

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, 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 3rd quarter ended on that date.

Sd/-
Managing Director

Dated: Dhaka
July 19, 2021

Navana CNG Limited and its subsidiaries
Consolidated Statement of Financial Position (Un-audited)
As at March 31, 2021

	Note	March 31, 2021 BD Taka	June 30, 2020 BD Taka
Assets			
<i>Non-current assets</i>			
Property, plant & equipment	8	6,397,798,096	6,737,120,036
Intangible assets	9	22,204,248	23,775,675
Right of use asset		10,623,621	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	275,968,091	147,797,623
Investment in shares		2,833,116	2,525,882
Total non-current assets		7,687,702,478	7,954,467,746
<i>Current assets</i>			
Inventories	13	2,375,916,350	2,214,595,794
Accounts receivable		976,988,408	861,651,071
Other Receivables		194,873,660	194,847,420
Advance against land		15,000,000	15,000,000
Advances, deposits & pre-payments		1,141,338,758	950,290,616
Cash & bank balances	14	239,627,045	160,250,107
Total current assets		4,943,744,221	4,396,635,008
Total assets		12,631,446,699	12,351,102,754
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		1,981,597	1,705,086
Retained Earnings		1,513,583,192	1,538,647,565
Equity attributable to the owners of Company		2,416,855,533	2,441,643,395
Non-controlling interest		(7,229)	(6,200)
Total equity		2,416,848,304	2,441,637,195
<i>Non-current liabilities</i>			
Lease Liability		8,813,566	16,289,100
Long term Loan- net of current maturity	15	4,669,082,629	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		5,319,135,582	5,189,390,095
<i>Current liabilities</i>			
Long Term Loan- Current maturity	15	1,386,244,349	1,238,620,849
Short-term loans	16	2,621,964,040	2,426,210,433
Provision for income tax	17	285,371,939	271,316,851
Current account with Group Companies		300,114,607	444,499,607
Payables and accruals	18	301,767,878	339,427,724
Total current liabilities		4,895,462,813	4,720,075,464
Total liabilities		10,214,598,395	9,909,465,559
Total equity and liabilities		12,631,446,699	12,351,102,754
Consolidated Net Assets Value Per Share (NAVPS)	19	35.27	35.63

Sd/-
Managing Director

Sd/-
Director

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Director

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Chief Financial Officer

Sd/-
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, 2021

Particulars	July ' 2020 to March' 2021	July ' 2019 to March' 2020	January ' 2021 to March' 2021	January ' 2020 to March' 2020
	BD Taka	BD Taka	BD Taka	BD Taka
Revenues	3,793,314,287	4,855,445,251	1,194,573,349	1,590,059,933
Less: Cost of sales	2,957,080,129	3,715,326,887	929,274,729	1,180,902,588
Gross profit	836,234,158	1,140,118,364	265,298,620	409,157,345
Less: Administration & selling expenses	450,214,981	546,414,550	138,773,589	202,028,627
Less: Interest expenses	438,246,825	560,620,948	140,805,686	204,389,247
Operating profit	(52,227,648)	33,082,866	(14,280,655)	2,739,471
Add: Other income	10,393,584	4,065,485	5,180,876	1,213,089
Less: Foreign exchange loss	(952,015)	-	(952,015)	-
Profit before contribution to WPPF	(42,786,079)	37,148,351	(10,051,794)	3,952,560
Less : Contribution to WPPF	7,992,592	9,162,900	3,501,717	3,656,619
Net profit before tax	(50,778,671)	27,985,451	(13,553,511)	295,941
Less: Income tax expenses	(65,125,435)	(27,918,696)	(16,543,587)	(15,824,495)
Current tax	12 63,075,756	74,277,897	24,973,021	28,928,966
Deferred tax Expense/(Income)	11.01 (128,201,191)	(102,196,593)	(41,516,609)	(44,753,461)
Net profit after tax	14,346,764	55,904,147	2,990,076	16,120,435
Revaluation Gain /Loss on investment in share	307,234	(1,032,792)	(175,427)	18,841
Deferred tax adjustment	(30,723)	103,279	17,543	(1,884)
	276,511	(929,513)	(157,884)	16,957
Total comprehensive Income for the period	14,623,275	54,974,634	2,832,192	16,137,392
Attributable to:				
Equity holders of the Company	14,347,792	55,903,413	2,990,022	16,118,741
Non-controlling interests	(1,029)	734	54	1,695
Total	14,346,764	55,904,147	2,990,076	16,120,436
	68,528,592	68,528,592	68,528,592	68,528,592
Consolidated Earnings per share	20 0.21	0.82	0.04	0.24

Sd/-
Managing Director

Sd/-
Director

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Director

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Chief Financial Officer

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Company Secretary

Navana CNG Limited and its subsidiaries
Consolidated Statement of Cash Flows (Un-audited)
For the 3rd Quarter ended March 31, 2021

		July ' 2020 to March' 2021	July ' 2019 to March' 2020
		BD Taka	BD Taka
Cash flows from operating activities			
Receipts from customers		3,677,976,950	4,894,500,360
Receipts from Other income		10,393,584	4,065,485
Foreign exchange loss		(952,015)	-
Payments for materials, services and expenses		(3,388,329,553)	(4,108,375,897)
Cash generated from operations		299,088,966	790,189,948
Income tax paid		(49,020,668)	(52,240,532)
Net cash generated by operating activities	22	250,068,298	737,949,416
Cash flows from investing activities			
Acquisition of property, plant and equipment		(33,120,994)	(219,268,532)
Acquisition of Intangible Assets		(220,000)	(8,037,900)
Capital work in Progress		-	(39,679,620)
(Increase)/ decrease of Other receiveables		(26,240)	(51,730)
Net cash used in investing activities		(33,367,234)	(267,037,782)
Cash flows from financing activities			
Bank Interest Paid		(438,246,825)	(560,620,948)
Proceeds from Long Term Loan		343,844,521	308,396,993
Proceeds from Short-term loans		195,753,607	167,754,375
Increase/(decrease) of Security Retention money		(59,000,000)	(118,920,697)
Inter company Receiveables		(144,385,000)	(284,140,298)
Dividend paid		(35,290,429)	(20,406,069)
Net cash used in financing activities		(137,324,126)	(507,936,644)
Net changes in cash and cash equivalents		79,376,938	(37,025,010)
Cash and cash equivalents at the beginning of period		160,250,107	235,022,470
Cash and cash equivalents at the end of period		239,627,045	197,997,460
Consolidated Net operating cash flows per share	21	3.65	10.77

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Navana CNG Limited and its subsidiaries
Consolidated Statement of Changes in Equity (Un-audited)
For the 3rd quarter ended March 31, 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 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	-	-	-	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 as at March 31, 2020	<u>685,285,920</u>	<u>216,004,824</u>	<u>1,732,634</u>	<u>1,536,198,138</u>	<u>2,439,221,516</u>	<u>(4,351)</u>	<u>2,439,217,165</u>
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	-	-	-	14,347,792	14,347,792	(1,029)	14,346,764
Transfer from other Comprehensive income	-	-	276,511	-	276,511	-	276,511
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance as at March 31, 2021	<u>685,285,920</u>	<u>216,004,824</u>	<u>1,981,597</u>	<u>1,513,583,192</u>	<u>2,416,855,533</u>	<u>(7,229)</u>	<u>2,416,848,304</u>

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Managing Director

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Navana CNG Limited and its subsidiaries

Selected Explanatory Consolidated Notes to the financial statements

For the period ended March 31, 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. 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 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 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 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 March 31, 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 overall revenue of the company has decreased from July 2020 to March 2021 and January 2021 to March 2021 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 2020 to March 2021, 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

Bangladesh Energy Regulatory Commission (BERC) fixed the retail prices of liquefied petroleum gas (LPG) on April 12, 2021. Now, the retail price of 12.5kg LPG cylinder provided by the state-owned Liquid Petroleum Gas Limited (LPGL) will cost Tk 591 while the 12kg variety of private companies will cost Tk 975. The above decision will have an impact on the revenue of Navana LPG Ltd. as well as the group's performance.

Except as mentioned above 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 coronavirus (COVID-19) as a pandemic, which continues to spread worldwide. In response to the outbreak, the Government of Bangladesh declared a 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 coronavirus (COVID-19) pandemic is coming and the impact of the same can not be ascertained 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 March 31, 2021

	March 31, 2021	June 30, 2020
	BD Taka	BD Taka
8. Property, plant & equipment, net		
Land and land development	1,180,716,391	1,180,087,289
Building & Shed	906,359,621	978,536,140
Plant & Machinery	2,123,116,860	2,224,151,252
Cylinder	1,859,405,191	2,010,167,774
Tools & equipment	101,672,177	108,503,360
Furniture & fixtures	18,498,803	18,666,616
Electrical equipment	18,315,836	19,552,609
Office equipment	6,139,895	5,938,435
Vehicles	183,573,323	191,516,561
	6,397,798,096	6,737,120,036
9. Intangible Assets		
Software System ERP	22,204,248	23,775,675
	22,204,248	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 (265,538,403)	(141,137,212)
Deferred tax on Unrealized Gain/ loss	11.02 272,812	242,089
Deferred tax for gratuity provision	11.03 (10,702,500)	(6,902,500)
	(275,968,091)	(147,797,623)
11.01 Deferred tax for temporary difference		
Accounting base WDV	6,420,002,343	6,760,895,709
Tax base WDV	6,995,625,063	7,037,643,213
Taxable temporary difference	(575,622,719)	(276,747,504)
Less: Unabsorbed Depreciation	(197,291,257)	(112,602,633)
	(772,913,976)	(389,350,137)
Tax rate @ 25% & 32.5% respectively		
Deferred tax (Assets) / liabilities	(265,538,403)	(141,137,212)
Opening balance	(141,137,071)	(8,636,310)
Deferred tax expenses /(income) for temporary difference	(124,401,191)	(132,500,761)
Deferred tax expenses /(income) for gratuity (11.03)	(3,800,000)	(6,902,500)
Total Deferred Tax Expense/(Income) for the period	(128,201,191)	(139,403,261)
11.02 Deferred tax on Unrealized Gain		
opening Balance	242,089	348,429
For the period	30,723	(106,340)
	272,812	242,089

	March 31, 2021	June 30, 2020
	BD Taka	BD Taka
11.03 Deferred Tax for Gratuity Provision		
Opening Provision	24,700,000	-
Add: during the period	14,000,000	24,700,000
Closing Provision	38,700,000	24,700,000
Applicable Tax rate @ 25% & 32.5% respectively		
Closing deferred tax for gratuity provision	(10,702,500)	(6,902,500)
Less: Opening deferred tax for gratuity provision	(6,902,500)	-
Deferred tax expense/(income) for the period	(3,800,000)	(6,902,500)
12. Current tax expense		
Income tax on Regular Rate		
Consolidated Profit Before Tax	(50,778,671)	(16,291,521)
Add: Consolidated Adjustment for admissible and inadmissible expenses	210,630,508	(28,909,717)
Consolidated taxable profit/(Loss)	159,851,837	(45,201,238)
consolidated tax expenses based on applicable tax rate as per ITO 1984	49,371,566	-
Consolidated minimum tax	63,075,756	61,238,720
13. Inventories		
Stock in Raw Materials	779,093,944	720,532,328
Work-in-progress	163,059,445	128,128,675
Finished Goods	1,226,785,242	1,097,344,162
Stores and Spares Parts	8,473,056	10,718,440
Fuel and Lubricants	-	165,333
Stock in transit	198,504,663	257,706,856
	2,375,916,350	2,214,595,794
14. Cash & bank balances		
Cash in Hand	9,132,376	7,638,700
Cash at banks :		
Fixed deposit receipt (FDR)	107,369,807	103,439,201
Cash at Bank	123,124,862	49,172,206
	239,627,045	160,250,107

	March 31, 2021 BD Taka	June 30, 2020 BD Taka
15. Long term loan		
City Bank Limited, Gulshan Avenue Br.	3,310,738,334	3,127,063,433
Shahjalal Islami Bank Limited, Gulshan Br.	979,283,210	922,714,790
One Bank Limited, Gulshan Br.	1,360,891,844	1,259,741,868
Mutual Trust Bank Limited	-	2,698,555
Standard Bank Limited	79,296,064	74,146,285
Dues to Director (Mr. Shafiul Chairman)	325,117,526	325,117,526
	6,055,326,978	5,711,482,457
Less: Long Term Loan- Current maturity	1,386,244,349	1,238,620,849
Long Term Loan- net of current maturity	4,669,082,629	4,472,861,608
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.		
16. Short-term loans		
Shahjalal Islami Bank Ltd.	1,362,950,041	1,272,148,242
One Bank Ltd.	607,036,240	556,526,993
City Bank Limited	644,976,009	597,535,198
StateBank of India , Gulshan Br.	7,001,750	-
	2,621,964,040	2,426,210,433
17. Provision for income tax		
Opening Balance	271,316,851	219,808,563
Add : during the period	63,075,756	61,238,720
	334,392,607	281,047,283
Less: Paid in advance	(49,020,668)	(9,730,432)
Closing balance	285,371,939	271,316,851
18. Payables and accruals		
Account payables	25,045,677	25,770,080
Liabilities for Expenses	137,466,300	171,613,725
Workers profit participation fund	54,752,855	43,803,525
Sundry payables	33,815,486	51,674,570
Provision for doubtful debt	767,502	767,502
Liabilities for Dividend	49,920,058	45,798,322
	301,767,878	339,427,724
19. Net assets value per share (NAVPS)		
Net assets value	2,416,855,533	2,441,643,395
Number of ordinary shares used to compute NAVPS	68,528,592	68,528,592
Net assets value per share	35.27	35.63
	July 01, 2020 to March 31, 2021 BD Taka	July 01, 2019 to March 31, 2020 BD Taka
20. Earnings per share (EPS)		
Profit attributable to ordinary shareholders	14,346,764	55,904,147
Number of ordinary shares used to compute earnings per share	68,528,592	68,528,592
Earnings per share	0.21	0.82

21. 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

July 01, 2020 to
March 31, 2021
BD Taka

July 01, 2019 to
March 31, 2020
BD Taka

250,068,298
68,528,592
3.65

737,949,416
68,528,592
10.77

22. Reconciliation of cash flows from operating activities under indirect method:

Net profit/Loss before interest, income tax & WPPF during the period

398,417,484
600,829,929

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

Interest on Lease

1,044,285

-

Payment of lease liability

(8,519,819)

-

Depreciation

428,583,960

333,818,500

Income tax paid

(49,020,668)

(52,240,532)

Changes in current assets and liabilities:

Decrease/ (increase) in inventories

(161,320,555)

28,100,565

Decrease/ (increase) in advance and prepayments

(191,048,141)

(220,791,928)

Decrease/ (increase) in trade receivable

(115,337,337)

39,055,109

(Decrease)/ increase in payables & accruals

(52,730,912)

9,177,774

Net cash flow from operating activities

250,068,298

737,949,416

Total cash flow from operating activities-Indirect Method*

250,068,298

737,949,416

Total cash flow from operating activities-Direct Method*

250,068,298

737,949,416

Difference

-

-

* Details in the statement of cash flows