

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, 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 1st quarter ended on that date.


Managing Director

Dated: Dhaka

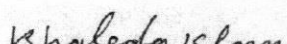
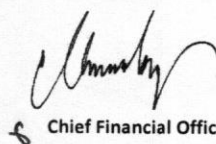
November 14, 2022

Navana CNG Limited and its subsidiaries

Consolidated Statement of Financial Position (Un-audited)**As at September 30, 2022**

	Note	30/09/2022 BD Taka	30/06/2022 BD Taka
Assets			
Non-current assets			
Property, plant & equipment	9	5,721,638,458	5,812,152,563
Intangible Assets	10	21,947,126	22,509,872
Right of Use Assets		1,022,442	1,180,798
Capital Work-in-progress	11	934,984,844	958,441,594
Long-term security deposit		48,518,217	48,518,217
Deferred tax assets	12	471,063,054	437,632,648
Investment in shares		3,623,204	3,477,788
Total non-current assets		7,202,797,345	7,283,913,480
Current assets			
Inventories	14	2,729,360,241	2,733,445,165
Accounts receivable		1,503,074,152	1,388,062,875
Other Receivables		195,067,169	195,112,494
Current account with Group companies		145,715,025	145,715,025
Advances, deposits & pre-payments		1,470,177,842	1,330,211,766
Cash & bank balances	15	218,070,255	193,774,040
Total current assets		6,261,464,684	5,986,321,365
Total assets		13,464,262,029	13,270,234,845
Equity and liabilities			
Capital and reserves			
Share capital		719,550,210	719,550,210
Tax holiday reserve		216,004,824	216,004,824
Fair Value reserve		3,166,384	3,035,509
Retained Earnings		1,473,652,864	1,470,885,683
Equity attributable to the owners of Company		2,412,374,282	2,409,476,226
Non-controlling interest		(11,220)	(9,892)
Total equity		2,412,363,062	2,409,466,334
Non-current liabilities			
Long term Loan- net of current maturity	16	6,957,418,180	7,391,643,901
Lease Liability		579,570	695,645
Security Retention Money		424,708,865	424,708,865
Loan from others		50,000,000	50,000,000
Total non-current liabilities		7,432,706,615	7,867,048,411
Current liabilities			
Long Term Loan- Current maturity	16	1,938,902,646	1,542,292,109
Short-term loans	17	1,041,410,276	809,583,230
Provision for income tax	18	401,800,646	386,245,242
Unclaimed Dividend Account	19	42,771,355	43,047,616
Payables and accruals	20	194,307,429	212,551,903
Total current liabilities		3,619,192,352	2,993,720,100
Total liabilities		11,051,898,967	10,860,768,511
Total equity and liabilities		13,464,262,029	13,270,234,845
Consolidated Net Assets Value Per Share (NAVPS)	21	33.53	33.49


Managing Director

Director

Director

Chief Financial Officer

Company Secretary

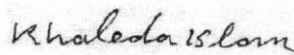
Navana CNG Limited and its subsidiaries

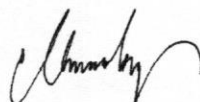
Consolidated Statement of Profit or loss and other Comprehensive Income (Un-audited)
For the 1st Quarter ended September 30, 2022

Particulars		July ' 2022 to September' 2022 BD Taka	July ' 2021 to September' 2021 BD Taka
Revenue (Net)		1,023,552,536	1,168,786,742
Less: Cost of sales		794,155,723	917,935,865
Gross profit		229,396,813	250,850,877
Less: Administrative & Selling expenses		86,758,686	117,915,755
Less: Interest expenses		152,949,993	150,671,322
Operating profit/ (Loss)		(10,311,866)	(17,736,200)
Add: Other income		1,583,188	699,460
Profit/(Loss) before contribution to WPPF		(8,728,678)	(17,036,740)
Less : Contribution to WPPF		2,885,503	1,415,506
Net profit/(Loss) before tax		(11,614,181)	(18,452,246)
Less: Income tax expenses		(14,380,034)	(22,794,821)
Current tax	13	19,064,914	13,102,504
Deferred tax expenses / (Income)	12.01	(33,444,948)	(35,897,325)
Net profit after tax		2,765,853	4,342,575
Revaluation Gain /Loss on investment in share		145,416	1,444,415
Deferred tax adjustment		(14,541)	(144,442)
		130,875	1,299,973
Total comprehensive income for the period		2,896,728	5,642,548
Attributable to:			
Equity holders of the Company		2,767,181	4,342,645
Non-controlling interests		(1,328)	(70)
Total		2,765,853	4,342,575
Number of shares		71,955,021	71,955,021
Consolidated Earnings per share	22	0.04	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 1st Quarter ended September 30, 2022

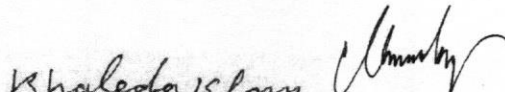
		July ' 2022 to September' 2022	July ' 2021 to September' 2021
		BD Taka	BD Taka
Cash flows from operating activities			
Cash Receipts from customers		908,541,257	1,105,516,008
Cash Receipts from Other income		1,583,188	699,460
Payments for materials, services and expenses		(921,520,770)	(1,143,012,043)
Cash generated from operations		(11,396,325)	(36,796,575)
Income tax paid		(3,509,510)	(5,620,710)
Net cash generated by operating activities	24	(14,905,835)	(42,417,285)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,828,883)	(1,783,386)
Acquisition of Intangible Assets		-	(3,255,000)
Other receiveables		45,325	-
Net cash used in investing activities		(1,783,558)	(5,038,386)
Cash flows from financing activities			
Bank Interest paid		(152,949,993)	(150,671,322)
Net Loan taken/ Paid		194,211,862	206,453,489
Net paid to Group Companies		-	11,500,000
Dividend paid		(276,261)	(110,722)
Net cash used in financing activities		40,985,608	67,171,445
Net changes in cash and cash equivalents		24,296,215	19,715,774
Cash and cash equivalents at the beginning of period		193,774,040	185,936,814
Cash and cash equivalents at the end of period		218,070,255	205,652,588
Consolidated Net operating cash flows per share	23	(0.21)	(0.62)



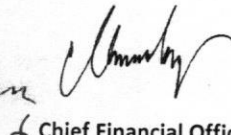
Managing Director



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, 2022

	Share capital BD Taka	Tax holiday reserve BD Taka	Fair Value Reserve BD Taka	Retained earnings BD Taka	Attributable to owners of the Company BD Taka	Non- controlling interests BD Taka	Total BD Taka
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			-	4,342,645	4,342,645	(70)	4,342,575
Fair Value Reserve		-	1,299,973	-	1,299,973	-	1,299,973
Balance at September 30, 2021	<u>685,285,920</u>	<u>216,004,824</u>	<u>3,664,934</u>	<u>1,518,398,217</u>	<u>2,423,353,895</u>	<u>(7,484)</u>	<u>2,423,346,412</u>
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>


Managing Director


Director

Khaleda 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 on September 30, 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. 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 which was 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 principal activities of the Company are to manufacture polymer, plastic, PVC, Poly Ethylene, 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 which 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 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 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 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 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 alongwith 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 the period ended September 30, 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:

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 and essentials dollars are not available and the opening of import L/C is very difficult. As a result, we have to sell LPG procured from local sources and which are not available all the time. Hence revenue of the company goes down.

Net operating Cash Flows:

As stated above the significant difference in NOCFPS in between the period from July 2022 to September 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 war. 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 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 are contributing 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 declines in consumer and business confidence. The most damaging effects of the invasion, however, are surging energy prices amid large reductions in the Russian energy supply. Now govt. of Bangladesh is very cautionary to save her reserve and discouraging imports. LPG business is highly dependent on imports and the negative impact of the war is significant on our business.

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 1st quarter ended September 30, 2022

		30/09/2022	30/06/2022
		BD Taka	BD Taka
09. Property, plant & equipment, net			
Land and land develop.		1,180,687,289	1,180,687,289
Building & Shed		776,029,928	795,928,131
Plant & Machinery		1,864,851,132	1,910,973,238
Cylinder		1,610,976,976	1,628,235,897
Tools & equipment		87,963,077	90,166,410
Furniture & fixtures		19,292,720	19,787,406
Electrical equipment		16,176,186	16,590,959
Office equipment		5,700,526	5,721,055
Vehicles		159,960,625	164,062,178
		5,721,638,458	5,812,152,563
10. Intangible Assets			
Software System ERP		21,947,126	22,509,872
		21,947,126	22,509,872
11. Capital Work-in-progress			
Opening Balance		958,441,594	968,885,418
Add : during the period		-	46,785,320
		958,441,594	1,015,670,738
Less: Transfer to Property, plant and equipment		23,456,750	57,229,144
Closing Balance		934,984,844	958,441,594
12 Deferred tax (Assets)/ Liabilities			
Deferred tax for temporary difference	12.01	(459,354,874)	(426,397,427)
Deferred tax on Unrealized Gain/ loss	12.02	351,820	337,279
Deferred tax for gratuity provision	12.03	(12,060,000)	(11,572,500)
		(471,063,054)	(437,632,648)
12.01 Deferred tax for temporary difference			
Accounting base WDV		5,743,585,582	5,834,662,435
Tax base WDV		6,917,631,621	6,913,083,898
Taxable temporary difference		(1,174,046,039)	(1,078,421,463)
Less: Unabsorbed Depreciation		(312,639,718)	(297,779,995)
		(1,486,685,756)	(1,376,201,458)
Tax rate @ 22.5% & 30% respectively		-	-
Deferred tax (Assets) / liabilities		(459,354,874)	(426,397,427)
Opening balance		(426,397,427)	(284,765,212)
Deferred tax expenses /(income) for temporary difference		(32,957,447)	(141,632,215)
Deferred tax expenses /(income) for gratuity (12.03)		(487,500)	(1,837,500)
Total Deferred Tax Expense/(Income) for the period		(33,444,948)	(143,469,715)
12.02 Deferred tax on Unrealized Gain			
Opening Balance		337,279	315,408
For the period		14,541	21,871
		351,820	337,279

	30/09/2022	30/06/2022
	BD Taka	BD Taka
12.03 Deferred Tax for Gratuity Provision		
Opening Provision	46,200,000	38,700,000
Add: during the period	2,000,000	7,500,000
Closing Provision	48,200,000	46,200,000
Applicable Tax rate @ 22.5% & 30% respectively	-	-
Closing deferred tax for gratuity provision	(12,060,000)	(11,572,500)
Less: Opening deferred tax for gratuity provision	(11,572,500)	(9,735,000)
Deferred tax expense/(income) for the period	(487,500)	(1,837,500)
13 Consolidated Current tax expense		
A. Income tax on Regular Rate		
Consolidated Profit/(Loss) Before Tax	(11,614,181)	(67,596,048)
Add: Consolidated Adjustment for admissible and inadmissible expenses	69,324,231	246,409,733
Consolidated taxable profit/(Loss)	57,710,051	178,813,685
Consolidated tax expenses based on applicable tax rate as per ITO 1984	15,830,754	49,750,323
B. Minimum Tax	3,234,161	14,931,655
Total Consolidated Current tax	19,064,914	64,681,978
14. Inventories		
Raw materials	695,762,511	782,796,904
Work in process	186,550,328	175,385,797
Finished Goods	1,440,091,567	1,404,280,744
Spare Parts	19,680,605	19,936,119
Stock in transit	387,275,230	351,045,601
	2,729,360,241	2,733,445,165
15. Cash & bank balances		
Cash in Hand	11,388,884	6,508,711
Cash at banks :		
Fixed deposit receipt (FDR)	146,313,408	134,962,033
Cash at Bank	60,367,963	52,303,296
	218,070,255	193,774,040
16. Long term loan		
City Bank Limited, Gulshan Avenue Br.	4,030,745,293	4,162,375,044
Shahjalal Islami Bank Limited, Gulshan Br.	2,469,465,588	2,421,928,128
One Bank Limited, Gulshan Br.	1,983,558,148	1,938,962,022
Standard Bank Limited	87,434,271	85,553,290
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	8,896,320,826	8,933,936,010
Less: Long Term Loan- Current maturity	1,938,902,646	1,542,292,109
Long Term Loan- net of current maturity	6,957,418,180	7,391,643,901

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.

	30/09/2022	30/06/2022
	BD Taka	BD Taka
17. Short-term loans		
Shahjalal Islami Bank Limited	82,816,159	81,666,159
One Bank Limited	256,485,123	256,313,402
City Bank Limited	497,531,942	262,330,403
Janata Bank Limited	204,577,052	209,273,266
	1,041,410,276	809,583,230
18. Provision for income tax		
Opening Balance	386,245,242	329,400,956
Add : during the period	19,064,914	64,681,978
	405,310,156	394,082,934
Less: Paid in advance	(3,509,510)	(7,837,693)
Closing balance	401,800,646	386,245,242
19. Unclaimed Dividend		
Unclaimed for less than 3 Year's	7,784,393	8,033,629
Unclaimed for more than 3 Year's	34,986,962	35,013,987
	42,771,355	43,047,616
20. Payables and accruals		
Account payables	14,583,481	12,091,644
Liabilities for Expenses	87,257,753	114,005,054
Workers profit participation fund	74,074,013	69,622,015
Sundry payables	17,624,680	16,065,688
Provision for doubtful debt	767,502	767,502
	194,307,429	212,551,903
21. Net assets value per share (NAVPS)		
Net assets value	2,412,374,282	2,409,476,226
Number of ordinary shares used to compute NAVPS	71,955,021	71,955,021
Net assets value per share	33.53	33.49
	July 01, 2022 to September 30, 2022	July 01, 2021 to September 30, 2021
	BD Taka	BD Taka
22. Earnings per share (EPS)		
Profit attributable to ordinary shareholders	2,765,853	4,342,575
Number of ordinary shares used to compute earnings per share	71,955,021	71,955,021
Earnings per share	0.04	0.06

23. Net operating cash flows per share (NOCFPS)

	July 01, 2022 to September 30, 2022	July 01, 2021 to September 30, 2021
	BD Taka	BD Taka
Net operating cash flows	(14,905,835)	(42,417,285)
Number of ordinary shares used to compute NOCFPS	71,955,021	68,528,592
Net operating cash flows per share	(0.21)	(0.62)

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

Net profit/Loss before interest & income tax during the year	145,787,810	134,887,177
Adjustment to reconcile net income to net cash provided by operating activities:		
Interest on Lease	13,975	126,757
Payment for lease liability	(130,050)	(2,339,552)
Depreciation expenses	116,520,842	129,112,031
Income tax paid	(3,509,510)	(5,620,710)
Changes in current assets and liabilities:		
(Decrease)/ increase in inventories	4,084,925	(67,527,619)
Decrease/ (increase) in advance, Deposit and prepayments	(139,966,075)	(130,566,380)
Decrease/ (increase) in trade receivable	(115,011,277)	(63,270,735)
(Decrease)/ increase in payables & accruals	(22,696,474)	(37,218,254)
Net cash flow from operating activities	(14,905,835)	(42,417,285)
 Total cash flow from operating activities- Indirect Method*	 (14,905,835)	 (42,417,285)
Total cash flow from operating activities- Direct Method*	(14,905,835)	(42,417,285)
Difference	-	-

* Details in the statement of cash flows