

# NAVANA CNG LIMILED

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**(If there is any contrary information please communicate with DSE through e-mail: [listing@dsebd.org](mailto:listing@dsebd.org))**

## Brief Overview of the Company

1. Date of Incorporation : April 19, 2004
2. Converted into PLC : March 8, 2009
3. Authorized Capital : Tk.500.00 mn
4. Paid up Capital : Tk.363.00 mn
5. Business : CNG Conversion and CNG Re-fuelling.
- 6. Offloading of 18,150,000 Ordinary shares of Tk. 10 each Totaling Tk. 181,500,000.00 which is 50% of existing paid-up capital.**

## History of Paid up Capital

Year	Issued, Subscribed and Paid-up Capital (million Tk.)	(Capital in Million)
		Sources of Capital
2005	26.00	Issued on cash
2006	51.00	Issued on cash
2008	100.00	Bonus Share
2009	300.00	Bonus Share
20.05.2009	363.00	Bonus Share

**Issue Manager: ICB Capital Management Limited.**

**Auditor: Rahman Mostafa Alam & Co.**

## **At a glance**

Navana CNG Ltd. (NCL/the Company) a member of the NAVANA GROUP, was incorporated in Bangladesh on 19 April 2004 under the Companies Act, 1994 as a private company. NCL was converted into a public company on 8 March 2009.

The registered office of the Company is located at Islam Chamber (4th Floor), 125/A, Motijheel Commercial Area, Dhaka -1000, Bangladesh.

The Company renders its services through its nine CNG Conversion Centres located at Tejgaon I/A, Purana Paltan, Dipnagar (Kallyanpur), Gabtoli and Uttara in Dhaka; Noya Bazar and Chandgaon in Chittagong; Sylhet and Bogra and fifteen CNG Gas Stations situated at Motijheel C/A, Bakshi Bazar, Jurain, Ashulia, Baipal, Mirpur and Savar in Dhaka; Sonargaon in Narayanganj; Thanapara and Kalihati in Tangail; Dampara and Sitakunda in Chittagong; Bhairab in Kishoregonj; Sylhet; and Bogra. The Company has also four CNG Conversion Booking Centres at Jatrabari in Dhaka; Chowrasta in Gazipur; New Bus Stand in Tangail; and Sehda in Mymensingh.

## **Service provided by Navana CNG:**

- Petrol / Octane driven vehicle conversion into CNG.
- Diesel driven vehicle conversion into CNG.
- Diesel Generator conversion into Diesel Gas System.
- 4-stroke/3-Wheeler conversion into CNG.
- Selling gas through CNG re-fueling stations.
- Selling CNG re-fueling station on turn-key basis.
- Selling CNG conversion kit, cylinder, valve, re-fueling nozzle, receptacle and other CNG conversion spare parts.
- Offering package maintenance program for CNG re-fueling station.
- CNG cylinder Re-testing facility.
- Providing training on CNG conversion and re-fueling station.

**ownership of the Company's Securities:**

(As on 05.07.09)

<b>Sl No</b>	<b>Name of the Owners of Securities</b>	<b>Position</b>	<b>No of Shares</b>
1	Mr. Shafiul Islam	Chairman	19,687,982
2	Mrs. Khaleda Islam	Director	3,709,969
3	Mr. Monwarul Islam	Director	70,701
4	Mr. Saiful Islam	Vice-Chairman	3,630,000
5	Mr. Sajedul Islam	Director	3,603,900
6	Ms. Farhana Islam	Director	71,874
7	Mr. Shahedul Islam	Director	71,874
8	Mrs. Sumaiya Yasmin	Shareholder	4,350
9	Mrs. Mafia Yasmin	Shareholder	4,350
10	Aftab Automobiles Limited	Shareholder	5,445,000
	<b>Total</b>		<b>36,300,000</b>

## Performance at a Glance:

Particulars	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09
Turnover	112.46	341.53	726.69	983.96	1235.81
<i>Growth</i>		203.69%	112.77%	35.40%	25.60%
Direct Expense	93.34	287.41	498.22	577.44	759.04
<i>Growth</i>		207.92%	73.35%	15.90%	31.45%
Gross Profit	19.12	54.12	228.47	406.52	476.77
<i>Growth</i>		183.05%	322.15%	77.93%	17.28%
Operating Expense	14.47	47.82	116.37	198.08	232.11
<i>Growth</i>		230.48%	143.35%	70.22%	17.18%
Net Profit before Tax holiday reserve	4.65	6.27	112.12	208.45	244.66
<i>Growth</i>		34.84%	1688.20%	85.92%	17.37%
Tax holiday reserve	1.86	2.51	44.85	83.38	97.86
Net Profit after Tax holiday reserve	2.79	3.76	67.27	125.07	146.80
<i>Growth</i>		34.77%	1689.10%	85.92%	17.37%
EPS (Considering net profit before Tax holiday reserve)	1.79	1.23	21.98	20.85	8.16
EPS (restated considering Net Profit before Tax holiday reserve & paid-up shares as on 31.03.09)	0.16	0.21	3.74	6.95	8.16
		34.84%	1688.20%	85.92%	17.37%
EPS (restated considering Net Profit before Tax holiday reserve and paid-up shares as on 20.05.09)	0.13	0.17	3.09	5.74	6.74
		34.84%	1688.20%	85.92%	17.37%
EPS (Considering net profit after Tax holiday reserve)	1.07	0.74	13.19	12.51	4.89
EPS (restated considering Net Profit after Tax holiday reserve & paid-up shares as on 31.03.09)	1.07	0.13	2.24	4.17	4.89
<i>Growth</i>		-88.32%	1689.10%	85.92%	17.37%
EPS (restated considering Net Profit after Tax holiday reserve and paid-up shares as on 20.05.09)	0.08	0.10	1.85	3.45	4.04
<i>Growth</i>		34.77%	1689.10%	85.92%	17.37%
Total Assets	276.16	365.95	626.49	878.92	1094.04
<i>Growth</i>		32.51%	71.20%	40.29%	24.48%
Net Assets	55.65	61.92	174.05	382.50	627.16
<i>Growth</i>		11.27%	181.09%	119.76%	63.96%
NAV per share	21.40	12.14	34.13	38.25	20.91
<i>Growth</i>		-43.28%	181.09%	12.08%	-45.35%
NAV per share (restated considering paid-up share as on 20.05.09)	1.53	1.71	4.79	10.54	17.28
<i>Growth</i>		11.27%	181.09%	119.76%	63.96%

## Performance at a Glance (continued):

Particulars	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09
Shareholders Equity	55.65	61.92	174.05	382.50	627.16
No. of Shares	2600000	5100000	5100000	10000000	30000000
No. of shares as on 20.05.09					36300000
ROE (considering Profit after Tax Holiday Reserve)	5.01%	6.07%	38.65%	32.70%	23.41%
ROA (considering Profit after Tax Holiday Reserve)	1.01%	1.03%	10.74%	14.23%	13.42%
Net Profit Margin (considering Profit after Tax Holiday Reserve)	2.48%	1.10%	9.26%	12.71%	11.88%
Gross Profit Margin	17.00%	15.85%	31.44%	41.31%	38.58%
Asset Utilization	40.72%	93.33%	115.99%	111.95%	112.96%
Equity Multiplier	4.96	5.91	3.60	2.30	1.74
Short-term Debt	39.91	72.81	206.28	180.39	195.97
Long-term Debt	180.60	231.22	246.16	316.03	270.90
Total Debt	220.51	304.03	452.44	496.42	466.87
Capital Employed	236.25	293.14	420.21	698.53	898.06
Total Debt to Total Asset	79.85%	83.08%	72.22%	56.48%	42.67%
Total Debt to Total Capital	93.34%	103.71%	107.67%	71.07%	51.99%
STD to Total Capital	16.89%	24.84%	49.09%	25.82%	21.82%
Total Debt to total Equity	396.24%	491.00%	259.95%	129.78%	74.44%
Interest Expense	3.33	32.34	60.09	64.19	61.94
EBIT	7.98	38.61	172.21	272.64	306.60
Time Interest Earned Ratio	2.40	1.19	2.87	4.25	4.95

## Net Tangible Asset per share

(As reported by the company):

	<b>31.03.2009</b>	<b>31.03.2008</b>
A.1 Property, Plant and Equipment	587,246,265	287,255,093
A.2 Long term Security Deposits	38,729,767	14,275,286
A.3 Investment in Share	929,431	929,431
A.4 Current Assets	465,590,953	574,919,923
<b>A.4 Total Assets (A.1+A.2+A.3)</b>	<b>1,092,496,416</b>	<b>877,379,733</b>
B.1 Less: Current Liabilities	195,975,515	76,316,497
B.2 Less: Long term Liabilities	270,900,498	420,104,420
<b>B.3 Total Liabilities (B.1+B.2)</b>	<b>466,876,013</b>	<b>496,420,917</b>
<b>C Net Assets (A.4-B.3)</b>	<b>625,620,403</b>	<b>380,958,816</b>
<b>D Re-stated Number of Shares</b>	<b>36,300,000</b>	<b>30,000,000</b>
<b>E Net Tangible Asset Value per share(C/D)</b>	<b>17.23</b>	<b>12.70</b>

## Fixed Assets Schedule

For the year ended  
March 31, 2009

Figures in Taka

<b>Particulars</b>	<b>Land &amp; Land Development</b>	<b>Building &amp; Shed</b>	<b>Plant &amp; Machinery</b>	<b>Other Equipment</b>	<b>Furniture &amp; Fixture</b>	<b>Vehicles</b>	<b>Total</b>
Original Cost as on 01.04.08	51,000,000	37,878,540	172,742,069	2,598,902	5,141,414	6,445,886	275,806,811
Addition during the year		39,693,272	316,790,184	19,153,121	2,759,273	9,702,475	388,098,325
Total Cost as on 31.03.09	51,000,000	77,571,812	489,532,253	21,752,023	7,900,687	16,148,361	663,905,136
WDV before charging Depreciation	51,000,000	33,218,007	147,586,446	2,225,961	4,524,303	5,393,837	243,948,554
Accumulated Depreciation as on 01.04.08	-	4,660,533	25,155,623	372,941	617,111	1,052,049	31,858,257
Depreciation charged during the year	-	7,291,128	33,133,589	2,137,908	728,358	1,509,631	44,800,614
Accumulated Depreciation as on 31.03.09	-	11,951,661	58,289,212	2,510,849	1,345,469	2,561,680	76,658,871
WDV as on 31.03.09	51,000,000	65,620,151	431,243,041	19,241,174	6,555,218	13,586,681	587,246,265
Rate of Depreciation	Nil	10%	10%	10%	10%	10%	

## **Risk Factors and Management Perception:**

Risk is always associated with any kind of investment. So before taking decision on investing in the shares of Navana CNG Limited, the investors should carefully analyze the following risks in addition to the information contained in the Information Document:

**(a) Interest rate risk:** Interest rate risk is concerned with borrowed funds of short term and long-term maturity. Volatility in money market and increased demand for loans/investment funds raise the rate of interest. High rate of interest enhances the cost of fund of a Company and squeezes the profit.

**Management Perception:** Since the NCL has not borrowed fund at flexible rate, hence, the interest rate risk does not arise.

**b) Exchange rate risk:** Exchange rate risk relates to the core business of NCL, since it imports most materials from abroad in foreign currency. The Company also imports equipment from abroad where foreign currency is involved and exchange rate can impact such imports.

**Management Perception:** As foreign currencies are available in money market, NCL can meet its foreign currency outflows.

**c) Industry risk:** Like other companies, NCL also suffers from industry risks arising out of changes in customer choices, fashion and design.

**Management Perception:** NCL continuously carries out research and development (R&D) to keep pace with the customer choices, fashion and design.

**d) Market & Technology related risk:** Technology for a CNG Conversion/Refuelling Company is being upgraded in the world. Emergence of new technology may cause obsolescence of existing technology/equipment. So embracing with new technology is essential for ensuring better services at lower costs.

**Management Perception:** NCL is aware of technological changes and has adopted new technology according to its needs. Further routine and proper maintenance of the equipment carried out by the NCL ensures longer service life for the existing equipment and facilities.

**e) Potential or existing Government regulations:** Like other companies, NCL operations are affected by potential or existing Government regulations relating to gas, import, foreign exchange, monetary and fiscal regimes.

**Management Perception:** Since NCL is a “Green” Company, the Government regulations are mostly investment-friendly.

**f) Potential changes in global or national policies:** The performance of the Company may be affected due to unavoidable circumstances both in Bangladesh and worldwide, such as war, terrorism, political unrest in the



country or customer/supplier countries. Changes in global or national policies may also adversely affect the economy in general.

**Management Perception:** The risk due to changes in global or national policies is beyond control of any Company. Yet NCL has spreaded its import from various countries of the world to reduce the risk. Further, it adopted policies to meet the challenges from potential changes in global or national policies.

**g) Non-Operating History:** There is no history of non-operation in the case of NCL.

**Management Perception:** To overcome these uncertainties, the Company has its own power backup, scientific inventory management and continuous market promotion systems, which reduce the non-operating risk.

**h) Operational Risk:** Non-availability of imported materials may affect the smooth operational activities of NCL. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

**Management Perception:** The Company is equipped with power backup system, which reduces operational risk. Besides, the equipment is under insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine check and proper maintenance of the equipment also reduce and eliminate the operational risk.