

ANWAR GALVANIZING LIMITED

Audited Interim Financial Statements
for the period ended 31 December 2020



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail: info@mahfelhuq.com
Web: www.mahfelhuq.com

Independent Auditor's Report To the Board of Directors of Anwar Galvanizing Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the Interim financial statements of Anwar Galvanizing Limited (the "Company"), which comprise the Statement of Financial Position as at 31 December 2020 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 and to the best of our information and according to the explanations given to us, the aforesaid interim financial statements give a true and fair view in conformity with International Accounting Standard "Interim Financial Reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB") is present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the period 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 Interim 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.

Emphasis of matter

We draw attention to the following notes of the financial statements,

- In note no. 4.00 Inventories, amount of Tk 125,452,159 for which we were unable to perform physical verification as on 31 December 2020, due to the fact decision to audit Interim Financial Statements was taken later.

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.



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1. Revenue Recognition	
Risk	Our Response to the Risks
<p>The company reported total revenue of BDT 293,856,809 as 31 December 2020. Revenue increased by BDT.58,927,523, which shows 25% higher revenue compared to 31 December 2019. 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. Revenue is derived from sales of GI Fittings and Others (scrap and wastage) as disclosed in note 16 to the financial statements.</p> <p><i>[See note 16.00 to the financial statements]</i></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>

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.

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

In preparing the interim 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.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim 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 interim 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 interim 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 interim 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.



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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; and
- (iv) The expenditure incurred, except as noted above, were to the purpose of company business.

Dhaka, 10 March 2021

Md. Abdus Satter Sarkar, FCA (1522)

For and on behalf of,

Mahfel Huq & Co.

Chartered Accountants

DVC: 210 3111 522 AS 181397

Estd. 1974

Anwar Galvanizing Limited
STATEMENT OF FINANCIAL POSITION

As on 31 December 2020

Particulars	Notes	Amount in Taka	
		As at 31 Dec-2020	As at 30 June 2020
Assets			
Non Current Assets		98,903,933	91,793,269
Property, Plant and Equipment	3.00	98,903,933	91,793,269
Current Assets		210,098,520	191,375,573
Inventories	4.00	125,452,159	116,694,083
Trade Receivables	5.00	1,543,353	4,470,157
Advances, Deposits and Pre- Payments	6.00	47,979,484	40,822,970
Short Term Investment	7.00	1,055,283	919,051
Cash and Cash Equivalents	8.00	34,068,242	28,469,311
Total Assets		309,002,453	283,168,842
Equity & Liabilities			
Shareholders' Equity		181,928,290	157,586,579
Share Capital	9.00	145,200,000	145,200,000
Retained Earnings	10.00	37,237,333	13,031,854
Other Components of Equity	11.00	(509,043)	(645,275)
Non Current Liabilities		9,003,728	9,402,441
Deferred Tax Liability	12.00	9,003,728	9,402,441
Current Liabilities		118,070,435	116,179,822
Trade and Other Payables	13.00	96,245,832	87,200,645
Income Tax Liabilities	14.00	16,122,759	10,230,526
Short Term Loan	15.00	5,701,844	18,748,650
Total Equity & Liabilities		309,002,453	283,168,842
Net Asset Value Per Share	22.00	12.53	10.85

The annexed notes form an integral part of these financial statements


Company Secretary


Director


Managing Director

Signed as per our annexed report on even date

Place: Dhaka
Dated : 10th March 2021


Mahfel Huq & Co.
Chartered Accountants
DVC: 210 3111 522 As 181 397

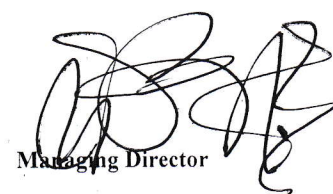
Anwar Galvanizing Limited
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Period ended 31 December 2020

Particulars	Notes	Amount in Taka			
		July '20 to Dec '20	July '19 to Dec '19	Oct '20 to Dec '20	Oct '19 to Dec '19
Revenue	16.00	293,856,809	234,929,286	128,664,595	120,248,671
Cost of Goods Sold	17.00	(246,811,551)	(206,285,522)	(107,771,834)	(105,376,423)
Gross Profit		47,045,258	28,643,764	20,892,761	14,872,248
Operating Expenses		(12,951,190)	(13,263,254)	(6,511,375)	(4,696,277)
Administrative Expenses	18.00	(6,473,208)	(8,180,444)	(3,440,934)	(3,429,583)
Selling and Distribution Expenses	19.00	(6,477,982)	(5,082,810)	(3,070,441)	(1,266,694)
Operating Profit		34,094,068	15,380,510	14,381,386	10,175,970
		(1,335,119)	257,100	(554,393)	248,195
Financial Expenses	20.00	(1,458,926)	(114,341)	(619,468)	(83,441)
Non-Operating Income	21.00	123,807	371,442	65,075	331,636
Profit Before Distribution of WPPF		32,758,949	15,637,610	13,826,993	10,424,166
Contribution to WPPF		(1,559,950)	(744,649)	(658,429)	(496,389)
Profit Before Tax		31,198,999	14,892,961	13,168,564	9,927,777
Income Tax expense		(6,993,520)	(2,350,157)	(2,545,303)	(2,044,476)
Current Tax		(7,392,233)	(3,291,003)	(2,781,517)	(2,606,190)
Deferred Tax		398,713	940,846	236,214	561,714
Net Profit After Tax		24,205,479	12,542,804	10,623,261	7,883,301
Other Comprehensive Income					
Unrealized Gain/(loss) on Marketable Securities		136,232	(305,661)	(10,228)	(139,461)
Total Comprehensive Income for the Period		24,341,711	12,237,143	10,613,033	7,743,839
Basic Earning Per Share	23.00	1.67	0.86	0.73	0.54

The annexed notes form an integral part of these financial statements


Company Secretary


Director


Managing Director

Signed as per our annexed report on even date

Place: Dhaka
Dated : 10th March 2021

Mahfel Huq & Co.
Chartered Accountants
DVC: 210 3111 522 45 181 397



Anwar Galvanizing Limited
STATEMENT OF CHANGES IN EQUITY
For the Period ended 31 December 2020

Amount in Taka

Particulars	Share Capital	Retained Earnings	Other Components of Equity	Total
Balance as on 30 July 2020	145,200,000	13,031,854	(645,275)	157,586,579
Total Comprehensive Income/(Loss)	-	24,205,479	-	24,205,479
Unrealized Gain/ (Loss)	-	-	136,232	136,232
Dividend (Cash)	-	-	-	-
Balance as on 31 December 2020	145,200,000	37,237,333	(509,043)	181,928,290
Balance as on 30 July 2019	145,200,000	(1,939,025)	(346,858)	142,914,117
Total Comprehensive Income/(Loss)	-	12,542,804	-	12,542,804
Unrealized Gain/ (Loss)	-	-	(305,661)	(305,661)
Dividend (Cash)	-	-	-	-
Balance as on 31 December 2019	145,200,000	10,603,779	(652,519)	155,151,259

The annexed notes form an integral part of these financial statements


Company Secretary


Director


Managing Director

Place: Dhaka

Dated : 10th March 2021

Anwar Galvanizing Limited
STATEMENT OF CASH FLOWS
For the Period ended 31 December 2020

		Amount in Taka	
Particulars	Notes	July '20 to Dec '20	July '19 to Dec '19
Cash Flows from Operating Activities			
Collection from Customers and others		318,889,576	248,071,817
Payment for Suppliers, Employees & others		(282,433,948)	(234,683,124)
Income Tax Paid		(4,794,510)	(2,600,000)
Interest Paid		(1,328,885)	-
Net Cash Inflow/(Outflow) from Operating Activities		30,332,233	10,788,693
Cash Flows from Investing Activities			
Payment for the Acquisition of Property, Plant & Equipment		(7,549,127)	(7,900,657)
Payment for the Capital Work-In-Progress		(4,102,264)	-
Net Cash Inflow/(Outflow) from Investing Activities		(11,651,392)	(7,900,657)
Cash Flows from Financing Activities			
Dividend Paid		(35,105)	(109,839)
Inter Company Payment		-	-
Paid Loan against Trust Receipts (LTR)		(13,046,806)	-
Net Cash Inflow/(Outflow) from Financing Activities		(13,081,911)	(109,839)
Net Increase/(decrease) in Cash and Cash Equivalents		5,598,930	2,778,197
Cash and Cash Equivalents at the Beginning of the period		28,469,311	33,356,832
Cash and Cash Equivalents at the period End		34,068,242	36,135,029
Net Operating Cash Flow Per Share	24.00	2.09	0.74

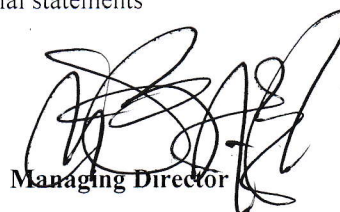
The annexed notes form an integral part of these financial statements



Company secretary



Director



Managing Director

Place: Dhaka

Dated : 10th March 2021

Anwar Galvanizing Limited
Notes to the Financial Statements
For the period ended 31 December 2020

1 Legal Status and Nature of the Company

Anwar Galvanizing Limited (a "Company") was incorporated in Bangladesh on 14th February 1995, Registration No. 27860(1706)/95 under the Companies Act, 1994 as a public company limited by shares and its shares are listed in the Dhaka Stock Exchange, Bangladesh.

The address of the Registered Office and the Principal place of business is located at 27, Dilkusha Commercial Area, Dhaka and the manufacturing plant is located at Tongi Industrial Area, Gazipur.

The company carries on the business of manufacturing and distributing of Galvanized GI Fittings of all specifications at competitive standards.

2 Selected Explanatory Notes

2.1 Statement of Compliance

These financial statements have been prepared on going concern basis in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable

2.2 Basis of Preparation

The half-yearly financial statements for the period have been prepared in condensed form in accordance with IAS-34 'Interim Financial Reporting'. Selective narrative and descriptive information has been provided where it is relevant for understanding of the current period's financial statements

2.3 Reporting Period

Audited half-yearly Financial Statements of the company has been prepared for the period from 01 July 2020 to 31 December 2020. Comparative information has been disclosed as per the requirement of Securities Exchange Commission.

Anwar Galvanizing Limited
Notes to the Financial Statements
For the period ended 31 December 2020

Note No.	Particulars	Notes	Amount in Taka	
			As at 31 Dec-2020	As at 30 June 2020
3.00	Property, Plant and Equipment			
	Property, Plant and Equipments	3.01	88,970,695	85,962,296
	Capital Work -in-progress	3.02	9,933,237	5,830,973
			98,903,933	91,793,269
3.01	Property, Plant and Equipment			
	A. Cost			
	Opening Balance as on 01 July 2020		133,361,330	128,082,944
	Addition During the period		7,549,127	9,049,256
	Disposal during the period		-	(3,770,870)
	Total Cost as on 31 December 2020		140,910,458	133,361,330
	B. Accumulated Depreciation			
	Opening Balance as on 01 July 2019		47,399,034	40,051,421
	Depreciation for the Preiod		4,540,728	9,350,108
	Depreciation on Disposal of assets during the Period		-	(2,002,495)
	Total Depreciation as on 31 December 2020		51,939,762	47,399,034
	Written down value as on 31 December 2020 (A-B)		88,970,695	85,962,296
	Details have been shown in Annexure-I			
3.02	Capital Work -In-Progress			
	Opening Balance as on 01 July 2020		5,830,973	-
	Addition During the period		9,381,897	11,595,510
	Transfer to non-current assets during the period		(5,279,633)	(5,764,537)
	Total Cost as on 31 December 2020		9,933,237	5,830,973
4.00	Inventories			
	Raw materials	4.01	8,659,494	5,748,394
	Auxiliary materials	4.02	13,564,017	10,011,368
	Spare parts and other materials	4.03	31,733,824	32,173,795
	Finished goods	4.04	29,734,249	30,101,020
	Work -in-process	4.05	41,760,574	38,659,507
			125,452,159	116,694,083
4.01	Raw Materials			
	Pig Iron		5,736,390	3,326,659
	CI Scrap		2,847,991	2,176,066
	MS Scrap		75,114	245,669
			8,659,494	5,748,394

Anwar Galvanizing Limited
Notes to the Financial Statements
For the period ended 31 December 2020

Note No.	Particulars	Notes	Amount in Taka	
			As at 31 Dec-2020	As at 30 June 2020
4.02	Auxiliary Materials		24,785	28,245
	Hydrochloric acid		260,484	213,976
	Molasses		52,950	49,950
	Talcum powder		150,444	139,860
	Quartz powder		54,000	5,600
	Graphite powder		614,889	142,987
	Shots		17,705	32,112
	Aluminum ingot		63,735	-
	Aluminum scrap		40,375	52,050
	Boric Acid		19,580	19,580
	Brass		250	250
	Binder core		18,000	-
	Bentonite		12,000	-
	Optibor tp (us-boric acid)		23,250	34,875
	Castable Cement G-1850		6,000	6,000
	China Clay		7,500	7,500
	Coal dust		27,000	24,600
	Fire clay		-	136,278
	Hard cook		3,000	3,000
	Resin sand for core		611	611
	Silicon manganese		5,550	-
	Sodium silicate gum		1,500	-
	Sodium dichromate		18,100	18,100
	Sponge iron		12,000	12,000
	Marble Powder		1,200	1,200
	Mesh Sand		12,863	-
	Nitric acid		38,146	38,146
	White Heat A		697,441	697,441
	Yellow Dextrin		1,561,335	1,757,688
	Calcine petroleum coke		761,467	482,664
	Ferro silicon		4,575,042	2,090,423
	Zing ingot		501,073	534,430
	Carburizer High Sulfur-MI		18,360	65,475
	HS def: bar 20mm		641,983	401,121
	C R Stamping/Bushing Scrap		684,250	684,250
	Ferromanganese		533,472	1,549,492
	Ferro Silicon Magnesium		460,593	651,096
	Inouclin		19,314	100,565
	Slag-30		10,250	-
	Zincopass Blue HSS		369,131	-
	Carburizer -Low Sulfur-DI		1,750	-
	Ammonium Chloride		81,380	-
	Chemidite-4019		9,250	-
	Lead ingot (Pb)		27,000	-
	Teknobrite AZ 1085 M		27,000	-
	Teknobrite AZ 1085 RF		27,000	-

Anwar Galvanizing Limited
Notes to the Financial Statements
For the period ended 31 December 2020

Note No.	Particulars	Notes	Amount in Taka	
			As at 31 Dec-2020	As at 30 June 2020
	Teknobrite AZ 846 A		21,000	-
	Teknobrite AZ 846 B		23,850	-
	ULTRABRITE-4069(M)		108,329	-
	ULTRABRITE-4071®		28,219	-
	ULTRABRITE-4460(A)		142,837	-
	ULTRABRITE-4615(B)		152,546	-
	UT-25		11,825	-
	Reject High Chrome Grinding Media Balls		579,600	-
	Unexp Andedperlite ORG CG		29,802	29,802
			13,564,017	10,011,368
4.03	Spare parts and other materials			
	Consumable materials		23,204,524	21,096,254
	Construction Materials		1,481,902	2,600,257
	Spare parts and other materials		7,047,398	8,477,284
			31,733,824	32,173,795
4.04	Finished Goods:			
	Finished Goods		29,734,249	30,101,020
			29,734,249	30,101,020
4.05	Work -in-Process			
	Annealing		15,519,658	17,200,813
	Grinding		1,802,260	5,739,102
	Drilling		35,244	401,643
	Shots blasting		-	64,192
	Galvanizing		-	779,207
	Threading		24,403,412	14,454,790
	Packing		-	19,760
			41,760,574	38,659,507
5.00	Trade Receivables			
	Receivable from dealers		2,286,951	5,213,755
	Provision for doubtful debt	5.01	(743,598)	(743,598)
			1,543,353	4,470,157
	Aging of Trade Receivables			
	Duration:			
	1 - 30 Days		1,276,403	4,020,001
	31 - 60 Days		87	87
	61 - 90 Days		13,576	13,576
	91 - 180 Days		-	-
	181 - 365 Days		5,171	5,171
	Over 365 Days		991,714	1,174,920
			2,286,951	5,213,755

Anwar Galvanizing Limited
Notes to the Financial Statements
For the period ended 31 December 2020

Note No.	Particulars	Notes	Amount in Taka	
			As at 31 Dec-2020	As at 30 June 2020

5.01 Provision for Doubtful Debt

Opening Balance	743,598	-
Provision made during the period	-	743,598
Adjustment made/ Write-off	-	-
Closing Balance	743,598	743,598

6.00 Advances, Deposits and Prepayments

Advances	6.01	43,054,932	35,898,418
Security deposits	6.02	4,924,552	4,924,552
		47,979,484	40,822,970

6.01 Advances

Advance against supplier	6.01.01	32,645,293	29,043,383
Advance income tax		8,882,848	5,583,448
Advance against employee		106,088	29,957
Advance against others		662,225	472,218
Advance To NBL securities ltd		34,298	34,748
Advance Sales VAT		-	10,484
VAT current account		724,180	724,180
		43,054,932	35,898,418

6.01.01 Advance Income Tax

Opening balance	5,583,448	2,005,307
Payment made u/s 64 and 74	-	3,100,000
Advance income tax (import)	3,294,510	2,471,809
Withholding tax	4,889	6,333
Tax adjustment for AY: 2018-19	-	(2,000,000)
Closing balance	8,882,848	5,583,448

6.02 Security Deposit

Security deposit -CDBL	300,000	300,000
Security deposit-electricity	4,020,965	4,020,965
Security deposit-gas	561,587	561,587
Security deposit- metre	42,000	42,000
	4,924,552	4,924,552

7.00 Short Term Investment

Name of Company	Cost Price	Market Price	Market Price
Jamuna Oil Limited- No of Share 3,932	702,800	650,746	543,402
M.I. Cement Factory Limited- No of Share 5,500	652,600	255,200	240,900

Anwar Galvanizing Limited
Notes to the Financial Statements
For the period ended 31 December 2020

Note No.	Particulars	Notes	Amount in Taka	
			As at 31 Dec-2020	As at 30 June 2020
	Sumit Power Limited- No of Share 3,839	208,926	149,337	134,749
		1,564,326	1,055,283	919,051
8.00	Cash and Cash Equivalents			
	Cash at banks	8.01	30,408,373	25,265,764
	Cash in hand	8.02	3,659,869	3,203,548
			34,068,242	28,469,311
8.01	Cash at Banks			
	AB Bank Limited		1,864	2,209
	Al-Arafah Islami Bank Limited		360,389	1,770,303
	Bangladesh Commerce Bank Limited		16,315	16,660
	Brac Bank Limited		-	111,627
	Dutch Bangla Bank Limited		332,969	3,012,788
	First Security Islami Bank Limited		1,113,369	763,581
	Islami Bank Limited		892,332	1,609,918
	Modhumoti Bank Limited		632,947	2,657,184
	Mutual Trust Bank Limited		670,922	744,422
	National Bank Ltd		127,518	-
	NRB Commercial Bank Limited		2,305	2,305
	Pubali Bank Limited		429,188	1,095,154
	South Bangla Agricultural and Commercial Bank Limited		5,133,109	624,983
	Shahjalal Islami Bank Limited		96,288	786,561
	Standard Bank Limited		166,113	169,383
	The City Bank Limited, F.Ex. Branch		13,348,815	1,265,943
	The City Bank Limited, Motijheel Branch		4,260,207	3,942,807
	The City Bank Limited, Principal Branch		1,058,439	9,310
	The City Bank Limited, Principal Branch		1,466,884	4,006,506
	United Commercial Bank Limited		290,351	1,779,750
	Uttara Bank Limited		8,051	894,371
			30,408,373	25,265,764
8.02	Cash in Hand			
	Cash in head office		327,400	3,072
	Cash in factory office		3,332,469	3,200,476
			3,659,869	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			
	14,520,000 Ordinary Shares of Tk.10 each		145,200,000	145,200,000
			145,200,000	145,200,000

Anwar Galvanizing Limited
Notes to the Financial Statements
For the period ended 31 December 2020

Note No.	Particulars	Notes	Amount in Taka	
			As at 31 Dec-2020	As at 30 June 2020

10.00 Retained Earnings

Profit Brought Forward	13,031,854	(1,939,025)
Less: Prior year adjustment	-	-
Adjusted opening balance	13,031,854	(1,939,025)
Net profit during the period	24,205,479	29,490,879
Add: Gain/(loss) on Marketable Securities (Unrealized)	-	-
Less : Stock/Cash Dividend	-	(14,520,000)
Balance carried forward	37,237,333	13,031,854

11.00 Other Components of Equity

Opening balance	(645,275)	(346,858)
Transfer from retained earnings to other income	-	-
	(645,275)	(346,858)
Gain/(loss) on marketable securities (unrealized)	136,232	(298,417)
Balance carried forward	(509,043)	(645,275)

The Company has disclosed Retained Earnings and Other Components of Equity separately for the first time as per the requirement of IAS-1. The comparative balance for the same is adjusted accordingly.

12.00 Deferred Tax Liability

Opening Balance	9,402,441	10,320,053
Deferred tax (income)/ expense charged in Profit & Loss	(398,713)	(917,612)
Deferred tax (income)/ expense charged in OCI	-	-
Closing Balance	9,003,728	9,402,441

12.01 For 31 December- 2020	Carrying Value	Tax Based Value	Temporary Difference
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Property, Plant and Equipment

Land	8,877,421	8,877,421	-
Other than land	77,084,877	41,069,967	36,014,910
	85,962,298	49,947,388	36,014,910

Applicable Tax Rate

On land	15%
On other than land	25%

Deferred Tax Liability

On land	-
On other than land	9,003,728
Deferred tax liabilities as on December 31, 2020	9,003,728

Anwar Galvanizing Limited
Notes to the Financial Statements
For the period ended 31 December 2020

Note No.	Particulars	Notes	Amount in Taka	
			As at 31 Dec-2020	As at 30 June 2020
13.00 Trade and Other Payables				
	Trade payable		9,734,440	18,486,612
	Liabilities for expenses	13.01	44,923,985	46,215,851
	Advance received from customers		41,587,407	22,498,183
			96,245,832	87,200,645
13.01 Liabilities for Expenses				
	Unpaid dividend		15,885,052	15,920,157
	Liabilities for other expense		11,675,663	15,258,129
	Provision for WPPF	13.01.01	8,947,780	7,387,830
	Liabilities for salaries, wages and others		7,453,910	7,304,917
	TDS & VDS payable		961,580	344,818
			44,923,985	46,215,851
13.01.01 Provision for WPPF				
	Opening Balance		7,387,830	5,438,070
	Provision made during the period		1,559,950	1,949,760
	Dosbursement made during the period		-	-
			8,947,780	7,387,830
14.00 Income Tax Payable				
	Opening balance		10,230,526	7,984,244
	Tax provision made during the period	14.01	7,392,233	10,421,922
	Adjustment of tax liability with advance tax paid		(1,500,000)	(2,000,000)
	Tax payment against demand for the Tax Return		-	(6,175,640)
	Closing balance		16,122,759	10,230,526

Anwar Galvanizing Limited
Notes to the Financial Statements
For the period ended 31 December 2020

Note No.	Particulars	Notes	Amount in Taka	
			As at 31 Dec-2020	As at 30 June 2020
14.01	Tax Computation for the period			
	Net Profit before tax		31,198,999	38,995,189
	Add: Expenditures for separate consideration:			
	Accounting Depreciation		4,540,728	9,350,108
	Entertainment		407,334	1,590,727
	Less: Admissible expense			
	Depreciation as per third Schedule		(5,954,275)	(7,377,162)
	Entertainment Expenses as per section 30(f)(i) of ITO & Rule-65		(623,856)	(871,177)
	Net taxable business income		29,568,929	41,687,685
	Income tax rate		0	25%
	Income tax expense charged		7,392,232	10,421,921
14.02	Reconciliation of Effective Tax Rate			
	Profit before income tax (A)		31,198,999	38,995,189
	Applicable tax rate		0	25%
	Income tax (B)		7,799,750	9,748,797
	Factors effecting the tax charge for the current period			
	(Excess)/ short of fiscal depreciation over accounting depreciation		(1,413,547)	1,972,946
	Inadmissible expense		(216,522)	719,550
	Movement of temporary differences: (credit)/charge as above		(1,630,069)	2,692,496
	Tax on temporary differences (C)		(407,517)	673,124
	Total income tax expense (B+C)		7,392,232	10,421,921
	Effective tax rate (B+C)/A		0	26.73%
15.00	Short Term Loan			
	Opening Balance		18,748,650	-
	LTR used during the period		83,112,082	49,430,816
	LTR settled during the period		(96,158,888)	(30,682,165)
			5,701,844	18,748,650

Anwar Galvanizing Limited
Notes to the Financial Statement
For the Period ended 31 December 2020

Note No.	Particulars	Notes	July'20 to December '20	July'19 to December '19	October '20 to December '20	October '19 to December '19
16.00	Revenue					
	Sales: GI Fittings		284,760,100	223,779,136	125,019,396	113,164,797
	Sales: Others		9,096,709	11,150,150	3,645,199	7,083,875
			293,856,809	234,929,286	128,664,595	120,248,671

The sales amount is presented net of VAT.

17.00	Cost of Goods Sold					
	Raw materials consumption	17.01	99,579,549	97,501,994	24,378,492	60,263,368
	Auxiliary materials consumption	17.02	35,367,841	28,061,199	14,553,036	13,655,122
	Spare parts and other material consumption	17.03	38,002,939	32,594,641	16,617,371	20,902,877
	Total consumption of materials		172,950,329	158,157,834	55,548,898	94,821,367
	Factory overheads					
	Opening stock of work -in-process	17.04	76,595,520	77,831,655	41,023,262	38,118,221
	Closing stock of work -in-process		38,659,507	38,502,547	38,200,375	43,851,641
	Cost of production		246,444,780	223,481,842	93,011,961	125,781,034
	Opening stock of finished goods		30,101,020	43,770,920	44,494,121	40,562,630
	Closing stock of finished goods		(29,734,249)	(60,967,240)	(29,734,249)	(60,967,240)
	Cost of Goods Sold		246,811,551	206,285,522	107,771,834	105,376,423

17.01	Raw materials consumption					
	Opening stock		5,748,394	4,207,551	5,702,661	2,957,484
	Add: Purchase		102,490,650	98,303,884	27,335,324	62,315,325
			108,239,043	102,511,435	33,037,986	65,272,809
	Less: Closing stock		8,659,494	5,009,441	8,659,494	5,009,441
			99,579,549	97,501,994	24,378,492	60,263,368
			99,579,549	97,501,994	24,378,492	60,263,368

17.02	Auxiliary materials consumption					
	Opening stock		10,011,368	6,993,465	9,381,162	9,802,524
	Add: Purchase		38,920,490	29,122,309	18,735,891	11,907,172
			48,931,858	36,115,774	28,117,053	21,709,696
	Less: Closing stock		13,564,017	8,054,575	13,564,017	8,054,575
			35,367,841	28,061,199	14,553,036	13,655,122
			35,367,841	28,061,199	14,553,036	13,655,122

Anwar Galvanizing Limited
Notes to the Financial Statement
For the Period ended 31 December 2020

Note No.	Particulars	Notes	July '20 to December '20	July '19 to December '19	October '20 to December '20	October '19 to December '19
17.03	Spare parts and other material consumption					
	Opening Stock		32,173,795	31,913,240	33,930,218	31,605,576
	Add: Purchase		37,562,968	28,642,279	14,420,977	17,258,179
			69,736,763	60,555,519	48,351,195	48,863,755
	Less: Closing Stock		31,733,824	27,960,878	31,733,824	27,960,878
			<u>38,002,939</u>	<u>32,594,641</u>	<u>16,617,371</u>	<u>20,902,877</u>
			38,002,939	32,594,641	16,617,371	20,902,877
17.04	Factory Overhead					
	Salary, wages and allowances		39,806,362	44,818,872	20,451,411	21,837,099
	Power cost		27,171,510	21,932,722	15,099,347	10,492,913
	Entertainment expense		407,334	550,189	248,111	291,516
	Telephone, mobile & internet		58,684	55,346	29,842	25,842
	Workers quarter rent		252,000	325,820	126,000	151,908
	Worker welfare expenses		163,933	599,159	90,976	273,122
	Business development expense		273,800	129,000	163,710	45,000
	Consumables		202,813	-	(100,046)	-
	Cleaning expense		18,000	31,000	9,000	22,000
	Holding tax		175,544	-	175,544	-
	Repair and maintenance		3,395,196	5,063,252	2,287,508	2,856,101
	Travelling and conveyance		182,935	383,972	158,195	103,551
	Carriage inward		219,125	288,275	103,720	120,758
	Depreciation		4,268,284	3,654,048	2,179,945	1,898,412
			<u>76,595,520</u>	<u>77,831,655</u>	<u>41,023,262</u>	<u>38,118,221</u>
			76,595,520	77,831,655	41,023,262	38,118,221
18.00	Administrative Expenses					
	Salary and Allowances		2,937,564	3,316,790	1,471,300	25,987
	Business development expenses		355,589	77,405	289,314	51,225
	Licence, registration, consultancy and renewal fees		983,578	595,694	530,565	398,434
	Audit Fees		-	-	-	-
	Office rent		302,400	472,597	151,200	322,909
	Repair and maintenance		331,650	210,000	125,850	55,151
	Staff welfare expenses		735,366	637,664	371,791	277,494
	Utility expenses		289,920	704,252	146,460	472,520
	Postage and courier expenses		88,444	120,873	88,444	114,047
	Entertainment expenses		25,996	26,834	24,726	13,040
	Telephone and mobile		18,339	20,288	7,968	16,145
	Printing, stationary and photocopy		76,636	-	55,314	-
	Travelling and conveyance		17,962	167,419	13,037	15,360
	Other expenses		37,320	104,621	25,820	93,928
	Loss on Disposal of Assets	18.01	-	1,492,771	-	1,492,771
	Bad debt expense	5.01	-	-	-	-
	Depreciation		272,444	233,237	139,145	80,573
			<u>6,473,208</u>	<u>8,180,444</u>	<u>3,440,934</u>	<u>3,429,583</u>
			6,473,208	8,180,444	3,440,934	3,429,583

Anwar Galvanizing Limited
Notes to the Financial Statement
For the Period ended 31 December 2020

Note No.	Particulars	Notes	July'20 to December '20	July'19 to December '19	October '20 to December '20	October '19 to December '19
19.00	Selling and Distribution Expenses					
	Promotional expenses		4,909	7,627	4,909	7,627.00
	Carriage outward		2,155,692	1,755,889	964,847	390,824
	Sales incentive		4,257,621	2,310,712	2,070,390	824,613
	Salary and allowances		-	25,162	-	-
	Mobile bill		-	-	-	-
	Dealer/ mechanics seminar		-	900,000	-	-
	Travelling and daily allowances		59,760	83,420	30,295	43,630
			6,477,982	5,082,810	3,070,441	1,266,694
20.00	Financial Expenses					
	Bank charges and commission		159,862	114,341	103,849	83,441
	Excise duty for Itr		79,350	-	79,350	-
	Credit rating report fees		34,400	-	34,400	-
	Interest expenses		1,185,315	-	401,868	-
			1,458,926	114,341	619,468	83,441
21.00	Non-Operating Income					
	Discount and commission		-	28,440	-	234
	Other Income		77,890	291,562	52,337	291,562
	Rebate on insurance exp.		33,179	-	-	-
	Dividend income		-	10,749	-	10,749
	Rent income		-	35,600	-	24,000
	Interest income		12,738	5,091	12,738	5,091
			123,807	371,442	65,075	331,636
22.00	NET ASSETS VALUE (NAV) PER SHARE				31 Dec 2020	30 June 2020
	The Computation of NAV per share is given below :					
	Total assets				309,002,453	283,168,842
	Less: Liabilities				127,074,163	125,582,263
	Net assets value				181,928,290	157,586,579
	Number of ordinary share outstanding during the year				14,520,000	14,520,000
	Net assets value (NAV) per Share				12.53	10.85
23.00	EARNING PER SHARE (EPS)					
	a) Profit Attributable to the ordinary shareholders		24,205,479	12,542,804	10,623,261	7,883,301
	b) Weighted average number of ordinary shares		14,520,000	14,520,000	14,520,000	14,520,000
	Basic earning per share (a/b)		1.67	0.86	0.73	0.54
	Restated basic earning per share		1.67	0.86	0.73	0.54
24.00	NET OPERATING CASH FLOW PER SHARE (NOCFPS)				31 Dec 2020	30 June 2020
	The composition of operating cash inflow/outflow value per share is given below:					
	a) Operating cash inflow/ (outflow) during the period				30,332,233	10,788,693
	b) Number of ordinary shares outstanding at the period end				14,520,000	14,520,000
					2.09	0.74

Particulars	Amount in Taka	
	31 Dec-2020	30 June 2020
25.00 Reconciliation of Operating Cash Flows		
Net profit before tax	31,198,999	14,892,961
Add: Items not involving movement of cash	-	-
Depreciation on property, plant and equipment	4,540,728	3,887,285
(Gain)/loss on disposal on non current asset	-	1,492,771
Finance cost	1,458,926	114,341
Provision for WPPF	1,559,950	744,649
A. Cash generation from operations before changes in working capital	38,758,603	21,132,007
Changes in working capital		
(Increase)/decrease in inventory	(8,758,077)	(27,614,604)
(Increase)/decrease in trade and other receivable	2,926,804	(1,163,236)
(Increase)/decrease in advance, deposit and prepayment	(7,292,745)	(3,577,336)
Increase/(decrease) in trade and other payable	10,821,043	24,611,863
B. Total changes in working capital	(2,302,974)	(7,743,314)
C. Cash generated from operating activities (A+B)	36,455,629	13,388,693
Less: Payment made during the period		
Income tax	4,794,510	2,600,000
Finance cost	1,328,885	-
D. Net cash inflow from operating activities	30,332,233	10,788,693

26.00 Director of the Company:

Number of Director:

There are 10 Directors in the Company during the period ended 31 December 2020.

Salary & Remuneration of the management team:

Aggregate amount paid to the management team for their service rendered as defined in the schedule 12(2) During the period, Key Management Personnel of The company were not given any compensation benefits except to the Directors as Board Meeting fees.

27.00 Related Party Transactions:

During the year the company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Name of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS -24: Related party Discloser.

Name of party/Company	Nature of Transaction	Relation	31 Dec 2020	30 June 2020
Anwar Ispat Ltd.	Supply of Material	Common Director	(1,694,146)	8,378,008
A One Polymer Ltd	Supply of Material	Common Director	(2,354,986)	(3,837,682)
Anwar Integretad Steel Plant Ltd.	Supply of Material	Common Director	(3,412,371)	(3,412,371)
Anwar Cement Sheet Ltd.	Supply of Material	Common Director	(76,125)	(11,237)



Anwar Galvanizing Limited
Schedule of Property, Plant and Equipment
For the Period ended 31 December 2020

Sl No.	Assets Category	Cost					Rate %	Depreciation				Written down value as on 31 Dec 2020
		As on 01 July 2020	Addition during the year	Disposal	Reclassified	As on 31 Dec 2020		Charged during the year	Disposal	Reclassified	As on 31 Dec 2020	
		A	B	C	D	E=(A+B-C-D)	F	G	H	I	J=(F+G-H-I)	K=(E-J)
01	Land & Land Development	8,877,421	-	-	-	8,877,421	-	-	-	-	-	8,877,421
02	Building & Construction	16,309,731	63,326	-	-	16,373,057	2.5%	8,289,289	131,840	-	8,421,129	7,951,928
03	Plant, Machinery & Equipment	95,059,409	6,963,401	-	-	102,022,811	3.33-25%	34,492,077	3,956,502	-	38,448,579	63,574,231
04	Office Equipment	8,640,975	417,500	-	-	9,058,475	10-33.33%	3,226,443	319,250	-	3,545,694	5,512,782
05	Furniture & Fixtures	1,560,324	104,900	-	-	1,665,224	10%	361,879	62,481	-	424,360	1,240,863
06	Vehicles	2,913,470	-	-	-	2,913,470	6.67%	1,029,344	70,655	-	1,099,999	1,813,471
Total Taka as on 31 December 2020		133,361,330	7,549,127	-	-	140,910,458		47,399,034	4,540,728	-	51,939,760	88,970,697
Total Taka as on 30 June 2020		128,082,944	9,049,256	3,770,870	-	133,361,330		40,051,421	9,350,108	2,002,495	47,399,032	-

Allocation of Depreciation :
Charge to Production
Charge to Administration

4,268,284
272,444
<u>4,540,728</u>

