June 30, 2021
	BD Taka	BD Taka
<b>12.03 Deferred Tax for Gratuity Provision</b>		
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)
<b>13 Consolidated Current tax expense</b>		
<b>A. Income tax on Regular Rate</b>		
Consolidated Profit/Loss Before Tax	(55,342,250)	(66,148,313)
Add: Consolidated Adjustment for admissible and inadmissible expenses	194,545,687	224,648,914
Consolidated taxable profit/(Loss)	139,203,437	158,500,601
Consolidated tax expenses based on applicable tax rate as per ITO 1984	36,636,112	46,584,603
<b>B. Minimum Tax</b>	11,286,943	18,812,342
<b>Total Consolidated Current tax</b>	<b>47,923,055</b>	<b>65,396,946</b>
<b>14. Inventories</b>		
Raw materials	773,534,354	791,142,634
Work in process	188,253,231	167,128,675
Finished Goods	1,316,761,847	1,197,194,155
Stores and Spare Parts	17,623,546	9,523,658
Stock in transit	350,685,973	346,758,801
	<b>2,646,858,951</b>	<b>2,511,747,923</b>
<b>15. Cash &amp; bank balances</b>		
Cash in Hand	6,709,013	7,451,041
Cash at banks :		
Fixed deposit receipt (FDR)	126,807,155	108,931,276
Cash at Bank	76,868,585	69,554,497
	<b>210,384,753</b>	<b>185,936,814</b>



	March 31, 2022	June 30, 2021
	BD Taka	BD Taka
<b>16. Long term loan</b>		
City Bank Limited, Gulshan Avenue Br.	4,295,335,230	3,397,729,859
Shahjalal Islami Bank Limited, Gulshan Br.	2,374,907,382	998,539,349
One Bank Limited, Gulshan Br.	1,895,831,847	1,396,152,550
Standard Bank Limited	83,692,755	80,912,898
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	<b>8,974,884,740</b>	<b>6,198,452,182</b>
Less: Long Term Loan- Current maturity	683,431,470	1,360,852,732
<b>Long Term Loan- net of current maturity</b>	<b>8,291,453,270</b>	<b>4,837,599,450</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.		
<b>17. Short-term loans</b>		
Shahjalal Islami Bank Limited	58,669,872	1,415,508,761
One Bank Limited	250,069,375	625,434,328
State Bank of India	-	10,752,381
City Bank Limited	3,276,207	629,478,851
Janata Bank Limited	204,618,202	202,276,083
	<b>516,633,656</b>	<b>2,883,450,404</b>
<b>18. Provision for income tax</b>		
Opening Balance	329,400,956	271,316,851
Add : during the period	47,923,055	65,396,946
	377,324,011	336,713,797
Less: Paid in advance	(12,091,672)	(7,312,840)
<b>Closing balance</b>	<b>365,232,340</b>	<b>329,400,956</b>
<b>19. Unclaimed Dividend</b>		
Unclaimed for less than 3 Year's	8,144,210	12,110,994
Unclaimed for more than 3 Year's	35,015,515	30,443,502
	<b>43,159,725</b>	<b>42,554,496</b>
<b>20. Payables and accruals</b>		
Account payables	14,150,362	33,996,283
Liabilities for Expenses	59,925,938	100,097,957
Workers profit participation fund	66,388,829	55,670,873
Sundry payables	15,820,485	32,177,376
Provision for doubtful debt	767,502	767,502
	<b>157,053,116</b>	<b>222,709,991</b>
<b>21. Net assets value per share (NAVPS)</b>		
Net assets value	2,408,463,759	2,417,711,277
Number of ordinary shares used to compute NAVPS	71,955,021	71,955,021
<b>Net assets value per share</b>	<b>33.47</b>	<b>33.60</b>



**22. Earnings per share (EPS)**

Profit attributable to ordinary shareholders  
Number of ordinary shares used to compute earnings per share  
Earnings per share

July 01, 2021 to March 31, 2022	July 01, 2020 to March 31, 2021
BD Taka	BD Taka
10,068,413	14,346,763
71,955,021	71,955,021
<b>0.14</b>	<b>0.20</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

63,129,341	250,068,298
71,955,021	71,955,021
<b>0.88</b>	<b>3.48</b>

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

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

397,106,987 398,417,484

Adjustment to reconcile net income to net cash provided by operating activities:

Interest on Lease

166,718 1,044,285

Payment for lease liability

(4,115,702) (8,519,819)

Depreciation expenses

386,682,239 428,583,960

Income tax paid

(12,091,672) (49,020,668)

Changes in current assets and liabilities:

(Decrease)/ increase in inventories

(135,111,027) (161,320,555)

Decrease/ (increase) in advance, Deposit and prepayments

(334,067,915) (191,048,141)

Decrease/ (increase) in trade receivable

(159,065,457) (115,337,337)

(Decrease)/ increase in payables & accruals

(76,374,831) (52,730,912)

Net cash flow from operating activities

**63,129,341 250,068,298**

Total cash flow from operating activities- Indirect Method\*

63,129,341 250,068,298

Total cash flow from operating activities- Direct Method\*

63,129,341 250,068,298

Difference

- -

\* Details in the statement of cash flows