

3rd Quarter Report

31 March, 2021



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 3rd quarter ended on March 31, 2021 as per Securities & Exchange Commission Notification No.BSEC/CMRRCD/ 2006-158/208/ Admin/81 dated June 20, 2018.

(Sa. M. Ziaul Huq)
Managing Director

N.B:
Selected explanatory notes to the accounts for the period 3rd quarter ended 31 March 2021 shown in note no1 to 21 (Page no.2-6)

NATIONAL TUBES LIMITED Statement of Financial Position (Un-Audited) As at 31 March, 2021

Particulars	31 March, 2021 (Taka)	30 June, 2020 (Taka)
Assets		
A) Non Current Assets:		
Property, Plant & Equipment note	5,234,144,629	5,239,708,493
	2.00	
B) Current Assets:		
Inventories	1,020,425,964	1,015,170,252
Debtors	582,733,484	596,251,829
Advances, deposits and prepayments	84,047,942	74,114,168
Cash and bank balances	346,789,483	335,453,155
	6.00	
C) Total assets (A+B)	6,254,570,593	6,254,878,745
D) Shareholders Equity:		
Share capital	5,320,446,105	5,344,994,083
Revaluation reserve	348,218,030	348,218,030
Retained earnings	4,981,220,675	4,985,200,396
	7.00	
E) Non-Current Liabilities		
Long-term loans	266,261,130	265,887,977
Deferred tax liability	59,469,473	59,469,473
	8.00	
F) Current Liabilities:		
Bank loans, overdrafts and credits	667,863,358	643,996,685
Creditors and accruals	411,532,650	384,691,083
Unclaimed Dividend Account	140,481,623	139,857,224
Other current liabilities	8,335,509	7,675,564
	11.00	
Total equity and liabilities (D+E+F)	6,254,570,593	6,254,878,745
Net assets	5,320,446,105	5,344,994,083
Net asset value (NAV) per share	152.79	153.50
	13.00	

Statement of Profit or Loss and other comprehensive income (Un-audited) for the 3rd Quarter ended on 31 March, 2021

Particulars	Notes	July 20-March 21	July 19-March 20	Jan-March 21	Jan-March 20
Net Sales	14.00	240,695,332	236,728,132	90,840,630	52,801,900
Cost of goods sold	15.00	199,364,394	166,038,859	78,972,931	30,188,184
A) Gross profit/(loss)		41,330,938	70,689,273	11,867,699	11,867,699
B) Operating Expenses		34,928,904	39,143,640	12,161,412	15,266,564
Administrative expenses		30,998,356	33,058,892	11,123,632	12,580,949
Selling and distribution expenses		3,930,548	6,084,748	1,037,780	2,685,615
C) Operating profit/(Loss)(A-B)		6,402,034	31,545,633	(293,713)	(3,398,865)
Financial/interest expenses		(21,640,660)	(21,067,187)	(6,503,448)	(7,962,074)
Non operating Income		8,451,643	967,915	673,929	216,042
D) Net profit/(loss) before wpp fund & Tax		(6,786,983)	11,446,361	(6,123,232)	(11,144,897)
Workers profit participation fund			572,318		
E) Net profit/(loss) before tax		(6,786,983)	10,874,043	(6,123,232)	(398,880)
F) Income Tax expenses	16.00	1,803,101	3,004,870	533,284	619,956
Current Tax		1,494,882	2,718,511	549,088	318,108
Deferred Tax		308,219	286,359	(15,804)	301,848
G) Net profit/(Loss) after tax(E-F)		(8,590,084)	7,869,173	(6,656,516)	(1,018,836)
Earning per Share(EPS)		(0.25)	0.23	(0.19)	(0.03)

NATIONAL TUBES LIMITED Statement of Cash Flows (Un-Audited) For the 3rd Quarter ended on 31 March, 2021

Particulars	Notes	31 March, 2021 (Taka)	31 March, 2020 (Taka)
Cash flows from operating activities:			
Collections from turnover and others		285,881,960	276,524,671
Payments for costs and expenses		(279,605,095)	(302,179,288)
Income-tax paid and/or deducted		(5,827,881)	(10,109,131)
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:			
Issue of shares at par/premium		17,054,971	34,468,409
Loans received		26,841,567	180,559,178
Loans repaid		-	(146,090,769)
Dividend paid		(9,786,596)	-
Net cash inflows / (outflows) for the period		(2,496,045)	(1,703,699)
Opening cash and bank balances		9,351,100	2,868,812
Closing cash and bank balances		6,855,055	1,165,113
Net Operating Cash Flow Per Share(NOCFPS)	18.00	(0.56)	(1.03)

Statement of Changes in Equity (Un-audited) For the 3rd Quarter ended on 31 March, 2021

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance 1 July 20			11,575,858	5,344,994,084
Net Profit/(Loss) after Tax	348,218,030	4,985,200,396	(8,590,084)	(8,590,084)
Dep. on revalued amount		(3,979,721)	3,979,721	
Cash Dividend 3% for 2019-2020			(10,446,541)	(10,446,541)
Prior years adjustment			(5,511,354)	(5,511,354)
Balance 31 March 2021	348,218,030	4,981,220,675	(8,992,600)	5,320,446,105
Balance 31 March 2020	348,218,030	519,145,433	8,669,755	5,560,033,217

N.B:

Selected explanatory notes to the accounts for the period 3rd quarter ended 31 March 2021 shown in note no1 to 21 (Page no.2-6)

Managing Director

Chief Financial Officer

Company Secretary

Director

Director

NATIONAL TUBES LIMITED

Tongi, Gazipur.

Selected explanatory notes to the accounts for the period 3rd Quarter ended 31 March 2021**Note-1.00 About the Company:**

National Tubes Ltd. was established in the private sector in 1964. It was nationalized and placed under

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 3rd 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 3rd quarter ended on 31 March 2021 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 3rd quarter (Q-3) financial statements ended on 31 March, 2021.

e) PROVISION FOR EXPENSES :

Recurring expenses are provided based on estimation if the bills are not received and are adjusted

f) INCOME TAX

Provision for income tax calculated as applicable income tax laws which breakup included in note no-15.

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.**Note-2.00 Property, Plant & Equipment : Tk. 5,234,144,629**

This is made up as follows:

Particulars**A. Cost:**

Opening Balance	354,569,106	352,577,106
Add: Addition during the period	-	1,992,000
Less: Transfer/ Disposal during the period	-	-
Closing Balance	354,569,106	354,569,106

B. Accumulated depreciation:

Opening Balance	306,414,579	304,160,967
Add: Charged during the period	1,584,143	2,253,612
Less: Transfer/ Disposal during the period	-	-
Closing Balance	307,998,722	306,414,579

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

31-Mar-21	30-Jun-20
46,570,384	48,154,527

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	133,901,045	127,538,338
Add: Charged during the period	3,979,721	6,362,707
Less: Transfer/ Disposal during the period	-	-
Closing Balance	137,880,766	133,901,045

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

5,187,574,245	5,191,553,966
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3. Written down value on cost and revaluation (1+2)

5,234,144,629	5,239,708,493
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Note-3.00 Inventory : Tk. 582,733,484

Stock of Raw materials	138,067,594	128,512,153
Stores & Spares	35,933,102	35,099,979
Store In Transit	307,788	-
Stock of working process	29,356,000	31,016,970
Stock of finishet goods	379,069,000	401,622,727
	<u>582,733,484</u>	<u>596,251,829</u>

Note-4.00 Debtors : Tk. 84,047,942

Bakhrabad Gas system Ltd.	47,727,424	330,736
GEM Co. Ltd.	78,912	1,739,560
Titas Gas T & D Co. Ltd.	1,711,832	31,391,551
Karnafuli Gas Co.Ltd.	22,483,693	9,358,840
Western Gas Distribution Project	2,435,657	-
Jalalabad Gas T&D Co.	2,910,124	-
Dhaka Washa	6,700,300	31,840,234
Others		156,820
	84,047,942	74,817,741
Less provision for bad debt	-	(703,573)
	84,047,942	74,114,168

Note-5.00 Advances, deposits and prepayments : Tk. 346,789,483

TA / DA Advance	48,662	47,876
Advance for Purchase	556,056	252,386
Advance for Expense	906,741	410,139
Advance for Canteen/Mess Expense	28,803	42,085
Advance Corporate Tax	311,224,042	305,396,161
Advance to Suppliers and Contractors	-	7,124
Security Deposites	3,388,725	2,532,065
Loan to employees	4,000	-
VAT	13,980,497	10,497,063
	330,137,526	319,184,899

Current account with BSEC Head office,Enterprises & disinvested mills

Note-5.01

16,651,957	16,268,256
346,789,483	335,453,155

Note-5.01 Advances, deposits and prepayments(Current account) : Tk. 16,651,957

Current account with BSEC Enterprises	6,386,182	7,092,695
Current account with BSEC Head office	1,533,284	443,070
Current account with disinvested BSEC mills	8,732,491	8,732,491
	<u>16,651,957</u>	<u>16,268,256</u>

31-Mar-21**30-Jun-20****Note-6.00 Cash and bank balances : Tk. 6,855,055**

Cash in Hand	29,411	90,576
Bank Deposit	6,825,644	9,260,524
	<u>6,855,055</u>	<u>9,351,100</u>

Note-7.00 Revaluation Reserve : Tk. 4,981,220,675**This is made up as follows:**

Opening Balance	4,985,200,396	5,197,916,673
Depreciation adjusted during the period	(3,979,721)	(6,362,707)
Prior Adjustment (Deferred Tax on land revaluation)	-	(206,353,570)
	4,981,220,675	4,985,200,396

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

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

Note-8.00 Deferred tax liability : Tk. 206,791,657**This is made up as follows:****Particulars**

Opening Balance	206,418,504	-
Deferred tax for the period	373,153	64,934
Deferred Tax on land revaluation	-	206,353,570
Closing Balance:	206,791,657	206,418,504

Note-9.00 Bank loans, overdrafts and credits : Tk. 411,532,650

CC Loan	83,429,466	100,598,764
LTR's, SOD & Others Loan	328,103,184	284,092,319
	411,532,650	384,691,083

Note-10.00 Creditors and accruals : Tk. 140,481,623

Sundry creditors for goods	1,537,670	1,352,244
Provision for expenses and Interests	50,966,126	43,448,716
Pension fund	23,643,830	24,232,343
Tax liabilities	62,543,903	61,049,021
Advance received from customers	-	9,774,900
Credit balance of Adv. Deposit & prepayments	1,790,094	-
	140,481,623	139,857,224

Note-11.00 Unclaimed Dividend Account : Tk. 8,335,509**This is made up as follows:****Particulars**

Opening Balance	7,675,564	7,675,564
Cash Dividend for the year 2019-2020	10,446,541	-
Paid during the period	(9,786,596)	-
Closing Balance:	8,335,509	7,675,564

Note-12.00 Other current liabilities : Tk. 107,513,576

Leave pay & Gratuity	79,015,135	80,858,852
Liability for other finances	28,480,488	30,734,432
WPPF fund	17,953	179,530
	107,513,576	111,772,814

Note-13.00 Net Asset Value (NAVs): Tk. 152.79**This made up as follows:**

Net Asset Value (NAVs)	5,320,446,105	5,344,994,083
Number of Shares	34,821,803	34,821,803
Net Asset Value (NAVs) :	152.79	153.50

31-Mar-21	31-Mar-20
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Note-14.00 Net sales : Tk. 240,695,332

Gross Sale	277,138,991	272,152,803
Less : VAT	(36,443,659)	(35,424,671)
	240,695,332	236,728,132

Note-15.00 Cost of goods sold : Tk. 199,364,394

Direct Materials	108,641,888	180,881,442
Direct Labour	47,657,155	49,826,754
Power, Fuel & Oil	6,304,464	7,669,328
Production Overhead	12,520,620	11,246,924
Total	175,124,127	249,624,448
Opening Stock Of WIP	31,016,970	33,036,143
Closing Stock Of WIP	29,356,000	30,898,583
Production Cost	176,785,097	251,762,008
Opening Stock Of Finished Goods	401,648,297	327,779,851
Closing Stock Of Finished Goods	379,069,000	413,503,000
	199,364,394	166,038,859

Note-16.00 Income Tax Expenses: Tk. 1,803,101

This made up as follows:

Current year Tax

Note 16.01	1,494,882	2,718,511
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Deferred Tax expense/Income

Note 16.02	308,219	(15,489)
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Total:

1,803,101	2,703,022
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Note-16.01 Current year Tax provision: Tk. 1,494,882

This made up as follows:

Net Profit/(Loss) before tax

(6,786,983)	10,874,043
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0.60% on gross receipts due to loss for the period

1,494,882	-
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Provision for current period/Tax@25% on net profit before tax

1,494,882	2,718,511
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Note-16.02 Deferred Tax Expenses/ (Income) : Tk. 308,219

This is made up as follows:

Particulars**Temporary Difference**

Written down value of fixed assets as per financial statements (excluding land) as on 31.03.2021

40,617,371	5,242,062,847
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Written down value of fixed assets as per Tax depreciation (excluding land) as on 31.03.2021

39,124,759	5,240,085,287
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Taxable temporary difference

1,492,612	1,977,560
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Applicable tax rate

25%	25%
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Deferred Tax Liability

373,153	494,390
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Opening Deferred Tax Liability

64,934	509,879
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Closing Deferred Tax Liability

373,153	494,390
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Deferred Tax expense/(Income)

308,219	(15,489)
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Note-17 Earning per share (EPS): Tk. -0.25

This made up as follows:

Profit/Loss after tax for the period

(8,590,084)	7,869,173
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Weighted average number of shares

34,821,803	34,821,803
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Earning per share(EPS)

(0.25)	0.23
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Note-18 Reconciliation of Net Income/(Loss) with cash flows from operating activities: Tk. -19,551,016

Profit(Loss) before Tax

(6,786,983)	10,874,043
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Adjustment for;

Add/(deduct) for non cash items:

Depreciation

5,563,864	6,450,888
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Changes in working capital:

Increase/Decrease in inventories

13,518,345	(85,207,721)
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Increase/Decrease in trade & other receivable

(9,933,774)	21,209,307
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Increase/Decrease in advance deposit & prepayments/Adv from

(11,336,328)	(17,805,354)
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Increase/Decrease in trade & other payable/libility/provision

(3,599,293)	23,057,106
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Tax paid

5,827,881	-
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Financial expenses & interest paid

21,640,660	-
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Gratuity & others

(34,445,388)	5,657,984
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Net Cash provided/(used) by Operating Activities

(19,551,016)	(35,763,747)
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Note-19 Net Operating Cash Flow per share(NOCFPS):Tk. -0.56

This made up as follows:

Cash flow from Operative activities	(19,551,016)	(35,763,748)
Weighted average number of shares	34,821,803	34,821,803
Net Operating Cash Flow per share(NOCFPS)	(0.56)	(1.03)

Note-20 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. Specially 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 2020	Debit	Credit	Balance as on 31 March, 2021
Pragati Industries Ltd.	98,905	0	0	98,905
General Electric Manufacturing Co. Ltd.	410,458	0	0	410,458
Bangladesh Blade Factory Ltd.	144,277	0	0	144,277
Estern Tubes Ltd.	274,915	76,226	0	198,689
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	0	(147,981)
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 orporation (BSEC)	443,070	-	1,090,214	1,533,284

Note-21 Significant deviation:

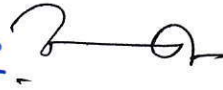
- The EPS of 3rd quarter ended on 31 March 2021 is Tk.(0.24) where as Tk.0.23 for the previous year same period, due to increase cost of goods sold as compared with the previous period i.e 20.07%. Moreover COVID-19 pandemic situation is also impact on our business as well as profitability in Q-3.
- The NOCFPS of 3rd quarter ended on 31 March 2021 is Tk.(0.56) where as Tk.(1.03) for the previous year same period. Because collection form turnover & others decrease from the previous period as NOCFPS is reduce from the previous period.


(Md. Abul Kalam Azad)
Company Secretary


(Pranjit Pal)
Chief Financial Officer


(Sa. M. Ziaul Huq)
Managing Director


(Pirjada Torab Hossain)
Director


(S. M. Ruhul Amin (Rezvi))
Director