

Anwar Galvanizing Limited

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

FINANCIAL STATEMENTS

As at and for the period ended 31 March-2021



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

Statement of Financial Position
As on 31 March 2021

Particulars	Notes	As at 31 March-2021	As at 30 June 2020
Property, Plant and Equipments	3	101,163,266	91,793,269
Non-Current Asstes		101,163,266	91,793,269
Inventories	4	158,563,999	116,694,083
Trade Receivables	5	5,175,692	4,470,157
Advances, Deposits and Pre- Payments	6	75,284,380	40,822,970
Short Term Investment	7	1,019,523	919,051
Cash and Cash Equivalents	8	30,027,266	28,469,311
Current Assets		270,070,860	191,375,573
Total Assets		371,234,126	283,168,842
Share Capital	9	152,460,000	145,200,000
Retained Earnings	10	23,699,410	13,031,854
Other Components of Equity	11	(544,803)	(645,275)
Total Equity		175,614,607	157,586,579
Deferred Tax Liability	12	9,422,984	9,402,441
Non Current Liabilities		9,422,984	9,402,441
Trade and Other Payables	13	120,823,837	87,200,645
Income Tax Liabilities	14	13,312,619	10,230,526
Short Term Loan	15	52,060,079	18,748,650
Current Liabilities		186,196,535	116,179,822
Total Equity and Liabilities		371,234,127	283,168,842
Net Assets Value Per Share (NAV)	19	11.52	10.85

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



Chief Financial Officer



Director



Managing Director



Company Secretary



Chairman

Dated: April 26, 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 March 2021

Particulars	Notes	July'20 to March '21	July'19 to March '20	January '21 to March '21	January '20 to March '20
Revenue	16	437,768,653	394,392,167	143,911,845	159,462,881
Cost of Goods Sold	17	(370,113,057)	(345,396,141)	(123,301,506)	(139,110,619)
Gross Profit		67,655,596	48,996,026	20,610,338	20,352,262
Administrative Expenses		(10,204,310)	(11,526,954)	(3,731,103)	(3,346,510)
Selling and Distribution Expenses		(10,435,781)	(8,149,008)	(3,957,799)	(3,066,198)
Operating Expenses		(20,640,091)	(19,675,962)	(7,688,902)	(6,412,708)
Operating Profit		47,015,505	29,320,064	12,921,437	13,939,555
Financial Expenses		(2,104,297)	(466,791)	(645,371)	(352,449)
Non-Operating Income		226,892	446,508	103,085	75,066
		(1,877,405)	(20,283)	(542,286)	(277,384)
Profit Before Distribution of WPPF		45,138,100	29,299,781	12,379,151	13,662,171
Contribution to WPPF		(2,149,434)	(1,395,228)	(589,484)	(650,580)
Profit Before Tax		42,988,667	27,904,553	11,789,667	13,011,591
Current Tax		(10,520,567)	(7,145,444)	(3,128,334)	(3,854,441)
Deferred Tax		(20,543)	1,026,524	(419,256)	85,678
Income Tax expense		(10,541,110)	(6,118,921)	(3,547,590)	(3,768,763)
Net Profit After Tax		32,447,557	21,785,632	8,242,077	9,242,828
Unrealized Gain/(loss) on Marketable Securities		100,472	(295,336)	(35,760)	10,325
Total Comprehensive Income for the period		32,548,029	21,490,297	8,206,317	9,253,153
Basic Earning Per Share	18	2.13	1.50	0.54	0.64
Restated basic earning per share		2.13	1.43	0.54	0.61

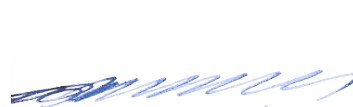
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Chief Financial Officer


Director


Managing Director


Company Secretary


Chairman

Dated: April 26, 2021



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

Statement of Cash Flows
For the Period ended 31 March 2021

Particulars	Notes	July'20 to March '21	July'19 to March '20
Cash Flows from Operating Activities:			
Collection from Customers and others		466,568,741	416,178,778
Payment for Suppliers, Employees & others		(449,954,612)	(386,128,841)
Income Tax Paid		(13,136,895)	(3,368,445)
Interest Paid		(1,597,526)	(5,933)
Net Cash Inflow/(Outflow) from Operating Activities		1,879,708	26,675,558
Cash Flows from Investing Activities			
Payment for the Acquisition of Property, Plant & Equipment		(7,549,127)	(9,057,691)
Payment for the Capital Work-In-Progress		(9,063,591)	-
Net Cash Inflow/(Outflow) from Investing Activities		(16,612,718)	(9,057,691)
Cash Flows from Financing Activities			
Dividend Paid		(17,020,464)	(10,659,755)
Inter Company Payment		-	-
Paid Loan against Trust Receipts (LTR)		33,311,429	(5,101,142)
Net Cash Inflow/(Outflow) from Financing Activities		16,290,965	(15,760,897)
Net Increase/(Decrease) in Cash and Cash Equivalents		1,557,955	1,856,970
Cash and Cash Equivalents at the Beginning of the Period		28,469,311	33,356,832
Cash and Cash Equivalents at the Period End		30,027,266	35,213,802
Net Operating Cash Flow Per Share (NOCFPS)	20	0.12	1.84

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Chief Financial Officer



Director



Managing Director



Company Secretary



Chairman

Dated: April 26, 2021




Anwar Galvanizing Limited
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Statement of Changes in Equity
For the Period ended 31 March 2021

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
Total Comprehensive Income/(Loss)	-	32,447,557	-	32,447,557
Unrealized Gain/ (Loss)	-	-	100,472	100,472
Dividend (Cash)	-	(14,520,000)	-	(14,520,000)
Dividend (Stock)	7,260,000	(7,260,000)	-	-
Balance as on 31 March 2021	152,460,000	23,699,410	(544,803)	175,614,607
Balance as on 31 March 2020	145,200,000	5,326,607	(642,194)	149,884,413

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Chief Financial Officer


Director


Managing Director


Company Secretary


Chairman

Dated: April 26, 2021



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

Notes to the Financial Statements

For the period ended 31 March 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

2.2 Basis of Preparation

The Third 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 Third Quarter Financial Statements of the company has been prepared for the period from 01 July 2020 to 31 March 2021. Comparative information has been disclosed as per the requirement of Securities Exchange Commission.

Note No.	Particulars	Notes	31 March 2021 Taka	30 June 2020 Taka
3.00	Property, Plant and Equipments			
	Property, Plant and Equipments	3.01	101,087,342	85,962,296
	Capital Work -in-progress	3.02	75,924	5,830,973
			101,163,266	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		22,892,766	9,049,256
	Disposal during the period		-	(3,770,870)
	Reclassified		(525,000)	-
	Total Cost		155,729,097	133,361,330
	B. Accumulated Depreciation			
	Opening Balance as on 01 July		47,399,034	40,051,421
	Depreciation for the Period		7,242,721	9,350,108
	Depreciation on Disposal of assets during the Period		-	(2,002,495)
	Total Depreciation		54,641,755	47,399,034
	Written down value (A-B)		101,087,342	85,962,296



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

Note No.	Particulars	31 March 2021 Taka	30 June 2020 Taka
3.02 Capital Work -In-Progress			
	Opening Balance as on 01 July 2020	5,830,973	-
	Addition During the period	9,936,527	11,595,510
	Reclassified	525,000	-
	Transfer to non-current assets during the period	(16,216,575)	(5,764,537)
	Total Cost as on 31 March 2021	75,924	5,830,973
4.00 Inventories			
	Raw materials	23,477,495	5,748,394
	Auxiliary materials	5,765,905	10,011,368
	Spare parts and other materials	49,490,287	32,173,795
	Finished goods	52,551,027	30,101,020
	Work -in-process	27,279,286	38,659,507
		158,563,999	116,694,083
The Inventory is valued at lower of net reliasable value & cost.			
5.00 Trade Receivables			
	Receivable from dealers	5,919,290	5,213,755
	Provision for doubtful debt	(743,598)	(743,598)
		5,175,692	4,470,157
6.00 Advances, Deposits and Pre- Payments			
	Advances	70,359,828	35,898,418
	Security deposits	4,924,552	4,924,552
		75,284,380	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	599,630
	M.I. Cement Factory Limited- No of Share 5,500	652,600	255,200
	Sumit Power Limited- No of Share 3,839	208,926	164,693
		1,564,326	1,019,523
8.00 Cash and Cash Equivalentents			
	Cash at banks	25,495,071	25,265,764
	Cash in hand	4,532,195	3,203,548
		30,027,266	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



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

Note No.	Particulars	31 March 2021 Taka	30 June 2020 Taka
	Issued, Subscribed, and Paid-up-Capital		
	14,520,000 Ordinary Shares of Tk.10 each - Opening Shares	145,200,000	145,200,000
	7,260,000 Ordinary Shares of Tk.10 each - Bonus Shares Issued	7,260,000	-
		152,460,000	145,200,000
	The 5% bonus share as approved in the AGM for the FY ended 30 June 2020 has been issued on March 2021 and the ordinary share capital has increased by 7,260,000 shares in the current period.		
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	32,447,557	29,490,879
	Less : Cash Dividend	(14,520,000)	(14,520,000)
	Less : Stock Dividend	(7,260,000)	-
	Balance carried forward	23,699,410	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)	100,472	(298,417)
	Balance carried forward	(544,803)	(645,275)
12.00	Deferred Tax Liability		
	Opening Balance	9,402,441	10,320,053
	Deferred tax (income)/ expense charged in Profit & Loss	20,543	(917,612)
	Deferred tax (income)/ expense charged in OCI	-	-
	Closing Balance	9,422,984	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	92,209,920	54,517,986
		101,087,341	63,395,407
	Applicable Tax Rate		
	On land		15%
	On other than land		25%
	Deferred Tax Liability		
	On land		-
	On other than land		9,422,984
	Deferred tax liabilities as on March 31, 2021		9,422,984



Anwar Galvanizing Limited
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Note No.	Particulars	31 March 2021 Taka	30 June 2020 Taka
13.00	Trade and Other Payables		
	Trade payable	23,724,537	18,486,612
	Liabilities for expenses 13.01	48,137,369	46,215,851
	Advance received from customers	48,961,932	22,498,183
		120,823,837	87,200,645
13.01	Liabilities for Expenses		
	Unpaid dividend	13,419,693	15,920,157
	Liabilities for other expense	13,769,147	15,114,558
	Provision for WPPF 13.01.01	9,537,264	7,387,830
	Interest payable 13.01.02	308,786	143,571
	Liabilities for salaries, wages and others	9,296,024	7,304,917
	TDS & VDS payable	1,806,455	344,818
		48,137,369	46,215,851
13.01.01	Provision for WPPF		
	Opening Balance	7,387,830	5,438,070
	Provision made during the period	2,149,434	1,949,760
	Disbursement made during the period	-	-
		9,537,264	7,387,830
13.01.02	Interest payable		
	Opening Balance	143,571	-
	Provision made during the period	1,762,742	852,419
	Payment made during the period	(1,597,526)	(708,849)
		308,786	143,571
14.00	Income Tax Payable		
	Opening balance	10,230,526	7,984,244
	Tax provision made during the period 14.01	10,520,567	10,421,922
	Adjustment of tax liability with advance tax paid	(1,500,000)	(2,000,000)
	Tax payment against demand for the Tax Return	(5,938,474)	(6,175,640)
	Closing balance	13,312,619	10,230,526
14.01	Tax Computation for the period		
	Net Profit before tax	42,988,666	38,995,189
	<u>Add: Expenditures for separate consideration:</u>		
	Accounting Depreciation	7,242,721	9,350,108
	Entertainment	580,004	1,590,727
	<u>Less: Admissible expense</u>		
	Depreciation as per third Schedule	(7,849,895)	(7,377,162)
	Entertainment Expenses as per section 30(f)(i) of ITO & Rule-65	(879,230)	(871,177)
	Net taxable business income	42,082,265	41,687,685
	Income tax rate	25%	25%



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

Note No.	Particulars	31 March 2021 Taka	30 June 2020 Taka
14.02	Reconciliation of Effective Tax Rate		
	Profit before income tax (A)	42,988,666	38,995,189
	Applicable tax rate	25%	25%
	Income tax (B)	10,747,167	9,748,797
	<u>Factors effecting the tax charge for the current period:</u>		
	(Excess)/ short of fiscal depreciation over accounting depreciation	(607,175)	1,972,946
	Inadmissible expense	(299,226)	719,550
	Movement of temporary differences: (credit)/charge as above	(906,401)	2,692,496
	Tax on temporary differences (C)	(226,600)	673,124
	Total income tax expense (B+C)	10,520,566	10,421,921
	Effective tax rate (B+C)/A	24.47%	26.73%
15.00	Short Term Loan		
	Opening Balance	18,748,650	-
	LTR used during the period	150,059,358	49,430,816
	LTR settled during the period	(116,747,929)	(30,682,165)
		52,060,079	18,748,650



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

Particulars	July'20 to March '21	July'19 to March '20	January '21 to March '21	January '20 to March '20
16 Revenue				
Sales: GI Fittings	425,705,194	355,808,289	140,945,094	132,029,153
Sales: Others	12,063,459	38,583,878	2,966,751	27,433,728
Total Sales	437,768,653	394,392,167	143,911,845	159,462,881

The sales amount is presented net of VAT.

17 Cost of Goods Sold				
Raw materials consumption	168,791,466	154,291,880	69,211,917	58,790,167
Auxiliary materials consumption	49,575,929	38,266,650	14,208,088	10,205,450
Spare parts and other material consumption	52,327,960	41,920,262	14,325,021	9,325,621
Direct wages	59,833,330	66,357,880	20,026,968	21,539,008
Power cost	36,345,094	35,824,257	9,173,584	11,891,254
Carriage inward	297,330	789,546	78,205	501,271
Prime cost	367,171,109	337,450,475	127,023,783	112,252,772
Factory overheads	14,011,735	16,030,611	4,613,213	5,238,825
Opening stock of work -in-process	38,659,507	38,502,547	41,760,574	51,010,195
Closing stock of work -in-process	(27,279,286)	(44,583,775)	(27,279,286)	(44,583,775)
Cost of production	392,563,065	347,399,858	146,118,284	123,918,016
Opening stock of finished goods	30,101,020	43,770,920	29,734,249	60,967,240
Closing stock of finished goods	(52,551,027)	(45,774,638)	(52,551,027)	(45,774,638)
Cost of goods sold	370,113,057	345,396,141	123,301,506	139,110,619

18 Earning Per Share (EPS)				
a) Profit Attributable to the ordinary shareholders	32,447,557	21,785,632	8,242,077	9,242,828
b) Weighted average number of ordinary shares outstanding	15,246,000	14,520,000	15,246,000	14,520,000
Basic earning per share (a/b)	2.13	1.50	0.54	0.64
Restated basic earning per share	2.13	1.43	0.54	0.61

The company has ensured Net Profit Margin at 7.41% during the current period compared to 5.52% in the previous period. This is achieved by maintaining growth in revenue by 11% over the previous period and ensuring economies of scale over production and controlling overhead expenditures. Overall, this has led to substantial growth in EPS.

	As at 31 March '21	As at 30 Jun'20
19 Net Assets Value (NAV)		
Assets	371,234,126	283,168,842
Liabilities	195,619,519	125,582,263
a) Net assets value	175,614,607	157,586,579
b) Weighted average number of ordinary shares outstanding	15,246,000	14,520,000
Net Assets Value (NAV) per share (a/b)	11.52	10.85

	July'20 to March '21	July'19 to March '20
20 Net Operating Cash Flow Per Share (NOCFPS)		
a) Net operating cash flow	1,879,708	26,675,558
b) Weighted average number of ordinary shares outstanding	15,246,000	14,520,000
Basic earning per share (a/b)	0.12	1.84

The Net Operating Cash Flow Per Share (NOCFPS) has fallen to TK 0.12/share in the current compared to TK 1.84/share in the previous period. The corporate tax payment during the period has eroded the benefit of 12% growth of cash collection from



Anwar Galvanizing Limited
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Particulars	July'20 to March '21	July'19 to March '20
21 Reconciliation of Operating Cash Flows		
Net profit before tax	42,988,667	27,904,553
Add: Items not involving movement of cash	-	-
Depreciation on property, plant and equipment	7,242,721	6,828,615
(Gain)/loss on disposal on non current asset	-	1,492,771
Finance cost	2,104,297	466,791
Provision for WPPF	2,149,434	1,395,228
A. Cash generation from operations before changes in working capital	54,485,118	38,087,958
Changes in working capital		
(Increase)/decrease in inventory	(41,869,917)	(22,487,529)
(Increase)/decrease in trade and other receivable	(705,535)	2,722,794
(Increase)/decrease in advance, deposit and prepayment	(34,561,882)	(7,802,637)
Increase/(decrease) in trade and other payable	90,732,504	19,529,352
B. Total changes in working capital	13,595,171	(8,038,021)
C. Cash generated from operating activities (A+B)	68,080,289	30,049,937
Less: Payment made during the period		
Income tax	13,136,895	3,368,445
Finance cost	1,597,526	5,933
D. Net cash inflow from operating activities	53,345,868	26,675,558

22 Director of the Company:

Number of Director:

There are 10 Directors in the Company during the period ended 31 March 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) 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 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 Discloser.

Name of party/Company	Nature of Transaction	Relation	31 March 2021	30 June 2020
Anwar Ispat Ltd.	Supply of Material	Common Director	(1,641,257)	8,378,008
A One Polymer Ltd	Supply of Material	Common Director	(245,519)	(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	(382,694)	(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 26 April 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.