

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, 2021, 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

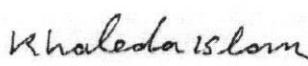
Dated: Dhaka
November 14, 2021

Navana CNG Limited and its subsidiaries
Consolidated Statement of Financial Position (Un-audited)
As at September 30, 2021

	Notes	30/09/2021 BD Taka	30/06/2021 BD Taka
Assets			
Non-current assets			
Property, plant & equipment	9.00	6,124,706,433	6,249,649,132
Intangible Assets	10.00	24,238,767	21,605,274
Right of Use Assets		6,248,847	8,013,284
Capital Work-in-progress	11.00	968,885,418	968,885,418
Long-term security deposit		43,197,516	43,197,516
Deferred tax assets	12.00	329,937,687	294,184,804
Investment in shares		4,703,491	3,259,076
Total non-current assets		7,501,918,159	7,588,794,504
Current assets			
Inventories	14.00	2,579,275,543	2,511,747,923
Accounts receivable		1,160,455,120	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		1,278,146,033	1,147,579,654
Cash & bank balances	15.00	205,652,588	185,936,814
Total current assets		5,433,654,338	5,152,573,831
Total assets		12,935,572,497	12,741,368,335
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		3,664,934	2,364,961
Retained Earnings		1,518,398,217	1,514,055,572
Equity attributable to the owners of Company		2,423,353,895	2,417,711,277
Non-controlling interest		(7,484)	(7,414)
Total equity		2,423,346,412	2,417,703,863
Non-current liabilities			
Long term Loan- net of current maturity	16.00	5,586,249,969	4,837,599,450
Lease Liability		3,644,260	5,857,056
Security Retention Money		591,239,387	591,239,387
Loan from others		50,000,000	50,000,000
Total non-current liabilities		6,231,133,616	5,484,695,893
Current liabilities			
Long Term Loan- Current maturity	16.00	1,374,483,273	1,360,852,732
Short-term loans	17.00	2,327,622,833	2,883,450,404
Provision for income tax	18.00	336,882,751	329,400,956
Current account with Group companies		11,500,000	-
Unclaimed Dividend Account	19.00	42,443,774	42,554,496
Payables and accruals	20.00	188,159,838	222,709,991
Total current liabilities		4,281,092,469	4,838,968,579
Total liabilities		10,512,226,085	10,323,664,472
Total equity and liabilities		12,935,572,497	12,741,368,335
Consolidated Net Assets Value Per Share (NAVPS)	21.00	35.36	35.28



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, 2021

Particulars	Notes	July ' 2021 to September' 2021	July ' 2020 to September' 2020
		BD Taka	BD Taka
Revenue (Net)		1,168,786,742	1,274,609,562
Less: Cost of sales		917,935,865	993,416,863
Gross profit		250,850,877	281,192,699
Less: Administrative & Selling expenses		117,915,755	154,723,971
Less: Interest expenses		150,671,322	148,331,028
Operating profit		(17,736,200)	(21,862,301)
Add: Other income		699,460	3,469,207
Profit before contribution to WPPF		(17,036,740)	(18,393,094)
Less : Contribution to WPPF		1,415,506	1,750,079
Net profit before tax		(18,452,246)	(20,143,173)
Less: Income tax expenses		(22,794,821)	(27,347,348)
Current tax	13.00	13,102,504	16,570,074
Deferred tax expenses / (Income)	12.01	(35,897,325)	(43,917,422)
Net profit after tax		4,342,575	7,204,176
Revaluation Gain /Loss on investment in share		1,444,415	479,529
Deferred tax adjustment		(144,442)	(47,953)
Total comprehensive income for the period		5,642,548	7,635,752
Attributable to:			
Equity holders of the Company		4,342,645	7,204,248
Non-controlling interests		(70)	(72)
Total		4,342,575	7,204,176
Number of shares		68,528,592	68,528,592
Consolidated Earnings per share	22.00	0.06	0.11


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, 2021

Particulars	Notes	July ' 2021 to September' 2021 BD Taka	July ' 2020 to September' 2020 BD Taka
Cash flows from operating activities			
Receipts from customers		1,105,516,008	1,152,821,539
Receipts from Other income		699,460	3,469,207
Payments for materials, services and expenses		(1,143,012,043)	(1,057,273,575)
Cash generated from operations		(36,796,575)	99,017,171
Income tax paid		(5,620,710)	(14,408,216)
Net cash generated by operating activities	24.00	(42,417,285)	84,608,955
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1,783,386)	(3,191,544)
Acquisition of Intangible Assets		(3,255,000)	(220,000)
Other receiveables		-	(26,240)
Net cash used in investing activities		(5,038,386)	(3,437,784)
Cash flows from financing activities			
Bank Interest		(150,671,322)	(148,331,028)
Long Term Loan		762,281,060	119,220,141
Short-term loans		(555,827,571)	86,328,589
Security Retention money		-	(59,000,000)
Current account with Group companies		11,500,000	7,500,000
Dividend paid		(110,722)	(5,845,435)
Net cash used in financing activities		67,171,445	(127,733)
Net changes in cash and cash equivalents		19,715,774	81,043,438
Cash and cash equivalents at the beginning of period		185,936,814	160,250,107
Cash and cash equivalents at the end of period		205,652,588	241,293,545
Consolidated Net operating cash flows per share	23.00	(0.62)	1.23


Managing Director


Director


Director


Chief Financial Officer

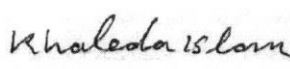

Company Secretary

Navana CNG Limited and its subsidiaries
Consolidated Statement of Changes in Equity (Un-audited)
For the 1st quarter ended September 30, 2021

	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			-	7,204,248	7,204,248	(72)	7,204,176
Transfer from other Comprehensive income		-	431,576	-	431,576	-	431,576
Balance at September 30, 2020	685,285,920	216,004,824	2,136,662	1,545,851,813	2,449,279,219	(6,272)	2,449,272,947
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
Transfer from other Comprehensive income			1,299,973		1,299,973	-	1,299,973
Balance at September 30, 2021	685,285,920	216,004,824	3,664,934	1,518,398,217	2,423,353,895	(7,484)	2,423,346,412



Managing Director



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, 2021

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 (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 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 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 Standards (IFRS's).

4. Earnings per share (EPS)

Earnings per share have been calculated based on the number of shares outstanding for the period ended September 30, 2021, 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 2020 to September 2021 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 September 2021, 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 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. 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.

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, 2021

	30/09/2021	30/06/2021
	BD Taka	BD Taka
9.00 Property, plant & equipment, net		
Land and land develop.	1,180,687,289	1,180,687,289
Building & Shed	860,033,015	881,555,441
Plant & Machinery	2,007,481,892	2,058,080,253
Cylinder	1,763,922,222	1,809,150,997
Tools & equipment	96,871,589	99,025,965
Furniture & fixtures	17,633,159	17,993,017
Electrical equipment	17,230,615	17,672,426
Office equipment	5,969,013	6,122,066
Vehicles	174,877,637	179,361,678
	6,124,706,433	6,249,649,132
10.00 Intangible Assets		
Software System ERP	24,238,767	21,605,274
	24,238,767	21,605,274
11.00 Capital Work-in-progress		
Opening Balance	968,885,418	978,936,390
Add : during the period	-	34,987,278
	968,885,418	1,013,923,668
Less: Transfer to Property, plant and equipment	-	45,038,250
Closing Balance	968,885,418	968,885,418
12.00 Deferred tax (Assets)/ Liabilities		
Deferred tax for temporary difference 12.01	(320,287,537)	(284,765,212)
Deferred tax on Unrealized Gain/ loss 12.02	459,850	315,408
Deferred tax for gratuity provision 12.03	(10,110,000)	(9,735,000)
	(329,937,687)	(294,184,804)
12.01 Deferred tax for temporary difference		
Accounting base WDV	6,148,945,199	6,271,254,405
Tax base WDV	6,921,640,829	6,947,568,448
Taxable temporary difference	(772,695,630)	(676,314,043)
Less: Unabsorbed Depreciation	(248,022,280)	(225,520,798)
	(1,020,717,909)	(901,834,841)
Tax rate @ 22.5% & 30% respectively		-
Deferred tax (Assets) / liabilities	(320,287,537)	(284,765,212)
Opening balance	(284,765,212)	(141,137,212)
Deferred tax expenses /(income) for temporary difference	(35,522,325)	(143,628,000)
Deferred tax expenses /(income) for gratuity (12.03)	(375,000)	(2,832,500)
Total Deferred Tax Expense/(Income) for the period	(35,897,325)	(146,460,500)
12.02 Deferred tax on Unrealized Gain		
Opening Balance	315,408	242,089
For the period	144,442	73,319
	459,850	315,408

12.03 Deferred Tax for Gratuity Provision**Opening Provision**

Add: during the period

Closing Provision

Applicable Tax rate @ 22.5% & 30% respectively

Closing deferred tax for gratuity provision

Less: Opening deferred tax for gratuity provision

Deferred tax expense/(income) for the period

30/09/2021**BD Taka****30/06/2021****BD Taka**

38,700,000

24,700,000

1,500,000

14,000,000

40,200,000

38,700,000

-

-

(10,110,000)

(9,735,000)

(9,735,000)

(6,902,500)

(375,000)

(2,832,500)

13.00 Consolidated Current tax expense**A. Income tax on Regular Rate**

Consolidated Profit Before Tax

(18,452,246)

(66,148,313)

Add: Consolidated Adjustment for admissible and inadmissible expenses

46,762,366

224,648,914

Consolidated taxable profit/(Loss)

28,310,120

158,500,601

consolidated tax expenses based on applicable tax rate as per ITO 1984

8,341,638

46,584,603

B. Minimum Tax

4,760,866

18,812,342

Total Consolidated Current tax

13,102,504

65,396,946

14.00 Inventories

Raw materials

797,095,920

791,142,634

Work in process

186,550,328

167,128,675

Finished Goods

1,248,538,997

1,197,194,155

Stores and Spare Parts

13,654,333

9,523,658

Stock in transit

333,435,965

346,758,801

2,579,275,543

2,511,747,923

15.00 Cash & bank balances

Cash in Hand

6,932,704

7,451,041

Cash at banks :

Fixed deposit receipt (FDR)

109,550,334

108,931,276

Cash at Bank

89,169,550

69,554,497

205,652,588

185,936,814

	30/09/2021	30/06/2021
	BD Taka	BD Taka
16.00 Long term loan		
City Bank Limited, Gulshan Avenue Br.	4,105,102,476	3,397,729,859
Shahjalal Islami Bank Limited, Gulshan Br.	1,018,007,095	998,539,349
One Bank Limited, Gulshan Br.	1,429,834,453	1,396,152,550
Standard Bank Limited	82,671,692	80,912,898
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	6,960,733,242	6,198,452,182
Less: Long Term Loan- Current maturity	1,374,483,273	1,360,852,732
Long Term Loan- net of current maturity	5,586,249,969	4,837,599,450
<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 Director is un-secured and Interest free loan from Mr. Shafiul Islam, Chairman of the Company.</p>		
17.00 Short-term loan		
Shahjalal Islami Bank Limited	1,471,181,587	1,415,508,761
One Bank Limited	644,598,330	625,434,328
State Bank of India	7,161,292	10,752,381
City Bank Limited	3,109,742	629,478,851
Janata Bank Limited	201,571,882	202,276,083
	2,327,622,833	2,883,450,404
18.00 Provision for income tax		
Opening Balance	329,400,956	271,316,851
Add : during the period	13,102,504	65,396,946
	342,503,460	336,713,797
Less: Paid in advance	(5,620,710)	(7,312,840)
Closing balance	336,882,750	329,400,956
19.00 Unclaimed Dividend		
Unclaimed for less than 3 Year's	12,031,898	12,110,994
Unclaimed for more than 3 Year's	30,411,876	30,443,502
	42,443,774	42,554,496
20.00 Payables and accruals		
Account payables	28,282,392	33,996,283
Liabilities for Expenses	85,366,891	100,097,957
Workers profit participation fund	58,338,974	55,670,873
Sundry payables	15,404,079	32,177,376
Provision for doubtful debt	767,502	767,502
	188,159,838	222,709,991
21.00 Net assets value per share (NAVPS)		
Net assets value	2,423,353,895	2,417,711,277
Number of ordinary shares used to compute NAVPS	68,528,592	68,528,592
Net assets value per share	35.36	35.28

22.00 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 September 30, 2021	July 01, 2020 to September 30, 2020
BD Taka	BD Taka
4,342,575	7,204,176
68,528,592	68,528,592
0.06	0.11

23.00 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

(42,417,285)	84,608,955
68,528,592	68,528,592
(0.62)	1.23

24.00 Reconciliation of cash flows from operating activities under indirect method:

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

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

Interest on Lease	126,757	553,219
Payment for lease liability	(2,339,552)	(2,839,940)
Depreciation expenses	129,112,031	144,709,980
Income tax paid	(5,620,710)	(14,408,216)
Changes in current assets and liabilities:		
(Decrease)/ increase in inventories	(67,527,619)	101,477,314
Decrease/ (increase) in advance, Deposit and prepayments	(130,566,380)	(125,554,529)
Decrease/ (increase) in trade receivable	(63,270,735)	(121,788,023)
(Decrease)/ increase in payables & accruals	(37,218,254)	(28,464,366)
Net cash flow from operating activities	(42,417,285)	84,608,955

Total cash flow from operating activities- Indirect Method*

Total cash flow from operating activities- Direct Method*

Difference

(42,417,285)	84,608,955
(42,417,285)	84,608,955
-	-

* Details in the statement of cash flows