

1st Quarter Report

30 September, 2023



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, 2023 as per Bangladesh Securities & Exchange Commission Notification No.BSEC/CMRCD/ 2006-156/208/ 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 2023 shown in note no 1 to 22 (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, 2023

Particulars	Notes	30 Sep'2023 (Taka)	30 June,2023 (Taka)
Assets			
A) Non Current Assets :		5,221,519,506	5,222,674,369
Property, Plant & Equipment note	2.00	5,221,519,506	5,222,674,369
B) Current Assets :		802,552,911	728,146,149
Inventories	3.00	374,823,507	322,200,001
Debtors	4.00	19,970,787	33,037,031
BSEC & Inter-Policed Current Accounts	6.00	18,948,579	17,669,866
Advances, deposits and prepayments	5.00	358,885,661	352,826,571
Cash and bank balances	7.00	29,918,277	2,411,680
C) Total assets (A+B)		6,024,072,317	5,950,819,519
D) Shareholders Equity :		5,219,245,036	5,223,568,195
Share capital		348,218,030	348,218,030
Revaluation reserve	8.00	4,967,203,675	4,968,665,295
Retained earnings		(96,176,670)	(93,325,129)
E) Non-Current Liabilities		269,326,129	269,234,995
Long-term loans		59,469,473	59,469,473
Deferred tax liability	9.00	210,458,656	209,765,522
F) Current Liabilities :		534,899,153	458,028,328
Bank loans, overdrafts and credits	10.00	271,954,295	202,979,707
Trade & others Payable	11.00	122,845,842	130,490,715
Other current liabilities	12.00	137,031,557	118,988,448
Dividends Payable	13.00	3,067,460	5,567,460
Total equity and liabilities (D+E+F)		6,024,072,317	5,950,819,519
Net assets		5,219,245,035	5,223,558,195
Net asset value (NAV) per share-12	14.00	149.88	150.01

Statement of Profit or Loss and other comprehensive income (Un-audited) for the 1st Quarter ended on 30 September, 2023

Particulars	Notes	July'23-Sep'23	July'22-Sep'22
Net Sales	16.00	76,480,223	42,347,366
Cost of goods sold	16.00	61,206,276	41,883,816
A) Gross profit/(loss)		15,273,947	663,570
B) Operating Expenses		12,199,678	10,466,013
Administrative expenses		10,638,827	9,578,692
Selling and distribution expenses		1,560,751	886,321
C) Operating profit/(Loss)(A-B)		3,074,269	(9,801,443)
Non operating income		267,489	736,468
Financial/Interest expenses		(6,501,298)	(5,920,568)
D) Net profit/(loss) before wpp fund & Tax		(3,159,540)	(14,966,543)
Workers profit participation fund		-	(749,277)
E) Net profit/(loss) before tax		(3,159,540)	(14,966,543)
F) Income Tax expenses		466,705	267,872
Current Tax		460,486	258,503
Deferred Tax		5,218	9,368
G) Net profit/(Loss) after tax(E-F)		(3,625,245)	(15,253,414)
Earning per Share(EPS)	18.00	(0.10)	(0.44)

NATIONAL TUBES LIMITED Statement of Cash Flows (Un-Audited) For the 1st Quarter ended on 30 September, 2023

Particulars	Notes	30 September, 2023 (Taka)	30 September, 2022 (Taka)
Cash flows from operating activities :		19.00	(38,967,991)
Collections from turnover and others		101,289,349	61,439,309
Payments for costs and expenses		(134,966,305)	(155,568,109)
Income-tax & vat paid and/or deducted		(5,291,035)	(6,133,046)
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 :		66,474,588	88,610,991
Loans received		68,974,588	88,610,991
Loans repaid		-	-
Dividend paid		(2,500,000)	-
Net cash inflows / (outflows) for the period		27,506,597	(11,670,855)
Operating cash and bank balances		2,411,680	28,374,861
Closing cash and bank balances		29,918,277	16,704,006
Net Operating Cash Flow Per Share(NOCFPS)	20.00	(1.12)	(2.88)

Statement of Changes in Equity (Un-audited) For the 1st Quarter ended on 30 September, 2023

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance 1 July 23	348,218,030	4,968,665,295	(93,325,129)	5,223,558,195
Net Profit/(Loss) after Tax		(718,156)	(3,625,245)	(3,625,245)
Revaluation Reserve of Depreciable		30,240		(718,156)
Depreciation of Revealed Asset		(773,704)		30,240
Depreciation transfer for revaluation			773,704	-
Balance 30 September 2023	348,218,030	4,967,203,675	(96,176,670)	5,219,245,035
Balance 30 September 2022	348,218,030	4,970,313,716	(90,985,128)	5,228,066,535

(Ganesh Chandra Biswas)
Chief Financial Officer

(Pranjit Paul)
Company Secretary

(A K M Anwar Morshed)
Managing Director

Director

Director

NATIONAL TUBES LIMITED

Tongi, Gazipur.

Selected explanatory notes to the accounts for the period 1st Quarter ended 30 September 2023

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 2023 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, 2023.

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-17.

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. 5,221,519,506

This is made up as follows:

Particulars

A. Cost:

Opening Balance	350,321,705	355,654,594
Add: Addition during the period	-	1,069,111
Less: Transfer/ Disposal during the period	-	(6,402,000)
Closing Balance	350,321,705	350,321,705

B. Accumulated depreciation:

Opening Balance	305,723,324	310,374,220
Add: Charged during the period	381,159	1,670,780
Less: Transfer/ Disposal during the period	-	(6,321,675)
Closing Balance	306,104,483	305,723,324

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

30-Sep-23	30-Jun-23
44,217,222	44,598,381

2. Based on Revaluation:

Opening Balance	5,324,846,469	5,325,455,011
Add: Addition during the period	-	-
Less: Transfer/ Disposal during the period	-	(608,542)
Closing Balance	5,324,846,469	5,324,846,469

B. Accumulated depreciation:

Opening Balance	146,770,480	143,637,040
Add: Charged during the period	773,704	3,689,701
Less: Transfer/ Disposal during the period	-	(556,261)
Closing Balance	147,544,184	146,770,480

C. Written down value on revaluation (A-B)**3. Written down value on cost and revaluation (1+2)**

5,177,302,285	5,178,075,989
5,221,519,506	5,222,674,369

3.00 Inventory : Tk. 374,829,507

Stock of Raw materials	95,066,453	40,431,630
Stores & Spares	34,866,721	34,486,721
Stock of working process	28,659,074	27,982,103
Stock of finished goods	211,884,735	191,620,835
Stores in Transit	4,352,524	27,678,712
	374,829,507	322,200,001

4.00 Debtors : Tk. 19,970,787

Bakhrabad Gas T&D Co. Ltd.	330,736	330,736
Titas Gas T&D Co. Ltd.	684,358	684,358
Dhaka Washa	19,213,586	32,467,113
Karnafully Gas T&D Co. Ltd.	1	1
Jalalabad Gas Trans. & Distribution Co	187,283	-
Al-Razi Enterprise	121,890	121,890
	20,537,853	33,604,097
Less: Excess received	(480)	(480)
GEMCO Ltd.	(480)	(480)
Less: provision for bad debt	(566,586)	(566,586)
	19,970,787	33,037,031

5.00 Advances, deposits and prepayments : Tk. 358,885,661

Advance against Purchase	866,996	191,260
Advance against traveling	25,075	21,485
Advance against Expenses	195,005	79,989
Advance against Canteen & Mess	136	8,140
Advance Income Tax	355,012,082	349,721,047
Advance to Suppliers/Contractors	67,510	20,243
Security Deposits	2,636,875	2,740,375
Advances Service	40,000	40,000
Salary Advances	41,982	4,032
	358,885,661	352,826,571

6.00 Bsec & Inter-project Current Accounts : Tk. 18,948,579

Current account with BSEC Enterprises	6,722,693	6,744,678
Current account with BSEC Head office	3,493,395	2,192,697
Current account with disinvested BSEC mills	8,732,491	8,732,491
	18,948,579	17,669,866

30-Sep-23	30-Jun-23
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7.00 Cash and bank balances : Tk. 29,918,277

Cash in Hand	35,451	16,278
Bank Deposit	29,882,825	2,395,401
	29,918,277	2,411,680

8.00 Revaluation Reserve : Tk. 4,967,203,675**This is made up as follows:**

Opening Balance	4,968,665,295	4,971,754,539
Deferred Tax Income / (Expense) on Revaluation Reserve of Depreciable Assets	(718,156)	748,396
Less: Depreciation adjusted during the year	(773,704)	(3,689,701)
Deferred Tax Income / (Expense) on Depreciation of Revalued	30,240	(147,940)
	4,967,203,675	4,968,665,295

(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.

9.00 Deferred tax liability : Tk. 210,458,656**This is made up as follows:****Particulars**

Opening Balance	209,765,522	210,294,463
Deferred Tax for the period	5,218	71,516
Deferred Tax Expense on Revaluation	687,916	(600,457)
Closing Balance:	210,458,656	209,765,522

10.00 Bank loans, overdrafts and credits : Tk. 271,954,295

CC Loan
LTR's & SOD Loan

77,104,495	24,135,736
194,849,799	178,843,971
271,954,295	202,979,707

11.00 Trade & others Payable : Tk. 122,845,842

Employees Leave Pay and Gratuity Fund
Liability for Pension
Liabilities for goods supplied
Advanced Against Sale
Liability for others Trade & others Payable

89,019,983	88,099,545
11,222,048	10,725,023
36,120	-
(7,699,082)	6,545,035
30,266,774	25,121,112
122,845,842	130,490,715

12.00 Other current liabilities : Tk. 137,031,557

Provision for Expenses
Provision for Income Tax
Inter-project Current Accounts
Security Deposit from Dealer and Customers

66,411,138	48,799,457
67,251,160	66,790,674
701,210	730,268
2,668,049	2,668,049
137,031,557	118,988,448

13.00 Dividends Payable : Tk. 3,067,460

This is made up as follows:

Particulars

Opening Balance as on 01.07.2022
Add: 2% Cash Dividend

5,567,460	8,231,305
-	-
5,567,460	8,231,305
(2,500,000)	(2,663,845)

Less: Paid during the year

3,067,460	5,567,460
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Un-paid Dividend**14.00 Net Asset Value(NAVs):Tk. 149.88**

This made up as follows:

Net Asset Value(NAVs)
Number of Shares
Net Asset Value (NAVs) :

5,219,245,035	5,223,558,195
34,821,803	34,821,803
149.88	150.01

30-Sep-23	30-Sep-22
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15.00 Net sales : Tk. 76,480,223

Gross Sale
Less : VAT

87,955,616	48,706,648
(11,475,393)	(6,359,261)
76,480,223	42,347,386

16.00 Cost of goods sold : Tk. 61,206,276

Direct Materials
Direct Labour
Power, Fuel & Oil
Production Overhead
Total
Opening Stock Of WIP
Closing Stock Of WIP
Production Cost
Opening Stock Of Finished Goods
Closing Stock Of Finished Goods

60,935,734	16,120,154
13,593,484	19,497,610
2,029,150	847,931
5,588,779	2,355,931
82,147,147	38,821,626
27,982,103	28,345,020
28,659,074	28,585,224
81,470,176	38,581,422
191,620,835	234,274,462
211,884,735	231,172,067
61,206,276	41,683,816

17.00 Income Tax Expenses: Tk. 465,705

This made up as follows:

Current year Tax
Deferred Tax expense/(Income)
Total:

460,486	258,503
5,218	9,368
465,705	267,872

17.01 Current year Tax provision: Tk. 460,486

This made up as follows:

Turnover
Other Income
Total
Tax @.6% on total turnover

76,480,223	42,347,386
267,489	736,468
76,747,712	43,083,854
460,486	258,503

17.02 Deferred Tax Expenses/ (Income) : Tk. 5,218



This is made up as follows:

Particulars

Temporary Difference

a) Written down value of fixed assets as per financial statements (excluding land) as on 30.09.2023

b) Written down value of fixed assets as per Tax depreciation (excluding land) as on 31.09.2023

Taxable temporary difference (a-b)

Applicable tax rate

Closing Deferred Tax Liability

Opening Deferred Tax Liability

Deferred Tax expense/(Income)

9,529,222	10,181,566
7,990,400	8,979,574
1,538,822	1,201,992
20%	20%
307,764	240,398
302,546	231,030
5,218	9,368

18.00 Earning per share (EPS): Tk. -0.10

This made up as follows:

Profit/Loss after tax for the period

Weighted average number of shares

Earning per share(EPS)

(3,625,245)	(15,253,414)
34,821,803	34,821,803
(0.10)	(0.44)

19.00 Reconciliation of Net Income/(Loss) with cash flows from operating activities: Tk. -38,967,991

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 BSEC & Inter-Poject Current Accounts

(Increase)/Decrease in advance deposit & prepayments

Increase/(Decrease) in trade & other payable

Tax paid

Increase/(Decrease) in Other current liabilities

Net Cash provided/(used) by Operating Activities

(3,159,540)	(14,985,543)
1,154,863	1,335,715
(52,629,506)	(76,283,734)
13,066,244	8,271,939
(1,278,713)	
(768,055)	(2,724,275)
(7,644,873)	8,120,697
(5,291,035)	(6,153,046)
17,582,623	(17,863,599)
(38,967,991)	(100,281,846)

20.00 Net Operating Cash Flow per share(NOCFPS):Tk. -1.12

This made up as follows:

Cash flow from Operative activities

Weighted average number of shares

Net Operating Cash Flow per share(NOCFPS)

(38,967,991)	(100,281,846)
34,821,803	34,821,803
(1.12)	(2.88)

21.00 Related Party Disclosures:

a) Transactions with key management personnel

Key management personnel compensation comprised the following:

Board of Director Remuneration

Managing Director Salary & allowances

Managerial Salary & allowances

Retirement Benefit & Pension

Houserent Allowances

Medical Allowances

Bonus

Total

267,784	
245,520	
1,187,508	
466,956	
533,664	
31,500	
978,384	
3,711,316	-

b) 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. Specialy 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 2023	Debit	Credit	Balance as on 30 September 2023
Pragati Industries Ltd.	(61,345)			(61,345)
General Electric Manufacturing Co. Ltd.	213,999			213,999
Bangladesh Blade Factory Ltd.	279,257			279,257
Estern Tubes Ltd.	75,405		28,214	47,191
M/S. Prantic Traders	6,104,653			6,104,653

Eastern Cables Ltd.	59,487	6,229	65,716
Dacca Steel Works Ltd	11,877		11,877
Gazi Wires Ltd.	(15,676)		(15,676)
Atlas Bangladesh Ltd.	(186,617)	29,058	(157,559)
Bangladesh Diesel Plant Ltd.	843,890		843,890
Chittagong Steel Mills Ltd.	1,099,398		1,099,398
Metalex Corporation Ltd.	951,103		951,103
Bangladesh Cycle Industries Ltd.	2,178,001		2,178,001
Bangladesh Steel & Engineering Corporation	2,192,697	1,300,698	3,493,395

22.00 Significant deviation:

- a) Unfortunately the EPS of the 1Q ended on 30 September' 2023 is negative Tk. (0.10) whereas the Previous period EPS was negative Tk. (0.44) for the same period due to increase turnover as compared with the previous period i.e 80.60%. The Company tendered several times for purchasing of raw material and these raw material was not get in schedule time . As a result, it was not possible to fulfil the budgeted of target production & sales. For this reason the company can not make profit in the 1Q.
- b) The NOCFPS of Q-1 ended on 30 September 2023 is Tk.(1.12) where as Tk. (2.88) for the previous year same period. Because cash collection increase and payment for cost & expenses decrease from the previous period as NOCFPS is increase from the previous period.



(Ganash Chandra Biswas)
Chief Financial Officer



(Pranjit Paul)
Company Secretary



(A K M Anwar Morshed)
Managing Director



Director



Director