

Anwar Galvanizing Limited

**Baitul Hossain Building
27 Dilkusha, Dhaka-1000, Bangladesh**

Qaurterly Financial Statements

As at and for the period ended 30 September 2021



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

Statement of Financial Position
As on 30 September 2021

Particulars	Notes	As on	As on
		September 30, 2021	June 30, 2021
		BDT	BDT
Property, Plant and Equipment	3	134,217,430	135,451,777
Non Current Assets		134,217,430	135,451,777
Inventories	4	232,931,273	202,405,019
Trade Receivables	5	117,294	81,694
Advances, Deposits and Prepayments	6	50,297,351	67,412,081
Short Term Investment	7	62,460,742	5,400,000
Cash and Cash Equivalents	8	27,139,454	25,676,820
Current Assets		372,946,114	300,975,614
Total Assets		507,163,544	436,427,391
Share Capital	9	152,460,000	152,460,000
Retained Earnings	10	128,638,238	50,413,298
Total Equity		281,098,238	202,873,298
Deferred Tax Liabilities	12	8,636,635	8,639,338
Non Current Liabilities		8,636,635	8,639,338
Trade and Other Payables	13	102,801,446	110,379,479
Income Tax Liabilities	14	25,402,677	14,893,440
Short Term Loan	15	89,224,548	99,641,836
Current Liabilities		217,428,671	224,914,755
Total Equity and Liabilities		507,163,544	436,427,391
Net Asset Value Per Share (NAV)	19	18.44	13.31

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

Chief Financial Officer

Director

Managing Director

Company Secretary

Chairman

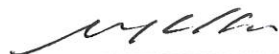


Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Statement of Profit and Loss and Other Comprehensive Income
For the period ended 30 September 2021

Particulars	Notes	Jul to Sep 2021 BDT	Jul to Sep 2020 BDT
Revenue	16	141,026,073	165,192,214
Cost of Goods Sold	17	(114,175,751)	(139,039,717)
Gross Profit		26,850,322	26,152,497
Administrative Expenses		(3,202,481)	(3,032,274)
Selling and Distribution Expenses		(5,817,049)	(3,407,541)
Operating Expenses		(9,019,529)	(6,439,815)
Operating Profit		17,830,793	19,712,682
Financial Expenses		(1,879,994)	(839,458)
Non-Operating Income	18	77,217,250	58,732
Profit Before Distribution of WPPF		93,168,049	18,931,956
Contribution to WPPF		(4,436,574)	(901,522)
Profit Before Tax		88,731,475	18,030,434
Current	14	(10,509,237)	(4,610,716)
Deferred	12	2,703	162,500
Income Tax Expense		(10,506,534)	(4,448,217)
Net Profit After Tax		78,224,940	13,582,217
Unrealized Gain/(Loss) on Marketable Securities		-	146,460
Total Comprehensive Income for the period		78,224,940	13,728,677
Basic Earning Per Share (EPS)	20.1	5.13	0.94
Restated Earning Per Share (EPS)	20.1	5.13	0.89

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 2021

Particulars	Notes	July 2021 to	July 2020 to
		September 2021	September 2020
		BDT	BDT
Cash Flow from Operating Activities			
Collection from Customers and Others		133,355,630	160,245,424
Payment for Expenses		(141,989,313)	(104,835,978)
Income Tax Paid		(2,558,554)	(4,044,770)
Interest Paid		(608,876)	(762,216)
Net Cash Inflow/(Outflow) from Operating Activities		(11,801,113)	50,602,461
Cash Flow from Investing Activities			
Acquisition of Property, Plant & Equipment		(155,459)	(1,840,820)
Capital Work-In-Progress		(1,100,520)	(2,408,949)
Investment in Shares		24,939,258	-
Net Cash Inflow/(Outflow) from Investing Activities		23,683,279	(4,249,769)
Cash Flows from Financing Activities			
Dividend Paid		(2,244)	(4,050)
Repaid Loan against Trust Receipts (LTR)		(10,417,288)	(46,043,612)
Net Cash Inflow/(Outflow) from Financing Activities		(10,419,531)	(46,047,662)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,462,635	305,030
Cash and Cash Equivalents at the Beginning of the Period		25,676,820	28,469,311
Cash and Cash Equivalents at the End of the Period		27,139,454	28,774,341
Net Operating Cash Flow Per Share (NOCFPS)	21	(0.77)	3.49

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 2021

Particulars	Share Capital	Retained Earnings	Other Components of Equity	Total
Balance as on 01 July 2021	152,460,000	50,413,298	-	202,873,298
Comprehensive Income/(Loss)	-	78,224,940	-	78,224,940
Balance as on 30 September 2021	152,460,000	128,638,238	-	281,098,238
Balance as on 30 July 2020	145,200,000	13,031,854	(645,275)	157,586,579
Comprehensive Income/(Loss)	-	13,582,217	146,460	13,728,677
Balance as on 30 September 2020	145,200,000	26,614,071	(498,815)	171,315,256

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 2021

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 2021 to 30 September 2021. Comparative information has been disclosed as per the requirement of Securities Exchange Commission.

Sl.No.	Particulars	Notes	30 September 2021 BDT	30 June 2021 BDT
3	Property, Plant and Equipment			
	Property, plant and equipment	3.01	103,675,967	101,380,714
	Capital work-in-progress	3.02	30,541,463	34,071,063
			134,217,430	135,451,777
3.1	Property, Plant and Equipment			
	A. Cost			
	Opening Balance		158,908,872	133,361,330
	Addition during the period		4,785,578	25,585,042
	Disposal during the period		-	(37,500)
			163,694,450	158,908,872

B. Accumulated Depreciation		
Opening Balance	57,528,158	47,399,034
Depreciation for the period	2,490,326	10,163,748
Depreciation on disposal of assets during the period	-	(34,625)
	60,018,483	57,528,158

Written down value as on 30 June 2020 (A-B)	103,675,967	101,380,714
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3.2 Capital Work -In-Progress

Opening balance	34,071,063	5,830,973
Add: Addition during the period	1,100,520	44,660,624
Transfer to non-current assets during the period	(4,630,119)	(16,420,534)
	30,541,463	34,071,063

4 Inventories

Raw materials	38,992,219	29,805,906
Auxiliary materials	11,735,614	9,361,877
Spare parts and other materials	52,858,826	48,667,610
Finished goods	93,780,040	92,040,322
Work -in-process	35,564,574	22,529,304
	232,931,273	202,405,019

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 dealers		904,156	894,250
		904,156	894,250
Provision for doubtful debt	5.1	(786,863)	(812,557)
		117,294	81,694

5.1 Provision for Doubtful Debt

Opening Balance	812,557	743,598
Provision made during the period	-	68,959
Adjustment made/ write-off	(25,694)	-
	786,863	812,557

6 Advances, Deposits and Prepayments

Advances	6.1	45,337,763	62,452,494
Security deposits	6.2	4,959,587	4,959,587
		50,297,351	67,412,081

Above amounts are unsecured, but considered good.

6.1 Advances

Advance against supplier	28,158,156	22,558,296
Advance income tax	13,761,499	11,202,945
Advance against employee	151,032	97,978
Advance against others	2,108,238	1,527,932
Advance To NBL securities ltd	434,658	26,341,163
VAT current account	724,180	724,180
	45,337,763	62,452,494

6.2 Security Deposits

Security deposit -CDBL	300,000	300,000
Security deposit-electricity	4,056,000	4,056,000
Security deposit-gas	561,587	561,587
Security deposit- metre	42,000	42,000
	4,959,587	4,959,587

7 Short Term Investment

Name of Company	No of Share	Cost Price	Market Price	Market Price
LHBL	730,535	61,027,862	62,460,742	-
Eastern Housing Limited	100,000	5,310,600	-	5,400,000
		66,338,462	62,460,742	5,400,000

The investments comprise of equity investments in other entities and are held for trading. The unrealized gain/(loss) has been accounted and presented in non-operating income in accordance with IFRS 9

8 Cash and Cash Equivalents

Cash at banks	21,429,706	24,656,833
Cash in hand	5,709,748	1,019,986
	27,139,454	25,676,820

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

Issued, Subscribed, and Paid-up-Capital

14,520,000 ordinary shares of BDT 10 each issued for cash	145,200,000	145,200,000
7,26,000 bonus shares of Tk.10 each	7,260,000	7,260,000
	152,460,000	152,460,000

10 Retained Earnings

Profit brought forward	50,413,298	13,031,854
Prior year adjustment	-	(191,396)
Adjusted opening balance	50,413,298	12,840,457
Net profit during the period/year	78,224,940	59,725,897
Transfer from OCI	-	(373,057)
Cash dividend	-	(14,520,000)
Stock dividend	-	(7,260,000)
	128,638,238	50,413,298

11 Other Components of Equity

Opening balance	-	(645,275)
Gain/(loss) from sales realisation	-	272,218
	-	(373,057)
Transferred to retained earnings	-	373,057
	-	-

12 Deferred Tax Liabilities

Opening Balance	8,639,338	9,402,441
Deferred tax (income)/ expense charged in Profit & Loss	(2,703)	(763,104)
	12.1	8,636,635
	8,636,635	8,639,338

12.1	For 30 September 2021	Carrying Value	Tax Based Value	Temporary
	Property, Plant and Equipment			
	Land	8,877,421	8,877,421	-
	Other than land	94,798,545	56,413,501	38,385,044
		103,675,966	65,290,922	38,385,044
	Applicable Tax Rate			
	On land			15%
	On other than land			22.50%
	Deferred Tax Liability			
	On land			-
	On other than land			8,636,635
	Deferred tax liabilities as on			8,636,635

	For 30 June 2021	Carrying Value	Tax Based Value	Temporary
	Property, Plant and Equipment			
	Land	8,877,421	8,877,421	-
	Other than land	92,503,293	54,106,237	38,397,056
		101,380,714	62,983,658	38,397,056
	Applicable Tax Rate			
	On land			15%
	On other than land			22.50%
	Deferred Tax Liability			
	On land			-
	On other than land			8,639,338
	Deferred tax liabilities as on			8,639,338

13	Trade and Other Payables			
	Trade payable		28,161,947	37,336,950
	Liabilities for expenses	13.1	58,274,108	49,042,296
	Advance received from customers		16,365,391	24,000,233
			102,801,446	110,379,479

13.1	Liabilities for Expenses			
	Unclaimed dividend		13,103,242	13,105,485
	Liabilities for other expense		17,679,157	14,411,519
	Provision for WPPF		15,517,216	11,080,642
	Liabilities for salaries, wages and others		10,404,525	9,653,950
	Interest payable		532,500	293,672
	TDS & VDS payable		1,037,468	497,028
			58,274,108	49,042,296

14	Income Tax Payable			
	Opening balance		14,893,440	10,230,526
	Tax provision made during the year/period		10,509,237	14,893,440
	Tax payment against previous tax demand		-	191,396
	Adjustment of tax liability with advance tax paid		-	(4,483,448)
	Tax payment against demand for the Tax Return		-	(5,938,474)
			25,402,677	14,893,440

14.1 Reconciliation of Effective Tax Rate

Profit before income tax (A)	88,731,475	73,856,234
Less: Realised gain/(loss) from sale of shares	75,721,866	12,366,920
Less: Dividend income	-	48,290
Net taxable business income	13,009,609	61,441,024
Applicable tax rate	22.50%	22.50%
Income tax (B)	2,927,162	13,824,230
Factors effecting the tax charge for the current year/period:		
(Excess)/ short of fiscal depreciation over accounting dep.	12,012	(787,297)
Inadmissible expense	31,932	-
Movement of temporary differences: (credit)/charge	43,944	(787,297)
Tax on temporary differences (C)	9,887	(177,142)
Total income tax expense (B+C)	2,937,049	13,647,089
Effective tax rate (B+C)/A	22.58%	22.21%

15 Short Term Loan

Opening balance	99,641,836	18,748,650
LTR used during the period/year	43,774,270	207,662,171
LTR settled during the period/year	(54,191,558)	(126,768,986)
	89,224,548	99,641,836



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

Notes to the Accounts
As on and for the period ending 30 September 2021

Sl.No.	Particulars	Notes	Jul - Sep 2021 BDT	Jul - Sep 2020 BDT
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16	Revenue			
	Sales: GI Fittings		132,702,403	159,740,704
	Sales: Others		8,323,670	5,451,510
			141,026,073	165,192,214

The sales amount is presented net of VAT.

17	Cost of Goods Sold			
	Raw materials consumption		54,198,065	75,201,057
	Auxiliary materials consumption		11,425,410	20,814,805
	Spare parts and other material consumption		20,538,017	21,385,568
	Total Consumption of Material		86,161,493	117,401,430
	Factory overheads		42,789,245	35,572,258
	Opening stock of work -in-process		22,529,304	38,659,507
	Closing stock of work -in-process		(35,564,574)	(38,200,375)
	Cost of Production		115,915,468	153,432,819
	Opening stock of finished goods		92,040,322	30,101,020
	Closing stock of finished goods		(93,780,040)	(44,494,121)
	Cost of Goods Sold		114,175,751	139,039,717

18	Non-operating income			
	Realised gain/(loss) from sale of short term investments		75,721,866	-
	Un-realised gain/(loss) on short term investments		1,432,880	-
	Other Income		62,504	25,553
	Rebate on insurance exp.		-	33,179
			77,217,250	58,732

The Realised and unrealized gain/(loss) has been accounted and presented in non-operating income in accordance with IFRS 9.

19 Net Asset Value (NAV) Per Share

The Computation of NAV per share is given below :

Assets		507,163,544	436,427,391
Less: Liabilities		226,065,306	233,554,092
Net Assets Value		281,098,238	202,873,298
Weighted average number of ordinary shares	19.1	15,246,000	15,246,000
Net Assets Value (NAV) Per Share		18.44	13.31

The increased earnings during the period (as discussed in Note-20) with no distribution to shareholders has ensured the NAV growth of 39%.

19.1 Weighted average number of Ordinary Shares as at 30 Septemeber 2021

Details	Number of days outstandin	No. of shares in issue	Weighted average no. of shares
Ordinary shares outstanding	365	15,246,000	15,246,000

20 Earnings Per Share (EPS)

20.1 Basic Earnings Per Share

a) Profit Attributable to the ordinary shareholders		78,224,940	13,582,217
b) Weighted average number of ordinary shares	19.1	15,246,000	14,520,000
Basic Earnings Per Share (a/b)		5.13	0.94

Restated Earnings Per Share

a) Profit Attributable to the ordinary shareholders		78,224,940	13,582,217
b) Weighted average number of ordinary shares	19.1	15,246,000	15,246,000
Restated Earnings Per Share (a/b)		5.13	0.89

The Earnings per share of Q1 2021-22 (BDT 5.13) has been increased by 476% compared to Q1 2020-21 (BDT 0.89) due to increase in non-operating income. EPS from operational and non-operational activities were BDT 0.77 and BDT 4.36 respectively in Q1 2021-22 as compared to BDT 0.887 and BDT .003 respectively in the same period of previous year 2020-21.

20.2 Diluted Earnings Per Share

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

21 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		(11,801,113)	50,602,461
b) Weighted average number of ordinary shares	19.1	15,246,000	14,520,000
Net Operating Cash Flow Per share (NOCFPS) (a/b)		(0.77)	3.49

The increased inventory balance during the period indicates that the working capital fund has been tied up in finished goods inventory which generated negative NOCFPS. We expect the inventory to be sold out during Q2 and Q3 of 2021-22.

22 Reconciliation of Net Operating Cash Flows

Net profit after tax	78,224,940	13,582,217
Add: Item not involving movement of cash		
Depreciation on property, plant & equipment	2,490,326	2,221,638
A. Cash generated from operations before changes in working capital	80,715,266	15,803,855
Changes in working capital		
(Increase) / decrease in inventory	(30,526,254)	(15,214,456)
(Increase) / decrease in trade receivables	(35,600)	990,938
(Increase)/ decrease in advance, deposit & prepayment	(64,885,269)	(1,708,682)
Increase / (decrease) in trade and other payable	2,928,499	50,726,756
Increase / (decrease) in dividend payable	2,245	4,050
B. Total changes in working capital	(92,516,379)	34,798,606
C. Cash generated from operating activities (A+B)	(11,801,113)	50,602,461

23 Director of the Company:**Number of Director:**

There are 10 Directors in the Company during the period ended 30 Septemeber 2021.

Salary & Remuneration of the management team:

Aggregate amount paid to the management team for their service rendered as defined in the schedule 12(2) para 4 part-II of Securities & Exchange rules 1987. During the period, The Board of Directors of the company were not given any compensation benefits except board meeting fees.

24 Related Party Transactions:

During the year/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 2021	30 Jun 2021
Anwar Ispat Ltd.	276,365	(6,878,545)
A One Polymer Ltd	(2,287,018)	(1,405,569)
Anwar Integretad Steel Plant Ltd.	-	(3,412,371)
Anwar Printex Ltd.	503	503
Anwar Cement Sheet Ltd.	-	(6,278,258)

All the above receivable/(Payable) amount is derived from supply/purchase of materials. The relationship between the companies are Common Director.

25 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 09 October 2021.

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.