

1st Quarter Report

30 September, 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 1st Quarter ended on September 30, 2021 as per Bangladesh Securities & Exchange Commission Notification No.BSEC/CMR/CD/ 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 1st Quarter ended on 30 September 2021 shown in note not to 20 (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, 2021

Particulars	Notes	30 September, 21 (Taka)	30 June, 2021 (Taka)
Assets			
A) Non Current Assets:			
Property, Plant & Equipment note	2.00	5,230,728,974	5,232,289,706
B) Current Assets:			
Inventories	3.00	898,160,105	901,005,094
Debtors	4.00	504,245,592	532,523,775
Advances, deposits and prepayments	5.00	43,601,845	26,060,914
Cash and bank balances	6.00	339,427,930	338,449,821
		10,884,748	3,980,584
C) Total assets (A+B)		6,128,899,079	6,133,294,800
D) Shareholders Equity:			
Share capital		5,318,420,084	5,331,793,228
Resvaluation reserve	7.00	348,218,030	348,218,030
Retained earnings		4,973,813,776	4,974,920,960
		(3,611,723)	8,654,238
E) Non-Current Liabilities			
Long-term loans		271,137,669	270,958,822
Deferred tax liability	8.00	59,469,473	59,469,473
		211,668,396	211,489,149
F) Current Liabilities:			
Bank cons, overdrafts and credits	9.00	539,941,126	530,542,950
Creditors and accruals	10.00	317,921,066	276,635,487
Other current liabilities	11.00	106,488,399	134,912,829
		114,931,661	118,994,634
Total equity and liabilities (D+E+F)		6,128,899,079	6,133,294,800
Net assets		5,318,420,084	5,331,793,228
Net asset value (NAV) per share-12	12.00	152.73	153.12

Statement of Profit or Loss and other comprehensive income (Un-audited)
for the 1st Quarter ended on 30 September, 2021

Particulars	Notes	July 21, Sept. 21	July 20, Sept. 20
Net Sales	13.00	55,747,440	71,341,005
Cost of goods sold	14.00	52,614,169	51,253,458
A) Gross profit/(loss)		3,133,271	20,087,547
B) Operating Expenses		11,643,058	9,867,130
Administrative expenses		10,864,298	8,279,158
Selling and distribution expenses		778,760	1,587,972
C) Operating profit/(loss)(A-B)		(8,509,787)	10,220,417
Non operating income		284,630	212,317
Financial/interest expenses		(4,795,484)	(7,570,258)
D) Net profit/(loss) before wpp fund & Tax		(13,020,441)	2,862,479
Wappers profit participation fund		—	143,124
E) Net profit/(loss) before tax		(13,020,441)	2,719,355
F) Income Tax expenses		15,000	708,810
Current Tax		352,703	679,839
Deferred Tax		336,194	28,971
G) Net profit/(loss) after tax(E-F)		(13,373,144)	2,010,545
Earning per Share(EPS)		(0.38)	0.06

NATIONAL TUBES LIMITED
Statement of Cash Flows (Un-Audited)
For the 1st Quarter ended on 30 September, 2021

Particulars	Notes	30 September, 2021 (Taka)	30 September, 2020 (Taka)
Cash flows from operating activities:			
Collections from turnover and others	17.00	10,548,684	59,159,956
Payments for costs and expenses		(51,295,232)	(100,230,231)
Income-tax & vat paid and/or deducted		(32,277,041)	(31,186,484)
		(8,369,510)	(9,873,791)
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		(2,744,517)	(59,530,097)
Loans repaid		41,285,579	—
Dividend paid		(45,030,098)	(59,530,097)
Net cash inflows / (outflows) for the period		6,904,164	(380,141)
Opening cash and bank balances		3,950,584	9,357,100
Closing cash and bank balances		10,884,748	8,990,959
Net Operating Cash Flow Per Share(NOC-PPS)	18.00	0.31	1.70

Statement of Changes in Equity (Un-audited)
For the 1st Quarter ended on 30 September, 2021

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance 1 July 21	348,218,030	4,974,920,960	8,654,238	5,331,793,228
Net Profit/(Loss) after Tax	—	(1,107,185)	(13,873,144)	(13,980,329)
Depreciation transfer for revaluation	—	4,973,813,776	1,107,184	6,054,797
Balance 30 September 2021	348,218,030	4,983,873,556	(3,811,723)	5,318,420,084
Balance 30 September 2020	348,218,030	—	14,912,643	5,347,004,829

(A.S.M. Zahidul Islam)
Chief Financial Officer

(Pranjit Paul)
Company Secretary

(Sa.M.Ziaul Huq)
Managing Director

Director

Director

NATIONAL TUBES LIMITED

Tongi, Gazipur.

Selected explanatory notes to the accounts for the period 1st Quarter ended 30 September 2021

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 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 1st Quarter (Q-1) financial statements ended on 30 September, 2020.

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-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. 5,230,738,974**

This is made up as follows:

Particulars

A. Cost:

	30-Sep-21	30-Jun-21
Opening Balance		
Add: Addition during the period	354,569,106	354,569,106
Less: Transfer/ Disposal during the period	-	-
Closing Balance	354,569,106	354,569,106

B. Accumulated depreciation:

Opening Balance		
Add: Charged during the period	308,526,771	306,414,580
Less: Transfer/ Disposal during the period	443,548	2,112,191
Closing Balance	308,970,319	308,526,771

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

45,598,787	46,042,335
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2. Based on Revaluation:

Opening Balance
 Add: Addition during the period
 Less: Transfer/ Disposal during the period
 Closing Balance

5,325,455,011 5,325,455,011

5,325,455,011 5,325,455,011

B. Accumulated depreciation:

Opening Balance
 Add: Charged during the period
 Less: Transfer/ Disposal during the period
 Closing Balance

139,207,640 133,901,045
 1,107,184 5,306,595

140,314,824 139,207,640

5,185,140,187 5,186,247,371

C. Written down value on revaluation (A-B)**3. Written down value on cost and revaluation**

5,230,738,974 5,232,289,706

Note-3.00

Inventory : Tk. 504,245,582

Stock of Raw materials
 Stores & Spares
 Stock of working process
 Stock of finished goods

75,219,120 88,622,592

37,324,241 35,597,875

30,756,246 29,460,937

360,945,975 378,842,371

504,245,582 532,523,775

Note-4.00

Debtors : Tk. 43,601,845

Bakhrabad Gas system Ltd.
 Titas Gas T & D Co. Ltd.
 Karnafuli Gas Co.Ltd.
 Dhaka Washa
 Others

18,482,376 330,736

6,957,565 11,848,418

406,907 406,907

18,212,480 13,922,336

177,137 177,137

44,236,465 26,685,534

68,034 68,034

7,440 7,440

60,594 60,594

566,586 566,586

43,601,845 26,050,914

Less: Excess received
 Western Gas Distribution Project
 GEMCO Ltd.
 Less: provision for bad debt

Note-5.00

Advances, deposits and prepayments : Tk. 339,427,930

TA / DA Advance
 Advance for Purchase
 Advance for Expense
 Advance for Canteen/Mess Expense
 Advance Corporate Tax
 Loan to Employee
 Advance to Suppliers and Contractors
 Security Deposites
 VAT

57,525 43,215

882,163 139,536

677,434 444,249

2,067 14,080

318,295,253 318,295,253

(24,291) (24,291)

(3,689) (3,689)

2,135,375 2,135,375

(65,193) (65,193)

321,956,644 320,978,535

Current account with BSEC Head office,Enterprises & disinvested mills

Note-5.01

17,471,286 17,471,286

339,427,930 338,449,821

Note-5.01

Advances, deposits and prepayments(Current account) : Tk. 17,471,286

Current account with BSEC Enterprises
 Current account with BSEC Head office
 Current account with disinvested BSEC mills

7,138,920 7,138,920

1,599,875 1,599,875

8,732,491 8,732,491

17,471,286 17,471,286

Note-6.00 Cash and bank balances : Tk. 10,884,748
Cash in Hand
Bank Deposit

30-Sep-21	30-Jun-21
199,701	14,242
10,685,047	3,966,342
10,884,748	3,980,584

Note-7.00 Revaluation Reserve : Tk. 4,973,813,776
This is made up as follows:
Opening Balance
Depreciation adjusted during the period

4,974,920,960	4,985,200,396
(1,107,184)	(10,279,436)
4,973,813,776	4,974,920,960

(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.

Note-8.00 Deferred tax liability : Tk. 211,668,396
This is made up as follows:

Particulars

Opening Balance
Deferred tax for the priod
Closing Balance:

211,489,149	206,353,570
179,247	5,135,579
211,668,396	211,489,149

Note-9.00 Bank loans, overdrafts and credits : Tk. 317,921,066
CC Loan
LTR's & SOD Loan

38,002,823	(10,032,797)
279,918,243	286,668,284
317,921,066	276,635,487

Note-10.00 Creditors and accruals : Tk. 106,488,399

Sundry creditors for goods
Provision for expenses and Interests
Pension fund
Tax liabilities
Advance received from customers

718,212	1,068,576
24,607,136	38,410,784
13,176,049	23,952,092
63,586,432	63,233,729
4,400,570	8,247,648
106,488,399	134,912,829

Note-11.00 Other current liabilities : Tk. 114,931,661

Leave pay & Gratuity
Liability for other finances
WPPF fund

83,107,706	87,980,433
31,823,955	30,777,304
-	236,897
114,931,661	118,994,634

Note-12.00 Net Asset Value (NAVs): Tk. 152.73

This made up as follows:
Net Asset Value (NAVs)
Number of Shares
Net Asset Value (NAVs):

5,318,420,084	5,331,793,228
34,821,803	34,821,803
152.73	153.12

Note-13.00 Net sales : Tk. 55,747,440
Gross Sale
Less : VAT

30-Sep-21	30-Sep-20
64,116,950	82,162,755
(8,369,510)	(10,821,750)
55,747,440	71,341,005

Note-14.00 Cost of goods sold : Tk. 52,614,169

Direct Materials	16,867,518	48,289,921
Direct Labour	15,207,987	14,996,659
Power, Fuel & Oil	810,980	2,143,642
Production Overhead	3,126,597	3,190,212
Total	36,013,082	68,620,434
Opening Stock Of WIP	29,460,937	31,016,970
Closing Stock Of WIP	30,756,246	30,800,000
Production Cost	34,717,773	68,837,404
Opening Stock Of Finished Goods	378,842,371	401,622,727
Closing Stock Of Finished Goods	360,945,975	419,206,673
Total	52,614,169	51,253,458

Note-15.00 Income Tax Expenses: Tk. 352,703

This made up as follows:

Current year Tax	Note 15.01	336,194	679,839
Deferred Tax expense/Income	Note 15.02	16,510	28,971
Total:		352,703	708,810

Note-15.01 Current year Tax provision: Tk. 336,194

This made up as follows:

Turnover/ Net profit before tax	55,747,440	2,719,355
Other Income	284,830	-
Total	56,032,270	2,719,355
Tax @.6% on total turnover	336,194	679,839

Note-15.02 Deferred Tax Expenses/ (Income) : Tk. 16,510

This is made up as follows:

Particulars**Temporary Difference**

Written down value of fixed assets as per financial statements (excluding land) as on 31.09.2021

10,910,787 12,938,479

Written down value of fixed assets as per Tax depreciation (excluding land) as on 31.09.2020

10,114,135 12,562,859

Taxable temporary difference

796,652 375,620

Applicable tax rate

23% 25%

Deferred Tax Liability

179,247 93,905

Opening Deferred Tax Liability

162,737 64,934

Closing Deferred Tax Liability

179,247 93,905

Deferred Tax expense/(Income)**16,510 28,971****Note-16 Earning per share (EPS): Tk. -0.38**

This made up as follows:

Profit/Loss after tax for the period	(13,373,144)	2,010,545
Weighted average number of shares	34,821,803	34,821,803
Earning per share(EPS)	(0.38)	0.06

Note-17 Reconciliation of Net Income/(Loss) with cash flows from operating activities: Tk. 10,648,681

Profit(Loss) before Tax	(13,020,441)	2,719,355
Adjustment for:		
Add/(deduct) for non cash items:		
Depreciation	1,550,732	2,134,982
Changes in working capital:		
Increase/Decrease in inventories	28,278,193	(43,624,791)
Increase/Decrease in trade & other receivable	(17,550,931)	35,963,265
Increase/Decrease in advance deposit & prepayments/Adv	(978,109)	(11,750,428)
Increase/Decrease in trade & other payable/libility/provision	28,424,430	15,892,003
Tax paid	-	6,095,718
Financial expenses & interest paid	(4,795,484)	7,570,255
Gratuity & others	(11,259,709)	(16,914,109)
Net Cash provided/(used) by Operating Activities	10,648,681	(1,913,750)

Note-18

Net Operating Cash Flow per share(NOCFPS):Tk. 0.31

This made up as follows:

Cash flow from Operative activities

10,648,681 59,169,956

Weighted average number of shares

34,821,803 34,821,803

Net Operating Cash Flow per share(NOCFPS)

0.31 1.70

Note-19

Related Party Disclosures:

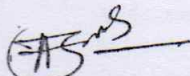
As per Bangladesh Accounting Standards IAS-24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out 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 2021	Debit	Credit	Balance as on 30 September 2021
Pragati Industries Ltd.	98,905	0	0	98,905
General Electric Manufacturing Co. Ltd.	410,458	0	0	410,458
Bangladesh Blade Factory	144,279	0	0	144,279
Eastern Tubes Ltd.	321,140	0	0	321,140
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 Corporation(BSEC)	1,599,875	0	0	1,599,875

Note-20

Significant deviation:


- The EPS of Q-1 ended on 30 September 2020 is Tk.0.06 where as Tk.0.15 for the previous year same period, due to decrease turnover as compared with the previous period i.e 34.56%. Moreover COVID-19 pandemic situation is also impact on our business as well as profitability.
- The NOCFPS of Q-1 ended on 30 September 2021 is Tk.(1.12) where as Tk.1.70 for the previous year same period. Because collection of receivables as excepted, advance received from customer increase & payment for cost & expenses & advance income tax decrease from the previous period as NOCFPS is increase from the previous period.



(A.S.M. Tauhidul Islam)
Chief Financial Officer



(Pranjit Paul)
Company Secretary



(Sa.M. Ziaul Huq)
Managing Director



Director



Director