

1st Quarter Report

30 September, 2022



NATIONAL TUBES LIMITED

Registered Office : National Tubes Ltd.
131-142 Tongi Industrial Area
Gazipur-1710.

Dear Sir,

We forward herewith the Un-Audited Financial Statements of the Company for the 1st Quarter ended on September 30, 2022 as per Bangladesh Securities & Exchange Commission Notification No.BSEC/CMRCD/ 2006-158/208/ Admin/81 dated June 20, 2018.

(A K M Anwar Morshed)
Managing Director

N.B:
Selected explanatory notes to the accounts for the period 1st Quarter ended on 30 - September 2022 shown in note no1 to 21 (Page no.2-6) these are an integral part of the 1st quarter un-audited & provisional financial statements.

NATIONAL TUBES LIMITED

Statement of Financial Position (Un-Audited)

As at 30 September, 2022

Particulars	Notes	30 September, 22 (Taka)	30 June, 2022 (Taka)
Assets			
A) Non Current Assets :			
Property, Plant & Equipment note	2.00	5,225,762,630	5,227,098,345
B) Current Assets :			
Inventories	3.00	453,147,997	376,864,263
Debtors	4.00	14,297,967	22,569,906
Advances, deposits and prepayments	5.00	358,456,444	349,579,123
Cash and bank balances	6.00	16,704,006	28,374,861
C) Total assets (A+B)		6,068,369,044	6,004,486,498
D) Shareholders Equity :			
Share capital		5,227,548,618	5,243,317,951
Revaluation reserve	7.00	348,218,030	348,218,030
Retained earnings		4,970,313,716	4,971,754,539
		(90,983,128)	(76,654,620)
E) Non-Current Liabilities			
Long-term loans		270,289,221	269,763,936
Deferred tax liability	8.00	59,469,473	59,469,473
		210,819,748	210,294,463
F) Current Liabilities :			
Bank loans, overdrafts and credits	9.00	570,531,204	491,404,612
Creditors and accruals	10.00	333,707,546	245,096,555
Other current liabilities	11.00	132,732,290	124,611,593
Dividends Payable	12.00	95,860,063	113,465,160
		8,231,305	8,231,305
Total equity and liabilities (D+E+F)		6,068,369,044	6,004,486,498
Net assets		5,227,548,618	5,243,317,951
Net asset value (NAV) per share-12	13.00	150.12	150.58

Particulars	Notes	July22-Sept.22	July21-Sept.21
Net Sales			
Cost of goods sold	14.00	42,347,386	55,747,440
A) Gross profit/(loss)	15.00	41,683,816	52,614,169
B) Operating Expenses			
Administrative expenses		663,570	3,133,271
Selling and distribution expenses		10,465,913	11,843,058
C) Operating profit/(Loss)(A-B)		9,578,692	10,864,298
Non operating Income		886,321	778,760
Financial/Interest expenses		(9,801,443)	(8,509,787)
D) Net profit/(loss) before wpp fund & Tax		736,468	284,830
Workers profit participation fund		(5,920,568)	(4,795,484)
E) Net profit/(loss) before tax		(14,985,543)	(13,020,441)
F) Income Tax expenses			
Current Tax		(14,985,543)	(13,020,441)
Deferred Tax	16.00	267,872	352,703
G) Net profit/(Loss) after tax(E-F)		258,503	336,194
Earning per Share(EPs)	17.00	9.368	16.510
		(15,253,414)	(13,373,144)
		(0.44)	(0.38)

NATIONAL TUBES LIMITED

Statement of Cash Flows (Un-Audited)

For the 1st Quarter ended on 30 September, 2022

Particulars	Notes	30 September, 2022 (Taka)	30 September, 2021 (Taka)
Cash flows from operating activities :			
Collections from turnover and others	18.00	(100,281,846)	10,648,681
Payments for costs and expenses		61,439,309	51,295,232
Income-tax & vat paid and/or deducted		(155,568,109)	(32,277,041)
		(6,153,046)	(8,369,510)
Cash flows from investing activities :			
Acquisition of fixed assets		-	-
Acquisition of long-term assets		-	-
Sale proceeds of long-term assets		-	-
Cash flows from financing activities :			
Loans received		88,610,991	41,285,579
Loans repaid		-	(45,030,096)
Dividend paid		-	-
Net cash inflows / (outflows) for the period		(11,670,855)	6,904,164
Opening cash and bank balances		28,374,861	3,980,584
Closing cash and bank balances		16,704,006	10,884,748
Net Operating Cash Flow Per Share(NOCFPS)	19.00	(2.88)	0.31

Statement of Changes in Equity (Un-audited)

For the 1st Quarter ended on 30 September, 2022

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance 1 July 22	348,218,030	4,971,754,539	(76,654,620)	5,243,317,950
Net Profit/(Loss) after Tax			(15,253,414)	(15,253,414)
Depreciation transfer for revaluation		(924,906)	924,906	
Balance 30 September 2022	348,218,030	4,970,313,716	(90,983,128)	5,228,064,535
Balance 30 September 2021	348,218,030	4,973,813,776	(3,611,723)	5,318,420,084

(Ganash Chandra Biswas)
Chief Financial Officer

(Md. Salim Hawladar)
Company Secretary

(A K M Anwar Morshed)
Managing Director

Dr. Md. Kishwarul Haq
Professor
GDA, Dhaka University

NATIONAL TUBES LIMITED

Tongi, Gazipur.

Selected explanatory notes to the accounts for the period 1st Quarter ended 30 September 2022

Note

1.00 About the Company:

National Tubes Ltd. was established in the private sector in 1964. It was nationalized and placed under BSEC in 1972. The enterprise was transformed into a public company in 1989 by off-loading 49 percent shares to the general public. The company is now being managed by the independent Board of Directors. Its factory is situated on the Dhaka-Mymensing highway on 14.31-acre land at 131-142 Tongi Industrial Area-20 km North of the Capital City.

a) NATURE OF BUSINESS:

The Company manufactures G.I; A.P.I. & M.S.Pipes ranging from ½" to 8" dia.

b) BASIS OF ACCOUNTING:

(1) The 1st Quarter un-audited & provisional financial statements have been prepared under historical cost convention on accrual basis and such other convention as required in accordance with IAS-1 & IAS-34 "Interim financial reporting" and IFRS for fair presentation of financial statements.

(2) Comparative information have been disclosed in respect of the 1st Quarter ended on 30 September 2022 for all numerical information in the financial statements and also the narrative & descriptive information when it is relevant for understanding of the current period financial statements.

(3) While preparing the Financial statements, attention has been given to the requirements of the Securities and Exchange Rules 1987, Companies Act 1994 and other relevant laws where applicable.

c) FIXED ASSETS:

Fixed Assets are stated at cost of revalued price less accumulated depreciation.

d) DEFERRED TAX :

Deferred tax has been considered in 1st Quarter (Q-1) financial statements ended on 30 September, 2022.

e) PROVISION FOR EXPENSES :

Recurring expenses are provided based on estimation if the bills are not received and are adjusted subsequently with actual bills when received.

f) INCOME TAX

Provision for income tax calculated as applicable income tax laws which breakup included in note no-16.

g) USE OF CREDIT FACILITIES :

All credit facilities are used with bank loan.

h) Figures in the accounts have been rounded off to the nearest taka.

2.00 Property, Plant & Equipment : Tk. 5,225,762,630

This is made up as follows:

Particulars

A. Cost:

Opening Balance	355,654,594	354,569,106
Add: Addition during the period	-	1,085,488
Less: Transfer/ Disposal during the period	-	-
Closing Balance	355,654,594	355,654,594

B. Accumulated depreciation:

Opening Balance	310,374,220	308,526,771
Add: Charged during the period	410,808	1,847,448
Less: Transfer/ Disposal during the period	-	-
Closing Balance	310,785,028	310,374,220

C. Written down value on cost (A-B)

30-Sep-22	30-Jun-22
5,325,455,011	5,325,455,011
-	-
-	-
5,325,455,011	5,325,455,011

2. Based on Revaluation:

Opening Balance	5,325,455,011	5,325,455,011
Add: Addition during the period	-	-
Less: Transfer/ Disposal during the period	-	-
Closing Balance	5,325,455,011	5,325,455,011

B. Accumulated depreciation:

Opening Balance	143,637,040	139,207,640
Add: Charged during the period	924,906	4,429,400
Less: Transfer/ Disposal during the period	-	-
Closing Balance	144,561,946	143,637,040

C. Written down value on revaluation (A-B)

5,180,893,065	5,181,817,971
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3. Written down value on cost and revaluation (1+2)

5,225,762,630	5,227,098,345
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3.00 Inventory : Tk. 453,147,997

Stock of Raw materials	157,861,908	48,964,104
Stores & Spares	35,528,798	35,528,798
Stock of working process	28,585,224	28,345,020
Stock of finished goods	231,172,067	234,274,462
Stores in Transit	-	29,751,879
	<u>453,147,997</u>	<u>376,864,263</u>

4.00 Debtors : Tk. 14,297,967

Bakhrabad Gas T&D Co. Ltd.	330,737	330,737
Titas Gas T&D Co. Ltd.	3,499,671	684,356
Paschimanchal Gas Project	-	-
Dhaka Washa	8,153,496	14,315,029
GEMCo.	96,710	96,710
Dealers	6,717	6,717
Private Parties	13,116	13,116
Karnafully Gas T&D Co. Ltd.	1	1
Jalalabad Gas Trans. & Dristrbution Co	2,771,545	2,632,196
Western Gas distribution co. Ltd	-	5,057,630
	14,871,993	23,136,492
Less: Excess received	7,440	-
Western Gas Distribution Project	7,440	-
GEMCO Ltd.	-	-
Less: provision for bad debt	566,586	566,586
	14,297,967	22,569,906

5.00 Advances, deposits and prepayments : Tk. 358,456,444

Advance against Purchase	1,015,050	210,894
Advance against traveling	24,308	24,308
Advance against Expenses	749,304	423,197
Advance against Canteen & Mess	(94,434)	16,316
Advance Income Tax	336,083,870	329,930,824
Advance to Suppliers/Contractors	51,996	1,996
Security Deposits	3,085,375	1,545,375
Advances Service	10,000	10,000
Salary Advances	30,000	-
	340,955,469	332,162,910
Current account with BSEC Head office, Enterprises & disinvested mills	17,500,975	17,416,213
	358,456,444	349,579,123

Note-5.01

5.01 Advances, deposits and prepayments (Current account) : Tk. 17,500,975

Current account with BSEC Enterprises	6,869,021	6,869,021
Current account with BSEC Head office	1,899,463	1,814,701
Current account with disinvested BSEC mills	8,732,491	8,732,491
	17,500,975	17,416,213

30-Sep-22	30-Jun-21
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6.00 Cash and bank balances : Tk. 16,704,006

Cash in Hand	10,238	14,260
Bank Deposit	16,693,768	28,360,601
	<u>16,704,006</u>	<u>28,374,861</u>

7.00 Revaluation Reserve : Tk. 4,970,313,716**This is made up as follows:**

Opening Balance	4,971,754,539	4,974,920,960
Deferred Tax Income / (Expense) on Revaluation Reserve of Depreciable Assets	184,982	1,571,083
Less: Depreciation adjusted during the year	(924,906)	(4,429,400)
Deferred Tax Income / (Expense) on Depreciation of Revalued Asset	(700,899)	(308,104)
	<u>4,970,313,716</u>	<u>4,971,754,539</u>

(a) Depreciation on revaluation of assets have been duly charged at the prevailing rates by following of diminishing method.

(a) Depreciation on revaluation for the current year has been adjusted with revaluation reserve as per clause 41 of IAS-16.

8.00 Deferred tax liability : Tk. 210,819,748

This is made up as follows:

Particulars

Opening Balance	210,294,463	211,489,149
Deferred tax for the priod	9,368	68,293
Deferred tax on Land revaluation	515,917	(1,262,979)
Closing Balance:	210,819,748	210,294,463

9.00 Bank loans, overdrafts and credits : Tk. 333,707,546

CC Loan	96,773,779	100,776,951
LTR's & SOD Loan	236,933,767	144,319,605
	333,707,546	245,096,555

10.00 Creditors and accruals : Tk. 132,732,290

Sundry creditors for goods	2,238	78,762
Provision for expenses and Interests	48,715,657	44,770,370
Pension fund	14,120,197	13,851,019
Tax liabilities	65,143,971	64,885,469
Advance received from customers	4,750,227	1,025,973
	132,732,290	124,611,593

11.00 Other current liabilities : Tk. 95,860,063

Leave pay & Gratuity	85,720,185	85,244,038
Liability for other finances	10,139,878	28,221,122
WPPF fund	-	-
	95,860,063	113,465,160

12.00 Dividends Payable : Tk. 8,231,305

This is made up as follows:

Particulars

Opening Balance as on 01.07.2022
Add: 2% Cash Dividend

8,231,305	8,030,677
-	6,964,361
8,231,305	14,995,038
-	(6,763,733)

Less: Paid during the year

8,231,305	8,231,305
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Un-paid Dividend

13.00 Net Asset Value(NAVs):Tk. 150.12

This made up as follows:

Net Asset Value(NAVs)	5,227,548,618	5,243,317,951
Number of Shares	34,821,803	34,821,803
Net Asset Value (NAVs) :	150.12	150.58

30-Sep-22	30-Sep-21
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14.00 Net sales : Tk. 42,347,386

Gross Sale	48,706,648	64,116,950
Less : VAT	(6,359,261)	(8,369,510)
	42,347,386	55,747,440

15.00 Cost of goods sold : Tk. 41,683,816

Direct Materials	16,120,154	16,867,518
Direct Labour	19,497,610	15,207,987
Power, Fuel & Oil	847,931	810,980
Production Overhead	2,355,931	3,126,597
Total	38,821,626	36,013,082
Opening Stock Of WIP	28,345,020	29,460,937
Closing Stock Of WIP	28,585,224	30,756,246
Production Cost	38,581,422	34,717,773
Opening Stock Of Finished Goods	234,274,462	378,842,371
Closing Stock Of Finished Goods	231,172,067	360,945,975
	41,683,816	52,614,169

16.00 Income Tax Expenses:Tk. 267,872

This made up as follows:

Current year Tax	Note 16.01	258,503	336,194
Deferred Tax expense/Income	Note 16.02	9,368	16,510
Total:		267,872	352,703







16.01 Current year Tax provision: Tk. 258,503

This made up as follows:

Turnover	42,347,386	55,747,440
Other Income	736,468	284,830
Total	43,083,854	56,032,270
Tax @.6% on total turnover	258,503	336,194

16.02 Deferred Tax Expenses/ (Income) : Tk. 9,368

This is made up as follows:

Particulars**Temporary Difference**

Written down value of fixed assets as per financial statements (excluding land) as on 30.09.2022

10,181,566	10,910,787
8,979,574	10,114,135

Written down value of fixed assets as per Tax depreciation (excluding land) as on 31.09.2022

Taxable temporary difference

Applicable tax rate

Deferred Tax Liability

1,201,992	796,652
20.00%	22.50%
240,398	179,247

Opening Deferred Tax Liability

Closing Deferred Tax Liability

231,030	162,737
240,398	179,247
9,368	16,510

Deferred Tax expense/(Income)**17.00 Earning per share (EPS): Tk. -0.44**

This made up as follows:

Profit/Loss after tax for the period

Weighted average number of shares

Earning per share(EPS)

(15,253,414)	(13,373,144)
34,821,803	34,821,803
(0.44)	(0.38)

18.00 Reconciliation of Net Income/(Loss) with cash flows from operating activities: Tk. -100,281,846

Profit(Loss) before Tax

Adjustment for;

Add/(deduct) for non cash items:

Depreciation

(Increase)/Decrease in inventories

(Increase)/Decrease in trade & other receivable

(Increase)/Decrease in advance deposit & prepayments/Adv from customer

Increase/Decrease in trade & other payable/libility/provision

Tax paid

Financial expenses & interest paid

Gratuity & others

Net Cash provided/(used) by Operating Activities

(14,985,543)	(13,020,441)
1,335,715	1,550,732
(76,283,734)	28,278,193
8,271,939	(17,550,931)
(2,724,275)	(978,109)
8,120,697	28,424,430
(6,153,046)	-
-	(4,795,484)
(17,863,599)	(11,259,709)
(100,281,846)	10,648,681

19.00 Net Operating Cash Flow per share(NOCFPS): Tk. -2.88

This made up as follows:

Cash flow from Operative activities

Weighted average number of shares

Net Operating Cash Flow per share(NOCFPS)

(100,281,846)	10,648,681
34,821,803	34,821,803
(2.88)	0.31

20.00 Related Party Disclosures:

As per Bangladesh Accounting Standards IAS-24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Specialty this transactions are occurred inter organization employees transfer & purchasing the products of the company under the control by the corporation (BSEC).

Particulars	Opening 1st July 2022	Debit	Credit	Balance as on 30 September 2022
Pragati Industries Ltd.	(46,495)	0	7650	(54,145)
General Electric Manufacturing Co. Ltd.	394,564	0	0	394,564
Bangladesh Blade Factory Ltd.	144,277	0	0	144,277
Estern Tubes Ltd.	166,040	0	85255	80,785

M/S. Prantic Traders	6,104,653	0	0	6,104,653
Eastern Cables Ltd.	59,487	0	0	59,487
Gazi Wires Ltd.	(15,676)	0	0	(15,676)
Atlas Bangladesh Ltd.	(147,981)	0	1100	(149,081)
Chittagong Dry Dock Ltd.	(466,630)	0	0	(466,630)
Dockyard and Engineering Works Ltd.	3,660,099	0	0	3,660,099
Bangladesh Diesel Plant Ltd.	843,890	0	0	843,890
Chittagong Steel Mills Ltd.	1,099,398	0	0	1,099,398
Metalex Corporation Ltd.	951,103	0	0	951,103
Bangladesh Cycle Industries Ltd.	2,178,001	0	0	2,178,001
Bangladesh Steel & Engineering Corporation(BSEC)	1,814,701	88457	3695	1,899,463

21.00 Significant deviation:

- a) The EPS of Q-1 ended on 30 September 2022 is Tk. where as Tk. (0.44) where as Tk.(0.38) for the previous year same period, due to decrease turnover as compared with the previous period i.e 24.04%. Moreover COVID-19 pandemic situation is also impact on our business as well as profitability in Q-1.
- b) The NOCFPS of Q-1 ended on 30 September 2022 is Tk.(2.88) where as Tk. 0.31 for the previous year same period. Because payment for cost & expenses increase from the previous period as NOCFPS is decrease from the previous period.



(Ganash Chandra Biswas)
Chief Financial Officer



(Md. Salim Hawladar)
Company Secretary



(A K M Anwar Morshed)
Managing Director



Director
শাহ মোমিন
প্রতিমন্ত্রী একান্ত সচিব
উপসচিব
শিল্প মন্ত্রণালয়
গণপ্রজাতন্ত্রী বাংলাদেশ সরকার।



Director
Dr. Md. Ridhwanul Haq
Professor
SBA, Dhaka University