

Navana CNG Limited
2nd Quarter(Half yearly) Report

Dear Shareholders,

We are pleased to forward herewith the 2nd Quarter (Half yearly) un-audited financial statements which consist of Consolidated statement of financial position as at December 31, 2020, 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 .



Chief Executive Officer

Dated: Dhaka
 January 28,2021

Navana CNG Limited and its subsidiaries
Consolidated Statement of Financial Position (Un-audited)
As at December 31, 2020

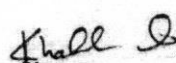
	Note	December 31, 2020	June 30, 2020
		BD Taka	BD Taka
Assets			
Non-current assets			
Property, plant & equipment	8	6,516,878,431	6,737,120,036
Intangible Assets	9	22,800,474	23,775,675
Right of use asset		12,795,117	19,934,974
Capital Work-in-progress	10	933,898,140	978,936,390
Long-term security deposit		44,377,166	44,377,166
Deferred tax assets	11	234,433,939	147,797,623
Investment in shares		3,008,542	2,525,882
Total non-current assets		7,768,191,809	7,954,467,746
Current assets			
Inventories	13	2,274,764,282	2,214,595,794
Accounts receivable		979,399,220	861,651,071
Other Receivables		194,873,660	194,847,420
Advance against land		15,000,000	15,000,000
Advances, deposits & pre-payments		1,109,364,298	950,290,616
Cash & bank balances	14	224,392,425	160,250,107
Total current assets		4,797,793,885	4,396,635,008
Total assets		12,565,985,694	12,351,102,754
Equity and liabilities			
Capital and reserves			
Share capital		685,285,920	685,285,920
Tax holiday reserve		216,004,824	216,004,824
Fair Value reserve		2,139,481	1,705,086
Retained Earnings		1,510,593,170	1,538,647,565
Equity attributable to the owners of Company		2,414,023,395	2,441,643,395
Non-controlling interest		(7,283)	(6,200)
Total equity		2,414,016,112	2,441,637,195
Non-current liabilities			
Lease Liability		11,437,050	16,289,100
Long term Loan- net of current maturity	15	4,622,981,469	4,472,861,608
Security Retention Money		591,239,387	650,239,387
Loan from others		50,000,000	50,000,000
Total non-current liabilities		5,275,657,906	5,189,390,095
Current liabilities			
Long Term Loan- Current maturity	15	1,307,378,515	1,238,620,849
Short-term loans	16	2,500,750,136	2,426,210,433
Provision for income tax	17	272,933,254	271,316,851
Current account with Group Companies		487,999,607	444,499,607
Payables and accruals	18	307,250,164	339,427,724
Total current liabilities		4,876,311,676	4,720,075,464
Total liabilities		10,151,969,582	9,909,465,559
Total equity and liabilities		12,565,985,694	12,351,102,754
Consolidated Net Assets Value Per Share (NAVPS)	19	35.23	35.63



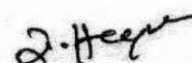
Chief Executive Officer



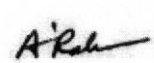
Director



Director



Chief Financial Officer



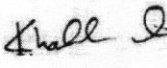
Company Secretary

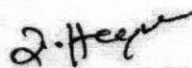
Navana CNG Limited and its subsidiaries
Consolidated Statement of Profit or loss and other Comprehensive Income (Un-audited)
For the 2nd Quarter ended December 31, 2020

Particulars	July ' 2020 to December' 2020	July ' 2019 to December' 2019	October ' 2020 to December' 2020	October ' 2019 to December' 2019
	BD Taka	BD Taka	BD Taka	BD Taka
Revenues	2,598,740,938	3,265,385,318	1,324,131,376	1,636,368,176
Less: Cost of sales	2,027,805,400	2,534,424,299	1,034,388,537	1,274,331,346
Gross profit	570,935,538	730,961,019	289,742,839	362,036,830
Less: Administration & selling expenses	311,441,392	344,385,923	156,717,421	174,622,822
Less: Interest expenses	297,441,139	356,231,701	149,110,111	177,518,336
Operating profit	(37,946,993)	30,343,395	(16,084,693)	9,895,673
Add: Other income	5,212,708	2,852,396	1,743,501	809,806
Less: Foreign exchange loss	-	-	-	-
Profit before contribution to WPPF	(32,734,285)	33,195,791	(14,341,192)	10,705,479
Less : Contribution to WPPF	4,490,875	5,506,281	2,740,796	2,320,314
Net profit before tax	(37,225,160)	27,689,510	(17,081,988)	8,385,165
Less: Income tax expenses	(48,581,847)	(12,094,201)	(21,234,498)	(8,821,380)
Current tax	12 38,102,735	45,348,931	21,532,661	20,933,490
Deferred tax Expense/(Income)	11.01 (86,684,582)	(57,443,132)	(42,767,160)	(29,754,870)
Net profit after tax	11,356,687	39,783,711	4,152,510	17,206,545
Revaluation Gain /Loss on investment in share	482,661	(1,051,633)	3,132	(451,653)
Deferred tax adjustment	(48,266)	105,163	(313)	45,165
	434,395	(946,470)	2,819	(406,488)
Total comprehensive income for the period	11,791,082	38,837,241	4,155,329	16,800,057
Attributable to:				
Equity holders of the Company	11,357,770	39,783,710	4,153,522	17,206,837
Non-controlling interests	(1,083)	1.82	(1,011)	(292)
Total	11,356,686	39,783,711	4,152,510	17,206,545
Number of shares	68,528,592	68,528,592	68,528,592	68,528,592
Consolidated Earnings per share	20 0.17	0.58	0.06	0.25


Chief Executive Officer


Director


Director



Chief Financial Officer


Company Secretary

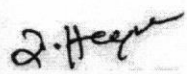
Navana CNG Limited and its subsidiaries
Consolidated Statement of Changes in Equity (Un-audited)
For the 2nd quarter ended December 31, 2020

	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 as at July 01, 2019	685,285,920	216,004,824	2,662,147	1,519,706,890	2,423,659,781	(5,086)	2,423,654,695
Net profit for the period	-	-	-	39,784,672	39,784,672	(959)	39,783,711
Transfer from other Comprehensive income	-	-	(946,470)	-	(946,470)	-	(946,470)
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance as at December 31, 2019	685,285,920	216,004,824	1,715,677	1,520,079,397	2,423,085,818	(6,045)	2,423,079,772
Balance as 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	-	-	-	11,357,770	11,357,770	(1,083)	11,356,686
Transfer from other Comprehensive income	-	-	434,395	-	434,395	-	434,395
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance as at December 31, 2020	685,285,920	216,004,824	2,139,481	1,510,593,170	2,414,023,395	(7,283)	2,414,016,112


Chief Executive Officer


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, 2020

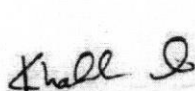
		July ' 2020 to December' 2020	July ' 2019 to December' 2019
		BD Taka	BD Taka
Cash flows from operating activities			
Receipts from customers		2,480,992,789	3,227,869,895
Receipts from Other income		5,212,708	2,852,396
Payments for materials, services and expenses		(2,343,494,759)	(2,542,807,505)
Cash generated from operations		142,710,738	687,914,786
Income tax paid		(36,486,332)	(42,666,215)
Net cash generated by operating activities	22	106,224,406	645,248,571
Cash flows from investing activities			
Acquisition of property, plant and equipment		(13,312,802)	(194,237,738)
Acquisition of Intangible Assets		(220,000)	(7,817,900)
Capital work in Progress		-	(39,679,620)
(Increase)/ decrease of Other receivables		(26,240)	(51,730)
Net cash used in investing activities		(13,559,042)	(241,786,988)
Cash flows from financing activities			
Bank Interest Paid		(297,441,139)	(356,231,701)
Proceeds from Long Term Loan		218,877,527	29,315,568
Proceeds from Short-term loans		74,539,703	290,819,242
Increase/(decrease) of Security Retention money		(59,000,000)	(118,920,697)
Inter company Receivables		43,500,000	(224,940,298)
Dividend paid		(8,999,137)	(13,291,349)
Net cash used in financing activities		(28,523,046)	(393,249,235)
Net changes in cash and cash equivalents		64,142,318	10,212,348
Cash and cash equivalents at the beginning of period		160,250,107	235,022,470
Cash and cash equivalents at the end of period		224,392,425	245,234,818
Consolidated Net operating cash flows per share	21	1.55	9.42



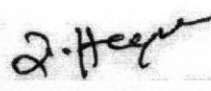
Chief Executive Officer



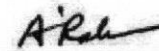
Director



Director



Chief Financial Officer



Company Secretary

Navana CNG Limited and its subsidiaries

Selected Explanatory Consolidated Notes to the financial statements

For the period ended December 31, 2020

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 is 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 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, 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 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 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 December 31, 2020, 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 overall revenue of the company has decreased from July 2020 to December 2020 and October to December 2020 than those of the same period of the previous year due to the adverse impact of the Novel Corona Virus (COVID-19) pandemic situation.

Net operating Cash Flows:

The significant difference in NOCFPS in between the period from July to December 2020, compared to the corresponding period of last year is due to the decrease of sales revenue and collection from the customer.

Earnings per share (EPS)

The total sales revenue of the company has decreased significantly due to the adverse 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. Subsequent events

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

7. General

7.1 Figures appearing in these financial statements have been rounded off to the nearest taka.

7.2 Previous period's figures whenever considered necessary have been re-arranged in order to conform to this period's presentation.

7.3 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. In response to the outbreak, the Government of Bangladesh declared general holiday from 26 March 2020. 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 second wave of novel corona virus (COVID-19) pandemic is coming and impact of the same can not be ascertain till to date.

7.4 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
As at and for the Period ended December 31, 2020

		December 31, 2020	June 30, 2020
		BD Taka	BD Taka
8. Property, plant & equipment, net			
Land and land development		1,180,087,289	1,180,087,289
Building & Shed		930,663,811	978,536,140
Plant & Machinery		2,165,584,490	2,224,151,252
Cylinder		1,909,659,385	2,010,167,774
Tools & equipment		103,848,788	108,503,360
Furniture & fixtures		18,822,271	18,666,616
Electrical equipment		19,126,265	19,552,609
Office equipment		5,926,898	5,938,435
Vehicles		183,159,234	191,516,561
		6,516,878,431	6,737,120,036
9. Intangible Assets			
Software System ERP		22,800,474	23,775,675
		22,800,474	23,775,675
10. Capital Work-in-progress			
Opening Balance		978,936,390	1,269,113,876
Add : during the period		-	39,679,620
		978,936,390	1,308,793,496
Less: Transfer to Property, plant and equipment		45,038,250	329,857,106
Closing balance		933,898,140	978,936,390
11. Deferred tax (Assets)/ Liabilities			
Deferred tax for temporary difference	11.01	(225,171,794)	(141,137,212)
Deferred tax on Unrealized Gain/ loss	11.02	290,355	242,089
Deferred tax for gratuity provision	11.03	(9,552,500)	(6,902,500)
		(234,433,939)	(147,797,623)
11.01 Deferred tax for temporary difference			
Accounting base WDV		6,539,678,903	6,760,895,709
Tax base WDV		7,019,254,707	7,037,643,213
Taxable temporary difference		(479,575,804)	(276,747,504)
Less: Unabsorbed Depreciation		(169,058,803)	(112,602,633)
		(648,634,607)	(389,350,137)
Tax rate @ 25% & 32.5% respectively			
Deferred tax (Assets) / liabilities		(225,171,794)	(141,137,212)
Opening balance		(141,137,071)	(8,636,310)
Deferred tax expenses /(Income) for temporary difference		(84,034,582)	(132,500,761)
Deferred tax expenses /(Income) for gratuity (11.03)		(2,650,000)	(6,902,500)
Total Deferred Tax Expense/(Income) for the period		(86,684,582)	(139,403,261)
11.02 Deferred tax on Unrealized Gain			
opening Balance		242,089	348,429
For the period		48,266	(106,340)
		290,355	242,089

	December 31, 2020	June 30, 2020
	BD Taka	BD Taka
11.03 Deferred Tax for Gratuity Provision		
Opening Provision	24,700,000	-
Add: during the period	10,000,000	24,700,000
Closing Provision	34,700,000	24,700,000
Applicable Tax rate @ 25% & 32.5% respectively		
Closing deferred tax for gratuity provision	(9,552,500)	(6,902,500)
Less: Opening deferred tax for gratuity provision	(6,902,500)	-
Deferred tax expense/(income) for the period	(2,650,000)	(6,902,500)
12. Current tax expense		
Income tax on Regular Rate		
Profit Before Tax	(37,225,160)	(16,291,521)
Add: Adjustment for admissible and inadmissible expenses	-	(28,909,717)
Taxable profit/(Loss)	(37,225,160)	(45,201,238)
Tax expenses based on applicable tax rate as per ITO 1984	-	-
Minimum tax (Which is higher)	38,102,735	61,238,720
13. Inventories		
Stock in Raw Materials	656,257,307	720,532,328
Work -in- progress	149,065,305	128,128,675
Finished Goods	1,132,285,242	1,097,344,162
Stores and Spares Parts	9,163,457	10,718,440
Fuel and Lubricants	474,177	165,333
Stock in transit	327,518,794	257,706,856
	2,274,764,282	2,214,595,794
14. Cash & bank balances		
Cash in Hand	11,771,577	7,638,700
Cash at banks :		
Fixed deposit receipt (FDR)	106,240,779	103,439,201
Cash at Bank	106,380,069	49,172,206
	224,392,425	160,250,107

	December 31, 2020	June 30, 2020
	BD Taka	BD Taka
15. Long term loan		
City Bank Limited, Gulshan Avenue Br.	3,235,727,666	3,127,063,433
Shahjalal Islami Bank Limited, Gulshan Br.	961,861,887	922,714,790
One Bank Limited, Gulshan Br.	1,327,250,932	1,259,741,868
Mutual Trust Bank Limited	2,827,117	2,698,555
Standard Bank Limited	77,574,856	74,146,285
Dues to Director (Mr. Shafiul Chairman)	325,117,526	325,117,526
	<u>5,930,359,984</u>	<u>5,711,482,457</u>
Less: Long Term Loan- Current maturity	1,307,378,515	1,238,620,849
Long Term Loan- net of current maturity	<u>4,622,981,469</u>	<u>4,472,861,608</u>
<p>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 .</p> <p>Dues to Directors is un-secured and Interest free loan from Mr. shafiul Islam, Chairman.</p>		
16. Short-term loans		
Shahjalal Islami Bank Ltd.	1,280,466,427	1,272,148,242
One Bank Ltd.	589,273,841	556,526,993
City Bank Limited	631,009,868	597,535,198
	<u>2,500,750,136</u>	<u>2,426,210,433</u>
17. Provision for income tax		
Opening Balance	271,316,851	219,808,563
Add : during the period	38,102,735	61,238,720
	309,419,586	281,047,283
Less: Paid in advance	(36,486,332)	(9,730,432)
Closing balance	<u>272,933,254</u>	<u>271,316,851</u>
18. Payables and accruals		
Account payables	47,324,664	25,770,080
Liabilities for Expenses	102,823,303	171,613,725
Workers profit participation fund	50,265,559	43,803,525
Sundry payables	29,857,786	51,674,570
Provision for doubtful debt	767,502	767,502
Liabilities for Dividend	76,211,350	45,798,322
	<u>307,250,164</u>	<u>339,427,724</u>
19. Net assets value per share (NAVPS)		
Net assets value	2,414,023,395	2,441,643,395
Number of ordinary shares used to compute NAVPS	68,528,592	68,528,592
Net assets value per share	<u>35.23</u>	<u>35.63</u>
	July 01, 2020 to December 31, 2020	July 01, 2019 to December 31, 2019
	BD Taka	BD Taka
20. Earnings per share (EPS)		
Profit attributable to ordinary shareholders	11,356,687	39,783,711
Number of ordinary shares used to compute earnings per share	68,528,592	68,528,592
Earnings per share	<u>0.17</u>	<u>0.58</u>

	July 01, 2020 to December 31, 2020 BD Taka	July 01, 2019 to December 31, 2019 BD Taka
21. Net operating cash flows per share (NOCFPS)		
Net operating cash flows	106,224,406	645,248,571
Number of ordinary shares used to compute NOCFPS	68,528,592	68,528,592
Net operating cash flows per share	1.55	9.42
22. Reconciliation of cash flows from operating activities under indirect method:		
Net profit/Loss before interest, income tax & WPPF during the period	266,678,013	389,427,492
Adjustment to recocile net income to net cash provided by operating activities:		
Interest on Lease	827,829	-
Payment of lease liability	(5,679,879)	-
Depreciation	286,927,712	286,390,304
Income tax paid	(36,486,332)	(42,666,215)
Changes in current assets and liabilities:		
Decrease/ (increase) in inventories	(60,168,487)	4,257,746
Decrease/ (increase) in advance and prepayments	(159,073,681)	41,422,260
Decrease/ (increase) in trade receivable	(117,748,148)	(37,515,423)
(Decrease)/ increase in payables & accruals	(69,052,621)	3,932,407
Net cash flow from operating activities	106,224,406	645,248,571
Total cash flow from operating activities-Indirect Method*	106,224,406	645,248,571
Total cash flow from operating activities-Direct Method*	106,224,406	645,248,571
Difference	-	-

* Details in the statement of cash flows