

Navana CNG Limited

3rd Quarter Report

Dear Shareholders,

We are pleased to forward herewith the 3rd Quarter un-audited financial statements which consist of Consolidated statement of financial position as at March 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 3rd quarter ended on that date.



Chief Executive Officer

Dated: Dhaka
June 18, 2020

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

	Note	March 31, 2020 BD Taka	June 30, 2019 BD Taka
Assets			
<i>Non-current assets</i>			
Property, plant & equipment	10	6,313,121,926	6,696,346,320
Intangible Assets	11	24,505,722	17,936,289
Capital Work-in-progress	12	978,936,390	1,269,113,876
Long-term security deposit		47,556,185	47,556,185
Deferred tax assets	13	110,587,893	8,288,021
Investment in shares		2,556,491	3,589,283
Total non-current assets		8,077,264,607	8,042,829,974
<i>Current assets</i>			
Inventories	14	1,948,221,273	1,976,321,837
Accounts receivable		681,828,668	720,883,777
Other Receivables		194,935,552	194,883,822
Advance against land		15,000,000	15,000,000
Advances, deposits & pre-payments		1,084,843,725	864,051,799
Cash & bank balances	15	197,997,460	235,022,470
Total current assets		4,122,826,678	4,006,163,705
Total assets		12,200,091,285	12,048,993,679
Equity and liabilities			
<i>Capital and reserves</i>			
Share capital		685,285,920	685,285,920
Tax holiday reserve		216,004,824	216,004,824
Fair Value reserve		1,732,634	2,662,147
Retained Earnings		1,536,198,138	1,519,706,890
Equity attributable to the owners of Company		2,439,221,516	2,423,659,781
Non-controlling interest		(4,351)	(5,086)
Total equity		2,439,217,165	2,423,654,695
<i>Non-current liabilities</i>			
Long term Loan- net of current maturity	16	4,383,614,570	4,464,259,337
Security Retention Money		930,239,387	1,049,160,084
Loan from others		50,000,000	50,000,000
Total non-current liabilities		5,363,853,957	5,563,419,421
<i>Current liabilities</i>			
Long Term Loan- Current maturity	16	1,218,167,560	829,125,800
Short-term loans	17	2,244,537,117	2,076,782,742
Provision for income tax	18	241,845,927	219,808,563
Current account with Group Companies		359,813,609	643,953,907
Payables and accruals	19	332,655,950	292,248,551
Total current liabilities		4,397,020,163	4,061,919,563
Total liabilities		9,760,874,120	9,625,338,984
Total equity and liabilities		12,200,091,285	12,048,993,679
Consolidated Net Assets Value Per Share (NAVPS)	20	35.59	35.37

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 3rd Quarter ended March 31, 2020

Particulars	July ' 2019 to March' 2020	July ' 2018 to March' 2019	January ' 2020 to March' 2020	January ' 2019 to March' 2019
	BD Taka	BD Taka	BD Taka	BD Taka
Revenues	4,855,445,251	4,294,838,614	1,590,059,933	1,765,571,874
Less: Cost of sales	3,715,326,887	3,266,954,937	1,180,902,588	1,352,854,528
Gross profit	1,140,118,364	1,027,883,677	409,157,345	412,717,346
Less: Administration & selling expenses	546,414,550	459,512,657	202,028,627	171,212,962
Less: Interest expenses	560,620,948	495,180,678	204,389,247	206,611,762
Operating profit	33,082,866	73,190,342	2,739,471	34,892,622
Add: Other income	4,065,485	6,669,462	1,213,089	1,226,375
Less: Foreign exchange loss	-	(199,440)	-	-
Profit before contribution to WPPF	37,148,351	79,660,364	3,952,560	36,118,997
Less : Contribution to WPPF	9,162,900	9,942,333	3,656,619	4,556,113
Net profit before tax	27,985,451	69,718,031	295,942	31,562,884
Less: Income tax expenses	(27,918,696)	(15,883,083)	(15,824,495)	2,539,678
Current tax	74,277,897	58,619,587	28,928,966	20,122,616
Deferred tax liabilities	(102,196,593)	(74,502,670)	(44,753,461)	(17,582,938)
Net profit after tax	55,904,147	85,601,114	16,120,436	29,023,206
Revaluation Gain /Loss on investment in share	(1,032,792)	(1,342,443)	18,841	(560,972)
Deferred tax adjustment	103,279	134,244	(1,884)	56,097
	(929,513)	(1,208,199)	16,957	(504,875)
Total comprehensive income for the period	54,974,634	84,392,915	16,137,393	28,518,331
Number of shares	68,528,592	68,528,592	68,528,592	68,528,592
Consolidated Earnings per share	0.82	1.25	0.24	0.42

21


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 3rd quarter ended March 31, 2020

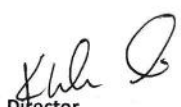
	Share capital	Tax holiday reserve	Fair Value Reserve	Retained earnings	Attributable to owners of the Company	Non-controlling interests	Total
	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka
Balance at July 01,2018	685,285,920	216,004,824	7,479,640	1,513,465,471	2,422,235,855	(2,945)	2,422,232,910
Net profit for the period	-	-	-	85,603,652	85,603,652	(2,537)	85,601,115
Adjustment for sale of Marketable securities	-	-	(3,420,653)	-	(3,420,653)	-	(3,420,653)
Transfer from other Comprehensive income	-	-	(1,208,199)	-	(1,208,199)	-	(1,208,199)
Dividend	-	-	-	(82,234,310)	(82,234,310)	-	(82,234,310)
Balance at March 31,2019	685,285,920	216,004,824	2,850,788	1,516,834,813	2,420,976,345	(5,482)	2,420,970,863
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	-	-	-	55,903,413	55,903,413	735	55,904,147
Transfer from other Comprehensive income	-	-	(929,513)	-	(929,513)	-	(929,513)
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance at March 31,2020	685,285,920	216,004,824	1,732,634	1,536,198,138	2,439,221,516	(4,351)	2,439,217,165



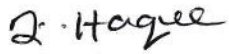
Chief Executive Officer



Director



Director



Chief Financial Officer



Company Secretary

Navana CNG Limited and its subsidiaries
Consolidated Statement of Cash Flows (Un-audited)
For the 3rd Quarter ended March 31, 2020

	July ' 2019 to March' 2020	July ' 2018 to March' 2019
	BD Taka	BD Taka
Cash flows from operating activities		
Receipts from customers	4,894,500,360	4,091,046,371
Receipts from Other income	4,065,485	3,974,832
Foreign exchange loss	-	(199,440)
Payments for materials, services and expenses	(4,108,375,897)	(3,584,157,121)
Cash generated from operations	790,189,948	510,664,642
Income tax paid	(52,240,532)	(83,931,847)
Net cash generated by operating activities	737,949,416	426,732,795
	23	
Cash flows from investing activities		
Acquisition of property, plant and equipment	(219,268,532)	(504,187,413)
Acquisition of Intangible Assets	(8,037,900)	(707,500)
Capital work in Progress	(39,679,620)	(726,726,042)
Sale proceed from investment in Shares	-	14,119,029
(Increase)/ decrease of Other receiveables	(51,730)	2,085,885
Net cash used in investing activities	(267,037,782)	(1,215,416,041)
Cash flows from financing activities		
Bank Interest	(560,620,948)	(495,180,678)
Proceeds from Long Term Loan	308,396,993	613,061,440
Proceeds from Short-term loan	167,754,375	172,809,671
Increase/(decrease) of Security Retention money	(118,920,697)	352,169,509
Inter company Receiveables	(284,140,298)	233,519,180
Loan From Others	-	11,600,000
Dividend paid	(20,406,069)	(29,521,338)
Net cash used in financing activities	(507,936,644)	858,457,784
Net changes in cash and cash equivalents	(37,025,010)	69,774,538
Cash and cash equivalents at the beginning of period	235,022,470	233,614,168
Cash and cash equivalents at the end of period	197,997,460	303,388,706
Consolidated Net operating cash flows per share	10.77	6.23
	22	




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 March 31, 2020

1. Corporate information

1.1 Reporting entity

Navana CNG Limited (the Company) was incorporated in Bangladesh as private Limited company on April 19, 2004 vide registration no. C525/2(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 (4th floor), Dhaka-1000

The Company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The principal activities of the Company is 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 which 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 house hold, industrial and commercial use. The company started its commercial operation from March 01, 2011.

Navana Welding Electrode Limited

Navana Welding Electrodes Limited is a private limited company which 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 from January 01, 2013.

Navana LPG Limited

Navana LPG Limited is a private Limited company which is incorporated Vide Register # C-125694 ,dated September 13, 2015 with registrar of Join 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, Propone, 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 re-fueling 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 standard's (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 number of shares outstanding for the period ended March 31,2020 and distributable profit for the same period.

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

Revenue:

The overall revenue of the company has increased during the period of July 2019 to March 2020 than those of same period of previous year due to increased in sales revenue of LPG business.

Net operating Cash Flows:

Significant difference in NOCFPS in between July 2019to March 2020, compared to the corresponding period of last year is due to increase of sales revenue and collection from customers of LPG Business.

Earnings per share (EPS)

The total sales revenue of the company has increased Significantly as stated above, out of which 60.68% of the sales revenue is from LPG operation. Since Navana LPG Limited is running at loss due to initial operational stages, the Consolidated EPS resulted is 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 confirm to this period's presentation.

8. Business Environment Update Amid Coronavirus Pandemic

In March, as the coronavirus pandemic spread in the Bangladesh, the country meaningfully increased social distancing and shelter-in-place mandates. In markets, the company subsequently saw the transport sector and all other business sector are effected of the county. The company expects the net effect of these pandemic to have a significant impact on last quarter results as well as year 2019-2020. For context, since the beginning of April, the company has experienced a volume decline of revenue. The ultimate impact on the last quarter and full year 2019-2020 is unknown at this time, as it will depend heavily on the duration of social distancing and lockdown situation of the country, as well as the substance and pace of macroeconomic recovery. However, the impact to the last quarter will be material. The company believes the pressure on the business is temporary and remains optimistic on seeing sequential improvement in the year of 2020-2021. The company, along with its subsidiary, is continuing to adapt quickly to the current environment, with a focus on mitigating the near-term impact while positioning for success coming out of the crisis.

9. Foreign Currency gain / (loss)

The company did not have any foreign currency in cash and cash equivalents at the beginning and the end of the period.

Navana CNG Limited and its subsidiaries

Consolidated notes to the Financial Statements

As at and for the Period ended March 31, 2020

	March 31, 2020	June 30, 2019
	BD Taka	BD Taka
10. Property, plant & equipment, net		
Land and land develop.	1,119,098,289	1,119,098,289
Building & Shed	1,017,901,703	1,058,825,286
Plant & Machinery	2,309,456,863	2,119,209,036
Cylinder	2,114,679,905	2,090,242,614
Tools & equipment	109,594,787	115,476,170
Furniture & fixtures	19,116,576	16,983,734
Electrical equipment	19,513,568	20,349,972
Office equipment	5,913,260	5,629,296
Vehicles	197,846,975	150,531,923
	6,913,121,926	6,696,346,320
11. Intangible Assets		
Software System ERP	24,505,722	17,936,289
	24,505,722	17,936,289
12. Capital Work-in-progress		
Opening Balance	1,269,113,876	1,607,886,756
Add : during the period	39,679,620	726,726,042
	1,308,793,496	2,334,612,798
Less: Transfer to Property, plant and equipment	329,857,106	1,065,498,922
Closing balance	978,936,390	1,269,113,876
13. Deferred tax Assets/ Liabilities		
Opening Balances	8,288,021	(108,057,250)
Deferred tax income	102,196,593	115,809,948
	110,484,614	7,752,698
Deferred tax adjustment on Fair Value changes of Marketable securities	103,279	535,323
	110,587,893	8,288,021
14. Inventories		
Stock in Raw Materials	636,450,999	722,223,142
Work -in- progress	115,123,907	68,186,804
Finished Goods	1,050,974,269	1,044,022,816
Stores and Spares Parts	8,523,070	3,334,765
Fuel and Lubricants	371,071	374,016
Stock in transit	136,777,957	138,180,294
	1,948,221,273	1,976,321,837
15. Cash & bank balances		
Cash in Hand	7,294,958	17,356,185
Cash at banks :		
Fixed deposit receipt (FDR)	101,464,687	96,212,429
Cash at Bank	89,237,815	121,453,856
	197,997,460	235,022,470

	March 31, 2020	June 30, 2019
	BD Taka	BD Taka
16. Long term loan		
City Bank Limited, Gulshan Avenue Br.	3,066,028,539	2,977,697,541
Shahjalal Islami Bank Limited, Gulshan Br.	904,762,045	868,199,420
One Bank Limited, Gulshan Br.	1,230,867,410	1,005,117,720
Mutual Trust Bank Limited	2,509,632	19,558,285
Standard Bank Limited	72,496,978	97,694,645
Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
	<u>5,601,782,130</u>	<u>5,293,385,137</u>
Less: Long Term Loan- Current maturity	1,218,167,560	829,125,800
Long Term Loan- net of current maturity	<u>4,383,614,570</u>	<u>4,464,259,337</u>
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 Directors is un-secured and Interest free loan from Mr. shafiul Islam, Chairman.		
17. Short-term loans		
Shahjalal Islami Bank Ltd.	1,177,230,659	939,280,317
Premier bank Ltd.	6,848,000	-
One Bank Ltd.	541,475,757	668,182,797
State Bank of India	-	6,553,616
City Bank Limited	518,982,701	462,766,012
	<u>2,244,537,117</u>	<u>2,076,782,742</u>
18. Provision for income tax		
Opening Balance	219,808,563	170,953,073
Add : during the period	74,277,897	70,971,861
	<u>294,086,459</u>	<u>241,924,934</u>
Less: Paid in advance	(52,240,532)	(22,116,372)
Closing balance	<u>241,845,927</u>	<u>219,808,563</u>
19. Payables and accruals		
Account payables	21,928,793	29,854,382
Liabilities for Expenses	118,829,561	108,553,730
Workers profit participation fund	46,230,535	34,007,006
Sundry payables	77,543,500	70,715,969
Provision for doubtful debt	312,215	312,215
Liabilities for Dividend	67,811,345	48,805,249
	<u>332,655,950</u>	<u>292,248,551</u>
20. Net assets value per share (NAVPS)		
Net assets value	2,439,221,516	2,423,659,781
Number of ordinary shares used to compute NAVPS	68,528,592	68,528,592
Net assets value per share	<u>35.59</u>	<u>35.37</u>
	July 01, 2019 to	July 01, 2018 to
	March 31, 2020	March 31, 2019
	BD Taka	BD Taka
21. Earnings per share (EPS)		
Profit attributable to ordinary shareholders	55,904,147	85,601,114
Number of ordinary shares used to compute earnings per share	68,528,592	68,528,592
Earnings per share	<u>0.82</u>	<u>1.25</u>

	July 01, 2019 to March 31, 2020	July 01, 2018 to March 31, 2019
	BD Taka	BD Taka
22. Net operating cash flows per share (NOCFPS)		
Net operating cash flows	737,949,416	426,732,795
Number of ordinary shares used to compute NOCFPS	68,528,592	68,528,592
Net operating cash flows per share	10.77	6.23
23. Reconciliation of cash flows from operating activities under indirect method:		
Net profit/Loss before interest, income tax & WPPF during the period	600,829,929	574,113,124
Adjustment to recocile net income to net cash provided by operating activities:		
Depreciation	333,818,500	365,767,669
Income tax paid	(52,240,532)	(83,931,847)
Changes in current assets and liabilities:		
Decrease/ (increase) in inventories	28,100,565	(21,724,365)
Decrease/ (increase) in advance and prepayments	(220,791,928)	(153,789,684)
Decrease/ (increase) in trade receivable	39,055,109	(203,792,242)
(Decrease)/ increase in payables & accruals	9,177,774	(49,909,859)
Net cash flow from operating activities	737,949,416	426,732,795
Total cash flow from operating activities-Indirect Method*	737,949,416	426,732,795
Total cash flow from operating activities-Direct Method*	737,949,416	426,732,795
Difference	-	-

* Details in the statement of cash flows