

Anwar Galvanizing Limited

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

FINANCIAL STATEMENTS

As at and for the period ended 31 December 2019



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

Statement of Financial Position
As on 31 December 2019

Particulars	Notes	31 December 2019 Taka	30 June 2019 Taka
Property, Plant and Equipments	3	90,276,520	88,031,523
Non-Current Asstes		90,276,520	88,031,523
Inventories	4	153,002,328	125,387,724
Trade Receivables	5	6,387,370	5,224,134
Advances, Deposits and Pre- Payments	6	19,256,979	15,373,982
Short Term Investment	7	911,807	1,217,468
Cash and Cash Equivalents	8	36,135,029	33,356,832
Current Assets		215,693,513	180,560,139
Total Assets		305,970,033	268,591,662
Share Capital	9	145,200,000	145,200,000
Retained Earnings	10	9,951,259	(2,285,883)
Tax Holiday Reserve	11	-	-
Total Equity		155,151,259	142,914,117
Deferred Tax Liability	12	9,379,207	10,320,053
Non Current Liabilities		9,379,207	10,320,053
Trade and Other Payables	13	141,439,567	115,357,493
Liabilities for other Finance		-	-
Current Liabilities		141,439,567	115,357,493
Total Equity and Liabilities		305,970,033	268,591,662
Net Assets Value Per Share (NAV)	17	10.69	9.84

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


Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

Dated : Dhaka, 27 January, 2020.



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

Statement of Profit and Loss and Other Comprehensive Income
For the period ended 31 December, 2019

Particulars	Notes	July 2019	July 2018	October 2019	October 2018
		to December 2019	to December 2018	to December 2019	to December 2018
Revenue	14	234,929,286	205,101,334	120,248,671	98,847,241
Cost of Goods Sold	15	(206,285,522)	(180,756,545)	(105,376,424)	(89,388,651)
Gross Profit		28,643,764	24,344,788	14,872,248	9,458,591
Administrative Expenses		(8,180,444)	(8,129,470)	(3,429,583)	(3,376,522)
Selling and Distribution Expenses		(5,082,810)	(7,405,455)	(1,266,694)	(3,456,047)
Operating Expenses		(13,263,254)	(15,534,925)	(4,696,277)	(6,832,569)
Operating Profit		15,380,510	8,809,863	10,175,970	2,626,022
Financial Expenses		(114,341)	(366,867)	(83,441)	(127,840)
Non-Operating Income		371,442	32,103	331,636	32,103
		257,100	(334,764)	248,195	(95,737)
Profit Before Distribution of WPPF		15,637,610	8,475,099	10,424,165	2,530,285
Contribution to WPPF		(744,649)	(403,577)	(496,389)	(120,490)
Profit Before Tax		14,892,961	8,071,522	9,927,776	2,409,795
Current Tax		(3,291,003)	(1,932,519)	(2,606,190)	(1,125,400)
Deferred Tax		940,846	(265,727)	561,714	323,068
Income Tax expense		(2,350,157)	(2,198,246)	(2,044,476)	(802,332)
Net Profit After Tax		12,542,804	5,873,276	7,883,300	1,607,463
Unrealized Gain/(loss) on Marketable Securities		(305,661)	(41,290)	(139,461)	(14,525)
Total Comprehensive Income for the period		12,237,143	5,831,986	7,743,839	1,592,938
Earning Per Share (EPS)	16	0.86	0.40	0.54	0.11

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Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

Dated : Dhaka, 27 January, 2020.



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

STATEMENT OF CASH FLOWS
For the period ended 31 December, 2019

Particulars	July 2019	July 2018	
	To December 2019	To December 2018	
Cash Flows from Operating Activities:			
Collection from Customers and Others	248,071,817	209,079,833	
Payment for Cost and Expenses	(234,683,124)	(202,508,277)	
Income Tax Paid	(2,600,000)	-	
Interest Paid	-	(37,556)	
Net Cash Inflow/(Outflow) from Operating Activities	10,788,693	6,534,000	
Cash Flows from Investing Activities			
Payment for Purchase of Fixed Assets	(7,900,657)	(2,376,984)	
Net Cash Inflow/(Outflow) from Investing Activities	(7,900,657)	(2,376,984)	
Cash Flows from Financing Activities			
Dividend Paid	(109,839)	(2,250)	
Paid Loan against Trust Receipts (LTR)	-	(1,725,524)	
Inter Company Payment	-	(19,587,798)	
Net Cash Inflow/(Outflow) from Financing Activities	(109,839)	(21,315,572)	
Net Increase/(Decrease) in Cash and Cash Equivalents	2,778,197	(17,158,556)	
Cash and Cash Equivalents at the Beginning of the Period	33,356,832	34,349,782	
Cash and Cash Equivalents at the Period End	36,135,029	17,191,227	
Net Operating Cash Flow Per Share (NOCFPS)	18	0.74	0.45

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Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

Dated : Dhaka, 27 January, 2020.



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

Statement of Changes in Equity
For the period ended 31 December, 2019

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
Balance as on 01 July 2019	145,200,000	-	(2,285,883)	142,914,117
Cash Dividend for the period 2019	-	-	-	-
Net Profit for the Period	-	-	12,542,804	12,542,804
Other Comprehensive Income	-	-	(305,661)	(305,661)
Balance as on 31 December 2019	145,200,000	-	9,951,259	155,151,259
Balance as on 31 December 2018	145,200,000	34,057,703	(37,774,742)	141,482,961

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Chairman


Managing Director


Director


Chief Financial Officer


Company Secretary

Dated : Dhaka, 27 January, 2020.



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

Notes to the Financial Statements
For the period ended 31 December 2019

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 half-yearly 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 half-yearly Financial Statements of the company has been prepared for the period from 01 July 2019 to 31 December 2019. Comparative information has been disclosed as per the requirement of Securities Exchange Commission.

Note No.	Particulars	Notes	31 December 2019 Taka	30 June 2019 Taka
3	Property, Plant and Equipments			
	A. Cost			
	Opening Balance as on 01 July		128,082,944	121,585,809
	Addition During the period		7,900,657	6,502,585
	Disposal during the period		(3,770,870)	(5,450)
	Total Cost		132,212,731	128,082,944
	B. Accumulated Depreciation			
	Opening Balance as on 01 July		40,051,421	32,186,080
	Depreciation for the Period		3,887,285	7,870,341
	Depreciation on Disposal of assets during the Period		(2,002,495)	(5,000)
	Total Depreciation		41,936,211	40,051,421
	Written down value (A-B)		90,276,520	88,031,523
4	Inventories			
	Raw materials		5,009,441	4,207,551
	Auxiliary materials		8,054,575	6,993,465
	Spare parts and other materials		27,960,878	31,913,240
	Finished goods		60,967,240	43,770,920
	Work -in-process		51,010,195	38,502,547
			153,002,328	125,387,724



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

Note No.	Particulars	31 December 2019 Taka	30 June 2019 Taka	
5	Trade Receivables			
	Receivable from sale of GI Fittings	129,416	1,619,520	
	Receivable from sale Brake Drum	731,369	865,969	
	Receivable from sale of Wastage	5,526,585	2,738,645	
		6,387,370	5,224,134	
6	Advances, Deposits and Pre- Payments			
	Advances	14,332,427	11,136,429	
	Security deposits	4,924,552	4,237,552	
		19,256,979	15,373,982	
7	Short Term Investment			
	Name of Company	Cost Price	Market Price	Market Price
	Jamuna Oil Limited- No of Share 3,932	702,800	557,951	683,382
	M.I. Cement Factory Limited- No of Share 5,500	652,600	214,500	374,000
	Sumit Power Limited- No of Share 3,839	208,926	139,356	160,086
		1,564,326	911,807	1,217,468
8	Cash and Cash Equivalents			
	Cash at banks	30,000,390	32,766,990	
	Cash in hand	6,134,639	589,842	
		36,135,029	33,356,832	
9	Share Capital			
	Authorised Capital			
	2,00,00,000 Ordinary Shares of Tk. 10 Each	200,000,000	200,000,000	
	Issued, Subscribed, and Paid-up-Capital			
	1,32,00,000 Ordinary Shares of Tk.10 each	132,000,000	132,000,000	
	1,32,00,000 Bonus Shares of Tk.10 each	13,200,000	13,200,000	
		145,200,000	145,200,000	
10	Retained Earnings			
	Profit brought forward	(2,285,883)	(43,606,728)	
	Less: Prior year adjustment	-	-	
	Adjusted opening balance	(2,285,883)	(43,606,728)	
	Net profit during the period	12,542,804	21,888,967	
	Add: Gain/(loss) on Marketable Securities (Unrealized)	(305,661)	(105,825)	
	Less : Stock/Cash Dividend	-	(14,520,000)	
	Add: Transfer of tax holiday reserve to retained earnings	-	34,057,703	
	Balance carried forward	9,951,259	(2,285,883)	
11	Tax Holiday Reserve			
	Year			
	1996-1997	-	8,489,546	
	1997-1998	-	8,539,236	
	1998-1999	-	5,687,240	



Anwar Galvanizing Limited
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Note No.	Particulars	31 December 2019 Taka	30 June 2019 Taka
	1999-2000	-	5,700,825
	2000-2001	-	5,640,856
		-	34,057,703
	Less: Transfer of tax holiday reserve to retained earnings	-	(34,057,703)
	Closing balance	-	-

The company transferred the 'Tax Holiday Reserve' fully to the 'Retained Earnings' in the financial year ended on 30 June 2019 since tax holiday period relating to the reserve has already been elapsed since long and there is no requirement by law to continue this special reserve in accounts.

12 Deferred Tax Liability

Opening Balance	10,320,053	10,409,064
Deferred tax (income)/ expense charged in Profit & Loss	(940,846)	(89,011)
Closing Balance	9,379,207	10,320,053

Particulars	Carrying Value	Tax Based Value	Temporary Difference
Property, Plant and Equipments			
Land	8,877,421	8,877,421	-
Other than land	81,399,101	43,882,277	37,516,824
	90,276,522	52,759,698	37,516,824
Applicable Tax Rate			
On land			15%
On other than land			25%
Deferred Tax Liability			
On land			-
On other than land			9,379,207
Deferred tax liabilities as on December 31, 2019			9,379,207

13 Trade and Other Payables

Income tax payable		11,775,247	7,984,244
Advance received from customers		11,702,662	9,554,075
Liabilities for expenses	13.1	33,602,248	26,970,851
Trade payable		84,359,410	70,848,323
		141,439,567	115,357,493

13.1 Liabilities for Expenses

Unpaid dividend		11,970,462	12,080,301
Liabilities for other expense		16,288,967	8,838,332
TDS & VDS payable		213,640	963,066
Liabilities for salaries, wages and others		5,129,178	5,089,152
		33,602,248	26,970,851



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

Particulars	July '19 to December '19	July '18 to December '18	October '19 to December '19	October '18 to December '18
14 Revenue				
Sales: GI Fittings	223,779,136	185,767,608	113,164,797	90,813,391
Sales: Brake Drum	-	13,668,026	-	6,086,450
Sales: Others	11,150,150	5,665,699	7,083,875	1,947,401
Total Sales	234,929,286	205,101,334	120,248,671	98,847,241
15 Cost of Goods Sold				
Raw materials consumption	97,501,994	60,659,734	60,263,368	30,125,684
Auxiliary materials consumption	28,061,199	15,332,355	13,655,122	4,238,510
Spare parts and other material consumption	32,594,641	16,328,997	20,902,877	8,669,631
Direct wages	44,818,872	39,520,453	21,837,099	20,367,072
Power cost	21,932,722	17,062,628	10,492,913	9,544,899
Carriage inward	288,275	128,510	120,758	76,760
Prime cost	225,197,704	149,032,677	127,272,137	73,022,557
Factory overheads	10,791,786	6,663,726	5,667,451	3,659,552
Opening stock of work -in-process	38,502,547	44,747,599	43,851,641	37,564,996
Closing stock of work -in-process	(51,010,195)	(29,966,666)	(51,010,195)	(29,966,666)
Cost of production	223,481,842	170,477,336	125,781,034	84,280,439
Opening stock of finished goods	43,770,920	49,675,758	40,562,630	44,504,761
Closing stock of finished goods	(60,967,240)	(39,396,549)	(60,967,240)	(39,396,549)
Cost of goods sold	206,285,522	180,756,545	105,376,423	89,388,651
16 Earning Per Share (EPS)				
a) Profit Attributable to the ordinary shareholders	12,542,804	5,873,276	7,883,300	1,607,463
b) Weighted average number of ordinary shares outstanding	14,520,000	14,520,000	14,520,000	14,520,000
Basic earning per share (a/b)	0.86	0.40	0.54	0.11
<p>The company has ensured Net Profit Margin at 5.34% during the current period compared to 2.86% in the previous period. This is achieved by maintaining growth in revenue by 15% over the previous period and controlling overhead expenditures. The operational shift from manufacturing and distributing Brake Drums to only GI products has provided better margin and lower selling cost. Overall, this has led to substantial growth in EPS.</p>				
17 Net Assets Value (NAV)			As at 31 Dec'19	As at 30 Jun'19
Assets			305,970,033	268,591,662
Liabilities			150,818,774	125,677,546
a) Net assets value			155,151,259	142,914,117
b) Weighted average number of ordinary shares outstanding			14,520,000	14,520,000
Net Assets Value (NAV) per share (a/b)			10.69	9.84
18 Net Operating Cash Flow Per Share (NOCFPS)				
a) Net operating cash flow			10,788,693	6,534,000
b) Weighted average number of ordinary shares outstanding			14,520,000	14,520,000
Basic earning per share (a/b)			0.74	0.45
<p>The Net Operating Profit has risen by 75% during the period compared to the previous half-year period and working capital has been maintained in an efficient and effective manner resulting in the growth of NOCFPS.</p>				



Anwar Galvanizing Limited
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Particulars	July '19 to December '19	July '18 to December '18
19 Reconciliation of Operating Cash Flows		
Net profit before tax	14,892,961	14,892,961
Add: Items not involving movement of cash		
Depreciation on property, plant and equipment	3,887,285	3,726,000
(Gain)/loss on disposal on non current asset	1,492,771	-
Finance cost	114,341	366,867
Provision for WPPF	744,649	403,577
A. Cash generation from operations before changes in working capital	21,132,007	19,389,405
Changes in working capital		
(Increase)/decrease in inventory	(27,614,604)	(12,297,456)
(Increase)/decrease in trade and other receivable	(1,163,236)	(260,833)
(Increase)/decrease in advance, deposit and prepayment	(3,577,336)	(2,402,770)
Increase/(decrease) in trade and other payable	24,611,863	2,143,210
B. Total changes in working capital	(7,743,314)	(12,817,849)
C. Cash generated from operating activities (A+B)	13,388,693	6,571,556
Less: Payment made during the period		
Income tax	2,600,000	-
Finance cost	-	37,556
D. Net cash inflow from operating activities	10,788,693	6,534,000

20 Director of the Company:

Number of Director:

There are 10 Directors in the Company during the period ended 31 December 2019.

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.

21 Related Party Transactions:

During the year 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 Discloser.

Name of party/Company	Nature of Transaction	Relation	31 Dec 2019	30 June 2019
Anwar Ispat Ltd.	Supply of Material	Common Director	30,100,077	32,026,845
A One Polymer Ltd	Supply of Material	Common Director	3,660,370	17,174,248
Anwar Integretad Steel Plant Ltd.	Supply of Material	Common Director	3,412,371	3,412,371
Anwar Cement Sheet Ltd.	Supply of Material	Common Director	3,619	(108,849)

22 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 27 January 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.