

Anwar Galvanizing Limited

Baitul Hossain Building

27 Dilkusha, Dhaka-1000, Bangladesh

Quarterly Financial Statements

As at and for the period ended 30 September 2020



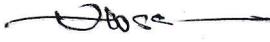
Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Statement of Financial Position
As on 30 September 2020

Particulars	Notes	As on	As on
		September 30, 2020	June 30, 2020
		BDT	BDT
Property, Plant and Equipment	3	93,821,400	91,793,269
Non Current Assets		93,821,400	91,793,269
Inventories	4	131,708,538	116,694,083
Trade Receivables	5	3,479,219	4,470,157
Advances, Deposits and Prepayments	6	39,986,883	40,822,970
Short Term Investment	7	1,065,511	919,051
Cash and Cash Equivalents	8	28,774,342	28,469,311
Current Assets		205,014,493	191,375,573
Total Assets		298,835,893	283,168,841
Share Capital	9	145,200,000	145,200,000
Retained Earnings	10	26,614,071	13,031,854
Other Components of Equity	11	(498,815)	(645,275)
Total Equity		171,315,256	157,586,579
Deferred Tax Liability	12	9,239,941	9,402,441
Non Current Liabilities		9,239,941	9,402,441
Trade and Other Payables	13	80,612,297	87,200,645
Income Tax Liabilities	14	13,341,242	10,230,526
Short Term Loan	15	24,327,158	18,748,650
Current Liabilities		118,280,697	116,179,822
Total Equity and Liabilities		298,835,893	283,168,841
Net Asset Value Per Share (NAV)	18	11.80	10.85

The annexed notes form an integral part of these financial statements.


Chief Financial Officer


Director


Managing Director


Company Secretary


Chairman

**Anwar Galvanizing Limited**

Registered Office: 27, Dilkusha C/A, Dhaka-1000.

**Statement of Profit and Loss and Other Comprehensive Income
For the period ended 30 September 2020**

Particulars	Notes	July 2020 to	July 2019 to
		Septemeber 2020	Septemeber 2019
		BDT	BDT
Revenue	16	165,192,214	114,680,615
Cost of Goods Sold	17	(139,039,717)	(100,909,099)
Gross Profit		26,152,497	13,771,516
Administrative Expenses		(3,032,274)	(4,750,861)
Selling and Distribution Expenses		(3,407,541)	(3,816,116)
Operating Expenses		(6,439,815)	(8,566,977)
Operating Profit		19,712,682	5,204,539
Financial Expenses		(839,458)	(30,902)
Non-Operating Income		58,732	39,806
Profit Before Distribution of WPPF		18,931,956	5,213,444
Contribution to WPPF		(901,522)	(248,260)
Profit Before Tax		18,030,434	4,965,184
Current	14	(4,610,716)	(684,813)
Deferred	12	162,500	379,132
Income Tax Expense		(4,448,217)	(305,681)
Net Profit After Tax		13,582,217	4,659,503
Unrealized Gain/(Loss) on Marketable Securities		146,460	(166,200)
Total Comprehensive Income for the period		13,728,677	4,493,303
Earning Per Share (EPS)	19	0.94	0.32

The annexed notes form an integral part of these financial statements.

Chief Financial Officer

Director

Managing Director

Company Secretary

Chairman



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Statement of Cash Flow
For the period ended 30 September 2020

Particulars	Notes	July 2020 to Septemeber 2020 BDT	July 2019 to Septemeber 2019 BDT
Cash Flow from Operating Activities			
Collection from Customers and Others		160,245,424	116,573,563
Payment for Expenses		(104,835,978)	(111,262,763)
Income Tax Paid		(4,044,770)	(1,100,000)
Interest Paid		(762,216)	-
Net Cash Inflow/(Outflow) from Operating Activities		50,602,461	4,210,800
Cash Flow from Investing Activities			
Payment for the Acquisition of Property, Plant & Equipment		(1,840,820)	(2,916,536)
Payment for the Capital Work-In-Progress		(2,408,949)	-
Net Cash Inflow/(Outflow) from Investing Activities		(4,249,769)	(2,916,536)
Cash Flows from Financing Activities			
Dividend Paid		(4,050)	(90,151)
Inter Company Payment		-	(5,721,373)
Paid Loan against Trust Receipts (LTR)		(46,043,612)	-
Net Cash Inflow/(Outflow) from Financing Activities		(46,047,662)	(5,811,524)
Net Increase/(Decrease) in Cash and Cash Equivalents		305,030	(4,517,259)
Cash and Cash Equivalents at the Beginning of the Period		28,469,311	33,356,832
Cash and Cash Equivalents at the End of the Period		28,774,342	28,839,573
Net Operating Cash Flow Per Share (NOCFPS)	20	3.49	0.29

The annexed notes form an integral part of these financial statements.

Chief Financial Officer

Director

Managing Director

Company Secretary

Chairman



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Statement of Changes In Equity
For the period ended 30 September 2020

Particulars	Share Capital	Retained Earnings	Other Components of Equity	Total
Balance as on 01 July 2020	145,200,000	13,031,854	(645,275)	157,586,579
Comprehensive Income/(Loss)	-	13,582,217	146,460	13,728,677
Dividend (Cash)				-
Balance as on 30 September 2020	145,200,000	26,614,071	(498,815)	171,315,256
Balance as on 30 July 2019	145,200,000	(1,939,025)	(346,858)	142,914,117
Comprehensive Income/(Loss)	-	4,659,503	(166,200)	4,493,303
Dividend (Cash)				
Balance as on 30 September 2019	145,200,000	2,720,478	(513,058)	147,407,420


Chief Financial Officer


Director


Managing Director


Company Secretary


Chairman



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Notes to the Accounts
As on and for the period ending 30 September 2020

1 Legal Status and Nature of the Company

Anwar Galvanizing Limited (a "Company") was incorporated in Bangladesh on 14th February 1995, Registration No. 27860(1706)/95 under the Companies Act, 1994 as a public company limited by shares and its shares are listed in the Dhaka Stock Exchange, Bangladesh.

The address of the Registered Office and the Principal place of business is located at 27, Dilkusha Commercial Area, Dhaka and the manufacturing plant is located at Tongi Industrial Area, Gazipur.

The company carries on the business of manufacturing and distributing of Galvanized GI Fittings of all specifications at competitive standards.

2 Selected Explanatory Notes

2.1 Statement of Compliance

These financial statements have been prepared on going concern basis in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws in Bangladesh.

2.2 Basis of Preparation

The first quarter financial statements for the period have been prepared in condensed form in accordance with IAS-34 'Interim Financial Reporting'. Selective narrative and descriptive information has been provided where it is relevant for understanding of the current period's financial statements.

2.3 Reporting Period

Un-audited first quarter Financial Statements of the company has been prepared for the period from 01 July 2020 to 30 September 2020. Comparative information has been disclosed as per the requirement of Securities Exchange Commission.

Sl.No.	Particulars	Notes	30 September 2020 BDT	30 June 2020 BDT
3	Property, Plant and Equipment			
	Property, plant and equipment	3.01	85,581,478	85,962,296
	Capital work-in-progress	3.02	8,239,922	5,830,973
			93,821,400	91,793,269
3.1	Property, Plant and Equipment			
	A. Cost			
	Opening Balance as on 01 July		133,361,330	128,082,944
	Addition during the period/year		1,840,820	9,049,256
	Disposal during the period/year		-	(3,770,870)
			135,202,150	133,361,330



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Notes to the Accounts
As on and for the period ending 30 September 2020

Sl.No.	Particulars	Notes	30 September 2020 BDT	30 June 2020 BDT
B. Accumulated Depreciation				
	Opening Balance as on 01 July		47,399,034	40,051,421
	Depreciation for the period/year		2,221,638	9,350,108
	Depreciation on disposal of assets during the period/year		-	(2,002,495)
			49,620,672	47,399,034
	Written down value as on 30 June 2020 (A-B)		85,581,478	85,962,296
3.2 Capital Work -In-Progress				
	Opening balance- 01 July		5,830,973	-
	Add: Addition during the period/year		2,408,949	5,830,973
	Add: Addition during the period/year		-	-
			8,239,922	5,830,973
4 Inventories				
	Raw materials		5,702,661	5,748,394
	Auxiliary materials		9,381,162	10,011,368
	Spare parts and other materials		33,930,218	32,173,795
	Finished goods		44,494,121	30,101,020
	Work -in-process		38,200,375	38,659,507
			131,708,538	116,694,083
Inventories, except goods in transit are measured at lower of cost and estimated net realisable value (NRV). In view of innumerable items of inventory and diversified units of measurement, it is not feasible to disclose the comparison of NRV and cost.				
5 Trade Receivables				
	Receivable From Sales of GI Fittings		131,033	724,709
	Receivable From Sales of Brake Duum		743,597	743,597
	Receivable From Sales of Wastages		3,348,186	3,745,447
			4,222,817	5,213,755
	Provision for doubtful debt	5.1	(743,598)	(743,598)
			3,479,219	4,470,157
5.1 Provision for Doubtful Debt				
	Opening Balance		743,598	-
	Provision made during the period/year		-	743,598
	Closing Balance		743,598	743,598
6 Advances, Deposits and Prepayments				
	Advances	6.1	35,062,331	35,898,418
	Security deposits	6.2	4,924,552	4,924,552
			39,986,883	40,822,970



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Notes to the Accounts
As on and for the period ending 30 September 2020

Sl.No.	Particulars	Notes	30 September 2020	30 June 2020
			BDT	BDT
6.1	Advances			
	Advance against supplier		24,548,906	29,043,383
	Advance income tax		8,128,218	5,583,448
	Advance against employee		388,722	29,957
	Advance against others		1,238,007	472,218
	Advance To NBL securities ltd		34,298	34,748
	Advance Sales VAT		-	10,484
	VAT current account		724,180	724,180
			35,062,331	35,898,418
6.2	Security Deposits			
	Security deposit -CDBL		300,000	300,000
	Security deposit-electricity		4,020,965	4,020,965
	Security deposit-gas		561,587	561,587
	Security deposit- metre		42,000	42,000
			4,924,552	4,924,552
7	Short Term Investment			
	Name of Company	No of Share	Cost Price	Market Price
	Jamuna Oil Limited	3,932	655,071	543,402
	M.I. Cement Factory Limited	5,500	248,050	240,900
	Sumit Power Limited	3,839	162,390	134,749
			1,065,511	919,051
8	Cash and Cash Equivalents			
	Cash at banks		25,987,060	25,265,764
	Cash in hand		2,787,282	3,203,548
			28,774,342	28,469,311
9	Share Capital			
	Authorised Capital			
	5,00,00,000 Ordinary Shares of BDT 10 Each		500,000,000	500,000,000
			500,000,000	500,000,000

During the year ending on 30 June 2020, the authorized capital is increased from BDT 200,000,000 to BDT 500,000,000 (Fifty Crore) only divided into 50,000,000 (Five Crore) ordinary shares of BDT 10 (Ten) each.



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Notes to the Accounts
As on and for the period ending 30 September 2020

Sl.No.	Particulars	Notes	30 September 2020 BDT	30 June 2020 BDT
	Issued, Subscribed, and Paid-up-Capital			
	14,520,000 ordinary shares of BDT 10 each issued for cash		145,200,000	145,200,000
			145,200,000	145,200,000
10	Retained Earnings			
	Profit brought forward- 01 July		13,031,854	(1,939,025)
	Net profit during the period/year		13,582,217	29,490,879
	Less : Cash dividend during the period/year		-	(14,520,000)
	Balance carried forward		26,614,071	13,031,854
11	Other Components of Equity			
	Balance brought forward- 01 July		(645,275)	(346,858)
	Add: Gain/(loss) on marketable securities (unrealized)		146,460	(298,417)
	Balance carried forward		(498,815)	(645,275)
12	Deferred Tax Liability			
	Opening Balance		9,402,441	10,320,053
	Deferred tax (income)/ expense charged in Profit & Loss		(162,500)	(917,612)
	Deferred tax (income)/ expense charged in OCI		-	-
	Closing Balance	12.1	9,239,941	9,402,441
12.1	For 30 September 2020			
		Carrying Value	Tax Based Value	Temporary
	Property, Plant and Equipment			
	Land	8,877,421	8,877,421	-
	Other than land	76,704,059	39,744,297	36,959,762
		85,581,480	48,621,718	36,959,762
	Applicable Tax Rate			
	On land			15%
	On other than land			25%
	Deferred Tax Liability			
	On land			-
	On other than land			9,239,941
	Deferred tax liabilities as on			9,239,941
13	Trade and Other Payables			
	Trade payable		20,607,573	18,486,612
	Liabilities for expenses	13.1	43,503,001	46,215,851
	Advance received from customers		16,501,723	22,498,183
			80,612,297	87,200,645



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Notes to the Accounts
As on and for the period ending 30 September 2020

Sl.No.	Particulars	Notes	30 September 2020 BDT	30 June 2020 BDT
13.1	Liabilities for Expenses			
	Unpaid dividend		15,916,107	15,920,157
	Liabilities for other expense		11,326,036	15,258,129
	Provision for WPPF		8,289,352	7,387,830
	Liabilities for salaries, wages and others		7,575,197	7,304,917
	TDS & VDS payable		396,309	344,818
			43,503,001	46,215,851
14	Income Tax Payable			
	Opening balance		10,230,526	7,984,244
	Tax provision made during the period/year		4,610,716	10,421,922
	Tax payment against previous tax demand		(1,500,000)	-
	Adjustment of tax liability with advance tax paid		-	(2,000,000)
	Tax payment against demand for the tax return		-	(6,175,640)
	Closing balance		13,341,242	10,230,526
14.1	Reconciliation of Effective Tax Rate			
	Profit before income tax (A)		18,030,434	38,995,189
	Applicable tax rate		25%	25%
	Income tax (B)		4,507,608	9,748,797
	Factors effecting the tax charge for the period/year:			
	(Excess)/ short of fiscal depreciation over accounting dep.		650,000	1,972,946
	Inadmissible expense		(237,570)	719,550
	Movement of temporary differences: (credit)/charge		412,430	2,692,496
	Tax on temporary differences (C)		103,107	673,124
	Total income tax expense (B+C)		4,610,716	10,421,921
	Effective tax rate (B+C)/A		25.6%	26.7%
15	Short Term Loan			
	Opening balance as on 01 July		18,748,650	-
	LTR used during the period/year		52,419,735	49,430,816
	LTR settled during the period/year		(46,841,228)	(30,682,165)
			24,327,158	18,748,650



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Notes to the Accounts
As on and for the period ending 30 September 2020

Sl.No.	Particulars	Notes	Jul - Sep 2020 BDT	Jul - Sep 2019 BDT
16	Revenue			
	Sales: GI Fittings		159,740,704	110,614,339
	Sales: Others		5,451,510	4,066,276
			165,192,214	114,680,615
	The sales amount is presented net of VAT.			
17	Cost of Goods Sold			
	Raw materials consumption		75,201,057	37,238,626
	Auxiliary materials consumption		20,814,805	14,406,078
	Spare parts and other material consumption		21,385,568	11,691,764
	Total Consumption of Material		117,401,430	63,336,468
	Factory overheads		35,572,258	39,713,434
	Opening stock of work -in-process		38,659,507	38,502,547
	Closing stock of work -in-process		(38,200,375)	(43,851,641)
	Cost of Production		153,432,819	97,700,808
	Opening stock of finished goods		30,101,020	43,770,920
	Closing stock of finished goods		(44,494,121)	(40,562,630)
	Cost of Goods Sold		139,039,717	100,909,099
18	Net Asset Value (NAV) Per Share			
	The Computation of NAV per share is given below :			
	Assets		298,835,893	283,168,842
	Less: Liabilities		127,520,637	125,582,262
	Net Assets Value		171,315,256	157,586,580
	Weighted average number of ordinary shares	18.1	14,520,000	14,520,000
	Net Assets Value (NAV) Per Share		11.80	10.85

The increased earnings during the period (as discussed in Note-19) with no distribution to shareholders has ensured the NAV growth of 9%.

18.1 Weighted average number of Ordinary Shares as at 30 Septemeber 2020

Details	Number of days outstandin	No. of shares in issue	Weighted average no. of shares
Ordinary shares outstanding	365	14,520,000	14,520,000

19 Earnings Per Share (EPS)

19.1 Basic Earnings Per Share

a) Profit Attributable to the ordinary shareholders		13,582,217	4,659,503
b) Weighted average number of ordinary shares	18.1	14,520,000	14,520,000



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Notes to the Accounts
As on and for the period ending 30 September 2020

Sl.No.	Particulars	Notes	Jul - Sep 2020 BDT	Jul - Sep 2019 BDT
--------	-------------	-------	--------------------------	--------------------------

The revenue growth is 44% compared to the previous period. This is achieved mainly by grabbing the market demand created from reduced supply of imported GI Fittings from China due to pandemic issue. The manufacturing cost is also reduced through increased efficiency, reduced power cost and sourcing raw materials at cheaper rate which resulted improves Gross Profit Margin of 15.83%. The admin and selling expense kept at check and control. Overall Net Profit Margin has almost doubled compared to the previous period. Management is confident to maintain this growth in the next quarters.

19.2 Diluted Earnings Per Share

No diluted EPS was required to be calculated for the period since there was no scope for dilution of shares during the period.

20 Net Operating Cash Flow Per share (NOCFPS)

The composition of operating cash inflow/outflow value per share is given below:

a) Operating cash inflow/ (outflow) during the period		50,602,461	4,210,800
b) Weighted average number of ordinary shares	18.1	14,520,000	14,520,000
Net Operating Cash Flow Per share (NOCFPS) (a/b)		3.49	0.29

The increased EPS and controlled receivable balance during the period indicated that the earning has improved without compromising market credit which generated improved cash inflow. Loan against Trustee Receipt (LTR) facility has been availed during the period to finance the operating expense which also resulted in improved NOCFPS.

21 Reconciliation of Net Operating Cash Flows

Net profit before tax		18,030,434	4,965,184
Add: Item not involving movement of cash			
Depreciation on property, plant & equipment		2,221,638	1,908,300
Finance cost		839,458	30,902
WPPF		901,522	248,260
A. Cash generated from operations before changes in working capital		21,993,052	7,152,646
Changes in working capital			
(Increase) / decrease in inventory		(15,014,456)	(3,392,131)
(Increase) / decrease in trade receivables		990,938	1,047,729
(Increase)/ decrease in advance, deposit & prepayment		(1,708,682)	(5,091,271)
Increase / (decrease) in trade and other payable		48,309,137	5,624,729
B. Total changes in working capital		32,576,937	(1,810,944)
C. Cash generated from operating activities (A+B)		54,569,989	5,341,702
Less: payments made during the period			
Tax paid		(4,044,770)	(1,100,000)
Finance expense paid		77,242	(30,902)



Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Notes to the Accounts
As on and for the period ending 30 September 2020

22 Director of the Company:

Number of Director:

There are 10 Directors in the Company during the period ended 30 Septemeber 2020.

Salary & Remuneration of the management team:

Aggregate amount paid to the management team for their service rendered as defined in the schedule 12(2) During the period, Key Management Personnel of the company were not given any compensation benefits.

23 Related Party Transactions:

During the period the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Name of those related parties , nature of those transactions and their total value have been set out in accordance with the provisions of IAS -24: Related party Disclouser.

Name of Party/Company	30 Sep 2020	30 Jun 2020
Anwar Ispat Ltd.	1,384,157	8,378,008
A One Polymer Ltd	(1,257,492)	(3,837,682)
Anwar Integretad Steel Plant Ltd.	(3,412,371)	(3,412,371)
Anwar Cement Sheet Ltd.	(5,614)	(11,237)

All the above recievable/(payable) amount is derived from supply/purchase of materials. The relationship between the companies is Common Directorship.

24 Events After the Reporting Period:

Approval of Financial Statements:

These financial statements were authorized for issue in accordance with a resolution of the Company's Board of Directors on 08 Novemeber 2020.

There is no other significant event that has occurred between the end of the reporting period and the date when the Financial Statements were authorised for issue.