

ANNUAL REPORT 2021



ANWAR GALVANIZING LTD.
(a concern of Anwar Group of Industries)



অভিভাবক হারিয়ে মোহ্যমান আনোয়ার পরিবার

বাংলাদেশের অন্যতম বৃহৎ শিল্পগোষ্ঠী আনোয়ার গ্রুপ অব ইন্ডাস্ট্রিজ এর প্রতিষ্ঠাতা ও সম্মানিত চেয়ারম্যান, লালবাগ এলাকার সাবেক সংসদ সদস্য, প্রথম প্রজন্মের বেসরকারি ব্যাংক সিটি ব্যাংকের প্রতিষ্ঠাতা ও সাবেক চেয়ারম্যান আলহাজ্ব আনোয়ার হোসেন মৃত্যুবরণ করেছেন।
ইন্না লিল্লাহি ওয়া ইন্না ইলাইহি রাজিউন।

সারাজীবন মানুষ ও দেশের জন্য নিবেদিতপ্রাণ ছিলেন আমাদের প্রিয় অভিভাবক।
আমরা আনোয়ার গ্রুপের পক্ষ থেকে মরহমের আত্মার শান্তি ও মাগফেরাতের জন্য
সকলের কাছে দোয়া প্রার্থী।



ANWAR GROUP

আদর্শের অনুসরণে

“আমি চৌদ্দ হাজার লোকে খুশি নই, আমি আমার জীবদ্দশায়
পঁচিশ হাজার লোকের কর্মসংস্থান করে যেতে চাই”

— প্রয়াত চেয়ারম্যান আলহাজ্ব আনোয়ার হোসেন

“আমার যাত্রা এখানেই শুরু, বাবার শেষ ইচ্ছা পূরণ করা”

— নবনির্বাচিত চেয়ারম্যান মানোয়ার হোসেন

সমৃদ্ধির অগ্রযাত্রায় আনোয়ার শিল্প পরিবারের নবনির্বাচিত চেয়ারম্যান
জনাব মানোয়ার হোসেন-কে আমাদের আন্তরিক অভিনন্দন। তাঁর সহযাত্রী
ও শুভাকাঙ্ক্ষী হিসেবে আমাদের আনোয়ার পরিবার নিবেদিত সবসময়।

Letter Transmittal	02
Notice of the 27th Annual General Meeting	03
Company's Journey	04
Chairman's Statements	07
BAPLC Membership Certificate	08
Speech of the Managing Director	09
Declaration by CEO and CFO	10
Contribution to the National Exchequer	11

Inside this Report

Report of NRC	11
Certificate on Corporate Governance	12
Compliance Report on BSEC'S Notification	13
Independent Auditors' Report	20
Statement of Financial Position	24
Statement of Profit or Loss and Comprehensive Income	25
Statement of Changes in Equity	26
Statement of Cash Flows	27
Notes to the Financial Statements	28

Schedule of "Property, Plant & Equipment"	57
Directors' Report to the Shareholders	58
Audit Committee Report	65
Directors' Responsibilities	67
Directors' Appointment & Re-appointment	68
Corporate Governance Report	69
Management's Discussion and Analysis	71
Dividend Distribution Policy	73
Attendance Slip and Proxy Form	75

Letter of Transmittal

To
The Shareholders
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
Registrar of Joint Stock Companies & Firms

Annual Report for the year ended June 30, 2021

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report containing Directors' Report, Auditors' Report along with the Audited Financial Statements including Statement of Financial Position as at June 30, 2021, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended June 30, 2021 along with notes thereon and all related financial reports for your record and necessary measures.

Yours sincerely,

Sd/-
Tauhidul Islam FCS
Company Secretary

Dated: Dhaka
December 18, 2021

Notice of the Annual General Meeting

Anwar Galvanizing Limited
27, Dilkusha Commercial Area,
Motijheel, Dhaka-1000.

Notice of the 27th Annual General Meeting and Special Business to be Transacted

Notice is hereby given that the 27th Annual General Meeting (AGM) of Anwar Galvanizing Limited will be held on Wednesday dated January 12, 2022 at 11:30 a.m. through virtual platform to transact the following business:

A) Ordinary Business:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended June 30, 2021, together with reports of the Auditors and the Directors thereon.
2. To declare dividend for the year ended June 30, 2021.
3. To retire and elect directors as per the provisions of the Articles of Association of the Company.
4. To appoint of Independent director.
5. To appoint auditors for the year 2021-2022 and to fix their remuneration.
6. To appoint corporate compliance auditor for the year 2021-2022 and to fix their remuneration.

B) Special Business:

- 1) To consider the following proposed resolution, with or without modification, as a Special Resolution relating to related party Disclosure of Anwar Galvanizing Limited for the financial Year ended June 30, 2021.

RESOLVED that, the approval of the shareholders be and is hereby accorded to accept the transactions under related party as disclosed in the note number-27 of the audited financial statements of Anwar Galvanizing Limited for the year ended June 30, 2021.

By order of the Board,

Sd/-

Tauhidul Islam FCS
Company Secretary

Dated: Dhaka
December 18, 2021

Notes:

- i. The Shareholders whose names appeared in the Members Register of the Company or Depository Register on the Record Date i.e. November 18, 2021, will be eligible to attend the 27th AGM of the Company and to receive the Dividend.
- ii. A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- iii. Annual Report for the year 2020-21 will be sent through e-mail address of the Shareholders and will be available in the Website of the Company at: www.anwargalvanizing.com.
- iv. The Shareholders will be able to submit their questions/comments and vote electronically 1 (one) hour before commencement of the AGM and also during the AGM.
- v. We encourage the Shareholders to login into the system prior to the meeting.

Company's Journey

Company Name	: Anwar Galvanizing Limited (AGL)
Registration No.	: C-27860
Date of Incorporation	: February 14, 1995
Commencement of Business	: February 14, 1995
Legal Status	: Public Limited Company
Listed with Dhaka Stock Exchange Ltd.	: July 20, 1996
Listed with Chittagong Stock Exchange Ltd.	: July 24, 1996
Core Product	: GI Fittings
Nature of Business	: Manufacturing of Galvanized C.I. Sheet of all specifications and the Company started commercial production of GI Fittings from December 29, 2009.

Share Capital

Authorized Capital	: BDT 50,00,00,000.00
Subscribed Capital	: BDT 15,24,60,000.00
Paid-up Capital	: BDT 15,24,60,000.00

Group wise shareholding percentage as on June 30, 2021

Sponsors & Directors	: 35.32%
Institutes	: 18.32%
Government	: Nil
Foreigner (s)	: Nil
General Public	: 46.36%
No. of Shareholder	: 1,779

Contact Information

Registered & Corporate Head Office: Baitul Hossain Building (14th Floor), 27, Dilkusha C/A, Dhaka-1000.

Phone: +88 0222 3381335, +88 02 9570248 **Fax:** +88 029564020

Website: www.anwargalvanizing.com **Factory:** Morkun, Tongi, Gazipur, Bangladesh.

Board of Directors

Mr. Manwar Hossain	Chairman
Mr. Hossain Akhtar	Managing Director & CEO
Mr. Hossain Mehmood	Director
Mr. Hossain Khaled	Director
Mrs. Bibi Amena	Director
Mrs. Shaheena Begum	Nominated Director
Mrs. Hasina Begum	Nominated Director
Mr. Tareq Hossain	Shareholder Director
Mr. Naba Gopal Banik	Independent Director
Mr. Abul Quasem	Independent Director

Secretary to the Board

Mr. Tauhidul Islam, LL.M, FCS

Audit Committee

Mr. Naba Gopal Banik	Chairman
Mr. Manwar Hossain	Member
Mr. Hossain Mehmood	Member
Mr. Abul Quasem	Member

Secretary to the Committee

Mr. Tauhidul Islam LL.M, FCS

Nomination and Remuneration Committee (NRC)

Chairman

Mr. Abul Quasem

Member

Mr. Manwar Hossain
Mr. Hossain Mehmood

Secretary to the Committee

Mr. Tauhidul Islam LL.M, FCS

Management Team

Deputy Managing Director
Mr. Gopal C Ghosh, FCA, FCMA

Company Secretary
Mr. Tauhidul Islam, LL.M, FCS

Head of Internal Audit
Mr. Rubayat Sadik, ACA

Head of Finance & Account
Mr. Ramim Rana, ACA

Investors' Relation Department

Mr. Tauhidul Islam, LL.M, FCS
Company Secretary & In-charge of Share Department
Mrs. Tahrima Khan
Executive, Corporate Affairs

External Auditor

Mahfel Huq & Co.,
Chartered Accountants
Corporate Office: BGIC Tower (4th floor),
34 Topkhana Road, Dhaka-1000,
Bangladesh.

Compliance Auditor

SURAIYA PARVEEN & ASSOCIATES
Chartered Secretaries in Practice
Avalon Serabella, 5th Floor,
9, Dilu Road, New Eskaton, Ramna,
Dhaka-1000, Bangladesh.

Human Resources

Permanent: 546
Casual: NA

Legal Advisor

Sheikh & Chowdhury
Banglar Bani Bhaban (2nd Floor),
81, Motijheel Commercial Area,
Dhaka-1000.

Bankers

AB Bank Limited (ABBL)
Al-Arafah Islami Bank Limited (AAIBL)
BRAC Bank Limited (BBL)
Mutual Trust Bank Limited (MTBL)
Shahjalal Islami Bank Limited (SJIBL)
Standard Bank Ltd. (SBL)
United Commercial Bank Limited (UCBL)
Islami Bank Bangladesh Ltd. (IBBL)
Pubali Bank Limited (PBL)
Uttara Bank Limited (UBL)
NRB Commercial Bank Limited (NRBC)
Bangladesh Commerce Bank Ltd. (BCB)
First Security Islami Bank Ltd. (FSIBL)
Dutch-Bangla Bank Limited (DBL)
The City Bank Limited (CBL)
South Bangla Agriculture and Commerce Bank Limited
Modhumoti Bank Limited
Agrani Bank Limited
National Bank Limited

Statement of the Chairman

Dear Shareholders,

Assalamualaikum,

I am pleased to welcome you to the 27th Annual General Meeting of Anwar Galvanizing Limited (AGL). On behalf of the Board of Directors, I express our sincere gratitude to all shareholders once again for their confidence and trust on the management of the Company and continued support for the success of the Company.

We are now passing through a hard time. The COVID-19 pandemic has crushed the economy and life of the people all over the world. Amidst this economic attack and social disruptions, we completed perhaps one of the most challenging year in our history.

Despite hurdles and challenges, our performance during the year was truly remarkable. We recorded revenues of BDT 609,988,495 with a growth of 14% as compared to the earlier financial year and profit after tax arrived at BDT 59,725,897 which is 103% higher than previous year and finally growth in EPS of 93% than last year. In financial year 2020-2021, the Board of Directors of the Company has proposed 20% cash dividend and 10% Stock Dividend for the eligible shareholders.

Such an impressive performance in an entirely volatile situation is a manifestation of our strength to survive and ability to drive business in any difficult and uncertain condition. Our experienced, matured and expert management team took appropriate decisions and their strategies to achieve targets challenging the pandemic.

I want to thank the employees of the company for their dedication and hard work amid the destruction of COVID-19 pandemic. It is their passionate and committed effort that drives the business forward delivering excellent results and strong growth. The success we have achieved was only possible due to their collective efforts.

In conclusion, I express my gratitude to you, dear shareholders, for your trust and support which encouraged us. I wish you all good health and safe life.

I look forward to your continued support and best wishes.

Sd/-

Manwar Hossain
Chairman



**Statements from
the Managing Director and CEO**

Dear Shareholders,

Assalaamu-Alaikum,

It is a pleasure to welcome you at the 27th Annual General Meeting of Anwar Galvanizing Limited for the year ended June 30, 2021 which will be held on January 12, 2022. The annual report containing directors' report and other statutory statements as the requirements of laws and the regulatory authorities concerned has been sent to you in advance as usual.

I am pleased to report another successful year for the company with hard earned performance. I hope everyone has received the report and had the opportunity to review the operational results of the Company. Being the biggest among local producers, we have maintained our strong position in the top list. The management team is investing all its efforts to maintain continued growth performance in future.

I would like to note that Company has succeeded in improving performance of production, turnover and all profit centers including other income heads through skilful financial planning. As the operational results would be scanned, it would be clear that the Company's position reflects positive growth in revenue of 14%, Gross Profit of 42%, operating Profit of 64%, Profit after Tax of 103% and finally EPS of 93%. We have maintained consistent growth in terms of market share also.

I believe the Shareholders have had the satisfaction despite the operational hazards faced by the industrial, commercial, economic as well as social disorder created by the corona virus pandemic that spared most of the countries of the World.

While, concluding, I would like to appreciate the Government authorities, Private Sectors and the Civil Society for continued promotion of good governance and to take a wider and more active role in promoting shareholders rights.

Finally, I would like to express our sincerest gratitude and appreciation to all of our Shareholders and other Stakeholders for continued support and encouragements.

With best wishes for you all.

Sd/-

Hossain Akhtar
Managing Director

The Board of Directors
Anwar Galvanizing Limited
27, Dilkusha Commercial Area.
Motijheel, Dhaka-1000.

Subject: Declaration on Financial Statements for the year ended on June 30, 2021

Dear Sirs,

Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 Dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of the Anwar Galvanizing Limited for the year ended on June 30, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (3) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed;
- (4) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (5) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that

- (i) We have reviewed the financial statements for the year ended on June 30, 2021 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Managing Director & CEO

Sd/-
Chief Financial Officer (CFO)

Contribution to the National Exchequer & the Economy

In the development of industrialization, GI fittings have no alternative. This addition has contributed notably in enhancing building construction and providing job opportunities all over the country. As a shareholder you can be proud of your Company's contribution to the National economy of Bangladesh.

The Company has contributed a significant amount to the national exchequer in the form of different duties, taxes and VAT at different operation level activities. The details of such contribution to the Nation Exchequer and the Economy are as follows :

Forms of Duties, VAT & Tax Contribution	Amount (in Taka)	
	2020-2021	2019-2020
Salary Taxes	848,171	550,627
AIT of Suppliers	3,955,702	3,774,920
VAT of Suppliers	2,286,467	1,752,723
AIT on Dividend	1,953,590	2,026,761
AIT on lubricant Oil	24,421	19,037
Total	9,068,331	8,124,068

Report of the NRC

Under Condition # 6(5)(c) of CGC

The Board of Directors of Anwar Galvanizing Limited has formed the Nomination and Remuneration Committee (NRC) as a sub-Committee of the Board with specific Terms of References (ToRs) in compliance with Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission. The Committee is independent of the Company's executive management and is composed of three members including one independent director, nominated by the Board. The Chairman of the Committee is an Independent Director.

During the year, the NRC had one meeting. All members attended the meeting. The proceedings of the meeting were appropriately recorded. No member of the Committee received any meeting attendance fees.

The Company has a written policy on nomination and appointment of Directors in the Board. The policy it sets out the detail qualification and other eligibility norms for the members and the process of their nomination. The policy is fair and non-discriminative.

On behalf of the Committee

Sd/-
Md. Abul Quasem
Independent Director &
Chairman, Nomination and Remuneration Committee



Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[Certificate as per condition No.1 (5) (XXVII)]

**Report to the Shareholders of
Anwar Galvanizing Limited
On
Compliance of Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Anwar Galvanizing Limited** for the year ended on 30 June 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Dhaka, Dated
December 06, 2021



For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chief Executive Officer

Avalon Serabella, (5th Floor), 09, Dilu Road, New Eskaton, Ramna, Dhaka-1000
Cell : 01911 421 998, 01713 110 408

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.00	Board of Directors			
	Size of the Board of Directors:			
1.1	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Director			
1.2(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors	✓		
1.2(b)(i)	Do not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2(b)(ii)	Do not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	✓		
1.2(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1.2(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1.2(b)(v)	Independent directors are not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
1.2(b)(vi)	Independent director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		
1.2(b)(vii)	Independent director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	✓		
1.2(b)(viii)	They are not the Independent directors in more than 5 (five) listed companies	✓		
1.2(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	✓		
1.2(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1.2(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		No vacancy occurred
1.2(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. A former independent director may be considered for reappointment for another tenure after a time gap of one tenure. The independent director shall not be subject to retirement by rotation as the Companies Act, 1994.	✓		
1.3	Qualification of Independent Director (ID)			
1.3(a)	independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
1.3(b)	Independent director shall have following qualifications:			
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association	✓		

1.3(b)(ii)	Corporate leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company	√		
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law	√		
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law	√		
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	√		
1.3(c)	The independent director have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1.3(d)	In special cases, above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-		N/A
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1.5	Directors report to shareholders			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product-wise performance	√		
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		
1.5(iv)	Discussion on cost of goods sold, gross profit margin and net profit margin	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments	√		
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	√		
1.5(ix)	Explanation on significant variance occurs between Quarterly Financial performance and Annual Financial Statements	√		
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5(xii)	Proper books of account of the issuer company have been maintained	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1.5(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		

Annexure-B
[As per condition No. 9 of CGG]

1.5(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1.5(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1.5(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5(xx)	If the issuer company has not declared dividend (cash or stock) for the year	√		N/A
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		N/A
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1.5 (xxiii)	Report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details were stated below) held by:			
1.5(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
1.5(xxiii)(c)	Executives	√		
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		
1.5(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1.5(xxiv)(a)	A brief resume of the director	√		
1.5(xxiv)(b)	Nature of his or her expertise in specific functional areas	√		
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	√		
1.5(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof	√		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	√		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	√		
1.6	Meetings of the Board of Directors			
1.6	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		

2.00	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	-		N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	-		N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	-		N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	-		N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-		N/A
3.00	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3.1	Appointment			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3.2	Requirement to attend Board of Directors' Meetings			
3.2	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3(a)	The MD or CEO and CFO shall certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief			
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3.3(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee.	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5.1 (a)	The company shall have an Audit Committee as a subcommittee of the Board	√		
5.1 (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5.2	Constitution of the Audit Committee			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5.2 (b)	The Board shall appoint members of the Audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		

Annexure-B
[As per condition No. 9 of CGG]

5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	-		No such situation arisen
5.2 (e)	The company secretary shall act as the secretary of the Committee	√		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5.3	Chairperson of the Audit Committee			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b). And the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5.4	Meeting of the Audit Committee			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5	Role of Audit Committee			
5.5 (a)	Oversee the financial reporting process;	√		
5.5 (b)	Monitor choice of accounting policies and principles	√		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5.5 (d)	Oversee hiring and performance of external auditors;	√		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5.5 (f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5.5 (h)	Review the adequacy of internal audit function	√		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5.5 (j)	Review statement of all related party transactions submitted by the management	√		
5.5 (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	√		
5.6	Reporting of the Audit Committee			
5.6(a)	Reporting of the Board of Directors			
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5.6 (a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings report on conflicts of interests	N/A		No such situation arisen
5.6 (a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	N/A		No such situation arisen

5.6 (a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations	N/A		No such situation arisen
5.6 (a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	√		
5.6 (b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier	N/A		No such situation arisen
5.7	Reporting to the shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company	√		
6	Nomination and Remuneration Committee (NRC)			
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	√		
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√		
6.2	Constitution of the NRC			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	√		
6.2 (b)	All members of the Committee shall be non-executive directors;	√		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6.2 (g)	The company secretary shall act as the secretary of the Committee;	√		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	√		
6.3	Chairperson of the NRC			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	√		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: in absence of chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholders queries and reason for absence of the chairperson of the NRC shall be recorded in the minutes of the AGM	√		
6.4	Meeting of the NRC			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	√		
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		

Annexure-B
[As per condition No. 9 of CGG]

6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6.5	Role of the NRC			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6.5 (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract retain and motivate suitable directors to run the company successfully	√		
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		
6.5(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7.	External or Statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
7.1 (i)	Appraisal or valuation services or fairness opinions;	√		
7.1 (ii)	Financial information systems design and implementation;	√		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services;	√		
7.1 (v)	Actuarial services;	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	Any service that the Audit Committee determines;	√		
7.1 (viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1)	√		
7.1 (ix)	Any other service that creates conflict of interest.	√		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	√		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company.			
8.1	The company shall have an official website linked with the website of the stock exchange	√		
8.2	The company shall keep the website functional from the date of listing	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance.			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Independent Auditor's Report To the Shareholders' of Anwar Galvanizing Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Anwar Galvanizing Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2021 and along with the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements is present fairly, in all material respects, the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue Recognition	
See note 16.00 to the financial statements	
Risk	Our Response to the Risks
<p>The company reported total revenue of BDT 609,988,495 as 30 June 2021. Revenue increased by BDT. 75,736,847 which shows 14% higher revenue compared to last year. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the company's profitability, which has a consequent impact on its share price performance.</p> <p>Revenue is derived from sales of GI Fittings and Others (scrap and wastage) as disclosed in note 16 to the financial statements.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • calculation of each GI Fittings sales and Others sales; • specific reason behind no sales of brake drum. • segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded at the yearend date to determine whether revenue was recognized in the current period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>

2. Valuation of Inventories	
See note 4.00 to the financial statements	
Risk	Our Response to the Risks
<p>The company had inventories of BDT 202,405,019 at 30th June 2021, held in factory premises and warehouse.</p> <p>Inventory value is measured at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for value in use and working progress.</p> <p>The Work in Progress is calculated within the company's accounting systems using an automated process. Where local systems require manual interfaces and inputs, there is a risk that inappropriate management override and/or error may occur.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of warehouses. comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; and challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory to assess whether provisions for slow-moving/obsolete stock are valid and complete, if any

3. Trade Receivables	
See note 5.00 to the financial statements	
Risk	Our Response to the Risks
<p>The company has BDT. 81,694 of trade receivables as at 30 June 2021, which is net of Provision of bad debt amount to BDT. 812,557.</p> <p>The company has a large number of dealers, therefore the size of the trade receivable balance and the high level of management judgment used in determining the impairment provision is a significant issue.</p>	<p>For trade receivables and the management's policy for bad debt provision, our key audit procedures included the following:</p> <ul style="list-style-type: none"> We performed trade receivables balance confirmations from the dealers on a sample basis; We analyzed the aging of trade receivables; and We obtained a list of long outstanding receivables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matter, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, we also report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

Sd/-

Md. Abdus Satter Sarkar, FCA

ICAB enrollment no. : 1522

Mahfel Huq & Co., Chartered Accountants

Firm Registration no. P-46323

DVC: 2110121522AS256800

Place: Dhaka

Dated : 09 October, 2021

Anwar Galvanizing Limited
Statement of Financial Position
As at 30 June 2021

	Notes	30 June 2021 BDT	30 June 2020 BDT
Assets			
Non-current assets			
Property, plant and equipment	3.00	135,451,777	91,793,269
		135,451,777	91,793,269
Current Assets			
Inventories	4.00	202,405,019	116,694,083
Trade receivables	5.00	81,694	4,470,157
Advances, deposits and pre- payments	6.00	67,412,081	40,822,970
Short term investment	7.00	5,400,000	919,051
Cash and cash equivalents	8.00	25,676,820	28,469,311
		300,975,614	191,375,573
Total Assets		436,427,391	283,168,842
Equity and liabilities			
Shareholders' equity			
Share capital	9.00	152,460,000	145,200,000
Retained earnings	10.00	50,413,298	13,031,854
Other components of equity	11.00	-	(645,275)
		202,873,298	157,586,579
Non-current liabilities			
Deferred tax liabilities	12.00	8,639,338	9,402,441
		8,639,338	9,402,441
Current liabilities			
Trade and other payables	13.00	110,379,479	87,200,645
Income tax liabilities	14.00	14,893,440	10,230,526
Short term loan	15.00	99,641,836	18,748,650
Total current liabilities		224,914,755	116,179,822
Total Equity and Liabilities		436,427,391	283,168,842
Net Asset Value Per Share	23.00	13.31	10.85

The annexed notes form an integral part of these financial statements

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

Signed as per our annexed report on even date

Place: Dhaka
Dated : 09 October, 2021

Sd/-

Md. Abdus Satter Sarker, FCA
ICAB enrollment no: 1522
Mahfel Huq & Co., Chartered Accountants
Firm Registration no. P-46323
DVC: 2110121522AS256800

Anwar Galvanizing Limited
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June 2021

	Notes	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		BDT	BDT
Revenue	16.00	609,988,495	534,251,648
Cost of goods sold	17.00	(510,807,033)	(464,269,433)
Gross profit		99,181,462	69,982,214
Operating expenses			
Administrative expenses	18.00	(14,379,731)	(15,059,989)
Selling and distribution expenses	19.00	(16,366,173)	(13,128,587)
		(30,745,903)	(28,188,575)
Operating profit		68,435,559	41,793,639
Financial expenses	20.00	(3,812,452)	(1,025,231)
Non-operating income	21.00	12,925,939	176,541
Profit before distribution of WPPF		77,549,046	40,944,949
Contribution to WPPF	13.01.01	(3,692,812)	(1,949,760)
Profit before tax		73,856,234	38,995,189
Income tax expense			
Current	14.00	(14,893,440)	(10,421,922)
Deferred	12.00	763,103	917,612
		(14,130,337)	(9,504,310)
Profit after tax		59,725,897	29,490,879
Other comprehensive income			
Unrealized gain/(loss) on marketable securities	7.00	-	(298,417)
Total comprehensive income for the year		59,725,897	29,192,463
Basic Earning Per Share	24.01	3.92	2.03
Restated Earning per share	24.02	3.92	1.93

The annexed notes form an integral part of these financial statements

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

Signed as per our annexed report on even date

Place: Dhaka
Dated : 09 October, 2021

Sd/-
Md. Abdus Satter Sarker, FCA
ICAB enrollment no: 1522
Mahfel Huq & Co., Chartered Accountants
Firm Registration no. P-46323
DVC: 2110121522AS256800

Anwar Galvanizing Limited
Statement of Changes in Equity
For the year ended 30 June 2021

Amount in BDT

Particulars	Share Capital	Retained Earnings	Other Components of Equity	Total
Balance as on 30 June 2019	145,200,000	(1,939,025)	(346,858)	142,914,117
Profit after tax	-	29,490,879	(298,417)	29,192,463
Cash dividend	-	(14,520,000)	-	(14,520,000)
Balance as on 30 June 2020	145,200,000	13,031,854	(645,275)	157,586,579
Prior period adjustment	-	(191,396)	-	(191,396)
Profit after tax	-	59,725,897	-	59,725,897
Gain/ (loss) from sales realisation	-	-	272,218	272,218
Transfer from OCI to retained earnings	-	(373,057)	373,057	-
Cash dividend	-	(14,520,000)	-	(14,520,000)
Stock dividend	7,260,000	(7,260,000)	-	-
Balance as on 30 June 2021	152,460,000	50,413,298	-	202,873,298

The annexed notes form an integral part of these financial statements

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

Place: Dhaka
Dated : 09 October, 2021

Anwar Galvanizing Limited
Statement of Cash Flows
For the year ended 30 June 2021

Particulars	Notes	Amount in BDT	
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Cash Flows from operating activities			
Collection from customers and others	22.00	616,005,898	548,126,273
Payment for suppliers, employees and others		(606,376,861)	(484,308,625)
Income tax paid		(15,850,023)	(11,753,781)
Interest paid		(1,823,939)	(708,849)
Net cash inflow/(outflow) from operating activities		(8,044,925)	51,355,018
Cash flows from investing activities			
Payment for the acquisition of property, plant and equipment		(9,164,508)	(9,049,256)
Payment for the capital work-in-progress		(44,660,624)	(5,830,973)
Investment in securities		(4,480,949)	-
Net cash inflow/(outflow) from investing activities		(58,306,080)	(14,880,229)
Cash flows from financing activities			
Dividend paid		(17,334,672)	(10,680,144)
Loan against trust receipts (LTR)		80,893,185	(30,682,165)
Net cash inflow/(outflow) from financing activities		63,558,513	(41,362,309)
Net increase/(decrease) in cash and cash equivalents		(2,792,491)	(4,887,521)
Cash and cash equivalents at the beginning of the year		28,469,311	33,356,832
Cash and cash equivalents at the year End		25,676,820	28,469,311
Net Operating Cash Flow Per Share (NOCFPS)	25.00	(0.53)	3.54

The annexed notes form an integral part of these financial statements

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Place: Dhaka
Dated : 09 October, 2021

Anwar Galvanizing Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2021

1. Reporting Entity**a) Company Profile**

Anwar Galvanizing Limited (the “Company”) was incorporated in Bangladesh on 14th February 1995, under the Companies Act, 1994 as a public company limited by shares. The Company went for Initial Public Offering (IPO) of shares in November 1995 which was fully subscribed and issued. The shares have since been listed and are being traded in Dhaka and Chittagong Stock Exchanges.

The address of the registered office and the principal place of business is Baitul Hossain Building (14th Floor), 27, Dilkusha Commercial Area, Dhaka. The manufacturing plant is located at Morkun, Tongi Industrial Area, Gazipur.

b) Nature of Business:

The Company has been involved in the manufacturing of galvanized corrugated sheets and galvanized GI fittings of all specifications and grades under the Building Material Division (BMD) of Anwar Group of Industries (AGI). The company is the first manufacturer and local market leader of galvanized iron-pipe fittings and brake drums. The company has suspended its production and distribution of Brake Drum from May 2019 to utilize the full production capacity in galvanized iron-pipe fittings which has better profit margin.

2. Summary of Significant Accounting Policies and Basis of Preparation of the Financial Statements:**2.1 Statement of Compliance:**

The preparation and presentation of the financial statements and the disclosure of information have been made in accordance and in conformity with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws in Bangladesh.

2.2 Going Concern:

The company has adequate resources to continue in operation for foreseeable future and hence the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.3 Compliance with Financial Reporting Standards as applicable in Bangladesh:

IAS/ IFRS	Title	Remarks
IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventories	Complied
IAS 7	Statement of Cash Flows	Complied
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 19	Employee Benefits	Complied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	N/A
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied

IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	N/A
IAS 27	Consolidated and Separate Financial Statements	N/A
IAS 28	Investments in Associates and Joint Ventures	N/A
IAS 31	Interests in Joint Ventures	N/A
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings per Share	Complied
IAS 34	Interim Financial Reporting	Complied
IAS 36	Impairment of Assets	Complied
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Complied
IAS 40	Investment Property	N/A
IAS 41	Agriculture	N/A
IFRS-1	First-time Adoption of International Financial Reporting Standards	N/A
IFRS-2	Share Based Payment	N/A
IFRS-3	Business Combinations	N/A
IFRS-4	Insurance Contracts	N/A
IFRS-5	Non-Current Assets held for Sale and Discontinued Operations	Complied
IFRS-6	Exploration for and Evaluation of Mineral Resources	Complied
IFRS-7	Financial Instruments: Disclosures	N/A
IFRS-8	Operating Segments	N/A
IFRS-9	Financial Instruments	Complied
IFRS-10	Consolidated Financial Statements	N/A
IFRS-11	Joint Arrangements	N/A
IFRS-12	Disclosure of Interests in Other Entities	Complied
IFRS-13	Fair Value Measurement	Complied
IFRS-14	Regulatory Deferral Accounts	N/A
IFRS-15	Revenue from contracts with customers	Complied
IFRS-16	Leases	Complied

2.4 Other Regulatory Compliances:

The company is also required to comply with the following major legal provisions in addition to The Companies Act 1994 and other applicable laws and regulations but not limited to:

- The Income Tax Ordinance & Rules, 1984
- The Value Added Tax and Supplementary Duty Act & Rules, 2012
- The Security & Exchange Rules, 2020
- The Customs Act 1969
- The Bangladesh Labour Act 2006 (Amended in 2013)
- The Bangladesh Labour Rules 2015

2.5 Basis of Measurement:

The financial statements have been prepared on the historical cost basis except for the 'Short Term Investment' measured at present value using 'mark to market' concept with unrealized gain/loss presented in non-operating income. No consideration was taken for the effect of inflation.

2.6 Use of Estimates and Judgments:

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Information about assumptions, estimation and judgments uncertainties that have a significant risk of in the year ending 30 June 2021 is included in the following notes:

Note 12: Deferred tax liabilities

Note 05.01: Provision for trade receivables

Note 03: Useful life and residual value of property, plant and equipment

Note 13.1: Provision for expense

Note 14: Current tax liabilities

2.7 Cash Flow Statement:

IAS 1 requires that a complete set of financial statement requires preparation of statement of cash flows. The statement of cash flows is prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with the information about ability of the enterprise to generate cash and utilization of those cash.

2.8 Statement of Changes in Equity:

The Statement of Changes in Equity reflects information about the increase or decrease in net assets or wealth. The statement also shows item-wise movement along with the description of changes from the end of last year to the end of current period.

2.9 Significant Accounting Policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

i. Property, Plant and Equipment:**a) Recognition and measurement:**

In pursuant to IAS 16: Property, Plant and Equipment, the cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit and Loss account in the financial period which they are incurred.

b) Depreciation:

No depreciation is charged on land and capital work in progress (CWIP) as the land has unlimited useful life and CWIP has not yet been placed in service.

Depreciation on assets is calculated using the Straight Line Method to allocate the cost amount over their estimated useful lives. In respect of addition of fixed assets, Depreciation is charged from the date of acquisition i.e., when it is ready for use.

Depreciation is charged using the following rates on the fixed assets:

Asset Category	Depreciation Rate	
	FY 2020-21	FY 2019-20
Land & Land Development	0%	0%
Building & Construction	2.5%-10%	2.5%-10%
Plant, Machinery & Equipment	7.5%-33.33%	7.5%-33.33%
Office Equipment	10%-25%	10%-25%
Furniture & Fixtures	10%-20%	10%-20%
Vehicles	7.5%	7.5%

c) Retirement and disposals:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as profit or loss.

d) Impairment of Assets:

The carrying amount of Company's assets is reviewed with sufficient regularity to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account if the carrying amount of an asset exceeds its recoverable amount (IAS 36 Impairment of Assets). No such impairment loss has been arisen and recognized during the year ended 30 June 2021.

ii. Inventories:

Inventories except materials in transit are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operation capacity.

Allowance for inventory is periodically recognized mainly on the basis of failure in quality control testing, net realizable value, non-compliance testing, near to expiry etc. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Material in transit represents the cost incurred up to the date of the statement of financial position for the items that were not received but the relative risk has been transferred till to the date of reporting. Inventory losses and abnormal losses are recognized as expenses.

iii. Leases:

All leases other than those which meet the definition of finance lease are treated as operating lease and are recognized in the statement of profit and loss. Payments made under operating leases are recognized in profit or loss. For non-cancellable operating leases payments are recognized on a straight line basis over the term of the lease.

iv. Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Non-derivative financial instruments comprise investments in shares and term deposit, trade receivables, other receivables, intercompany receivables, cash and cash equivalents, trade payables, other payables, intercompany payables, share capital and interest-bearing borrowings.

a) Financial Assets:

The Company initially recognizes receivables and deposits issued on the date when they are originated. All other financial assets are initially recognized on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The classification and measurement of financial assets is based on the basis of both:

- a. the entity's business model for managing the financial assets; and
- b. the contractual cash flow characteristics of the financial assets.

Three measurement classifications for financial assets have been established: amortised cost, fair value through other comprehensive income and fair value through profit and loss. These measurement classifications align with three business models available under IFRS 9:

- Hold to Collect – Financial assets held with the objective to collect contractual cash flows
- Hold to Collect and Sell – Financial assets held with the objective to collect and sell contractual cash flows
- Other – Financial assets held for trading or assets that do not meet the criteria for either 'Hold to collect' or 'Hold to collect and sell'. Financial assets designated as trading are held with an objective to sell the assets in the short term.

For purposes of determining the measurement classification, financial assets under the 'Hold to Collect' and 'Hold to Collect and Sell' business model require an assessment to determine whether the cash flows are solely payments of principal and interest (SPPI). Basic lending arrangements with limited volatility in cash flows typically have contractual cash flows that are SPPI; however, other factors should be considered in making this determination, such as whether interest payments provide only a consideration for the passage of time associated with time value of money.

Financial assets under a Hold to collect business model, with contractual cash flows that are SPPI, are classified and measured at amortised cost. Financial assets under a Hold to Collect and Sell business model, with contractual cash flows that are SPPI, are classified and measured at fair value through other comprehensive income (FVOCI).

Financial assets that have contractual cash flows that are not SPPI, are designated as trading or do not fit the business model criteria for hold to collect and hold to collect and sell share measured at fair value through profit and loss (FVTPL). Equity instruments are always measured at FVTPL unless an irrevocable option is elected at initial recognition to present fair value changes in OCI. Fair value changes recorded in OCI for equity instruments are not recycled to profit and loss.

Based on the above the basis of recognition and measurement are as follows:

Amortized cost:

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

At fair value through profit or loss:

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

At fair value through other comprehensive income

The asset is measured at fair value and changes in value are transferred through other comprehensive income.

The Company's financial assets comprise trade and other receivables, investment in shares and term deposit and cash and cash equivalents.

Trade, Other and Intercompany Receivables:

Trade, other and intercompany receivables are recognized at original invoiced amount. After initial recognition these are carried at amortized cost less impairment losses due to un collectability of any amount so recognized. Receivables are stated at netted off provision for bad and doubtful debt and written off. Provision is made in the financial statements considering the uncertainty of recovery at the date of the statement of financial position and bad debts are written off when the debts became finally irrecoverable based on assessment and judgment made by senior management of the Company.

Investment in Shares-other than the Investment in Subsidiaries, Associates and Joint Ventures:

Investment in listed securities is measured at fair value through profit or loss on portfolio basis as per IFRS 9.

Cash and Cash Equivalents:

Cash and cash equivalents comprise cash balances and all call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. There is no bank overdraft availing by the company.

b) Financial Liabilities:

The Company initially recognizes financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company recognizes such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company's financial liabilities comprise trade and other payables and interest-bearing borrowings.

Trade Payables

Trade payables are recognized at fair value.

Interest-bearing Borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method less any impairment losses.

c) Offsetting a Financial Asset and a Financial Liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

d) Reclassification of financial instruments on adoption of IFRS 9

On the date of initial application, the financial assets of the Company with any reclassifications noted are as follows:

Accounts title	Measurement category		Carrying amount	
	IAS 39	IFRS 9	IAS 39	IFRS 9
Cash and cash equivalent	Loans and receivables	Amortized costs	25,676,820	25,676,820
Short term investments	Available for sale	Fair value through profit or loss	5,400,000	5,400,000
Trade and other receivables	Loans and receivables	Amortized costs	81,694	81,694

v. Share Capital:

a) Authorized Capital:

Authorized capital is the maximum amount of share capital that the Company is authorized by its Memorandum and Articles of Association to issue to shareholders.

b) Paid-up Capital:

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

c) Retained Earnings:

The surplus amount after appropriation of profit is kept in Retained Earnings.

vi. Taxation:

a) Current Year:

During the year, provision for income tax has been calculated in compliance with the Income Tax Ordinance 1984.

b) Previous Years Assessment Status:

The company submitted Income Tax Returns for assessment years from 2007-08 to 2020-21 (Income Years 2006-07 to 2019-20) to the Tax Authority availing facility u/s 82 BB of the I.T. Ordinance, 1984. The returns so submitted to the Tax Authority are deemed to have been accepted by the Tax Authority as per Section 82 BB. There is no further tax liability in respect of these assessment years except for assessment year 2005-2006 and 2007-2008 for which revised assessments have been completed and necessary provisions have been made.

The company has preferred an appeal to the High Court Division of the Honorable Supreme Court of Bangladesh in respect of assessment year 2002-2003 and 2008-2009 against which Court award is still pending. The management, in consultation with the tax consultant is expecting that no liability will be aroused.

c) Deferred Tax:

Deferred tax is recognized in compliance with IAS 12: Income Taxes, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each year-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

vii. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be repaid to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

All provisions are recognized by making the best estimate of the amounts in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

viii. Employee Benefits:

Workers' Profit Participation Fund

The company has made a provision for Workers' Profit Participation Fund (WPPF) for the year ended 30 June 2021. The Company provides 5% of its net profit before tax after charging such expense as Workers' Profit Participation Fund in accordance with the Bangladesh Labour Act 2006 as amended 2013.

ix. Revenue Recognition, Measurement and Presentation:

The Company has adopted IFRS 15 (Revenue from Contracts with Customers) to provide a single, comprehensive revenue recognition model for all contracts with customers. Under the new guidance, an entity will recognize revenue to depict the transfer of promised goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

A five step model has been introduced for an entity to apply when recognizing revenue.

IFRS 15 is effective from 01 January 2018, and was applied to contracts that were not completed at the date of initial application on a modified retrospective basis through a cumulative effect adjustment to retained earnings as of that date. The prior period comparative information has not been restated and continues to be reported under the accounting guidance in effect for those periods.

x. Finance income and expenses:

The Company's finance income and finance costs include:

- interest income and
- interest expense;

Interest income or expense is recognized using the effective interest method. Interest income is recognized on accrual basis. All finance expenses are recognized in profit or loss.

xi. Foreign Currency Transactions and Translations:**a) Foreign Currency Transactions:**

Transactions/Day End Balances in foreign currencies are converted into respective functional currencies at the rate of exchange ruling at the date of transactions as per IAS 21 'The Effects of Changes in Foreign Exchange Rates'. Effects of Exchange rate differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the Company are recorded in the Profit or Loss Account.

b) Foreign Currency Translations:

Assets and liabilities have been presented into BDT (which is functional currency of the Company) using yearend spot rate of exchange of the Company and incomes and expenses are translated using spot rate of exchange. The foreign currency translation difference is a net result of exchange difference of year end standard mid-rate and monthly average of standard mid-rate arising from translation of functional currency to presentation currency.

xii. Proposed Dividend:

Proposed Dividend has been shown separately under the shareholders' equity in accordance with International Accounting Standards (IAS)-10 "Events after the Reporting Period"

IAS 1: Presentation of Financial Statements also requires the dividend proposed after the balance sheet date but before the date when the financial statements are authorized for issue, be disclosed in the notes to the financial statement. Accordingly, the Company has disclosed the amount of proposed dividend in notes.

xiii. Earnings Per Share (EPS)

The Company calculates earnings per share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of Profit and Loss Account. Earnings per share (EPS) has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the period.

Basic Earnings per Share

Basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

Diluted Earnings per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the total number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

xiv. Net Asset Value (NAV) and Net Operating Cash Flow Per share (NOCFPS):

The Net Asset Value (NAV) and Net Operating Cash Flow per share have been disclosed in the financial statements in line with BSEC (Bangladesh Securities & Exchange Commission) and have been computed in line with EPS.

xv. Related Party Disclosure:

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', BSEC guidelines.

xvi. Components of Financial Statements:

According to the International Accounting standards (IAS) 1 “Presentation of Financial Statements”, the complete set of Financial Statements includes the following components:

- a) Statement of Financial Position as on 30th June 2021.
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2021.
- c) Statement of Cash Flows for the year ended 30th June 2021.
- d) Statement of Changes in Equity for the year ended 30th June 2021.
- e) Accounting Policies and Explanatory Notes.

2.10 Reporting Period:

Financial Statements of the company cover one financial year from 01 July 2020 to 30 June 2021.

2.11 Comparative Information and Rearrangement thereof:

Comparative information has been disclosed in respect of the year for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year’s financial statements.

Figures for prior year have been re-arranged wherever considered necessary to ensure better comparability with current year.

2.12 Reporting Currency and Level Precision:

Comparative information has been disclosed in respect of the year for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year’s financial statements.

Figures for prior year have been re-arranged wherever considered necessary to ensure better presentation.

The financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the company's functional and presentation currency. Except as indicated, financial information presented in Bangladesh Taka has been rounded off to the nearest taka.

2.13 Consistency:

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, Anwar Galvanizing Limited discloses its information consistently from one period to the next. Where selecting and applying a new accounting policy, changes in accounting policies, correction of errors, and the amount involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

Anwar Galvanizing Limited
Notes to the Financial Statements
For the year ended 30 June 2021

Sl. No.	Particulars	Notes	30 June 2021 BDT	30 June 2020 BDT
3.00	Property, plant and equipment			
	Property, plant and equipments	3.01	101,380,714	85,962,296
	Capital work -in-progress	3.02	34,071,063	5,830,973
			135,451,777	91,793,269
3.01	Property, plant and equipment			
	A. Cost			
	Opening balance		133,361,330	128,082,944
	Addition during the year		25,585,042	9,049,256
	Disposal during the year		(37,500)	(3,770,870)
			158,908,872	133,361,330
	B. Accumulated depreciation			
	Opening balance		47,399,034	40,051,421
	Depreciation for the year		10,163,748	9,350,108
	Depreciation on disposal of assets during the year		(34,625)	(2,002,495)
			57,528,158	47,399,034
	Written down value (A-B)		101,380,714	85,962,296
	Details have been shown in the schedule of property, plant and equipment.			
3.02	Capital work-in-progress			
	Opening balance		5,830,973	-
	Addition during the year		44,660,624	11,595,510
	Transfer to property, plant and equipment during the year		(16,420,534)	(5,764,537)
			34,071,063	5,830,973
4.00	Inventories			
	Raw materials	4.01	29,805,906	5,748,394
	Auxiliary materials	4.02	9,361,877	10,011,368
	Spare parts and other materials	4.03	48,667,610	32,173,795
	Finished goods	4.04	92,040,322	30,101,020
	Work -in-process	4.05	22,529,304	38,659,507
			202,405,019	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.

Sl. No.	Particulars	Notes	30 June 2021 BDT	30 June 2020 BDT
4.01	Raw materials			
	Pig Iron		13,366,423	3,326,659
	CI Scrap		1,968,506	2,176,066
	MS Scrap		275,083	245,669
	C R Stamping/ Bushing Scrap		2,597,512	-
	Carburizer Low Sulfur -DI		2,047,704	-
	Ferro Silicon Magnesium		1,649,804	-
	Inouclin		749,647	-
	Ferro silicon		592,368	-
	Zing ingot		6,558,859	-
			29,805,906	5,748,394
4.02	Auxiliary materials			
	Auxiliary materials		9,361,877	10,011,368
			9,361,877	10,011,368
4.03	Spare parts and other materials			
	Consumable materials		33,076,541	21,096,254
	Construction materials		4,111,365	2,600,257
	Spare parts and other materials		11,479,704	8,477,284
			48,667,610	32,173,795
4.04	Finished goods			
	Finished goods		92,040,322	30,101,020
			92,040,322	30,101,020
4.05	Work -in-process			
	Annealing		1,815,600	17,200,813
	Grinding		1,140,817	5,739,102
	Drilling		-	401,643
	Shots blasting		1,170,891	64,192
	Galvanizing		-	779,207
	Threading		11,423,539	14,454,790
	Electro-plating		6,978,458	-
	Packing		-	19,760
			22,529,304	38,659,507
5.00	Trade receivables			
	Receivable from dealers		894,250	5,213,755
	Provision for doubtful debt	5.01	(812,557)	(743,598)
			81,694	4,470,157

Sl. No.	Particulars	Notes	30 June 2021 BDT	30 June 2020 BDT
	Aging of trade receivables			
	Duration:			
	1 - 30 Days		53,410	4,020,001
	31 - 60 Days		212	87
	61 - 90 Days		1,830	13,576
	91 - 180 Days		3,723	-
	181 - 365 Days		2	5,171
	Over 365 Days		835,074	1,174,920
			894,250	5,213,755
As the company deals with large number of parties, party-wise trade receivables could not be given				
5.01	Provision for doubtful debt			
	Opening balance		743,598	-
	Provision made during the year		68,959	743,598
	Adjustment made/ write-off		-	-
			812,557	743,598
6.00	Advances, deposits and prepayments			
	Advances	6.01	62,452,494	35,898,418
	Security deposits	6.02	4,959,587	4,924,552
			67,412,081	40,822,970
6.01	Advances			
	Advance against supplier		22,558,296	29,043,383
	Advance income tax	6.01.01	11,202,945	5,583,448
	Advance against employee		97,978	29,957
	Advance against others		1,527,932	472,218
	Advance To NBL securities ltd		26,341,163	34,748
	Advance sales VAT		-	10,484
	VAT current account		724,180	724,180
			62,452,494	35,898,418
6.01.01	Advance income tax			
	Opening balance		5,583,448	2,005,307
	Payment made u/s 64 and 74		1,500,000	3,100,000
	Advance income tax (import)		8,589,569	2,471,809
	Withholding tax		13,376	6,333
	Tax adjustment for AY: 2019-20		(4,483,448)	(2,000,000)
			11,202,945	5,583,448

Sl. No.	Particulars	Notes	30 June 2021 BDT	30 June 2020 BDT
6.02	Security deposit			
	Security deposit -CDBL		300,000	300,000
	Security deposit-electricity		4,056,000	4,020,965
	Security deposit-gas		561,587	561,587
	Security deposit- metre		42,000	42,000
			4,959,587	4,924,552

7.00 Short term investment

Name of Company	Number of shares	Cost Price	Market Price	Market Price
Jamuna Oil Limited	3,932	702,800	-	543,402
M.I. Cement	5,500	652,600	-	240,900
Sumit Power Limited	3,839	208,926	-	134,749
Eastern Housing Limited	100,000	5,310,600	5,400,000	-
		6,874,926	5,400,000	919,051

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.

8.00 Cash and cash equivalents

Cash at banks	8.01	24,656,833	25,265,764
Cash in hand	8.02	1,019,986	3,203,548
		25,676,820	28,469,311

8.01 Cash at banks

AB Bank Limited	1,519	2,209
Al-Arafah Islami Bank Limited	9,153	1,770,303
Agrani Bank Limited	26,752	-
Bangladesh Commerce Bank Limited	15,855	16,660
Brac Bank Limited	-	111,627
Dutch Bangla Bank Limited	148,876	3,012,788
First Security Islami Bank Limited	44,058	763,581
Islami Bank Limited	743,263	1,609,918
Modhumoti Bank Limited	788,704	2,657,184
Mutual Trust Bank Limited	124,987	744,422

Sl. No.	Particulars	Notes	30 June 2021 BDT	30 June 2020 BDT
	National Bank Ltd		187,788	-
	NRB Commercial Bank Limited		2,305	2,305
	Pubali Bank Limited		1,125,464	1,095,154
	South Bangla Agricultural and Commercial Bank Limited		1,331,770	624,983
	Shahjalal Islami Bank Limited		296,750	786,561
	Standard Bank Limited		23,168	169,383
	The City Bank Limited, F.Ex. Branch		13,128,408	1,265,943
	The City Bank Limited, Motijheel Branch		3,132,549	3,942,807
	The City Bank Limited, Principal Branch		505,457	9,310
	The City Bank Limited, Principal Branch		2,892,784	4,006,506
	United Commercial Bank Limited		76,928	1,779,750
	Uttara Bank Limited		50,298	894,371
			24,656,833	25,265,764
8.02	Cash in hand			
	Cash in head office		220,808	3,072
	Cash in factory office		799,178	3,200,476
			1,019,986	3,203,548
9.00	Share capital			
	Authorised capital			
	5,00,00,000 ordinary shares of Tk. 10 each		500,000,000	500,000,000
			500,000,000	500,000,000
	Issued, subscribed, and paid-up-capital			
	1,45,20,000 ordinary shares of Tk.10 each		145,200,000	145,200,000
	7,26,000 bonus shares of Tk.10 each		7,260,000	-
			152,460,000	145,200,000

The composition of the shareholders at balance sheet date was as follows:

Categories of Shareholders	% of Shareholding		Value of Shares	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Sponsor and Directors	29.48%	35.32%	44,940,860	51,290,000
Institutional Investors	24.16%	18.91%	36,839,690	27,457,280
Public	46.36%	45.77%	70,679,450	66,452,720
	100.00%	100.00%	152,460,000	145,200,000

Sl. No.	Particulars	Notes	30 June 2021 BDT	30 June 2020 BDT
Classifications of Shareholders by holding:				
Holdings	% of Holdings		Number of Holders	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
01-20	0.012%	0.017%	340	350
21-49	0.012%	0.029%	59	78
50-50	0.012%	0.022%	35	43
51-200	0.187%	0.552%	229	427
201-500	1.102%	2.479%	382	664
501-1000	1.490%	3.966%	312	572
1001-5000	4.081%	14.318%	273	649
5001-10000	2.828%	8.099%	61	134
10001-25000	4.816%	8.479%	44	72
25001-50000	2.321%	4.860%	10	20
50001-9999999999	83.141%	57.177%	34	30
Total	100%	100%	1,779	3,020
10.00 Retained earnings				
Profit brought forward			13,031,854	(1,939,025)
Prior year adjustment			(191,396)	-
Adjusted opening balance			12,840,457	(1,939,025)
Net profit during the year			59,725,897	29,490,879
Transfer from OCI			(373,057)	-
Cash dividend			(14,520,000)	(14,520,000)
Stock dividend			(7,260,000)	-
			50,413,298	13,031,854
11.00 Other components of equity				
Opening balance			(645,275)	(346,858)
Gain/ (loss) from sales realisation			272,218	-
			(373,057)	(346,858)
Transfer to retained earnings			373,057	
Gain/(loss) on marketable securities (unrealized)			-	(298,417)
			-	(645,275)

The company has disclosed retained earnings and other components of equity separately as per the requirement of IAS-1.

Sl. No.	Particulars	Notes	30 June 2021 BDT	30 June 2020 BDT
12.00	Deferred tax liabilities			
	Opening balance		9,402,441	10,320,053
	Deferred tax (income)/ expense charged in Profit & Loss		(763,103)	(917,612)
	Deferred tax (income)/ expense charged in OCI		-	-
	Closing balance	12.01	8,639,338	9,402,441
12.01	For 30 June- 2021	Carrying Value	Tax Based Value	Temporary Difference
	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			15.00%
	On other than land			22.50%
	Deferred tax liability			
	On land			-
	On other than land			8,639,338
	Deferred tax liabilities as on June 30, 2021			8,639,338
12.02	For 30 June 2020	Carrying Value	Tax Based Value	Temporary Difference
	Property, plant and equipment			
	Land	8,877,421	8,877,421	-
	Other than land	77,084,877	39,475,115	37,609,761
	Applicable tax rate	85,962,298	48,352,536	37,609,761
	On land			15.00%
	On other than land			25.00%
	Deferred tax liability			
	On land			-
	On other than land			9,402,441
	Deferred tax liabilities as on June 30, 2020			9,402,441
13.00	Trade and other payables			
	Trade payable		37,336,950	18,486,612
	Liabilities for expenses	13.01	49,042,296	46,215,851
	Advance received from customers		24,000,233	22,498,183
			110,379,479	87,200,645

Sl. No.	Particulars	Notes	30 June 2021 BDT	30 June 2020 BDT
13.01	Liabilities for expensess			
	Unpaid dividend		13,105,485	15,920,157
	Liabilities for other expense		14,411,519	15,114,558
	Provision for WPPF	13.01.01	11,080,642	7,387,830
	Interest payable	13.01.02	293,672	143,571
	Liabilities for salaries, wages and others		9,653,950	7,304,917
	TDS & VDS payable		497,028	344,818
			49,042,296	46,215,851
13.01.01	Provision for WPPF			
	Opening balance		7,387,830	5,438,070
	Provision made during the year		3,692,812	1,949,760
	Disbursement made during the year		-	-
			11,080,642	7,387,830
13.01.02	Interest payable			
	Opening balance		143,571	-
	Provision made during the year		3,196,595	852,419
	Payment made during the year		(1,823,939)	(708,849)
	Interest payable transferred to LTR during the year		(1,222,556)	-
			293,672	143,571
14.00	Income tax payable			
	Opening balance		10,230,526	7,984,244
	Tax provision made during the year for AY 2021-22	14.01	14,893,440	10,421,922
	Accrued tax liability against demand for AY 2007-08		191,396	
	Adjustment of tax liability with advance tax paid		-	(2,000,000)
	Tax adjustment for AY: 2019-20		(4,483,448)	-
	Tax payment against demand for the Tax Return		(5,938,474)	(6,175,640)
			14,893,440	10,230,526
14.01	Tax computation for the year			
	Net profit before tax		73,856,234	38,995,189
	Realise gain (loss) from share sale		(12,366,920)	-
	Divided income		(48,290)	-
	Add: Expenditures for separate consideration:			
	Accounting depreciation		10,163,748	9,350,108
	Entertainment		860,255	1,590,727
	Less: Admissible expense			
	Depreciation as per third schedule		(10,951,045)	(7,377,162)
	Entertainment expenses as per section 30(f)(i) of ITO & Rule-65		(860,255)	(871,177)
	Net taxable business income		60,653,727	41,687,685
	Business income tax rate		22.50%	25.00%
	Business income tax expense charged		13,647,089	10,421,922
	Net taxable non business income		12,415,210	-

Sl. No.	Particulars	Notes	30 June 2021 BDT	30 June 2020 BDT
	Realise gain / (loss) from share sale		12,366,920	
	Divided income		48,290	
	Non business income tax rate-Realise gain (loss) from share sale		10%	-
	Non business income tax rate-Dividend income		20%	
	Non business income tax expense charged		1,246,350	-
	Current year income tax		14,893,439	10,421,922
14.02	Reconciliation of effective tax rate			
	Profit before income tax (A)		73,856,234	38,995,189
	Less: ' Realise gain (loss) from share sale		12,366,920	-
	Less: ' Divided income		48,290	-
	Net taxable business income		61,441,024	38,995,189
	Applicable tax rate		22.50%	25.00%
	Income tax (B)		13,824,230	9,748,797
	Factors effecting the tax charge for the current period (Excess)/ short of fiscal depreciation over accounting depreciation		(787,297)	1,972,946
	Inadmissible expense		-	719,550
	Movement of temporary differences: (credit)/charge as above		(787,297)	2,692,496
	Tax on temporary differences (C)		(177,142)	673,124
	Total income tax expense (B+C)		13,647,089	10,421,921
	Effective tax rate (B+C)/ A		22.21%	26.73%
15.00	Short term loan			
	Opening balance		18,748,650	-
	LTR used during the year		207,662,171	49,430,816
	LTR settled during the year		(126,768,986)	(30,682,165)
			99,641,836	18,748,650

The nature of the short term loan Loan against Trust Receipt (LTR) and is availed by the Company from South Bangla Agricultural and Commerce Bank limited (Principal Branch). The purpose of this facility is to retire LC related shipping documents. The interest rate is 9% p.a. with quarterly rest subject to change may be made by the bank from time to time. The sanction limit amount is BDT 100 million and collateral security is 99.00 Decimal land with 40,000 sft. Factory shed.(Pubire Road), Mouza- Morkun, PS- Tongi, Dist.- Gazipur owned by the Company.

Sl. No.	Particulars	Notes	01 July 2020 to 30 June 2021 BDT	01 July 2019 to 30 June 2020 BDT
16.00	Revenue			
	Sales: GI Fittings		584,829,755	515,716,669
	Sales: Others		25,158,740	18,534,979
			609,988,495	534,251,648
	The sales amount is presented net of VAT.			
17.00	Cost of goods sold			
	Raw materials consumption	17.01	225,466,907	138,615,013
	Auxiliary materials consumption	17.02	95,979,957	89,101,652
	Spare parts and other material consumptic	17.03	80,105,199	68,624,150
	Total consumption of materials		401,552,062	296,340,815
	Factory overheads	17.04	155,064,071	154,415,677
	Opening stock of work -in-process		38,659,507	38,502,547
	Closing stock of work -in-process		(22,529,304)	(38,659,507)
	Cost of production		572,746,335	450,599,533
	Opening stock of finished goods		30,101,020	43,770,920
	Closing stock of finished goods		(92,040,322)	(30,101,020)
	Cost of goods sold		510,807,033	464,269,433
17.01	Raw materials consumption			
	Opening stock		5,748,394	4,207,551
	Add: Purchase		249,524,419	140,155,856
			255,272,813	144,363,407
	Less: Closing stock		29,805,906	5,748,394
			225,466,907	138,615,013
17.02	Auxiliary materials consumption			
	Opening stock		10,011,368	6,993,465
	Add: Purchase		95,330,465	92,119,555
			105,341,833	99,113,020
	Less: Closing stock		9,361,877	10,011,368
			95,979,957	89,101,652
17.03	Spare parts and other material consumption			
	Opening Stock		32,173,795	31,913,240
	Add: Purchase		96,599,014	68,884,705
			128,772,809	100,797,945
	Less: Closing Stock		48,667,610	32,173,795
			80,105,199	68,624,150

Sl. No.	Particulars	Notes	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
			BDT	BDT
17.04	Factory overhead			
	Salary, wages and allowances		86,143,673	84,644,953
	Power cost		48,393,156	48,273,108
	Entertainment expense		860,255	1,590,727
	Telephone, mobile & internet		127,668	118,023
	Workers quarter rent		561,535	604,520
	Worker welfare expenses		334,473	780,463
	Business development expense		639,694	223,500
	Consumables		427,865	120,542
	Cleaning expense		36,000	53,000
	Holding tax		175,544	-
	Repair and maintenance		7,083,684	7,685,165
	Travelling and conveyance		344,172	550,345
	Carriage inward		382,429	982,228
	Depreciation		9,553,923	8,789,102
			155,064,071	154,415,677
18.00	Administrative expenses			
	Salary and Allowances		6,536,276	6,417,581
	Business development expenses		858,249	493,873
	Licence, registration, consultancy and renewal fees		2,231,554	1,117,455
	Audit Fees		200,000	150,000
	Office rent		604,800	803,725
	Repair and maintenance		768,401	365,910
	Staff welfare expenses		1,144,873	1,144,179
	Utility expenses		599,395	1,027,172
	IT expenses		11,500	20,400
	Postage and courier expenses		126,303	24,752
	Entertainment expenses		47,081	26,834
	Telephone and mobile		39,214	43,389
	Printing, stationary and photocopy		398,558	411,168
	Travelling and conveyance		35,554	186,599
	Other expenses		96,314	29,577
	Loss on disposal of assets	18.01	2,875	1,492,771
	Bad debt expense	5.01	68,959	743,598
	Depreciation		609,825	561,006
			14,379,731	15,059,989

Sl. No.	Particulars	Notes	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
			BDT	BDT
18.01	Loss/ (gain) on sales of fixed assets			
	Cost of fixed assets		37,500	3,770,870
	Accumulated depreciation		(34,625)	(2,002,495)
	Carrying value of assets classified as held for sale		-	-
	Written down value of fixed assets		2,875	1,768,375
	Sales proceed		-	(275,604)
			2,875	1,492,771
19.00	Selling and distribution expenses			
	Promotional expenses		224,409	264,103
	Carriage outward		4,533,180	3,509,066
	Sales incentive		9,297,097	7,392,942
	Salary and allowances		901,362	25,162
	Dealer discount/ mechanics seminar		1,304,675	1,798,759
	Travelling and daily allowances		105,450	138,555
			16,366,173	13,128,587
20.00	Financial expenses			
	Bank charges and commission		239,217	172,812
	Excise duty for LTR		104,000	-
	Service charges		27,600	-
	Credit rating report fees		34,400	-
	Interest expenses		3,407,235	852,419
			3,812,452	1,025,231
21.00	Non-operating income			
	Discount and commission		-	28,620
	Other Income		342,730	21,058
	Rebate on insurance exp.		33,179	29,290
	Realise gain/(loss) from sale of short term investments		12,366,920	-
	Un-realise gain/(loss) on short term investments		89,400	-
	Dividend income		48,290	19,756
	Rent income		-	35,600
	Interest income		45,420	42,217
			12,925,939	176,541

Sl. No.	Particulars	Notes	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
			BDT	BDT
22.00	Collection from customers and others			
	Opening balance of trade receivables		4,470,157	5,224,134
	Add: Sales during the year		609,988,495	534,251,648
			614,458,652	539,475,782
	Less: Closing balance of trade receivables		81,694	4,470,157
	Total collection from trade receivables		614,376,958	535,005,625
	Increase/ (decrease) advance collection from customers		1,502,051	12,944,108
	Collection from income and other		126,889	176,541
			616,005,898	548,126,273
23.00	Net Asset Value (NAV) Per Share			
	The Computation of NAV per share is given below :			
	Total assets		436,427,391	283,168,842
	Less. Liabilities		233,554,093	125,582,263
	Net assets value		202,873,298	157,586,579
	Number of ordinary share outstanding during the year		15,246,000	14,520,000
	Net assets value (NAV) per Share		13.31	10.85
23.01	Weighted average number of Ordinary Shares as at 30 June 2021			
	Details	Number of days outstanding	No. of shares in issue	Weighted average no. of shares
	Ordinary shares outstanding	365	15,246,000	15,246,000
24.00	Earnings Per Share (EPS)			
24.01	Basic Earnings Per Share			
	a) Profit attributable to the ordinary shareholders		59,725,897	29,490,879
	b) Weighted average number of ordinary shares		15,246,000	14,520,000
	Basic Earning Per Share (a/b)		3.92	2.03
24.02	Restated Earnings Per Share			
	a) Profit attributable to the ordinary shareholders		59,725,897	29,490,879
	b) Weighted average number of ordinary shares		15,246,000	15,246,000
	Restated Earnings Per Share (a/b)		3.92	1.93

The company has achieved Net Profit Margin at 9.79% during the current year compared to 5.52% in the previous period. This is achieved by growth in revenue by 14% over the previous year and controlling manufacturing expenditures. Overall, this has led to substantial growth of 93% in Basic EPS.

Sl. No.	Particulars	Notes	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
			BDT	BDT
24.03	Diluted Earnings Per Share			
	No diluted EPS was required to be calculated for the year since there was no scope for dilution of shares during the year.			
25.00	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 year		(8,044,925)	51,355,018
	b) Weighted average number of ordinary : 23.01		15,246,000	14,520,000
			<u>(0.53)</u>	<u>3.54</u>
	The increased inventory balance during the year 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.			
26.00	Reconciliation of net operating cash flows			
	Net profit after tax		59,725,897	29,490,879
	Add: Item not involving movement of cash			
	Depreciation on property, plant & equipment		10,163,748	9,350,108
	(Gain)/loss on disposal of non-current asset		2,875	1,492,771
			<u>10,166,623</u>	<u>10,842,879</u>
	A. Cash generated from operations before changes in working capital		69,892,521	40,333,758
	Changes in working capital			
	(Increase) / decrease in inventory		(85,710,936)	8,693,642
	(Increase) / decrease in trade receivables		4,388,463	753,977
	(Increase)/ decrease in advance, deposit & prepayment		(26,589,111)	(29,027,130)
	(Increase)/ decrease in short term investment		-	298,417
	Increase / (decrease) in trade and other payable		27,159,467	34,142,210
	Increase / (decrease) in dividend payable		2,814,672	(3,839,856)
			<u>(77,937,446)</u>	<u>11,021,259</u>
	B. Total changes in working capital		(77,937,446)	11,021,259
	C. Net cash inflows from operating activities (A+B)		(8,044,925)	51,355,018

27.00 Related Party Disclosure

a) Key Management Personnel of the Company were not given any compensation benefits.

b) 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 Disclosure.

Name of Party/Company	Relation	Nature of Transaction	Outstanding as on 30 June 2021
Anwar Ispat Ltd.			(6,878,545)
A One Polymer Ltd			(1,405,569)
Anwar Integrated Steel Plant Lt	Common	Supply of Material/Business	(3,412,371)
Anwar Cement Sheet Ltd.	Director	Transactions	(6,278,258)
Anwar Printex Ltd.			503
Name of Party/Company	Relation	Nature of Transaction	Outstanding as on 30 June 2020
Anwar Ispat Ltd.		Supply of Material	8,378,008
A One Polymer Ltd	Common	Supply of Material	(3,837,682)
Anwar Integrated Steel Plant Lt	Director	Supply of Material	(3,412,371)
Anwar Cement Sheet Ltd.		Supply of Material	(11,237)

28.00 Financial Risk Management

28.01 Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse these risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

28.02 Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	30 June 2021	30 June 2020
	BDT	BDT
Trade receivables	81,694	4,470,157
Cash and cash equivalents	25,676,820	28,469,311
	25,758,513	32,939,468

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

	30 June 2021	30 June 2020
	BDT	BDT
Trade and other payables	110,379,479	87,200,645

28.03 Market Risk

Market risk is the risk that any change in market conditions, such as foreign exchange rates, interest rates and commodity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

29.00 Capital Management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing Company's internal capital adequacy to ensure Company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The Board of Directors monitors the level of dividends to ordinary shareholders.

30.00 Director of the Company

a) Number of Director:

There are 10 Directors of the company during the year ended 30 June 2021.

b) 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 are given below:

SL. Name	Designation	Amount (Yearly)	Remarks
01. Mr Manwar Hossain	Chairman	NIL	
02. Mr Hossain Akhter	Managing Director	NIL	Full Time
03. Mr Hossain Mehmood	Director	NIL	
04. Mrs Bibi Amana	Director	NIL	

05. Mr Hossain Khaled	Director	NIL
06. Mrs Hasian Begum	Nominated Director	NIL
07. Mrs Shaheena Begum	Nominated Director	NIL
08. Mr Tareq Hossain	Shareholder Director	NIL
09. Mr Md. Abu Quasem	Independent Director	NIL
10. Mr Naba Gopal Banik	Independent Director	NIL

31.00 General

a. The Company has no aggregate amount of contract for capital expenditure to be executed and not provided for in the accounts.	NIL
b. There is no Guarantee issued by the management on behalf of Director of the company.	NIL
c. Auditors are paid only statutory audit fees approved by the share holders in the last AGM.	NIL
d. There was no foreign exchange remitted to relevant share holders during the year under audit.	NIL
e. No amount of money was expended by the company for compensating any member of the board for special service.	NIL

32.00 Additional disclosure as per BSEC

Security and Exchange rules, 1987 [Rule 12(2)]	
a) Claim against the company not acknowledge as debt as on 30.06.21	NIL
b) Uncalled liability on partly paid up shares	NIL
c) Arrears of first cumulative dividends on preference shares together with the period for which the dividend are in arrears.	NIL
d) The aggregate amount of contracts for capital expenditure remaining to be executed and not provided for	NIL
e) Other sums for which the company is continently liable as on 30/06/2021 except letter of credit open in the normal course of have the same amount of contingent asset. business, again we have the same amount of contingent asset.	NIL
f) The general nature of any credit facilities available to the company under any contract and not taken up at date of Statement of Financial Position.	NIL
g) Aggregate amount due by directors and officers of the company or associated undertakings:	
Director	NIL
Associated Undertaking	NIL
Officers	NIL

h) Securities and Exchange Rules, 1987[Para5(a), (iii) of part-1]

The advances against goods, services and expenses considered good by the management and no collateral security is held against the advances.

NIL

33.00 Particulars of requirements as per schedule XI Part ii of the companies Act, 1994

1. Para-3 (i) (b)

Commission paid to selling agents.

NIL

2. Para-3 (i) (c)

Brokerage and discount on sales other than the usual trade discount

NIL

3. Para-3d (i) (ii)

i)	Value of raw materials consumed	225,466,907	TK
ii)	Opening Stock	162.77	MT
iii)	Production during the year	2,414.86	MT
iv)	Sold during the year	2,128.23	MT
v)	Other consumption	NIL	MT
vi)	Closing Stock	449.40	MT

4. Para-3,(ii)

i) Number of employees drawing salary above Tk. 3,000 pe

633 Nos

ii) Number of employees drawing salary below Tk. 3,000 p

NIL

5. Para - 4 (f)

	30 June 2021 BDT	30 June 2020 BDT
i) Receivables considered good and in respect of which the company is fully secured.	NIL	NIL
ii) Receivables considered good for which the company holds no security other than the debtors' personal security.	81,694	4,470,157
iii) Receivables due by directors or other officers of the company or any other of them either separately or jointly with any other person or receivables due by firms or private companies respectively in which any director is a partner or a director or member.	NIL	NIL
iv) Receivables due by companies under same management.	NIL	4,004,958
v) The maximum amount due by directors or other officers of the company at any time during the year.	NIL	NIL

6. Para - 8 (b)

Expenses incurred in foreign currency on account of royalty, technical expert & professional advisory fee, Interest etc. if any

NIL

NIL

7. Para - 8 (c)

Value of all imported raw materials, spare parts & components consumed during the financial year & the value of all indigenous raw materials, spare parts & components similarly consumed & the percentage of each to the total consumption are as under:

Local	Qty. MT	Value	%
Pig Iron	431	19,529,583	6%
CI Scrap	557	49,647,841	16%
MS Scrap	181	6,991,513	2%
C R Stamping/ Bushing Scrap	779	38,229,416	13%
Carburizer Low Sulfur -DI	1	33,356	0%
Ferro Silicon Magnesium	28	6,359,905	2%
Inouclin	6	1,215,046	0%
Ferro silicon	31	4,195,661	1%
Zing ingot	115	34,796,229	11%
Raw Materials	2,128	160,998,550	53%
Spare Parts		40,719,942	13%
Total Local		201,718,492	66%
Finished Goods	-	64,468,357	21%
Spare Parts		39,385,257	13%
Total Import		103,853,614	
Total	2,128	305,572,106	100%

8. Para- 8(d)

i) Number of Non - Resident shareholder	NIL
ii) Number of shares held by the Non-Resident shareholders including foreign investor	NIL

9. Para - 8 (e)

Earning in foreign exchange classified under the following head, namely :

i) export of goods calculated on F. O. B. basis;	NIL
ii) royalty, know-how, professional and consultation fees;	NIL
iii) interest and dividend;	NIL
iv) other income, indicating the nature thereof.	NIL

34.00 Events after the Reporting Period:

a) Proposed Dividend:

The Board of Directors recommended 20% cash dividend and 10% stock dividend for the year ended 30 June 2021 which is subject to approval by the shareholders in the Annual General Meeting (AGM). As this dividend is subject to approval by shareholders at the AGM, it has not been included as a liability in these financial statements as on 30 June 2021.

b) 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.

c) Significant Events After Reporting Period:

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.

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

Anwar Galvanizing Limited
Schedule of Property, Plant and Equipment
For the year ended on 30 June 2021

In BDT	Land & land development	Building & construction	Plant, machinery & Equipment	Office equipment	Furniture & Fixtures	Vehicle	Total
Cost							
Balance at 1 July 2019	8,877,421	16,118,532	90,871,451	7,851,488	1,450,582	2,913,470	128,082,944
Additions	-	191,199	7,958,828	789,487	109,742	-	9,049,256
Transfers	-	-	-	-	-	-	-
Disposal	-	-	(3,770,870)	-	-	-	(3,770,870)
Balance at 30 June 2020	8,877,421	16,309,731	95,059,409	8,640,975	1,560,324	2,913,470	133,361,330
Balance at 1 July 2020	8,877,421	16,309,731	95,059,409	8,640,975	1,560,324	2,913,470	133,361,330
Additions	-	63,326	24,219,246	1,197,570	104,900	-	25,585,042
Transfers	-	-	-	-	-	-	-
Disposal	-	-	-	(37,500)	-	-	(37,500)
Balance at 30 June 2021	8,877,421	16,373,057	119,278,655	9,801,045	1,665,224	2,913,470	158,908,872
Accumulated depreciation							
Balance at 1 July 2019	-	8,017,429	28,383,398	2,534,902	239,113	876,578	40,051,421
Depreciation	-	271,860	8,111,175	691,541	122,766	152,766	9,350,108
Disposal	-	-	(2,002,495)	-	-	-	(2,002,495)
Balance at 30 June 2020	-	8,289,289	34,492,078	3,226,444	361,879	1,029,344	47,399,034
Balance at 1 July 2020	-	8,289,289	34,492,078	3,226,444	361,879	1,029,344	47,399,034
Depreciation	-	265,791	8,952,187	676,682	127,778	141,309	10,163,748
Disposal	-	-	-	(34,625)	-	-	(34,625)
Balance at 30 June 2021	-	8,555,080	43,444,264	3,868,501	489,658	1,170,653	57,528,157
Carrying amounts							
At 30 June 2020	8,877,421	8,020,442	60,567,332	5,414,531	1,198,444	1,884,126	85,962,296
At 30 June 2021	8,877,421	7,817,977	75,834,391	5,932,544	1,175,566	1,742,817	101,380,714
Allocation of depreciation							
In BDT		2019-20	2020-21				
Cost of sales		8,789,102	9,553,923				
Administrative expenses		561,006	609,825				
		9,350,108	10,163,748				

The Directors' Report to Shareholders**Dear Shareholders,**

It is the pleasure of the Board of Directors to submit its Report to the Shareholders for the year ended 30 June, 2021. The Directors' Report has been prepared in accordance with the Section-184 of The Companies Act, 1994 and the Clause No. 5 of the Corporate Governance Code as imposed by the Bangladesh Securities and Exchange Commission (BSEC) vide their Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018. This report is being submitted to the members at the 27th Annual General Meeting (AGM) of the Company to be held on January 12, 2022.

Anwar Galvanizing Limited (AGL) had another successful year in 2020-2021 with revenue earnings of Tk. 609,988,495 indexing a growth of 14%. This achievement was possible as a result of synchronized efforts from different functions working as a team who were led by AGI management.

Performance of the Economy:

Bangladesh economy despite the hit of the pandemic performed relatively well and attained a remarkable growth of gross domestic product (GDP) against its targeted growth set for the fiscal year (FY). Bangladesh's GDP is expected to grow by 6.4% in the 2021-22 fiscal year. "Bangladesh's growth rates would pick up to 6.4% in the 2021-22 FY as exports and consumption continue to improve. The government, however, has set a 7.2% growth target for the current fiscal year," it was said in the latest update of the World Bank's South Asia Economic Focus, titled "Shifting Gears: Digitization and Services-Led Development".

In the first three months of the current 2021-22 FY, export earnings have increased and the economy is recovering from the loss of the second wave of the pandemic," and every sector is in the process of turning around from the situation caused by the pandemic. However, our GDP growth will depend on private sector investment. The investment in this sector is still recovering.

An Industry Outlook and Possible Future Developments in the Industry:

To enhance production capacity, Company has received a permission letter from DESCO for additional power supply, as a result the current product capacity will be increased almost double. Accordingly, market share will also increase from 26% to 52%. In this regards, need additional investment for new expansion project which will be financed from a mix of own resources and different modes of borrowed finance.

In order to keep the competitive edge through technological changes and to ensure sustainable growth, the plants have been being reinforced through introduction of modern machinery. In this process, we added machinery of Taka 24,219,246 in the year 2020-21. Now, AGL has a well-equipped workshop with necessary plant and machinery to produce its core products GI Fittings.

The management of AGL is working hard continuously to diversify the product portfolio of the Company in order to boost turnover with profitability and to grab the opportunity of continuously growing market potentials.

The Segment-wise or Product-wise Performance

During this year, revenue of the Company registered at Tk. 609,988,495 which was improved by 14 % compared to the past year's revenue of Tk. 534,251,648. Net Profit after Tax for the year was Tk. 59,725,897 increased by 103% over the previous year. AGL is now positioned to realize benefits from enhanced capacity, wide retail presence, strong brand image along with smooth sales services and we are confident to attain new heights in 2022.

Particulars	Amount in BDT	
	30 June 2021	30 June 2020
Revenue		
Sales: GI Fittings	584,829,755	515,716,669
Sales: Others	25,158,740	18,534,979
Total Revenue	609,988,495	534,251,648
The sales amount is presented net of VAT.		

The Directors' Report to Shareholders

Procurement Information

The Company considers lead time of 30 days for material purchase and maintains optimum stock level. There are some chemical items for which the Company keeps buffer stock of about 60 days to support uninterrupted production. The main raw materials are pig iron, CI scraps and MS scarps. The Company has separate procurement department for all types of purchases.

Product Information

The Management of Anwar Galvanizing Limited places considerable emphasis on maintaining and improving the quality of its products by following strictly arranged criteria at every level of production and handling. As a result, the Company produces GI fitting of competitive standards. The products are classified as plain elbow, plain tee, plain socket, union, reducer elbow, reducer tee, reducer socket, plain cross, way elbow, hex nipple, bend, plug and so on. It produces fittings of different sizes as required by our customers in conformity with the international quality standards. The Company is the major local manufacturer of GI fittings and have more than 1,630 wholesalers spread over almost all the districts across the country.

Risk and Concern

Risks have always been an important and inherent part of doing business and GI fittings industry is no exception to it. Anwar Galvanizing Limited like any other company, is exposed to different risks systematic and unsystematic, that might affect its operating and economic performance. Managing risk thus remains key to a sustainable advancement and expansion of our business.

The Company has a defined business risk assessment process which has been illustrated under Corporate Governance Chapter and the notes to the Financial Statements. GI fittings is a labor-intensive industry cost of which is escalating gradually. Same is in the case of Gas and Electricity prices which is gradually in raising trends.

Anwar Galvanizing Limited is always careful to identify the key business risk and ensures the mitigation plans are in place. Continuous reviewing and adopting of the best practices enable Anwar Galvanizing to achieve its objective efficiently and effectively. Depending on the nature of the risk, strategic decisions are taken to eliminate or mitigate the impact of the risks. The disclosures of some risks and management's perception on those risks are provided in the notes to the financial statements for the year ended June 30, 2021.

Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin

The Company continued its historic growth momentum with notable increase in sales, operating and net profit defying a difficult market condition prevailing throughout the first quarter of the fiscal period.

Note-17 of the Financial Statements contain details of the Cost of Goods Sold (COGS). COGS for the year ended June 30, 2021 was Tk. 510,807,033 which is 83.74% of sales as compared to 86.90% of last year which resulted an increase of gross profit margin by 3.16% from 13.10% in 2019-20 to 16.26% in 2020-21. The Sales Revenue, Profit Before Tax and Profit After Tax increased by 14%, 89% and 103% during the fiscal year 2020-21 over the previous year. This was achieved by efficient and effective operation and closely monitoring the administrative, selling & distribution expense without compromising the quality and compliance.

Particulars	Amount in BDT.		
	30 June 2021	30 June 2020	Growth
Sales Revenue	609,988,495	534,251,648	14%
Gross Profit	99,181,462	69,982,214	42%
Operating Profit	68,435,559	41,793,639	64%
Profit Before Tax	73,856,234	38,995,189	89%
Profit After Tax	59,725,897	29,490,879	103%
Earnings Per Share	3.92	2.03	93%

The Directors' Report to Shareholders

Extra-Ordinary Activities

The Company did not undertake or continue any extra-ordinary activities and did not suffer or gain any loss or gain from such activities.

Related Party Disclosures

The Company has a number of transactions between its related parties. The transactions are carried out on an arm's length basis. The Company purchases raw materials from Anwar Ispat Ltd at its landed cost. This is due to enjoy the benefit from economies of scale jointly with Anwar Ispat Limited. The Audit Committee periodically reviews these transactions. The full disclosure of all related party transactions are provided in the notes-27 to the financial statements for the year ended June 30, 2021.

Utilization of Proceeds from Public Issue

Initial Public Offering of AGL was made in 1996 and the fund raised thereby has already been utilized as reported to the regulators. No further issue of any instrument was made thereafter.

Financial Result after IPO

No IPO or Right issue was made for the year ended June 30, 2021.

Significant Variance between Quarterly Financial Performance and Annual Financial Statements

During the year 2020-2021, the company has achieved Net Profit Margin at 9.79% during the current year compared to 5.52% in the previous period. This is achieved by maintaining growth in revenue by 14% over the previous year and controlling manufacturing expenditures. The operational shift from manufacturing and distributing Brake Drums to only GI products has also benefited the company with lower selling cost. Overall, this has led to substantial growth of 93% in Basic EPS.

Remuneration to Directors:

All the Directors in the Board of the Company except the Managing Director are non-executive. During the year, no remuneration or benefits were paid to the Directors of the Board for their services to the Company except the Board meeting attendance fees. Details information is disclosed in Note-30 to the Financial Statements.

Directors' Statement on Financial Reports for the year ended June 30, 2021:

Directors are pleased to convey the report by complying as follows:

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules, 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been duly maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) have been followed in the preparation of the financial statements.
- Internal Control System is properly designed and has been effectively implemented and monitored.
- The minority shareholders are protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and effective means of redress.
- There is no significant doubt about the ability of the Company to continue as a going concern.

The Directors' Report to Shareholders

Proper books of accounts maintained to prepare financial statements:

The Proper books of accounts of the Company have been duly maintained. The Financial Statements for the period ended June 30, 2021 presented a true and fair view of the affairs of the Company and are in compliance with existing accounting standards and applicable laws. There is no statement which is materially untrue or misleading and there is no omission of facts in such statements. No transaction has been entered into by the Company which are fraudulent, illegal or in violation of the Company's code of conduct.

Significant Variance over the Last Year's Operating Result

We are pleased to report to the shareholders regarding the variations from last year in terms of operating results of the Company as below:

Particulars	30-Jun-21	30-Jun-20	Variance
Revenue (Turnover)	609,988,495	534,251,648	14%
Gross Profit	99,181,462	69,982,214	42%
Operating Profit	68,435,559	41,793,639	64%
Profit Before Tax	73,856,234	38,995,189	89%
Profit After Tax	59,725,897	29,490,879	103%
Comprehensive Income	59,725,897	29,192,463	105%

Five Year's Financial Highlights

The financial performance of the Company for the preceding 5 (Five) years as under –

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Revenue	609,988,495	534,251,648	433,443,776	368,290,713	249,107,204
Cost of Goods sold	510,807,033	464,269,433	379,257,017	317,361,710	213,453,709
Gross Profit	99,181,462	69,982,214	54,186,759	50,929,003	35,653,493
Profit before tax	73,856,234	38,995,189	27,975,596	26,696,790	20,127,629
Profit After Tax	59,725,897	29,490,879	21,888,967	18,023,779	15,050,119
Comprehensive Income	59,725,897	29,192,463	21,783,142	17,870,395	15,276,154
Total Assets	436,427,391	283,168,842	268,591,663	338,972,385	302,211,635
Net Assets	202,873,298	157,586,579	142,914,117	135,650,975	213,453,709
EPS*	3.92	2.03	1.51	1.24	1.14
NAV*	13.31	10.85	9.84	9.34	8.92
NOCFPS**	(0.53)	3.54	1.67	2.56	2.47

*Earning Per Share

*Net Asset Value

**Net Operating Cash Flow Per Share

Declaration of Dividend

The Board of Directors of the Company at its 174th meeting held on October 9, 2021 proposed 20% Cash and 10% Stock Dividend for all eligible shareholders for the year ended June 30, 2021 for onward approval in the 27th Annual General Meeting of the Company which is going to be held on January 12, 2022. During the year, no cash dividend or stock dividend was recommended or declared as interim dividend.

The Directors' Report to Shareholders

Board Meetings Held During the Year and Attendance by Each Director:

Nine times Board of Directors meeting were held during the year under the review. The Board granted leave of absence to the members who are unable to attend the meetings. The attendance record of the Directors is shown as under.

Sl.	Name	Representation in the Board	Attendance in the Board Meeting
1	Mr. Manwar Hossain	Chairman	9
2	Mr. Hossain Akhtar	Managing Director	9
3	Mr. Hossain Mehmood	Director	9
4	Mr. Hossain Khaled	Director	8
5	Mrs. Bibi Amena	Director	8
6	Mrs. Shaheena Begum	Nominated Director	7
7	Mrs. Hasina Begum	Nominated Director	8
8	Mr. Tareq Hossain	Shareholder Director	6
9	Mr. Md. Abul Quasem	Independent Director	9
10	Mr. Naba Gopal Binik,	Independent Director	9

Pattern of Shareholding

As per Clause No. 5 (xxiii) of the Corporate Governance Code, 2018 of Bangladesh Securities Exchange Commission, the pattern of shareholding as on June 30, 2021 is noted below:

- (a) Parent/ Subsidiary/ Associated Companies and their related parties: N/A
- (b) The Pattern of Shareholding of the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children:

Name of the Shareholder	No. of Shares held
Mr. Manwar Hossain, Chairman	8,48,917
Mr. Hossain Akhtar, Managing Director	Nil
Mr. Hossain Mehmood, Director	8,48,916
Mr. Hossain Khaled, Director	8,48,917
Mrs. Bibi Amena, Director	715,000
Mrs. Shaheena Begum, Director	189,750
Mrs. Hasina Begum, Director	192,500
Mrs. Shahnaz Begum, Sponsor	192,500
Mrs. Selina Begum, Sponsor	192,500
Anwar Steel mills Ltd., Sponsor	1,100,000
Mr. Tareq Hossain	15,400
Mr. Md. Abul Quasem, Independent Director	Nil
Mr. Naba Gopal Binik, Independent Director	Nil
Chief Financial Officer	Nil
Company Secretary	Nil
Head of Internal Audit	Nil
Spouses and minor children of above	Nil

- (c) Executives: Nil
- (d) Shareholder holding 10% or more voting interest in the Company: Nil

The Directors' Report to Shareholders

Distribution of Shareholdings

All shares have been fully called and paid-up. There was no preference share issued by the Company. The distribution schedule of each class of equity security and percentage as on June 30, 2021 is as under:

Share Holding Range	Number of Shareholders	No. of Shares	Ownership (%)
0000000001-0000000020	340	1790	0.01%
0000000021-0000000049	59	1790	0.01%
0000000050-0000000050	35	1790	0.01%
0000000051-0000000200	229	28,522	0.19%
0000000201-0000000500	382	167,937	1.10%
0000000501-0000001000	312	227,122	1.49%
0000001001-0000005000	273	622,107	4.08%
0000005001-0000010000	61	431,185	2.83%
0000010001-0000025000	44	734,299	4.82%
0000025001-0000050000	10	553,872	2.32%
0000050001-9999999999	34	12,675,626	83.14%
Total:	1,779	15,246,000	100.00%

Directors' Rotation and their Re- appointment:

According to the Companies Act, 1994 and the Articles of Association of the Company, Mr. Manwar Hossain, Chairman, Mr. Hossain Mehmood, Director, and Mr. Tareq Hossain, Shareholder Director, shall retire from the office by rotation at the 27th Annual General Meeting.

Mr. Manwar Hossain, Chairman, and Mr. Hossain Mehmood, Director, are seeking re- appointment and Mr. Furkaan Muhammed N Hossain offer himself to appoint as a Nominated Director for and on behalf of Anwar Steel Mills Limited.

The Board of Directors of Anwar Galvanizing Limited recommended their appointment. Brief resume and other information of the abovementioned directors are depicted in the Annual Report.

Appointment of Independent Director:

In accordance with Article of the CGG, the Board of Directors appointed Mr. Naba Gopal Banik as an Independent Director of the Company, subject to confirm by the shareholders in its Annual General Meeting. Brief resume and other information of the Independent directors are depicted in the Annual Report.

Management's Discussion and Analysis of the Company's position and operations:

Detailed discussion on the Operating and Financial performance of the Company along with other disclosures as required under Corporate Governance Code issued by Bangladesh Securities and Exchange Commission through Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 has been separately reported by the Managing Director in this Annual Report.

Declaration by CEO and CFO

The certification by the CEO and the CFO has confirmed the Company's affairs as well as illustrated deliberation to the important events those occurred all over the fiscal year. These reports outlined an essential part of the Directors' Report. The declaration has been disclosed separately by **Annexure-A** in this Annual Report.

Appointment of Compliance Auditors:

In accordance with the requirements of the Bangladesh Securities and Exchange Commission notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018, a Report on Corporate Governance Compliance has

The Directors' Report to Shareholders

been issued within the report as well as certificate on Compliance of the Corporate Governance Code for the financial year of 2020-2021 in Annexure-B and Annexure-C, respectively. The existing Compliance Auditor, M/s SURAIYA PARVEEN & ASSOCIATES, Chartered Secretaries in Practice, retires at the end of 27th Annual General Meeting.

The Board, after due consideration of the proposal, recommended for re-appoint M/s SURAIYA PARVEEN & ASSOCIATES, Chartered Secretaries in Practice, as a Compliance Auditor for the year 2021-2022, subject to the approval in the AGM which is scheduled to be held on January 12, 2022.

Appointment of Statutory Auditors:

The existing Auditors, M/s Mahfel Huq & Co., Chartered Accountants, completed their 3 (three) year terms as a Statutory and External Auditor of the Company and shall retire from the office of the Auditor at the end of the 27th Annual General Meeting.

M/s Ahmed Zaker & Co., Chartered Accountants, has expressed their willingness to hold office of the Statutory Auditor of the Company for the year 2021-2022. The Board, after due consideration of the proposal made by the Audit Committee, recommended to appoint M/s Ahmed Zaker & Co., Chartered Accountants, as a Statutory and External auditor for the year 2021-2022, subject to the approval by the shareholders in its 27th AGM which is scheduled to be held on January 12, 2022.

Management Appreciation:

The AGL family expresses its sincere appreciation to all Officers, Staffs, Workers, Customers, Creditors for their contribution and at the same time, thanks to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Central Depository Bangladesh Ltd. and the Government in particular and all the stakeholders for their continued support.

On behalf the Board,

Sd/-
Chairman

Dhaka: Dhaka

Report of the Audit Committee

The Board of Directors has constituted an Audit Committee of the Board, the committee comprised of four members. All the members of the Committee are Non-Executive Directors and the Chairman of Audit Committee is an Independent Director.

This report of the Audit Committee of Anwar Galvanizing Limited (AGL) is being presented in pursuance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission dated June 03, 2018. The principal purpose of the Audit Committee is to assist the Board in effective fulfillment of its oversight responsibilities. The Committee has distinct Terms of Reference (ToR) developed conforming to the Code of Corporate Governance issued by the BSEC. The Audit Committee held four meetings to carry out its business under the ToRs during the year. This report is a brief on the activities performed by the Audit Committee throughout the year.

The Audit Committee in its meeting held on 9 October 2021 reviewed along with management, the financial statements and the report of the auditors of the company for the year ending on June 30, 2021. During the meeting, the Chief Financial Officer (CFO) of the Company presented the annual accounts along with the independent auditors report to the Committee. Detailed discussions on the financial statements were held with the representatives of the management of the Company where representatives of external auditors were present. The CFO briefed the Committee that the financial statements have been prepared in compliance with IFRS/IAS. He appraised the Committee that the accounting policies applied in preparation of the financial statements are consistent with those of the previous financial years and are within the framework of international accounting standards and practices. The Committee reviewed the significant estimates and judgements made in preparation of the accounts and looked into their prudence and justification. They also evaluated the compliance of the financial statements to the disclosure requirements as per IFRS/IAS and other regulatory authorities including BSEC. They further discussed the financial reporting process and the adequacy of the internal control system of the Company in place, to prevent errors and fraudulent activities.

The Audit Committee prudently observed the related party transactions carried out among different associated companies. The Committee was well satisfied that the related party transactions were made on an arm's length basis in the normal course of business. The transactions under related party have been appropriately disclosed in note-27 of the financial statements according to the guidelines of IAS 24. The independent auditors' report also did not contain any material audit observation that called for the Boards' consideration. The Committee being satisfied authorized for onward submission of the annual audited financial statements to the Board for approval.

Moreover, during the year the Audit Committee met other occasions to review among others, the quarterly unaudited financial statements issued by the Company at the end of respective periods. In each instance, the Committee held detailed discussions with senior management on different aspects of the financial statements to ensure accuracy, consistency and compliance of the reports in all material aspects. The Committee also considered the related party transactions and found that all related party transactions were made on an arm's length basis.

The Audit Committee assessed the independence, objectivity and expertise of the statutory auditors engaged to carry out the audit for the period ended 30 June, 2021. The existing Auditors, M/s Mahfel Huq & Co., Chartered Accountants, completed their audit for three years and shall retire from the office of the Statutory Auditor of the Company at the end of the 27th Annual General Meeting.

Based on the evaluation, the Audit Committee proposed to the Board to appoint M/s Ahmed Zaker & Co., Chartered Accountants, for the period ended 30 June, 2022 which shall be subject to the approval by the shareholders in its Annual General Meeting.

Report of the Audit Committee

During the period ended 30 June, 2021, the Committee also assessed and examined risk management process, monitored internal audit and compliance process and reviewed the report thereon. The financial reporting process and the related compliance and disclosure issues also came up as matters of periodic review by the Committee. The senior management of the company on invitation attended various meetings of the Audit Committee to apprise the members on different issues. The Committee noted no material deviations or non-compliance or adverse audit findings that warrants for board or shareholders' attention during the year under review.

The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

On behalf of the Committee

October 9, 2021

Sd/-

Naba Gopal Banik

Independent Director &

Chairman, Audit Committee

Directors' Responsibilities to Prepare Financial Statements

The law requires that the Financial Statements of the Company would follow International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). This has been completely followed to fairly present the financial position and performance of the Company. While preparing the financial statements, the following points were considered:

- Ensuring that the financial statements have been prepared in accordance with IFRS and IAS;
- Selection of suitable accounting policies and then applying them consistently;
- Making judgments and estimates that are reasonable and prudent; and
- Make an assessment of the Company's ability to continue as a going concern entity.

Proper accounting records have been kept so that at any given point the financial position of the Company is reflected with reasonable accuracy, which will enable them to ensure that its financial statements comply with Companies Act, 1994 and other required regulatory authorities.

As per requirements of BSEC's Notification No. BSEC/CMRRCD/2006/158/207/Admin/80 dated June 03, 2018, the Directors are also pleased to make the following declarations in this report:

- i. The financial statements prepared by the management of the Company fairly and Proper books of accounts of the Company have been maintained. Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment. International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;
- ii. The system of internal control is well structured and has been effectively implemented and monitored and there are no significant doubts upon your Company's ability to continue as an ongoing concern basis;
- iii. Significant deviations from last year in operating results of the Company are disclosed in this report as applicable;
- iv. Key operating and financial data have been summarized for the preceding five years;
- v. Significant plans and decisions, such as corporate restructuring, business expansion and future prospects, risks and uncertainties surrounding the Company has been outlined under the related captions of this report;
- vi. The number of Board meetings held during the year and attendance of each director has been disclosed;
- vii. The pattern of shareholding has been reported in the Directors' Report.

Sd/-

Hossain Akhtar
Managing Director & CEO

Directors' Appointment & Re-appointment:***Mr. Manwar Hossain, Director***

As Chairman, Mr. Manwar Hossain leads Anwar Group of Industries, a conglomerate with a 180 years' legacy. Largely shaped by his father, the legendary business philanthropist, Al-Hajj Anwar Hossain. Anwar Group is now recognized and the 'Dun and Bradstreet' awarded the most diversified business conglomerate in Bangladesh.

Mr. Manwar Hossain began his business career in the Group in 1994 after completing his BBA and MBA from the University of New Hampshire, USA. Apart from the Anwar Group of Industries, Mr. Hossain is also a Director of Modhumoti Bank Limited, BD Finance Securities Limited, BD Finance Capital Holdings Limited. He was also a former Director of Bangladesh Commerce Bank Limited and Vice Chairman of City Bank Limited.

Mr. Manwar Hossain has played a vital role as a Director of the Dhaka Chamber of Commerce & Industry (DCCI). He leads the steel and cement sectors of Bangladesh as the President of the 'Steel Manufacturers of Association of Bangladesh' and Senior Vice President of 'Bangladesh Cement Manufacturers Association (BCMA)'. He is a member of Dhaka Club Limited, North Gulshan Club, Army Golf Club Limited, Kurmitola Golf Club Limited, and American Alumni Association (AAA).

Mr. Hossain Mehmood, Director

Mr. Hossain Mehmood is an industrial entrepreneur and has been in the business for a long period and successfully set up and executed a good number of industrial undertakings. Currently, he is the Director of Anwar Galvanizing Limited. He is Director of a number of Companies of Anwar Group of Industries and Mr. Mehmood is the Managing Director of Hossain Dyeing & Printing Mills Limited, Mehmud Industries (Pvt.) Limited, Anwar Silk Mills Limited and vice Chairman of City General Insurance Company Limited.

Mr. Mehmood is the representative Director of A-One Polymer Ltd. in the Board of the City Bank Ltd. and immediate past Vice Chairman as well as a member of the Executive Committee of the Board of Directors of the of the bank. He also served on the Board at Bangladesh Terry Towel Manufacturers & Exporters Association and Bangladesh Textile Mills Association. Mr. Mehmood born in a reputed Muslim family. He received his Associate degree in Textile Engineering and Management from the University of New Hampshire, USA.

Mr. Furkaan Muhammed N Hossain, Nominated Director of ASML

Mr. Furkaan Hossain is the first grandson of the legendary business icon of Bangladesh "Al-hajj Anwar Hossain". He is currently pursuing his B.Sc. in Robotics engineering at Colorado State University. He is a Director of Anwar Group of Industries, at very early age. He is also involved with several social welfare projects in Bangladesh.

Mr. Naba Gopal Banik, Independent Director

Mr. Banik has more than 35 (Thirty five) years extensive experience in Banking and Financial sector of Bangladesh. He was also Member, Insurance Development and Regulatory Authority, (IDRA), Bangladesh. He did his Masters of Science in Statistics from the University of Chittagong. He started his career with Bangladesh Bank as an Officer Class-1 in 1976 and retired as Executive Director in 2008. He successfully completed the Diploma in Associate of the Institute of Bankers' Bangladesh (DAIBB) and also was awarded Diploma on World Banking and Finance from Colorado University, USA.

Mr. Banik attended numerous training and seminar as guest speaker in Bangladesh as well as abroad. For instance, Remittance and Payment Partnership organized by DFID, Corporate Governance in Banks and Financial Institutions in Bangladesh, Financial Globalization and Financial Sector Development in South and Central Asia, BASEL-II Implementation, Banking Regulation and Policy, Foreign Exchange Policy etc. He is also Jury, Emerging Asia Insurance Awards organized by Indian Chamber of Commerce.

Anwar Galvanizing Limited (AGL) trust that aspects of good governance are shared by the Board of Directors, operational participants, workers and others in fulfillment of the common goals that converge in increasing the benefits of all stakeholders. To this end entire corporate governance efforts are blended with good governance practices as ethically and morally acceptable standards under a given socio political environmental phenomenon of our society in which we work, live and exist.

While the Directors' report delivers details on Company's compliance to the statutory code of corporate governance, the paragraphs below further explain how corporate governance works at AGL. The organisms through which the corporate governance functions are carried out are:

Board of Directors

The Board is the highest level of authority in the organization structure of the Company. The BODs comprise of ten Directors including two Independent Directors with varied education and character in decision making process. The Board meets periodically to oversee the Company's affairs, gives approval and strategic direction. The Board of AGL has laid down a Code of Conduct of all board members and annual compliances of the code have recorded. The Board is re-constituted every year at each AGM.

The MD/CEO along with the Company Secretary finalizes the agenda for the Board meeting in consultation with the other person concerned, if needed. The minutes of the Board meeting are maintained in terms of statutory provisions.

Role & Responsibilities of the Board of Directors

The core role of the Board of Directors, which is the highest level of authority, is to provide general superintendence, oversee the operations and control the affairs of the company through appropriate delegation and accountability processes via the lines of command. However, the Board of Directors hold the ultimate responsibility & accountability with due diligence for conducting the activities of the Company as per provisions of law in the interest of the shareholders, the stakeholders, the Government and the society.

The Board of Directors take special care in designing and articulating productivity and compensation plans of employees and workers and rewarding them appropriately on the basis of quality and quantity of performance as an incentive. Board also remains responsible for removal of operational hazards to life and health of workers, friendly environmental work condition and social relationship as demanded of good citizen in a country.

Sub-committee of the Board of Directors

As per the code of CGG, the Board has set up two important Committees namely, Audit Committee (AC) and Remuneration & Nomination Committee (NRC), to assist the Board in certain matters specified in the respective terms of reference of the Committees as mentioned in the CGG.

According to the CGG, AGL has an Audit Committee as a sub-committee of the Board of Directors. The Audit Committee assists the Board of Directors in ensuring a good monitoring system within the business. The Audit Committee is accountable to the Board and the duties and responsibilities to internal control, financial reporting and compliance monitoring, among others, of the Audit Committee are clearly set forth in writing by the Board in the Audit Committee Charter.

AGL has a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board of Directors. The committee comprised three members including independent director.

Chairman of the Board and Chief Executive Officer

The Chairman of the Board and the MD/CEO are different individuals. The Chairman of the Company is elected from among the directors of the Board. The Board has clearly defined respective roles & responsibilities of the Chairman and the MD/CEO in addition to their roles and responsibilities as per Articles of Association of the Company.

Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)

Anwar Galvanizing Limited has a Chief Financial Officer (CFO). He is a Fellow Member of both the Institute of Chartered Accountants of Bangladesh and the Institute of Cost and Management Accountants of Bangladesh. The Board of Directors clearly defined roles, responsibilities and duties of the CFO.

AGL has a Head of Internal Audit. He is an Associate Member of the Institute of Chartered Accountants of Bangladesh. He is responsible for internal control and compliance of the Company. The Board of Directors clearly defined respective roles, responsibilities and duties of the Head of Internal Audit.

The Board of AGL has appointed a Company Secretary. He is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh. The Board of Directors clearly defined respective roles, responsibilities and duties of the said position.

External Auditor

External Auditor was appointed by the shareholders in Annual General Meeting. During the year, M/s. Mahfel Huq & Co., Chartered Accountants, is the external/statutory Auditor of the Company. The Auditor has performed his duties accordingly and did systematic examination of books and records of the Company and reported upon the facts regarding the financial operation and the results. No partner or employees of the auditors are holding any shares of AGL during the tenure of their audit assignment.

Compliance Auditor

The compliance auditor is responsible in certification on compliance of conditions of Corporate Governance Code, 2018 of BSEC as well as the provisions of relevant BSS of Institute of Chartered Secretaries of Bangladesh. M/s. Suraiya Parveen & Associates, Chartered Secretaries in Practice, is the compliance auditor of AGL appointed by its shareholders in general meeting. The Compliance Auditor carried out systematic examination of books and records of the Company accordingly and issued a certificate as incorporated in the Annual Report.

Internal Audit and Internal Control

The Company has an independent Internal Audit Department under control of the Audit Committee of the Board. Internal auditing of AGL assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Organization's risk management, control and governance processes.

Compliances

AGL try their best maintaining of the Secretarial Standard on meetings of the Board of Directors, shareholders, Minutes and Dividend issued by the Institute of Chartered Secretaries of Bangladesh. A qualified Chartered Secretary is in charge for maintaining of the Secretarial Standard.

AGL ensured highest standards in corporate good governance and strict adherence to the requirements of ethical code of conduct, through close monitoring. Through the code of ethics all levels of staff have been educated and encouraged to resort to whistle blowing, when they suspect wrong doings by other employees.

Management's Discussion and Analysis

[As per condition No. 1(5)(xxv) of CCG]

A Management's Discussion and Analysis presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing is as under:

Accounting policies and estimation:

Anwar Galvanizing Limited has been consistently applying IFRS and IAS in preparation of its financial statements. Management has the discretion to decide on the accounting policies within the financial reporting framework and to make estimates and provision in preparing those financial statements. The AGL's accounting policies remain consistent with those of the previous year and there has been no changes in the accounting policies that could materially impact the financial statements.

In the absence of applicable IFRSs to any particular transactions, other events or conditions, we have used our best judgment in developing and applying an accounting policy that results in information that is relevant to the economic decision-making needs of users and is reliable.

Changes in accounting policies and estimation:

We usually change an accounting policy only when the change is required by a IFRS or results in the financial statements providing more reliable and relevant information about the effect of transactions, other events or conditions on the financial position, financial performance or cash flows. Accounting policies used are provided in note-2 to the audited financial statements.

Comparative analysis of financial performance and financial position as well as cash flows for current year with immediately preceding five years explain the reasons thereof:

There was increasing growth in pre & after-tax profit consistent with sales growth of the Company. Revenue increased by 14% over the last year to reach at TK.609,988,495. Profit after tax also grew by 103% to reach TK. 59,725,897. The five years' comparative financial performance information are available in the directors' report.

Comparative analysis of financial performance with peer industry scenario:

In the year 2020-21, few companies have started manufacturing and distributing in the local market. However, the financial performance and position information of the companies are not available. During the year, the assets base of the Company is of Tk. 135,451,777 the revenue is of Tk. 609,988,495, Net Operating cash Flows is Tk (8,044,925) and the net profit is of Tk. 59,725,897.

Financial and economic scenario of the country and the world

In FY 2021, COVID-19 pandemic had a profound impact on economies all around the world. Most economies witnessed loss of productivity, increased unemployment etc. To address these adverse conditions governments around the world have provided large emergency lifelines to people and firms. In spite of the pandemic, as stated in the Directors' Report, the global economy is expected to expand further at a lesser pace than earlier.

Bangladesh has undergone major socio-economic development in last few years. Some of which include rapid expansion of information technology, construction sector and manufacturing sector. These transformations have boosted Bangladesh from a 'low-income-country' to a 'lower-middle- income-country' in the last few years.

Management's Discussion and Analysis*[As per condition No. 1(5)(xxv) of CGG]***Risks and concerns related to the financial statements:**

AGL has maintained effective system of internal control and well-designed financial reporting process. Financial Statements of the Company are reviewed by adequate experienced professionals. Appropriate policies and procedures, as well as adequate review and control mechanisms are in place in every steps of the financial reporting value chain to avoid, eliminate or reduce the risk of errors, omissions or material misstatements in the financial reports. Moreover, quarterly and annual public reports are subject to rigorous review by the Board's audit committee in addition to the annual accounts being audited by independent external auditors. The risks and concerns issues related to Company's financial statements are identified and mentioned in the annual financial statements for the year ending 30 June 2021.

Future plan for Company's operation, performance and financial position:

To fulfill the emerging demand of the market, AGL has decided to setup new expansion project to increase the production capacity and at the same time has taken steps to reduce wastage and to ensure quality of products.

Sd/-

Hossain Akhtar

Managing Director & CEO

**Dividend Distribution Policy
of
Anwar Galvanizing Limited**

[Pursuant to the clause (1) of BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021]

1. Introduction:

This Policy is called “Anwar Galvanizing Limited- Dividend Distribution Policy” (hereinafter referred to as the “Policy”) and has been framed by Anwar Galvanizing Limited (the “Company”) pursuant to Bangladesh Securities Exchange Commission (BSEC), Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021. The objective of the Policy is to provide guidance to stakeholders on the dividend distribution framework adopted by the Company. The Policy has been adopted by the 175th BODs meeting held on October 9, 2021 (the “Effective Date”).

2. Dividend Recommendation and Approval process:

Dividend to be recommended and approved as per applicable Acts and regulatory directives issued from time to time.

3. Entitlement of Dividend:

Shareholders whose names shall appear in the Members Register of the Company or in the Depository Register of CDBL on the ‘Record Date’ of the respective year’s AGM will receive entitled dividend.

4. Process of Distribution of Cash Dividend:

In case of Cash dividend, the dividend shall be paid directly to the bank account of the Shareholders within 30 (thirty) days from the date of approval by the Shareholders in the AGM subject to comply of circulars/directives of BSEC or any other regulatory authority from time to time.

- a) Through Bangladesh Electronic Funds Transfer Network (BEFTN); or
- b) Through bank transfer or any electronic payment system as recognized by the Bangladesh Bank (if not possible through BEFTIN); or
- c) In case of margin loan and claim by loan provider, through the Consolidated Customer’s Bank Account (CCBA);
- d) To the separate bank account of the merchant Banker or portfolio manager through BEFTN;
- e) Through the security custodian following Foreign Exchange Regulation for non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI);
- f) Through issuance of Cash Dividend warrant and send it through Courier/post to the shareholders or unit holders’ address, if non-availability of bank account information or not possible to distribute through BEFTN or any other electronic payment system.
- g) Amount of declared cash dividend payable for the concerned year/period shall be kept in a separate bank account as per circular of BSEC or other regulatory authority from time to time.

5. Manner and procedure of stock dividend distribution:

The stock dividend shall be credited within 30 (thirty) days of approval subject to the clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL) or any other regulatory requirement, if needed:

- 1) To the BO account of the shareholders;
- 2) The undistributed or unclaimed stock dividend shall be credited to suspense BO Account.
- 3) The stock dividend shall be transferred to the suspense BO account if BO account is not available or BO account is inactive;

- 4) The sale proceeds of fractional stock/bonus dividend shall be paid off as per circular of BSEC or Bangladesh Bank or other regulatory authority from time to time.

6. Unpaid or unclaimed of unsettled cash dividend:

In case of cash dividend, unpaid or unclaimed of unsettled cash dividends shall be settled as per instructions of BSEC or other regulatory authority from time to time.

7. Unpaid or unclaimed of unsettled stock dividend:

In case of stock dividend, unpaid or unclaimed of unsettled stock dividends shall be settled as per instructions of BSEC or other regulatory authority from time to time.

8. Tax matters:

Tax shall be deducted at source as per applicable tax laws.

9. Submission of Dividend Distribution Compliance Report:

In-compliance with the Dhaka Stock Exchange (Listing) Regulation-2015 and Chittagong Stock Exchange (Listing) Regulation-2015 and other regulatory requirement, “Anwar Galvanizing Limited” has been submitted a Dividend Distribution Compliance Report to BSEC, DSE and CSE accordingly. This report shall be submitted to BSEC, DSE and CSE in a specified format issued by the regulator (s) within the stipulated time.

11. Disclosures:

In case it is proposed not to declare dividend during any financial year, the grounds thereof and the information on the manner in which the retained profits of the Company, if any, are being utilized shall be disclosed to the Shareholders in the Board’s Report forming part of the Annual Report of the Company for the given financial year. The Policy shall be disclosed in the Company’s Annual Report and also be available on the Company’s website: <https://www.anwargalvanizing.com>.

12. Effective Date:

This Policy has been approved by the Board of Directors of the Company and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

13. Policy Review:

The Board of Directors of the Company may review the policy, if the Board proposes to declare dividend on the basis of criteria in addition to those specified in the policy, or proposes to modify the criteria, it shall disclose such changes along with the rationale for the same on the Company’s website and in the Annual Report.

14. Information of Unpaid/Unclaimed Dividend:

The Unpaid/Unclaimed Dividend amount as on June 30, 2021 is 13,105,485.



ANWAR GALVANIZING LTD.
(a concern of Anwar Group of Industries)
Register Office: 27, Dilkusha C/A, Dhaka-1000

Revenue
Stamp of
Tk. 20.00

PROXY FORM

I/We
of being a Member of
Anwar Galvanizing Limited, hereby appoint Mr./Ms. of
..... as my proxy
in my/our absence to attend and vote for me/us and on my/our behalf at the 27th Annual General Meeting
of the company to be held on January 12, 2022 at 11:30 a.m in physical presence or under virtual platform, and
or at any adjournment thereof.

As witness my / our hand this day of 2022.

Signature of Proxy

Signature of Member

Register Folio no./BO ID of Member

NOTE:

1. A member entitles to attend and vote at the meeting may appoint his/her proxy to attend and vote on his/her behalf.
2. The proxy form should reach the Registered Office of the company not less than 48 hours before the time fixed for the meeting.



ANWAR GALVANIZING LTD.
(a concern of Anwar Group of Industries)
Register Office: 27, Dilkusha C/A, Dhaka-1000

ATTENDANCE SLIP

Name of Member

Name of Proxy

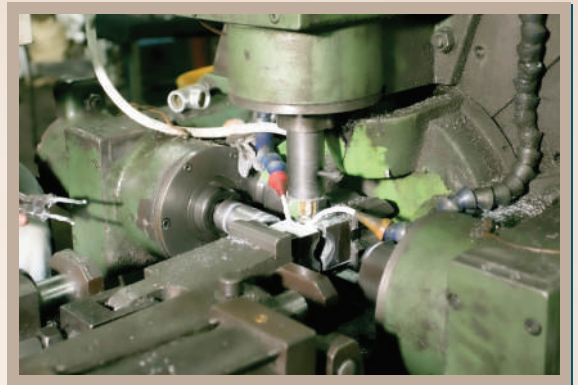
Register Folio No. / BO ID of Member

I/we hereby record my/our presence at the 27th Annual General Meeting of the Company to be held on January
12, 2022 at 11:30 a.m in physical presence or under virtual platform, and or at any adjournment thereof.

Signature of Member

Signature of Proxy

N.B: The Member attending the meeting is requested to mention the registered name and Folio no./BO ID on this slip and present the same
at the registration counter on or before 10.00 a.m.



PLAIN TEE



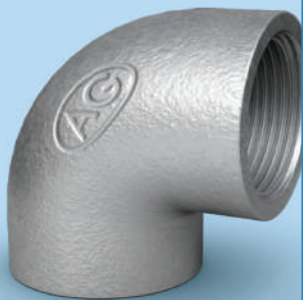
0.5 inch- 4 inch

REDUCER TEE



0.75' X 0.5' - 2' X 1.5'

PLAIN ELBOW 90°



0.5 inch- 4 inch

REDUCER ELBOW



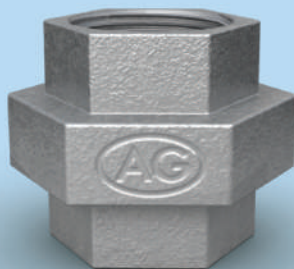
0.75' X 0.5' - 2' X 1.5'

PLAIN CROSS



0.5 inch- 2 inch

UNION



0.5 inch- 4 inch

PLUG



0.5 inch- 2 inch

HEX NIPPLE



0.5 inch- 3 inch

REDUCER SOCKET



0.75' X 0.5' - 2' X 1.5'

PLAIN SOCKET



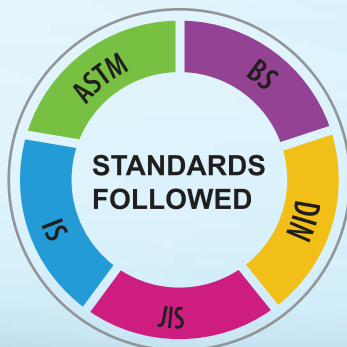
0.5 inch- 4 inch

FEATURES & SPECIALTIES OF ANWAR'S GI FITTINGS

- ▶ All fittings are hot dip galvanized.
- ▶ The zinc coating applied to the fittings is more than 610gm/m² as per ISO standard.
- ▶ Minimum 25 years guarantee in under ground condition.
- ▶ Inner and outer threading of the fittings is done accurately by CNC automatic machine.
- ▶ Accurate and even thickness throughout the product.
- ▶ The angle alignment of the fittings is done by automatic machine.
- ▶ Our GI fittings are 100% malleable, therefore the fittings do not crack or break.
- ▶ Our GI fittings are safe to use for transportation of drinking water as the zinc coating is done by 99.99% pure zinc only.

SCOPE OF OUR GI PIPE FITTINGS

Ours products cover requirement of general purpose for the transmission of fluid and gas upto limit of pressure and temperature in the supply line. These Fittings shall be suitable for working pressure of upto 1.4 M.P.a in the case of water and upto .0.7M.P.a in the case of steam, air, gas and oil at the temp of 100°C. Our product is manufactured from specified grade raw materials.



ANWAR GALVANIZING LTD.

Baitul Hossain Building (14th Floor), 27 Dilkusha C/A, Dhaka-1000, Bangladesh. Phone: +88 02 223384033-5, FAX: +88 02 9564020, E-mail: salesaop@anwargroup.com

Hotline: 16685