

**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, 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 1st quarter ended on that date.



Chief Executive Officer

Dated: Dhaka  
November 14, 2020

Navana CNG Limited and its subsidiaries

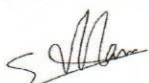
**Consolidated Statement of Financial Position (Un-audited)**

**As at September 30, 2020**

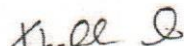
	Note	30/09/2020 BD Taka	30/06/2020 BD Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant & equipment	10	6,646,203,253	6,737,120,036
Intangible Assets	11	23,400,632	23,775,675
Right of Use Assets		14,966,612	19,934,974
Capital Work-in-progress	12	933,898,140	978,936,390
Long-term security deposit		44,377,166	44,377,166
Deferred tax assets	13	191,667,092	147,797,623
Investment in shares		3,005,411	2,525,882
<b>Total non-current assets</b>		<b>7,857,518,306</b>	<b>7,954,467,746</b>
<b>Current assets</b>			
Inventories	14	2,113,118,481	2,214,595,794
Accounts receivable		983,439,093	861,651,071
Other Receivables		194,873,660	194,847,420
Advance against land		15,000,000	15,000,000
Advances, deposits & pre-payments		1,075,845,145	950,290,616
Cash & bank balances	15	241,293,545	160,250,107
<b>Total current assets</b>		<b>4,623,569,924</b>	<b>4,396,635,008</b>
<b>Total assets</b>		<b>12,481,088,230</b>	<b>12,351,102,754</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital		685,285,920	685,285,920
Tax holiday reserve		216,004,824	216,004,824
Fair Value reserve		2,136,662	1,705,086
Retained Earnings		1,545,851,813	1,538,647,565
<b>Equity attributable to the owners of Company</b>		<b>2,449,279,219</b>	<b>2,441,643,395</b>
Non-controlling interest		(6,272)	(6,200)
<b>Total equity</b>		<b>2,449,272,947</b>	<b>2,441,637,195</b>
<b>Non-current liabilities</b>			
Long term Loan- net of current maturity	16	4,546,514,215	4,472,861,608
Lease Liability		14,002,380	16,289,100
Security Retention Money		591,239,387	650,239,387
Loan from others		50,000,000	50,000,000
<b>Total non-current liabilities</b>		<b>5,201,755,982</b>	<b>5,189,390,095</b>
<b>Current liabilities</b>			
Long Term Loan- Current maturity	16	1,284,188,383	1,238,620,849
Short-term loans	17	2,512,539,022	2,426,210,433
Provision for income tax	18	273,478,709	271,316,851
Current account with Group companies		451,999,607	444,499,607
Payables and accruals	19	307,853,581	339,427,724
<b>Total current liabilities</b>		<b>4,830,059,301</b>	<b>4,720,075,464</b>
<b>Total liabilities</b>		<b>10,031,815,283</b>	<b>9,909,465,559</b>
<b>Total equity and liabilities</b>		<b>12,481,088,230</b>	<b>12,351,102,754</b>
<b>Consolidated Net Assets Value Per Share ( NAVPS )</b>	20	<b>35.74</b>	<b>35.63</b>



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 1st Quarter ended September 30, 2020

Particulars	July ' 2020 to September' 2020	July ' 2019 to September' 2019
	BD Taka	BD Taka
<b>Revenues</b>	<b>1,274,609,562</b>	<b>1,629,017,142</b>
Less: Cost of sales	993,416,863	1,260,092,953
<b>Gross profit</b>	<b>281,192,699</b>	<b>368,924,189</b>
Less: Administration & selling expenses	154,723,971	169,763,101
Less: Interest expenses	148,331,028	178,713,365
<b>Operating profit</b>	<b>(21,862,301)</b>	<b>20,447,725</b>
Add: Other income	3,469,207	2,042,590
Less: Foreign exchange loss	-	-
<b>Profit before contribution to WPPF</b>	<b>(18,393,094)</b>	<b>22,490,315</b>
Less : Contribution to WPPF	1,750,079	3,185,967
<b>Net profit before tax</b>	<b>(20,143,173)</b>	<b>19,304,348</b>
<b>Less: Income tax expenses</b>	<b>(27,347,348)</b>	<b>(3,272,820)</b>
Current tax	16,570,074	24,415,441
Deferred tax liabilities	(43,917,422)	(27,688,262)
<b>Net profit after tax</b>	<b>7,204,176</b>	<b>22,577,168</b>
Revaluation Gain /Loss on investment in share	479,529	(599,980)
Deferred tax adjustment	(47,953)	59,998
	431,576	(539,982)
<b>Total comprehensive income for the period</b>	<b>7,635,752</b>	<b>22,037,186</b>
<b>Attributable to:</b>		
Equity holders of the Company	7,204,248	22,577,167
Non-controlling interests	(72)	1.82
<b>Total</b>	<b>7,204,176</b>	<b>22,577,168</b>
<b>Number of shares</b>	<b>68,528,592</b>	<b>68,528,592</b>
<b>Consolidated Earnings per share</b>	<b>0.11</b>	<b>0.33</b>

21

  
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 1st Quarter ended September 30, 2020

		July ' 2020 to September' 2020 BD Taka	July ' 2019 to September' 2019 BD Taka
<b>Cash flows from operating activities</b>			
Receipts from customers		1,152,821,539	1,679,822,107
Receipts from Other income		3,469,207	2,042,590
<b>Payments for materials, services and expenses</b>		<b>(1,057,273,575)</b>	<b>(1,180,358,976)</b>
Cash generated from operations		<b>99,017,171</b>	<b>501,505,721</b>
Income tax paid		(14,408,216)	(14,771,031)
<b>Net cash generated by operating activities</b>	<b>23</b>	<b>84,608,955</b>	<b>486,734,690</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(3,191,544)	(113,941,011)
Acquisition of Intangible Assets		(220,000)	(7,470,400)
Capital work in Progress		-	(39,679,620)
Other receiveables		(26,240)	(25,805)
<b>Net cash used in investing activities</b>		<b>(3,437,784)</b>	<b>(161,116,836)</b>
<b>Cash flows from financing activities</b>			
Bank Interest		(148,331,028)	(178,713,365)
Long Term Loan		119,220,141	15,396,884
Short-term loans		86,328,589	(84,961,033)
Security Retention money		(59,000,000)	(41,502,474)
Current account with Group companies		7,500,000	(27,840,298)
Dividend paid		(5,845,435)	(11,709,214)
<b>Net cash used in financing activities</b>		<b>(127,733)</b>	<b>(329,329,500)</b>
<b>Net changes in cash and cash equivalents</b>		<b>81,043,438</b>	<b>(3,711,646)</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>160,250,107</b>	<b>235,022,470</b>
<b>Cash and cash equivalents at the end of period</b>		<b>241,293,545</b>	<b>231,310,824</b>
<b>Consolidated Net operating cash flows per share</b>	<b>22</b>	<b>1.23</b>	<b>7.10</b>

  
Chief Executive Officer

  
Director

  
Director

  
Chief Financial Officer

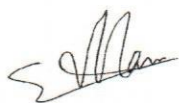
  
Company Secretary

Navana CNG Limited and its subsidiaries  
**Consolidated Statement of Changes in Equity (Un-audited)**  
 For the 1st quarter ended September 30, 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 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			-	22,577,833	22,577,833	(667)	22,577,167
Transfer from other Comprehensive income		-	(539,982)	-	(539,982)	-	(539,982)
<b>Balance at September 30, 2019</b>	<b>685,285,920</b>	<b>216,004,824</b>	<b>2,122,165</b>	<b>1,542,284,723</b>	<b>2,445,697,632</b>	<b>(5,753)</b>	<b>2,445,691,880</b>
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			-	7,204,248	7,204,248	(72)	7,204,176
Transfer from other Comprehensive income			431,576		431,576	-	431,576
<b>Balance at September 30, 2020</b>	<b>685,285,920</b>	<b>216,004,824</b>	<b>2,136,662</b>	<b>1,545,851,813</b>	<b>2,449,279,219</b>	<b>(6,272)</b>	<b>2,449,272,947</b>



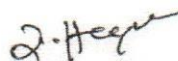
Chief Executive Officer



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 September 30, 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, vides registration no. C-52512(2807)/2004 and converted into a public Limited 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 (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, 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 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 LPG Limited is a Private Limited company that is incorporated Vide Register # 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 operation 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, Propane, Butane, 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's 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 (IFRSs).

## **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 (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, 2020, and distributable profit to ordinary equity holders for the same period.

## **5. The reason for Significant deviation between the quarterly financial statement of the company**

### **Revenue:**

The overall revenue of the company has decreased during the period from July 2020 to September 2020 than those of the same period of the previous year due to the adverse impact of the novel coronavirus ( COVID – 19) pandemic situation prevailing in the country.

### **Net operating Cash Flows:**

The significant difference in NOCFPS between July 2020 to September 2020, compared to the corresponding period of last year is due to the decrease in sales revenue as well as collection from customers due to the adverse impact of the novel coronavirus ( COVID – 19) pandemic situation prevailing in the country.

### **Earnings per share (EPS)**

The total sales revenue of the company has decreased Significantly as stated above, due to the impact of the pandemic (COVID- 19). Since Navana LPG Limited is running at loss from its initial operational stage. Therefore, the Consolidated EPS resulted in decreased compared to the corresponding period of last year.

## **6. Subsequent events**

No material events occurred after the periodic reporting date, 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.

## **8. Business Environment Update Amid Coronavirus Pandemic**

On 30 January 2020, the World Health Organization declared the outbreak of a novel coronavirus (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 till June 2020 and the company started its activities on a limited scale since then. 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 coronavirus (COVID-19) pandemic is coming.

## **9. 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, 2020

	30/09/2020	30/06/2020
	BD Taka	BD Taka
<b>10. Property, plant &amp; equipment, net</b>		
Land and land develop.	1,180,087,289	1,180,087,289
Building & Shed	954,715,848	978,536,140
Plant & Machinery	2,214,849,680	2,224,151,252
Cylinder	1,959,913,580	2,010,167,774
Tools & equipment	105,870,652	108,503,360
Furniture & fixtures	18,265,462	18,666,616
Electrical equipment	19,087,098	19,552,609
Office equipment	6,684,997	5,938,435
Vehicles	186,728,647	191,516,561
	<b>6,646,203,253</b>	<b>6,737,120,036</b>
<b>11. Intangible Assets</b>		
Software System ERP	23,400,632	23,775,675
	<b>23,400,632</b>	<b>23,775,675</b>
<b>12. Capital Work-in-progress</b>		
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	<b>933,898,140</b>	<b>978,936,390</b>
<b>13. Deferred tax assets/ Liabilities</b>		
Opening Balances	147,797,623	8,288,021
Deferred tax income	43,917,422	139,403,262
	<b>191,715,045</b>	<b>147,691,283</b>
Deferred tax adjustment on Fair Value changes of Marketable securities	(47,953)	106,340
	<b>191,667,092</b>	<b>147,797,623</b>
<b>14. Inventories</b>		
Raw materials	651,587,455	720,532,328
Work in process	137,785,545	128,128,675
Finished Goods	1,091,749,868	1,097,344,162
Stores and Spare Parts	13,654,333	10,718,440
Fuel and lubricants	459,022	165,333
Stock in transit	217,882,258	257,706,856
	<b>2,113,118,481</b>	<b>2,214,595,794</b>
<b>15. Cash &amp; bank balances</b>		
Cash in Hand	7,884,264	7,638,700
Cash at banks :		
Fixed deposit receipt (FDR)	104,638,204	103,439,201
Cash at Bank	128,771,077	49,172,206
	<b>241,293,545</b>	<b>160,250,107</b>



	30/09/2020	30/06/2020
	BD Taka	BD Taka
<b>16. Long term loan</b>		
City Bank Limited, Gulshan Avenue Br.	3,210,298,315	3,127,063,433
Shahjalal Islami Bank Limited, Gulshan Br.	922,714,790	922,714,790
One Bank Limited, Gulshan Br.	1,293,985,124	1,259,741,868
Mutual Trust Bank Limited	2,760,622	2,698,555
Standard Bank Limited	75,826,221	74,146,285
Dues to Director (Mr. Shafiul Chairman)	325,117,526	325,117,526
	<b>5,830,702,598</b>	<b>5,711,482,457</b>
<b>Less: Long Term Loan- Current maturity</b>	<b>1,284,188,383</b>	<b>1,238,620,849</b>
<b>Long Term Loan- net of current maturity</b>	<b>4,546,514,215</b>	<b>4,472,861,608</b>
<p>Long term loan from City Bank Limited &amp; 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>		
<b>17. Short-term loans</b>		
Shahjalal Islami Bank Limited	1,323,292,156	1,272,148,242
One Bank Limited	573,307,294	556,526,993
State Bank of India	3,148,579	-
City Bank Limited	612,790,993	597,535,198
	<b>2,512,539,022</b>	<b>2,426,210,433</b>
<b>18. Provision for income tax</b>		
Opening Balance	271,316,851	219,808,563
Add : during the period	16,570,074	61,238,720
	287,886,925	281,047,283
Less: Paid in advance	(14,408,216)	(9,730,432)
<b>Closing balance</b>	<b>273,478,709</b>	<b>271,316,851</b>
<b>19. Payables and accruals</b>		
Account payables	26,303,964	25,770,080
Liabilities for Expenses	166,274,664	171,613,725
Workers profit participation fund	46,539,183	43,803,525
Sundry payables	28,015,381	51,674,570
Provision for doubtful debt	767,502	767,502
Liabilities for Dividend	39,952,887	45,798,322
	<b>307,853,581</b>	<b>339,427,724</b>
<b>20. Net assets value per share (NAVPS)</b>		
Net assets value	2,449,279,219	2,441,643,395
Number of ordinary shares used to compute NAVPS	68,528,592	68,528,592
<b>Net assets value per share</b>	<b>35.74</b>	<b>35.63</b>

	July 01, 2020 to September 30, 2020	July 01, 2019 to September 30, 2019
	BD Taka	BD Taka
<b>21. Earnings per share (EPS)</b>		
Profit attributable to ordinary shareholders	7,204,248	22,577,167
Number of ordinary shares used to compute earnings per share	68,528,592	68,528,592
<b>Earnings per share</b>	<b>0.11</b>	<b>0.33</b>
<b>22. Net operating cash flows per share (NOCFPS)</b>		
Net operating cash flows	84,608,955	486,734,690
Number of ordinary shares used to compute NOCFPS	68,528,592	68,528,592
<b>Net operating cash flows per share</b>	<b>1.23</b>	<b>7.10</b>
<b>23. Reconciliation of cash flows from operating activities under indirect method:</b>		
Net profit/Loss before interest & income tax during the year	130,923,515	201,203,678
<b>Adjustment to recocile net income to net cash provided by operating activities:</b>		
Int. on Lease	553,219	-
Payment for lease liability	(2,839,940)	-
Depreciation	144,709,980	141,463,657
Income tax paid	(14,408,216)	(14,771,031)
<b>Changes in current assets and liabilities:</b>		
(Decrease)/ increase in inventories	101,477,314	70,676,145
Decrease/ (increase) in advance and prepayments	(125,554,529)	58,500,966
Decrease/ (increase) in trade receivable	(121,788,023)	50,804,967
(Decrease)/ increase in payables & accruals	(28,464,366)	(21,143,691)
<b>Net cash flow from operating activities</b>	<b>84,608,955</b>	<b>486,734,690</b>
<b>Total cash flow from operating activities- Indirect Method*</b>	<b>84,608,955</b>	486,734,690
<b>Total cash flow from operating activities- Direct Method*</b>	<b>84,608,955</b>	486,734,690
Difference	-	-
* Details in the statement of cash flows		