

Anwar Galvanizing Limited

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

FINANCIAL STATEMENTS

As at and for the period ended 31 December-2020



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

Statement of Financial Position
As on 31 December 2020

Particulars	Notes	As at 31 Dec-2020	As at 30 June 2020
Property, Plant and Equipments	3	98,903,933	91,793,269
Non-Current Asstes		98,903,933	91,793,269
Inventories	4	125,452,159	116,694,083
Trade Receivables	5	1,543,353	4,470,157
Advances, Deposits and Pre- Payments	6	47,979,484	40,822,970
Short Term Investment	7	1,055,283	919,051
Cash and Cash Equivalents	8	34,068,242	28,469,311
Current Assets		210,098,520	191,375,573
Total Assets		309,002,453	283,168,842
Share Capital	9	145,200,000	145,200,000
Retained Earnings	10	37,237,333	13,031,854
Other Components of Equity	11	(509,043)	(645,275)
Total Equity		181,928,290	157,586,579
Deferred Tax Liability	12	9,003,728	9,402,441
Non Current Liabilities		9,003,728	9,402,441
Trade and Other Payables	13	96,245,832	87,200,645
Income Tax Liabilities	14	16,122,759	10,230,526
Short Term Loan	15	5,701,844	18,748,650
Current Liabilities		118,070,435	116,179,822
Total Equity and Liabilities		309,002,453	283,168,842
Net Asstes Value Per Share (NAV)	19	12.53	10.85

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


Chief Financial Officer


Director


Managing Director


Company Secretary


Chairman

Dated : Dhaka, 27 January, 2021

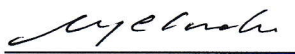


Anwar Galvanizing Limited
Registered Office: 27, Dilkusha C/A, Dhaka-1000.


Statement of Profit and Loss and Other Comprehensive Income
For the Period ended 31 December 2020

Particulars	Notes	July '20 to Dec '20	July '19 to Dec '19	Oct '20 to Dec '20	Oct '19 to Dec '19
Revenue	16	293,856,809	234,929,286	128,664,595	120,248,671
Cost of Goods Sold	17	(246,811,551)	(206,285,522)	(107,771,834)	(105,376,423)
Gross Profit		47,045,258	28,643,764	20,892,761	14,872,248
Administrative Expenses		(6,473,208)	(8,180,444)	(3,440,934)	(3,429,583)
Selling and Distribution Expenses		(6,477,982)	(5,082,810)	(3,070,441)	(1,266,694)
Operating Expenses		(12,951,190)	(13,263,254)	(6,511,375)	(4,696,277)
Operating Profit		34,094,068	15,380,510	14,381,386	10,175,970
Financial Expenses		(1,458,926)	(114,341)	(619,468)	(83,441)
Non-Operating Income		123,807	371,442	65,075	331,636
		(1,335,119)	257,100	(554,393)	248,195
Profit Before Distribution of WPPF		32,758,949	15,637,610	13,826,993	10,424,166
Contribution to WPPF		(1,559,950)	(744,649)	(658,429)	(496,389)
Profit Before Tax		31,198,999	14,892,961	13,168,564	9,927,777
Current Tax		(7,392,233)	(3,291,003)	(2,781,517)	(2,606,190)
Deferred Tax		398,713	940,846	236,214	561,714
Income Tax expense		(6,993,520)	(2,350,157)	(2,545,303)	(2,044,476)
Net Profit After Tax		24,205,479	12,542,804	10,623,261	7,883,301
Unrealized Gain/(loss) on Marketable Securities		136,232	(305,661)	(10,228)	(139,461)
Total Comprehensive Income for the period		24,341,711	12,237,143	10,613,033	7,743,839
Earning Per Share (EPS)	18	1.67	0.86	0.73	0.54

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



Chief Financial Officer



Director



Managing Director



Company Secretary



Chairman

Dated : Dhaka, 27 January, 2021



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

Statement of Cash Flows
For the Period ended 31 December 2020

Particulars	Notes	July '20 to Dec '20	July '19 to Dec '19
Cash Flows from Operating Activities:			
Collection from Customers and others		318,889,576	248,071,817
Payment for Suppliers, Employees & others		(282,433,948)	(234,683,124)
Income Tax Paid		(4,794,510)	(2,600,000)
Interest Paid		(1,328,885)	-
Net Cash Inflow/(Outflow) from Operating Activities		30,332,233	10,788,693
Cash Flows from Investing Activities			
Payment for the Acquisition of Property, Plant & Equipment		(7,549,127)	(7,900,657)
Payment for the Capital Work-In-Progress		(4,102,264)	-
Net Cash Inflow/(Outflow) from Investing Activities		(11,651,392)	(7,900,657)
Cash Flows from Financing Activities			
Dividend Paid		(35,105)	(109,839)
Inter Company Payment		-	-
Paid Loan against Trust Receipts (LTR)		(13,046,806)	-
Net Cash Inflow/(Outflow) from Financing Activities		(13,081,911)	(109,839)
Net Increase/(Decrease) in Cash and Cash Equivalents		5,598,930	2,778,197
Cash and Cash Equivalents at the Beginning of the Period		28,469,311	33,356,832
Cash and Cash Equivalents at the Period End		34,068,242	36,135,029
Net Operating Cash Flow Per Share (NOCFPS)	20	2.09	0.74

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Chief Financial Officer


Director


Managing Director


Company Secretary


Chairman

Dated : Dhaka, 27 January, 2021



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

Statement of Changes in Equity
For the Period ended 31 December 2020

Particulars	Share Capital	Retained Earnings	Other Components of Equity	Total
Balance as on 30 July 2020	145,200,000	13,031,854	(645,275)	157,586,579
Total Comprehensive Income/(Loss)	-	24,205,479	-	24,205,479
Unrealized Gain/ (Loss)	-	-	136,232	136,232
Dividend (Cash)	-	-	-	-
Balance as on 31 December 2020	145,200,000	37,237,333	(509,043)	181,928,290
Balance as on 31 December 2019	145,200,000	10,603,779	(652,519)	155,151,259

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



Chief Financial Officer



Director



Managing Director



Company Secretary



Chairman

Dated : Dhaka, 27 January, 2021



Notes to the Financial Statements
For the period ended 31 December 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 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 2020 to 31 December 2020. Comparative information has been disclosed as per the requirement of Securities Exchange Commission.

Note No.	Particulars	Notes	31 December 2020 Taka	30 June 2020 Taka
3.00 Property, Plant and Equipments				
	Property, Plant and Equipments	3.01	88,970,695	85,962,296
	Capital Work -in-progress	3.02	9,933,237	5,830,973
			98,903,933	91,793,269
3.01 Property, Plant and Equipments				
	A. Cost			
	Opening Balance as on 01 July		133,361,330	128,082,944
	Addition During the period		7,549,127	9,049,256
	Disposal during the period		-	(3,770,870)
	Total Cost		140,910,458	133,361,330
	B. Accumulated Depreciation			
	Opening Balance as on 01 July		47,399,034	40,051,421
	Depreciation for the Period		4,540,728	9,350,108
	Depreciation on Disposal of assets during the Period		-	(2,002,495)
	Total Depreciation		51,939,762	47,399,034
	Written down value (A-B)		88,970,695	85,962,296
3.02 Capital Work -In-Progress				
	Opening Balance as on 01 July 2020		5,830,973	-
	Addition During the period		9,381,897	11,595,510
	Transfer to non-current assets during the period		(5,279,633)	(5,764,537)
	Total Cost as on 31 December 2020		9,933,237	5,830,973
4.00 Inventories				
	Raw materials		8,659,494	5,748,394
	Auxiliary materials		13,564,017	10,011,368
	Spare parts and other materials		31,733,824	32,173,795
	Finished goods		29,734,249	30,101,020
	Work -in-process		41,760,574	38,659,507
			125,452,159	116,694,083



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

Note No.	Particulars	31 December 2020 Taka	30 June 2020 Taka
5.00	Trade Receivables		
	Receivable from dealers	2,286,951	5,213,755
	Provision for doubtful debt	(743,598)	(743,598)
		1,543,353	4,470,157
6.00	Advances, Deposits and Pre- Payments		
	Advances	43,054,932	35,898,418
	Security deposits	4,924,552	4,924,552
		47,979,484	40,822,970
7.00	Short Term Investment		
	Name of Company	Cost Price	Market Price
	Jamuna Oil Limited- No of Share 3,932	702,800	543,402
	M.I. Cement Factory Limited- No of Share 5,500	652,600	240,900
	Sumit Power Limited- No of Share 3,839	208,926	134,749
		1,564,326	919,051
8.00	Cash and Cash Equivalents		
	Cash at banks	30,408,373	25,265,764
	Cash in hand	3,659,869	3,203,548
		34,068,242	28,469,311
9.00	Share Capital		
	Authorized Capital		
	5,00,00,000 Ordinary Shares of Tk. 10 Each	500,000,000	500,000,000
	Issued, Subscribed, and Paid-up-Capital		
	14,520,000 Ordinary Shares of Tk.10 each	145,200,000	145,200,000
		145,200,000	145,200,000
10.00	Retained Earnings		
	Profit brought forward	13,031,854	(1,939,025)
	Less: Prior year adjustment	-	-
	Adjusted opening balance	13,031,854	(1,939,025)
	Net profit during the period	24,205,479	29,490,879
	Less : Stock/Cash Dividend	-	(14,520,000)
	Balance carried forward	37,237,333	13,031,854
11.00	Other Components of Equity		
	Opening balance	(645,275)	(346,858)
	Transfer from retained earnings to other income	-	-
		(645,275)	(346,858)
	Gain/(loss) on marketable securities (unrealized)	136,232	(298,417)
	Balance carried forward	(509,043)	(645,275)



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

Note No.	Particulars	31 December 2020 Taka	30 June 2020 Taka
12.00	Deferred Tax Liability		
	Opening Balance	9,402,441	10,320,053
	Deferred tax (income)/ expense charged in Profit & Loss	(398,713)	(917,612)
	Closing Balance	9,003,728	9,402,441
	Particulars	Carrying Value	Tax Based Value
	Property, Plant and Equipments		Temporary Difference
	Land	8,877,421	8,877,421
	Other than land	77,084,877	41,069,967
		85,962,298	49,947,388
	Applicable Tax Rate		
	On land		15%
	On other than land		25%
	Deferred Tax Liability		
	On land		-
	On other than land		9,003,728
	Deferred tax liabilities as on December 31, 2020		9,003,728
13.00	Trade and Other Payables		
	Trade payable	9,734,440	18,486,612
	Liabilities for expenses	13.01	44,923,985
	Advance received from customers	41,587,407	22,498,183
		96,245,832	87,200,645
13.01	Liabilities for Expenses		
	Unpaid dividend	15,885,052	15,920,157
	Liabilities for other expense	11,675,663	15,258,129
	Provision for WPPF	13.01.01	8,947,780
	Liabilities for salaries, wages and others	7,453,910	7,304,917
	TDS & VDS payable	961,580	344,818
		44,923,985	46,215,851
13.01.01	Provision for WPPF		
	Opening Balance	7,387,830	5,438,070
	Provision made during the period	1,559,950	1,949,760
		8,947,780	7,387,830
14.00	Income Tax Payable		
	Opening balance	10,230,526	7,984,244
	Tax provision made during the period	14.01	7,392,233
	Adjustment of tax liability with advance tax paid	(1,500,000)	(2,000,000)
	Tax payment against demand for the Tax Return	-	(6,175,640)
	Closing balance	16,122,759	10,230,526



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

Note No.	Particulars	31 December 2020 Taka	30 June 2020 Taka
14.01	Tax Computation for the period		
	Net Profit before tax	31,198,999	38,995,189
	<u>Add: Expenditures for separate consideration:</u>		
	Accounting Depreciation	4,540,728	9,350,108
	Entertainment	407,334	1,590,727
	<u>Less: Admissible expense</u>		
	Depreciation as per third Schedule	(5,954,275)	(7,377,162)
	Entertainment Expenses as per section 30(f)(i) of ITO & Rule-65	(623,856)	(871,177)
	Net taxable business income	29,568,929	41,687,685
	Income tax rate	25%	25%
	Income tax expense charged	7,392,232	10,421,921
14.02	Reconciliation of Effective Tax Rate		
	Profit before income tax (A)	31,198,999	38,995,189
	Applicable tax rate	25%	25%
	Income tax (B)	7,799,750	9,748,797
	<u>Factors effecting the tax charge for the current period:</u>		
	(Excess)/ short of fiscal depreciation over accounting depreciation	(1,413,547)	1,972,946
	Inadmissible expense	(216,522)	719,550
	Movement of temporary differences: (credit)/charge as above	(1,630,069)	2,692,496
	Tax on temporary differences (C)	(407,517)	673,124
	Total income tax expense (B+C)	7,392,232	10,421,921
	Effective tax rate (B+C)/A	23.69%	26.73%
15.00	Short Term Loan		
	Opening Balance	18,748,650	-
	LTR used during the period	83,112,082	49,430,816
	LTR settled during the period	(96,158,888)	(30,682,165)
		5,701,844	18,748,650



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

Particulars	July '20 to December '20	July '19 to December '19	October '20 to December '20	October '19 to December '19
16 Revenue				
Sales: GI Fittings	284,760,100	223,779,136	125,019,396	113,164,797
Sales: Others	9,096,709	11,150,150	3,645,199	7,083,875
Total Sales	293,856,809	234,929,286	128,664,595	120,248,671

The sales amount is presented net of VAT.

17 Cost of Goods Sold				
Raw materials consumption	99,579,549	97,501,994	24,378,492	60,263,368
Auxiliary materials consumption	35,367,841	28,061,199	14,553,036	13,655,122
Spare parts and other material consumption	38,002,939	32,594,641	16,617,371	20,902,877
Direct wages	39,806,362	44,818,872	20,451,411	21,837,099
Power cost	27,171,510	21,932,722	15,099,347	10,492,913
Carriage inward	219,125	288,275	103,720	120,758
Prime cost	240,147,326	225,197,704	91,203,376	127,272,137
Factory overheads	9,398,523	10,791,786	5,368,784	5,667,451
Opening stock of work -in-process	38,659,507	38,502,547	38,200,375	43,851,641
Closing stock of work -in-process	(41,760,574)	(51,010,195)	(41,760,574)	(51,010,195)
Cost of production	246,444,780	223,481,842	93,011,961	125,781,034
Opening stock of finished goods	30,101,020	43,770,920	44,494,121	40,562,630
Closing stock of finished goods	(29,734,249)	(60,967,240)	(29,734,249)	(60,967,240)
Cost of goods sold	246,811,551	206,285,522	107,771,834	105,376,423

18 Earning Per Share (EPS)				
a) Profit Attributable to the ordinary shareholders	24,205,479	12,542,804	10,623,261	7,883,301
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)	1.67	0.86	0.73	0.54

The company has ensured Net Profit Margin at 8.24% during the current period compared to 5.34% in the previous period. This is achieved by maintaining growth in revenue by 25% over the previous period and controlling overhead expenditures. Overall, this has led to substantial growth in EPS.

	As at 31 Dec'20	As at 30 Jun'20
19 Net Assets Value (NAV)		
Assets	309,002,453	283,168,842
Liabilities	127,074,163	125,582,263
a) Net assets value	181,928,290	157,586,579
b) Weighted average number of ordinary shares outstanding	14,520,000	14,520,000
Net Assets Value (NAV) per share (a/b)	12.53	10.85

	July '20 to December '20	July '19 to December '19
20 Net Operating Cash Flow Per Share (NOCFPS)		
a) Net operating cash flow	30,332,233	10,788,693
b)Weighted average number of ordinary shares outstanding	14,520,000	14,520,000
Basic earning per share (a/b)	2.09	0.74

The Net Operating Cash Flow Per Share (NOCFPS) has risen by 2.82 times during the period compared to the previous half-year period. This is achieved by increased EPS and efficient management of working capital. Loan against Trustee Receipt (LTR) facility has been availed during the period which positively contributed the NOCFPS.



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

Particulars	July '20 to December '20	July '19 to December '19
21 Reconciliation of Operating Cash Flows		
Net profit before tax	31,198,999	14,892,961
Add: Items not involving movement of cash	-	-
Depreciation on property, plant and equipment	4,540,728	3,887,285
(Gain)/loss on disposal on non current asset	-	1,492,771
Finance cost	1,458,926	114,341
Provision for WPPF	1,559,950	744,649
A. Cash generation from operations before changes in working capital	38,758,603	21,132,007
Changes in working capital		
(Increase)/decrease in inventory	(8,758,077)	(27,614,604)
(Increase)/decrease in trade and other receivable	2,926,804	(1,163,236)
(Increase)/decrease in advance, deposit and prepayment	(7,292,745)	(3,577,336)
Increase/(decrease) in trade and other payable	10,821,043	24,611,863
B. Total changes in working capital	(2,302,974)	(7,743,314)
C. Cash generated from operating activities (A+B)	36,455,629	13,388,693
Less: Payment made during the period		
Income tax	4,794,510	2,600,000
Finance cost	1,328,885	-
D. Net cash inflow from operating activities	30,332,233	10,788,693

22 Director of the Company:

Number of Director:

There are 10 Directors in the Company during the period ended 31 December 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 except to the Directors as Board Meeting fees.

23 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 2020	30 June 2020
Anwar Ispat Ltd.	Supply of Material	Common Director	(1,694,146)	8,378,008
A One Polymer Ltd	Supply of Material	Common Director	(2,354,986)	(3,837,682)
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	(76,125)	(11,237)

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 28 January 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 authorized for issue.