

# Annual Report – 2014



**ANWAR GALVANIZING LTD**

(a unit of Anwar Group of Industries)

**Transmittal Letter**

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

**Annual Report for the year ended 30 June, 2014**

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at 30 June, 2014, Statement of Comprehensive Income, statement of Cash Flows and Statement of Changes in Equity for the year ended 30 June, 2014 along with notes thereon and all related Financial Statements for your record/necessary measures.

Yours sincerely



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**Tauhidul Islam ACS**  
Company Secretary

Dated: December 23, 2014

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**Message from the Desk of  
Chairman**

**Dear Shareholders,**

Assalamualaikum.

I have the privilege to welcome you all to the 20<sup>th</sup> Annual General Meeting of Anwar Galvanizing Limited. On behalf of the Board of Directors and on my own behalf, I would like to express my sincere thanks and profound appreciation to you for your continued interest and support for your Company.

I am delighted that management efficiency, functional ability and all other matters connecting to smooth functioning of the Company rest on sound corporate governance which Anwar Galvanizing Limited possesses. Harmonious relationship exists among the Board of Directors, Management Team, valued Shareholders & Stakeholders and all other concerned legal entities, Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission (BSEC), all Stock Exchanges and so on.

You are aware that Anwar Galvanizing Limited is fully committed to extend best possible personalized services to its valued Stakeholders and maintain close relationship with the customer which the management team is continually improving.

Before I conclude, I would extend my heartfelt gratitude to all my colleagues in the Board for their continued support and cooperation at all times. I would also like to thank the Regulatory Authorities, Valued Clients, the Shareholders for their continuous help and cooperation in taking our mission ahead. None the less, our members of the staff deserve all praises for their dedicated services and sense of belongingness for the Company.

May the Almighty Allah in His infinite mercy guide us for our continued growth, prosperity and well being in the days to come.

Thanking you and Allah Hafez.

A handwritten signature in black ink, appearing to read 'Anwar Hossain', written over a horizontal line.

**Anwar Hossain**  
Chairman



**Message from the Desk of  
Managing Director**

**Dear Shareholders,**

Assalamualaikum.

It gives me immense pleasure to welcome you to the 20<sup>th</sup> Annual General Meeting of Anwar Galvanizing Limited. I would like to express my heartfelt thanks to all of you for your active support although.

Our strategy is to enhance strength by focusing on areas where we have an advantage today; where we can grow faster than our competitors. Anwar Galvanizing Limited has a pool of efficient and dedicated employees who lifted the company to today's level of operational and financial performance which they are determined to maintain and for achieving further excellence.

I sincerely thank all our respected shareholders and customers for reposing their unshakeable trust and confidence in making the year 2014 a success. My sincere appreciation goes to the honorable Members of the Board for their judicious guidance round the year and I look forward to receive the same in future.

Apart from the support of our respected Board and Stakeholders, our continued success would not be possible without the hard work of our talented people and great leaders driving our organization together as an excellent team. Our strength lies in our people who are passionate and dedicated to sustain business growth regardless of the challenges that we may face in the coming years.

The Company passionately believes that success and responsibility go together.

Thanking you.

A handwritten signature in black ink, appearing to read 'Manwar Hossain', written over a horizontal line.

**Manwar Hossain**  
Managing Director

### Company Information:

<b>Registered Office</b>	: Baitul Hossain Building (14 <sup>th</sup> floor) 27, Dilkusha C/A, Dhaka-1000. Phone: 9564033. Telex: 642581 Fax:880-2-9564020, 9667755, 9562347 Web: <a href="http://www.anwargroup.com">www.anwargroup.com</a> >sector>sector>buildi <a href="http://www.anwargalvanizing.com">ngmaterials&gt;anwargalvanizing</a>
<b>Factory</b>	: Morkun Tongi Industrial Area, Gazipur, Bangladesh
<b>Date of incorporation</b>	: 14-02-1995
<b>Certificate of commencement of business</b>	: 14-02-1995
<b>Listed with Dhaka Stock Exchange Ltd.</b>	: 20-7-1996
<b>Listed with Chittagong Stock Exchange ltd.</b>	: 24-7-1996.
<b>Product</b>	: C.I. Sheet, GI Fittings, Brake drum.

## Corporate Profile

### **Board of Directors**

Chairman	: Mr. Anwar Hossain
Managing Director	: Mr. Manwar Hosain
Director	: Mrs. Bibi Amena
Director	: Mr. Hossain Mehmood
Director	: Mr. Hossain Khaled
Director	: Mrs. Shaheena Begum
Director	: Mrs. Hasina Begum
Director	: Mr. Tareq Hossain
Independent Director	: Mr. Mohammad Faiz
Independent Director	: Dr. Tuhin Malik

**Company Secretary** : Mr. Tauhidul Islam ACS

### **Audit Committee**

Chairman	: Mr. Mohammad Faiz
Member	: Mr. Manwar Hossain
Member	: Mr. Hossain Mehmood
Member	: Dr. Tuhin Malik
Member Secretary	: Mr. Tauhidul Islam ACS

### **Management Committee**

: Mr. Hossain Mehmood  
 Mr. Manwar Hossain  
 Mr. Hossain Khaled  
 Mr. Hossain Akhtar  
 Mr. Brig. Gen. (Retd) Ferdous Hasan Khan, ndc, psc,  
 Mr. Engr. Md. Jahangir Alam Patwary  
 Mr. Gopal Chandra Ghosh FCA, FCMA  
 Mr. Tauhidul Islam ACS

### **Auditors**

: MABS & J Partners, Chartered Accountants  
 Park Plaza (Suit N-9), 31, Banani C. A. Road 17, Dhaka-1213, Bangladesh.

### **Bankers**

: AB Bank Limited, Bank Asia, SBAC Bank Ltd, Bangladesh Commerce Bank Limited  
 AL- Arafah Islamic Bank Ltd, Dutch Bangla Bank Limited  
 The City Bank Limited, NRB Commercial Bank Ltd.

### **Legal Advisor**

: Advocate Sayed Quamrul Hossain (Kiron)  
 Address: Meherba Plaza (7<sup>th</sup> Floor)  
 33, Topkhana Road, Dhaka.

### **Compliance Auditor**

: ITRAT HOSSAIN & ASSOCIATES  
 Chartered Secretaries in Practice  
 "CRYSTAL PALACE" REGUS, 3rd Floor  
 SE (D), 22, Road-140, Gulshan-1

**Corporate Governance:**

The Board of Directors of Anwar Galvanizing Limited (AGL) believes in ensuring the highest standards of Corporate Governance (CG) as it will serve to strengthen the Company's sustainability, organizational effectiveness and foster a high-performance culture within the organization.

We at Anwar Galvanizing Limited believe in transparency and commit ourselves to adherence to good corporate governance practices at all times, as we believe that good governance generates goodwill among business partners, customers and investors and helps the company grow.

A good governance process provides transparency of corporate policies, strategies and the decision making process. This further strengthens internal control systems and helps in building relationships with all stakeholders.

**Board of Directors:**

The Board of Directors is a bridge between the shareholders and operational management of the organization. Directors are elected or appointed by the shareholders. The Board of Directors is responsible for operation of the company for best interest of its shareholders and accountable to the shareholders.

**A. Composition of the Board:**

The Board of Directors of Anwar Galvanizing Limited comprised of 10 (ten) members including 2 (two) independent directors. The positions of the Chairman of the Board and the Chief Executive Officer of the companies are occupied by the different individuals. The Chairman of the company is elected from among the directors of the company. The Board of Directors has clearly defined respective roles and responsibilities of the Chairman and the Chief Executive Officer. The day-to-day management of the Company is conducted by the Managing Director who is assisted by the executive management.

**B. Board Procedure:**

To follow transparency, the Board follows the practice of advance planning in matters requiring discussion and decision by the Board. The Board is apprised the presentation on finance, sales, marketing, major business segments and operations of the Company and other matters, as the members want. The Managing Director along with the Company Secretary finalizes the agenda

papers for the Board meeting in consultation with the other person concerned. The minutes of the proceedings of each Board meeting are maintained in terms of statutory provisions.

**Committee of the Board:**

In accordance with the requirement of corporate governance of BSEC, **Anwar Galvanizing Limited** has an Audit Committee as a sub-committee of the Board of Directors.

**Audit Committee:**

The Audit Committee assists the Board of Directors in ensuring a good monitoring system within the business. The Audit Committee is responsible 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.

**Chairman of the Board and Chief Executive:**

The positions of the Chairman of the Board and the Chief Executive Officer (CEO) of the Company are filled by different individuals who are the member of the Board. The Board of Directors also clearly defined respective roles and responsibilities of the Chairman and the CEO in addition to their roles and responsibilities as per Articles of Association of the Company. The Chief Executive Officer is known as the Managing Director in AGL.

**Chief Financial Officer (CFO), Head Of Internal Audit and Company Secretary (CS):****Chief Financial Officer:**

Anwar Galvanizing Limited has a Chief Financial Officer (CFO). He is responsible for accounts and finance activities of the Company. The Board of Directors clearly defined respective roles, responsibilities and duties of the CFO.

**Head of Internal Audit:**

Anwar Galvanizing Limited has a Head of Internal Audit. 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.

**Company Secretary:**

The Board of Directors of Anwar Galvanizing Limited has been appointed a Company Secretary. He is a Chartered Secretary and associate member of the Institute of Chartered Secretaries of Bangladesh (ICSB). The Board of Directors clearly defined respective roles, responsibilities and duties of the Company Secretary.

**Statutory Auditors:**

M/s MABS & J Partners, Chartered Accountants is the external/ statutory auditor of the Company. They carry out systematic examination of books and records of the Company and ascertain, verify and report upon the facts regarding the financial operation and the results of the Company. The auditor has performed his duties according to the Corporate Governance Guidelines as notified by BSEC.

No partner or employees of the auditors are holding any shares of Anwar Galvanizing Limited during the tenure of their audit assignment. External/Statutory auditors are appointed by the shareholders in Annual General Meeting and fix their remuneration thereof.

**Compliance Auditor:**

The company has obtained a certificate from M/s ITRAT HUSAIN & ASSOCIATES, Chartered Secretaries in Practice, regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.

The compliance auditor carry out systematic examination of books and records of the Company and ascertain, verify and report upon the facts regarding the statutory compliance as submitted to the BSEC, DSE, CSE, RJSC and others regulator and to comply with the corporate governance properly.

**Internal Audit and Internal Control:**

Anwar Galvanizing Limited believes that internal audit is one of the four pillars of corporate governance, the other pillars being the Board of Directors, Management and the External Auditors. Hence, the Company has an independent internal audit department under control of the Audit Committee of the Board. Internal auditing of Anwar Galvanizing Limited 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:**

To ensure the spirit of the corporate governance with accountability for inspiring confidence of investors, regulators, financier and other stakeholders, Anwar Galvanizing Limited is committed to comply with all the requirements of corporate governance as required by the Bangladesh Securities and Exchange Commission (BSEC).

The Company 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.

**ITRAT HUSAIN & ASSOCIATES**  
 CHARTERED SECRETARIES IN PRACTICE

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

1. We have examined the compliance of conditions of Corporate Governance by **ANWAR GALVANIZING LIMITED** (“the Company”) for the year ended 30 June, 2014 as per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the BSEC notification mentioned above.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.



Itrat Husain & Associates  
 Chartered Secretaries in Practice

Signed by : Itrat Husain FCMA, FCS  
 Chief Executive

Dhaka, 30 October, 2014

**ANWAR GALVANIZING LIMITED**  
**Status report on compliance with the conditions Imposed by the BSEC**  
**(Report under condition No. 7.00)**

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 Dated August 07, 2012 and subsequently amended on July 21, 2013 issued under section 2CC of the securities and exchange ordinance 1969.

Condition No.	Title	Compliance Status ( Put ✓ in appropriate column)		Remarks (if any)
		Complied	Not complied	
<b>1.</b>	<b>Board of Directors</b>			
1.1	Board's Size : The number of the board members of the company shall not be less than 5(five) and more than 20(Twenty)	✓		
1.2	<b>Independent Directors :</b>			
1.2(i)	Minimum number of Independent Directors	✓		
1.2(ii)a)	Shareholding by Independent Directors.	✓		
1.2(ii)b)	Relationship with Company's Sponsor	✓		
1.2(ii)c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1.2(ii)d)	Not a member, director or officer of any stock exchange	✓		
1.2(ii)e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
1.2(ii)f)	Not a partner or an executive or was not partner or an executive during the preceding 3(three) years of any statutory audit firm.	✓		
1.2(ii)g)	Not be an independent director in more than 3(three) listed companies :	✓		
1.2(ii)h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI	✓		

1.2(ii)i)	Not been convicted for a criminal offence involving moral turpitude	✓		
1.2(iii)	Appointment of Independent Director(s)	✓		
1.2(iv)	Not remain vacant for more than 90 (ninety) days.	✓		No such incidence arose
1.2(v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2(vi)	Tenure of office of an independent director shall be for period of 3(three) years, which may be extended for 1(one) term only.	✓		
1.3	<b>Qualification of Independent Director (ID):</b>			
1.3(i)	Knowledge of Independent Directors	✓		
1.3(ii)	Qualification and Experience of Independent Directors	✓		
1.3(iii)	Special cases for qualifications			NA
1.4	Individual Chairman of the Board and CEO	✓		
1.5	<b>The Directors' Report to shareholders:</b>			
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	✓		
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			No such incidence arose
1.5(vi)	Basis for related party transactions	✓		
1.5(vii)	Utilization of proceeds from Public Issues/ Rights Issues			NA
1.5(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.			NA
1.5(ix)	Explanation of significant variance occurs between Quarterly Financial Performance and Annual Financial Statements	✓		NA
1.5(x)	Remuneration to Directors including Independent Directors	✓		

1.5(xi)	Fairness of Financial Statement	✓		
1.5(xii)	Maintenance of proper books of accounts	✓		
1.5(xiii)	Adoption of appropriate accounting policies and estimates	✓		
1.5(xiv)	Compliance with IAS, BAS, IFRS And BFRS in preparation of Financial Statements	✓		
1.5(xv)	Soundness of Internal Control System	✓		
1.5(xvi)	Ability to continue as a going concern	✓		
1.5(xvii)	Significant deviations in Operating Results compared to last year	✓		
1.5(xviii)	Key operating and financial data of at least preceding 5(five) years	✓		
1.5(xix)	Reasons for not declared dividend			NA
1.5(xx)	Number of board meetings held during the year and attendance	✓		
1.5(xxi)	<b>Pattern of shareholding:</b>			
1.5(xxi)a)	Shareholding by Parent /Subsidiary / Associated Companies and other related parties			NA
1.5(xxi) b)	Shareholding by Directors, CEO, CS, CFO, HIA and their spouses and minor children	✓		
1.5(xxi) c)	Shareholding by Executives	✓		
1.5(xxii)d)	Shareholders holding 10% or more voting interest	✓		
1.5(xxii)	<b>Appointment /re-appointment of director :</b>			
1.5(xxii)a)	Resume of the Directors	✓		
1.5(xxii)b)	Expertise of Directors	✓		
1.5(xxii)c)	Directorship in other companies	✓		
<b>2</b>	<b>CFO, HIA and CS:</b>			
2.1	Appointment of CFO, HIA and CS :	✓		
2.2	Attendances of CFO and CS at the meeting of the Board of Directors.	✓		
<b>3</b>	<b>Audit Committee:</b>			
3(i)	Audit Committee as a sub-committee	✓		
3(ii)	Function of the Audit Committee	✓		
3(iii)	Reporting to the Board	✓		
3.1	<b>Constitution of the Audit Committee:</b>			
3.1(i)	Composition of Audit Committee	✓		
3.1(ii)	Appointment of members of the Audit Committee	✓		

3.1(iii)	Qualification of Audit Committee Members	✓		
3.1(iv)	Term of Service of Audit Committee Members	✓		
3.1(v)	Secretary of the Audit Committee	✓		
3.1(vi)	Quorum of the Audit Committee meeting	✓		
3.2	<b>Chairman of the Audit Committee:</b>			
3.2(i)	Board of Directors shall select the chairman	✓		
3.2(ii)	Chairman of the Audit Committee shall remain present in the AGM.	✓		
3.3	Role of Audit Committee			
3.3(i)	Oversee the financial reporting process	✓		
3.3(ii)	Monitor choice of accounting policies and principles	✓		
3.3(iii)	Monitor Internal Control Risk Management process	✓		
3.3(iv)	Oversee hiring and performance of external auditors	✓		
3.3(v)	Review the Annual Financial Statements.	✓		
3.3(vi)	Review the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Review the adequacy of Internal Audit function	✓		
3.3(viii)	Review of significant related party transactions	✓		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by Statutory Auditors	✓		
3.3(x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right Issue	✓		
3.4	<b>Reporting of the Audit Committee:</b>			
3.4.1	<b>Reporting to the Board of Directors:</b>			
3.4.1(i)	Reporting on Activities	✓		
3.4.1(ii)(a)	Report on conflicts of interests			No such incidence arose
3.4.1(ii)(b)	Material defect in the internal control system			No such incidence arose
3.4.1(ii)(c)	Suspected infringement of laws			No such incidence arose
3.4.1(ii)(d)	Any other matter			No such incidence arose
3.4.2	Reporting to the Authorities			No such reportable incidence arose
3.5	Reporting to the shareholders and General Investors	✓		
4	<b>External /Statutory Auditors</b>			

4(i)	Appraisal or valuation services or Fairness opinions	✓		
4(ii)	Financial information systems designed implementation	✓		
4(iii)	Book Keeping or other services	✓		
4(iv)	Broker- dealer services	✓		
4(v)	Actuarial services	✓		
4(vi)	Internal Audit Services	✓		
4(vii)	Any other services that the Audit Committee determines	✓		
4(viii)	Posses of share by partner or employee of Audit Firm	✓		
4(ix)	Audit/ Certification services on compliance of Corporate Governance as required under clause (i) of condition No. 7	✓		
<b>5</b>	<b>Subsidiary Company</b>			
5(i)	Composition of the Board of directors			NA
5(ii)	At least 1(one) Independent Director to the subsidiary company			NA
5(iii)	Submission of Minutes to the holding company			NA
5(iv)	Review of Minutes by the holding company			NA
5(v)	Review of Financial Statement by the Audit committee of holding company			NA
<b>6.</b>	<b>Duties of Chief Executive Officer and Chief Financial Officer :</b>			
6(i)a)	Financial statements don't contain any untrue or misleading statement	✓		
6(i)b)	Financial statements present a true and fair view of the company's affairs and are in compliance with existing Accounting Standard and applicable laws	✓		
6(ii)	Certification that there are no fraudulent, illegal or in violation of the company's code of conduct	✓		
<b>7.</b>	<b>Reporting and Compliance of Corporate Governance :</b>			
7(i)	Obtain certificate on compliance of Corporate Governance	✓		
7(ii)	Directors' statement on compliance of the above conditions in the Directors' Report	✓		

**REPORTS OF THE CEO AND CFO IN RESPECT OF FINANCIAL STATEMENTS**

We have reviewed financial statements of Anwar Galvanizing Limited and the balance sheet as at June 30, 2014, profit and loss accounts, statements of changes in equity, cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

These financial statements have been prepared and presented fairly in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the rules and regulations issued by the regulators, the Companies Act, 1994 and other applicable laws and regulations.

We, the following signatories certify that we have reviewed the financial statements of Anwar Galvanizing Limited and to the best of our knowledge and belief;

1. The financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
2. The financial statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

We further certify that to the best of our knowledge and belief there were no transactions entered into by the Company during the year, which are fraudulent, illegal, or violation of the Company's code of conduct.



**Managing Director & CEO**



**Chief Financial Officer (CFO)**

**AUDIT COMMITTEE REPORT**

For the Year 2013-2014

The Audit Committee of the Anwar Galvanizing Limited is composed of two Directors and Two Independent Directors. The Company secretary acts as a secretary of the Audit Committee. As a sub-committee of the Board of Directors, the Audit Committee is responsible to the Board. They assist the Board of Directors in ensuring that the financial statements of the company reflect true and fair view of the state of affairs of the company and that a good monitoring system is maintained within the business.

**The Audit Committee consists of the following persons:**

Mr. Mohammad Faiz, Independent Director	- Chairman
Mr. Manwar Hossain, Director	- Member
Mr. Hossain Mehmood, Director	- Member
Dr. Tuhin Malik, Independent Director	- Member
Mr. Tauhidul Islam ACS, Company Secretary	- Member Secretary

**The scope of Audit Committee was defined as under:**

- Review and recommend to the Board to approve the quarterly, half-yearly and annual financial statements prepared for statutory purpose;
- Monitor and oversee choice of accounting policies and principles, internal control risk management process, auditing matter, hiring and performance of external auditors;
- Review statement of significant related party transactions submitted by the management. Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors; and
- Review and consider the report of internal auditors and statutory auditors' observations on internal control.

**Activities carried out during the year**

The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports. 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.



Mohammad Faiz

Chairman of the Audit Committee

**DIRECTORS' REPORT**

**Dear Shareholders,**

**Assalamu Alaikum**

It is a pleasure and privilege on the part of the Board of Directors to place herewith the Directors' Report and Auditors' Report together with the audited financial statements of Anwar Galvanizing Limited for the year ended 30<sup>th</sup> June 2014.

As before, the Company was governed throughout 2014 under the core crucial pillars of Growth, Productivity, Sustainability and Winning Organization which has enabled us to post remarkable results for the year under review. The significant components of the business under each pillar, together with the salient features of such performance are described and highlighted in the succeeding parts of this report.

In order to comply with the SEC notification SEC/CMRRCD/2006-158/134/Admin/44 date 07 August 2012, the following conditions of Corporate Governance has been enumerated:

**Condition-1.5 (i) Industry outlook and future development:**

We are pleased to inform our honorable shareholders that the plant, since going into production in December 2009, has been in nonstop operation till date. The plant has been getting strengthened day by day with our efforts but scarcity of gas supply poses threat to the achievement of our goals. The management is trying its best to cope with the situation. Since, there is no other similar plant in the country; Human Resource has been a challenge too. Management is very active on both counts and is capable of handling both the issues successfully in days ahead.

The management of Anwar Galvanizing Limited is working continuously to diversify the portfolio of AGL through different channels in order to boost turnover and profitability. The key developments in the diversification of the business activities over the fiscal year are shown below.

**Development work:**

- Through an intensive marketing strategy and tireless hard work, we are able to successfully establish our brand of Anwar Galvanizing in the market.
- Set up furnace and other manufacturing machine to increase production to reduce production cost and contribute to earn higher revenue.

**Customer Satisfaction:**

Customer satisfaction is a major priority for AGL. We ensure optimal customer satisfaction by practicing professionalism, making certain of excellent product quality and ensuring the best possible value for money.

**Condition-1.5 (ii) Segment-wise Performance:**

<b>Particulars</b>	<b>G.I. Fittings Plant</b>	<b>C.I Galvanizing Plant</b>
Revenue (Turnover)	133,703,746	Nil
Cost of Goods Sold	118,433,754	Nil
<b>Gross Profit</b>	<b>15,269,993</b>	Nil
Profit before Tax	8,949,507	Nil

**Condition-1.5 (iii) Risk and Concern:**

As with the nature of business in general, it is absolute that a company runs with many risks which include Operational Risk, Market Risk, Legal Risk, Transaction Risk and Governance Risk. The risk a business faces cannot

be fully eliminated by the management of the company. The management of AGL has tried to eliminate these risks by adopting sound policies which make concentrated efforts to ensure the quality of our products are in compliance with regulatory standards. Currently, AGL does not take any significant risks that would hamper the operational activities or growth of the company.

**Condition-1.5 (iv) Cost of Sales:**

Break up is given below:	<u>2013-2014</u>	<u>2013-2013</u>
Raw Materials Consumed	55,994,930	52,416,165
Auxiliary Materials Consumed	16,971,352	15,442,895
<b>Total Materials Consumed</b>	<b>72,966,282</b>	<b>67,859,059</b>
Add: Factory Overheads	45,592,361	40,930,575
Opening Stock of Work -In-Process	19,556,003	15,365,592
Less: Closing Stock of Work -In-Process	25,436,209	19,556,003
<b>Cost of Production</b>	<b>112,678,437</b>	<b>104,599,224</b>
Opening Stock of Finished Goods	20,044,747	14,812,313
Less: Closing Stock of Finished Goods	14,289,430	20,044,747
<b>Cost of Goods Sold</b>	<b>118,433,754</b>	<b>99,366,790</b>
<b>Gross Profit</b>	<b><u>15,269,993</u></b>	<b><u>15,344,708</u></b>
<b>Net Profit before Tax</b>	<b><u>8,949,507</u></b>	<b><u>10,925,674</u></b>

**Condition-1.5 (v) Extra-Ordinary Gain or Loss:**

In the fiscal year 2013-2014 AGL did not obtain any extra-ordinary gain or loss.

**Condition-1.5 (vi) Related Party Transaction:**

Related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Anwar Ispat Ltd is the related party to Anwar Galvanizing ltd. as some directors of this company are also directors of that company.

During the fiscal year following related party transaction has occurred:

- During the period AGL purchased its main Raw Material of Cast Iron and Pig Iron from Anwar Ispat Ltd. total amount of Tk. 3,97,53,046.
- At the year end total liabilities to Anwar Ispat Ltd is amounting to TK.1,88,21,525.

**Basis of related part transaction:**

Anwar Ispat Ltd. is one of the largest consumers of Cast Iron and Pig Iron in Bangladesh. The Company purchases these materials in large amount and at the lower cost compare to Anwar Galvanizing Limited. So in order to minimize cost, AGL purchases Raw Materials from Anwar Ispat Ltd.

**Condition-1.5 (vii) Utilization of proceeds from Public Issue:**

Proceeds from public issue has been utilized in investment in construction of factory building and development.

**Condition-1.5 (viii) Financial Result after IPO:**

The financial result of the company has been moderate so far. Though started quite strong due to change in duty structure of raw materials of the industry, AGL suffered huge loss between 2006-2007 and 2008-2009. However the company is now on its crawl back to success. With a little support from the gas & electric power department, the company can do much better.

**Condition-1.5 (ix) Significant Result between Quarterly Report and Annual Report:**

There is no significant deviation between quarterly financial performance and annual financial performance.

**Condition-1.5 (x) Remuneration to Directors:**

There are 10 Directors (including 2 independent Directors) in the company during the year ended June 30 2014. No remuneration was paid to the Directors during the year.

**Condition-1.5 (xi) Presentation of Financial Statements:**

The Financial Statements prepared by the management of the issuer company present fairly in its state of affairs, the result of its operation, cash flows and changes in equity.

**Condition-1.5 (xii) Maintenance of books of accounts:**

Books of Account have been maintained properly by the company.

**Condition-1.5 (xiii) Application of Accounting Policies:**

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.

**Condition-1.5 (xiv) Application of Accounting and Reporting Standard:**

International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

**Condition-1.5 (xv) The Internal Control system:**

We give strong emphasis on Internal Control systems to ensure strict corporate governance and accountability. The Board of Directors has formed an audit committee which is headed by an Independent Director in order to meet the requirements of the Bangladesh Securities and Exchange Commission.

The Audit Committee is monitoring the effectiveness of the Internal Control function on regular basis.

**Condition-1.5 (xvi) Going Concern Assumption:**

Though The Company's retained earnings is TK. 59,066,238, there exists a wide range of factors that we satisfy ourselves that the going concern basis is appropriate. Such as from the year 2010 to 2014 we made accumulated profit before tax Tk.41,941,981 and expecting to increase profit year to year. Already, we are producing and selling fast moving product like Brake Drum of vehicles to boost our turnover.

**Condition-1.5 (xvii) significant deviations from last year's operation:**

We are pleased to inform our share holders that there is no significant deviation from the last year's operation which is shown below:

Particulars	30-Jun-14	30-Jun-13
Revenue (Turnover)	133,703,746	114,711,498
Less: Cost of Goods Sold	118,433,754	99,366,790
<b>Gross Profit</b>	<b>15,269,993</b>	<b>15,344,708</b>
Less: Administrative, Selling & Distribution Expenses	6,056,155	3,746,277
Less: Financial Expenses	52,328	32,592
<b>Operating Profit</b>	<b>9,161,511</b>	<b>11,565,839</b>
Add: Other Income	235,472	-
Less: Loss (Gain) on Investment	-	93,881
Less: Workers Profit Participation Fund	447,476	546,284
<b>Profit Before Tax</b>	<b>8,949,507</b>	<b>10,925,674</b>

**Condition-1.5 (xviii) Key operating and financial data of last five years:**

Particulars	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
Revenue	133,703,746	114,711,498	84,824,034	131,320,934	38,098,865
Cost of Goods sold	118,433,754	99,366,790	71,421,457	116,854,489	29,331,867
Gross Profit	15,269,993	15,344,708	13,402,577	14,466,445	8,766,998
Profit before tax	8,949,507	10,925,674	10,756,765	11,028,113	281,992

**Condition-1.5 (xix) Dividend Declaration:**

Considering the interest of the shareholders and the company's present and future plan to expand the business activities, The Board of Directors has decided to recommend dividend @ 7.50% in cash for general shareholders on share value worth Tk. 8,58,60,000 (Excluding sponsor Directors and shareholders portion) for the year 2013-14.

**Condition-1.5 (xx) Board Meeting attendance:**

The numbers of board meetings held during this year and attendance by each director are as under-

SL	Name of directors	Meetings held	Meetings attended
1	Mr. Anwar Hossain	7	6
2	Mr. Manwar Hossain	7	7
3	Mr. Hossain Mehmood	7	7
4	Mr. Hossain Khaled	7	7
5	Mrs. Bibi Amena	7	6

6	Mrs. Shaheena Begum	7	1
7	Mrs. Hasina Begum	7	1
8	Mr. Tareq Hossain	7	1
9	Mr. Tuhin Malik (independent director)	7	1
10	Mr. Mohammad Faiz (independent director)	7	2

**Condition-1.5 (xxi) Pattern of shareholding:**

The share holding position as on 30 June 2014 is as follows:

- a) Parent/ Subsidiary/Associated companies and their related parties: N/A
- b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:

SL No.	Name of the share holder	No. of share held by sponsors/ promoters and directors as on	% of total no. of paid- up shares	
1	Anwar Steel Mills Ltd	Sponsor	1000000	7.58
2	Mr. Anwar Hossain	Representative Director (Anwar Steel Mills Ltd.)	2500	0.02
3	Mrs. Shaheena Begum	Representative Director (Anwar Steel Mills Ltd.)	172500	1.31
4	Mrs. Hasina Begum	Representative Director (Anwar Steel Mills Ltd.)	175000	1.33
5	Mr. Manwar Hossain	Sponsor Director	750000	5.68
6	Mr. Hossain Mehmood	Sponsor Director	750000	5.68
7	Mr. Hossain Khaled	Sponsor Director	750000	5.68
8	Mrs. Bibi Amena	Sponsor Director	650000	4.92
9	Mr. Tareq Hossain	Director	14000	0.11
10	Mrs. Shahnaz Begum	Sponsor	175000	1.33
11	Mrs. Selina Begum	Sponsor	175000	1.33
12	Dr. Tuhin Malik	Independent Director	Nil	0%
13	Mr. Mohammad Faiz	Independent Director	Nil	0%
14	Mr. Gopal Chandra Ghosh	Chief Financial Officer	Nil	0%
15	Mr. Ismail Rashed	Head of Internal Audit	Nil	0%
16	Mr. Tauhidul Islam	Company secretary	Nil	0%
17	Spouses and minor children of above	N/A	Nil	0%
<b>Total</b>			<b>46,14,000</b>	<b>34.95%</b>

c) Top Five Salaried Executives:

SL No.	Name	Designation	Share held
1	Tauhidul Islam ACS	Company Secretary	Nil

2	A.T.M Nazmul Hossain	AGM (Finance & Accounts)	Nil
3	Md. Safiqul Islam	Production In Charge	Nil
4	Meherun Nahar	Sr. Executive	Nil
5	Ratan Kumar Hazra	Sr. Executive (Production)	Nil

d) Shareholder holding 10% or more voting interest in the company: Nil

Distribution schedule of each class of equity security setting out the number of holder and percentage in the following categories as on 30 June, 2014:

Share Holdings Range	Number of Shareholders	No of Shares	Percentage
0000000001-0000000020	24	240	0.002%
0000000021-0000000049	7	240	0.002%
0000000050-0000000050	15	750	0.006%
0000000051-0000000200	84	14,040	0.106%
0000000201-0000000500	836	4,11,830	3.120%
0000000501-0000001000	422	4,14,350	3.139%
0000001001-0000005000	536	14,33,950	10.863%
0000005001-0000010000	100	7,66,830	5.809%
0000010001-0000025000	57	8,95,710	6.786%
0000025001-0000050000	16	5,90,500	4.474%
0000050001-9999999999	20	86,71,560	65.694%
<b>Total</b>	<b>2,117</b>	<b>13,200,000</b>	<b>100.00%</b>

All shares have been fully called and paid-up in cash. There was no preference share issued by the company.

#### **Condition-xxii) Retirement, Appointment and Re-appointment of Directors:**

As per Articles 114 and 115 of the Articles of Association of the company regarding appointment & re-appointment of Directors is not being held due to an injunction filed by a shareholder in the Supreme Court of Bangladesh High Court Division Matter No. 60 of 2009.

#### **Appointment of Auditors:**

MABS & J Partners, Chartered Accountants, has carried out the audit of the company for the year 2013-2014. They will retire at the end of 20<sup>th</sup> Annual General Meeting. Being eligible MABS & J Partners, Chartered Accountants, desired to conduct the audit of the company for the financial year 2014-2015. Therefore, a proposal for appointment of an Auditor for the year 2014-2015 and to determine their audit fees for conducting audit are placed before the shareholders in General Meeting for their kind consideration.

#### **Condition of compliance of Corporate Governances:**

As per notification no- SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012, the company has Complied with all the conditions of Corporate Governance Guidelines.

#### **Clarification of the qualified opinion of the Auditor:**

##### **Qualified opinion:**

- Deferred tax has not been calculated in the accompanying financial statements of Anwar Galvanizing Limited for the year ended 30 June 2014 as per Bangladesh Accounting Standards (BAS-12).

- b. Sufficient amounts were not found in the dividend account to settle the dividend payable amount of Taka 8,032,154.

**Clarification:**

- a) There is no temporary difference as on the balance sheet date. The depreciation charged is the same as has been claimed in the Income Tax Return and as such, no temporary difference arose. We shall provide for deferred taxes if any temporary difference is created after completion of assessment.
- b) Balance in dividend payable account represents dividend payable mainly to sponsor shareholders who did not collect the same from the Company due to insufficiency of liquid funds as the funds generated from operation are being continuously used for the business. The company has sufficient liquid assets to pay the dividend to non-sponsor shareholders as and when it will be claimed. The validity of the dividend warrant has already expired.

**Acknowledgements:**

The Board of Directors would like to extend its foremost regards and appreciation to the valued Shareholders and other Stakeholders of the company for their continued support and guidance to the company that led to many achievements. The Board also recognizes that its journey to attainments during the year was possible because of the cooperation, positive support, and guidance that it had received from the Government of Bangladesh, particularly the National Board of Revenue, Board of Investment, Registrar of Joint Stock Companies and Firms, Bangladesh Securities and Exchange Commission, Central Depository Bangladesh Limited, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Bankers, Insurers & Financial Institutions, Vendors, Business partners and all of our employees. Accordingly, the Board offers its utmost gratitude to them. The Board would also like to thank each and every customer for their continued support and for making Company brands their preferred choices. We also extend to the Management and Employees our warmest greetings and felicitation for being the essential part of AGL during the year. It was your unrelenting commitment, dedication and diligence throughout the year that led to the Company achieving the awards and accolades in 2014.

Approved by the Board of Directors and signed, on its behalf, by



**Anwar Hossain**  
Chairman

**AUDITORS' REPORT TO THE SHAREHOLDERS  
OF  
ANWAR GALVANIZING LIMITED.**

We have audited the accompanying financial statements of **ANWAR GALVANIZING LIMITED** which comprise with the Statement of Financial Position as at 30 June 2014, Statement of Comprehensive income, Statement of Changes in Equity and Statement of Cash Flows for the period ended 30 June 2014 and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulation. The responsibility includes designing, implementing and maintaining 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

1. Deferred tax has not been calculated in the accompanying financial statements of Anwar Galvanizing Limited for the year ended 30 June 2014 as per Bangladesh Accounting Standards (BAS – 12).
2. Sufficient amounts were not found in the dividend account to settle the dividend payable amount of Taka 8,032,154.

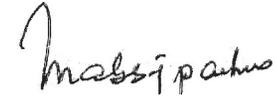
**Opinion**

In our opinion, **except for the possible effects of the matters described in the preceding paragraphs (1 and 2)**, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company affairs as at 30 June 2014 and the result of its operations and cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- a) 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;
- b) 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; and
- c) The Company's Statement of financial position, dealt with by the report are in agreement with the books of accounts and
- d) The expenditure incurred was for the purposes of the Companies business.

Dated: Dhaka, 30 October 2014.



MABS & J Partners  
Chartered Accountants

**Anwar Galvanizing Limited**  
**Statement of Financial Position**  
**As at 30 June 2014**

Particulars	Notes	30-Jun-14	30-Jun-13
<b>ASSET</b>			
<b>Non-Current Assets:</b>		<b>82,154,117</b>	<b>85,919,110</b>
Property, Plant & Equipment	3.00	82,154,117	85,919,110
<b>Current Asset, Loan &amp; Advance:</b>		<b>97,065,759</b>	<b>101,856,900</b>
Inventories	4.00	64,719,949	69,242,685
Trade Receivable	5.00	2,567,270	6,194,375
Advances, Deposits & Pre- Payments	6.00	22,564,807	21,475,331
Short Term Investment	7.00	2,919,726	2,825,845
Cash & Cash Equivalents	8.00	4,294,006	2,118,664
<b>Total Taka</b>		<b>179,219,876</b>	<b>187,776,010</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity:</b>		<b>106,991,465</b>	<b>106,868,841</b>
Share Capital	9.00	132,000,000	132,000,000
Retained Earnings	10.00	(59,066,238)	(59,188,862)
Tax Holiday Reserve	11.00	34,057,703	34,057,703
<b>Long Term Liabilities</b>		-	<b>720,557</b>
Deferred Tax Liability		-	720,557
<b>Current Liabilities &amp; Provisions</b>		<b>72,228,411</b>	<b>80,186,612</b>
Liabilities for Expenses and Others	12.00	53,139,776	61,467,259
Liabilities for other Finance	13.00	19,088,635	18,719,353
<b>Total Taka</b>		<b>179,219,876</b>	<b>187,776,010</b>
<b>NAV Per Share</b>		<b>8.11</b>	<b>8.10</b>

The accounting policies and other notes from 01 to 25 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 30 October 2014 and signed on its behalf by :



**Managing Director**



**Director**



**Company Secretary**

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

This is the Statement of Financial Position referred to in our report.

Dated: Dhaka, 30 October 2014.

  
**MABS & J Partners**  
Chartered Accountants

**Anwar Galvanizing Limited**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2014**

Particulars	Note	30-Jun-14	30-Jun-13
Revenue(Turnover)	14.00	133,703,746	114,711,498
Less: Cost of Goods Sold	15.00	118,433,754	99,366,790
<b>Gross Profit</b>		<b>15,269,993</b>	<b>15,344,708</b>
Less: Administrative, Selling & Distribution Expenses	16.00	6,056,155	3,746,277
Less: Financial Expenses	17.00	52,328	32,592
<b>Operating Profit</b>		<b>9,161,511</b>	<b>11,565,839</b>
Add: Other Income		235,472	-
Less: Loss (Gain) on Investment		-	93,881
Less: Workers Profit Participation Fund		447,476	546,284
<b>Profit Before Tax</b>		<b>8,949,507</b>	<b>10,925,674</b>
Less: Provision for Income Tax		2,411,771	4,097,128
Current Tax	Annex:III	3,132,328	3,376,571
Deferred Tax	Annex:IV	(720,557)	720,557
<b>Net Profit After Tax</b>		<b>6,537,736</b>	<b>6,828,546</b>
<b>Earning Per Share (EPS)</b>	<b>18.00</b>	<b>0.50</b>	<b>0.52</b>

The accounting policies and other notes from 01 to 25 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 30 October 2014 and signed on its behalf by :

  
 \_\_\_\_\_  
**Managing Director**

  
 \_\_\_\_\_  
**Director**

  
 \_\_\_\_\_  
**Company Secretary**

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

This is the Statement of Comprehensive Income referred to in our report.

Dated: Dhaka, 30 October 2014.

  
**MABS & J Partners**  
 Chartered Accountants

**Anwar Galvanizing Limited**  
**Statement of Cash Flows**  
**For the year ended 30 June 2014**

Particular	Notes	30-Jun-14	30-Jun-13
<b>(a) Cash Flows from operating activities:</b>			
Collection from Turnover & other income	19.00	138,716,780	112,773,810
Payment for Cost & Expenses	20.00	(130,688,145)	(101,414,740)
Net Cash Flows from operating activities		<u>8,028,635</u>	<u>11,359,070</u>
<b>(b) Cash Flows from Investing Activities:</b>			
Acquisition of Fixed Assets		(1,393,593)	(3,393,909)
Short Term Investment		-	-
Net Cash Flows from Investing Activities		<u>(1,393,593)</u>	<u>(3,393,909)</u>
<b>(c) Cash Flows from Financing Activities:</b>			
Bank Overdraft Repaid		-	-
Dividend Paid		(4,828,981)	(4,293,000)
Loan Received (Paid) NBL Securities Ltd		369,282	(81,912)
Directors Loan		-	(2,307,000)
Net Cash Flows from Financing Activities		<u>(4,459,699)</u>	<u>(6,681,912)</u>
<b>(d) Net Cash Flows (a+b+c)</b>			
Add: Opening Cash & Cash Equivalents		2,175,342	1,283,248
Closing Cash & Cash Equivalents		<u>4,294,006</u>	<u>2,118,664</u>
<b>Net Operating Cash-flow Per Share</b>		<b>0.61</b>	<b>0.86</b>

The accounting policies and other notes from 01 to 25 form an integral part of the Financial Statements. The Financial Statements were authorised for issue by the Board of Directors on 30 October 2014 and signed on its behalf by :



**Managing Director**



**Director**



**Company Secretary**

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

This is the Statement of Cash Flows referred to in our report.

Dated: Dhaka, 30 October 2014.

  
**MABS & J Partners**  
Chartered Accountants

**Anwar Galvanizing Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2014**

Particulars	Share Capital	Tax Holiday	Proposed Dividend	Retained Earnings	Total
	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
Opening Balance as on 01 July 2013	132,000,000	34,057,703	-	(59,188,862)	106,868,841
Less: Prior year adjustment	-	-	-	(404,912)	(404,912)
<b>Adjusted opening balance</b>	<b>132,000,000</b>	<b>34,057,703</b>	<b>-</b>	<b>(59,593,774)</b>	<b>106,463,929</b>
Net Profit for the year	-	-	-	6,537,736	6,537,736
Cash Dividend 2012-2013	-	-	-	(6,010,200)	(6,010,200)
<b>As on 30 June 2014</b>	<b>132,000,000</b>	<b>34,057,703</b>	<b>-</b>	<b>(59,066,238)</b>	<b>106,991,465</b>
<b>As on 30 June 2013</b>	<b>132,000,000</b>	<b>34,057,703</b>	<b>-</b>	<b>(59,188,862)</b>	<b>106,868,841</b>

**Anwar Galvanizing Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2013**

Particulars	Share Capital	Tax Holiday	Proposed Dividend	Retained Earnings	Total
	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka	Amount in Taka
As on 01 July 2012	132,000,000	34,057,703	-	(59,417,408)	106,640,295
Net Profit for the year	-	-	-	6,828,546	6,828,546
Cash Dividend	-	-	-	(6,600,000)	(6,600,000)
<b>As on 30 June 2013</b>	<b>132,000,000</b>	<b>34,057,703</b>	<b>-</b>	<b>(59,188,862)</b>	<b>106,868,841</b>
<b>As on 30 June 2012</b>	<b>132,000,000</b>	<b>34,057,703</b>	<b>-</b>	<b>(59,417,408)</b>	<b>106,640,295</b>

The accounting policies and other notes from 01 to 25 form an integral part of the Financial Statements. The Financial Statements were authorised for issue by the Board of Directors on 30 October 2014 and signed on its behalf by :



**Managing Director**



**Director**

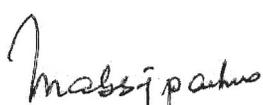


**Company Secretary**

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

This is the Statement of Changes in Equity referred to in our report.

Dated: Dhaka, 30 October 2014.

  
**MABS & J Partners**  
Chartered Accountants

## Anwar Galvanizing Limited

### Notes to the Financial Statements for the year ended 30 June 2014

#### 1. Legal Status and Nature of the Company - Disclosure under IAS 1 "Presentation of Financial Statements":

(a) *Domicile, Legal Forms and Country of Incorporation:*

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.

(b) *Address of the Registered Office and Principal Place of the Business:*

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.

(c) *Principal Activities and Nature of Operation:*

The company carries on the business of manufacturing of Galvanized GI Fittings and Brake Drum of all specifications and grades.

(d) *Going Concern:*

The financial statements have been prepared on the basis of Anwar Galvanizing Limited being a going concern.

#### 2. Significant Accounting Policies

2.1 *Basis of Accounting:*

The Financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) under the historical cost convention subject to the revaluation of tangible assets made in 1995.

2.2 *Tangible Assets:*

Tangible assets are stated at original / revalued cost less accumulated depreciation while other tangible assets are stated at cost less accumulated depreciation.

2.3 *Depreciation:*

Depreciation has been charged during the year on Factory's Fixed Assets and on Head office Assets under reducing balance method. However depreciation on addition during the year charged when these were ready to use.

2.4 *Specific Accounting Policies Selected and Applied for Significant Transactions and Events:*

(a) *Recognition of Property, Plant and Equipment:*

Property, Plant and Equipment are stated at their cost less accumulated depreciation in accordance BAS-16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction.

(b) *Inventories:*

Inventories comprise Raw Materials, Finished Goods and Stock of Stationery and Spares & Accessories. They are stated at the lower of cost and net realizable value in accordance with BAS-2 "Inventories". The costs of inventories are assigned by using weighted average cost formula. Costs of finished goods include 100% materials plus proportionate conversion cost.

**(c) Cash and Cash Equivalents:**

According to BAS-7 "Statement of Cash Flows", cash comprises in hand and demand deposit and, cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. BAS 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of BAS-7 and BAS-1 cash in hand and bank balances have been considered as cash and cash equivalents.

**(d) Creditors and Accrued Expenses:**

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

**(e) Taxation:****i. Current Year:**

During the year provision for income tax has been calculated @ 35% in compliance with the Income Tax Ordinance 1984.

**ii. Previous Years Assessment Status:**

The company submitted Income Tax Returns for assessment years from 2007-08 to 2013-2014 (Income Years 2006-07 to 2012-2013) to the Tax Authority availing of 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 Department as per Section 82 BB with no further tax liability in respect of these assessment years.

The company has however preferred an appeal to the High Court Division of the Honorable Supreme Court of Bangladesh in respect of assessment year 2002-2003 for allowing intangible additions of Tax holiday period, after expiry of Tax holiday period against which Court's award is still waiting.

There was no tax demand pending with company till 30 June 2013 in respect of any of the previous assessment years

**(f) Turnover:**

Turnover comprises sales of the company excluding VAT.

**(i) Revenue Recognition:**

The revenue during the year represents revenue arising from the sale of GI fittings and Zinc sheet items which are recognized when deliveries are made against the sales order received from the respective customer and after satisfying all the conditions for revenue recognition as provided in IAS 18 as adopted by ICAB as BAS 18 "Revenue Recognition".

**(j) Statement of Cash Flows:**

Statement of Cash Flows is prepared principally in accordance with BAS 7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules 1987 and considering the provision of Paragraph 19 of BAS 7 which provides that "Enterprise are Encouraged to Report Cash Flows From Operating Activities Using the Direct Method".

**(K) Components of the Financial Statements:**

According to the International Accounting standards (BAS) 1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- i) Statement of Financial Position as at 30<sup>th</sup> June 2014.
- ii) Statement of Comprehensive Income for the year ended 30<sup>th</sup> June 2014.

- iii) Statement of Cash Flows for the year ended 30<sup>th</sup> June 2014.
- iv) Statement of Changes in Equity for the year ended 30<sup>th</sup> June 2014.
- v) Accounting Policies and Explanatory Notes to Financial Statements.

**(l) Compliance with Local Laws:**

The financial statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local laws and rules.

**(m) Compliance with the International Accounting Standards (BAS):**

The financial statements have been prepared in compliance with requirements of the IAS adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh.

**(n) Reporting Period:**

Financial Statements of the company cover one financial year from 1st July 2013 to 30<sup>th</sup> June 2014.

**(o) Reporting Currency and Level Precision:**

All of company's assets, liabilities, fund, income and expenditure are denominated in terms of the Taka, the local currency that has been rounded off to the nearest Taka.

**(p) The Net Asset Value (NAV):**

	<u>2014</u>	<u>2013</u>
Net Asset Value (NAV)	8.11	8.10

**(q) Comparative Information:**

Comparative information have been disclosed in respect of the year 2013-2014 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Figures of the year 2012-2013 have been rearranged whenever considered necessary to ensure comparability with the current period. The disclosures in the financial statements, in all materials aspects, are in accordance with Bangladesh Accounting Standards, as adopted in Bangladesh.

**(r) Proposed Dividend**

Proposed Dividend has been shown separately under the shareholders' equity in accordance with Bangladesh Accounting Standards (BAS)-10 "Events after Balance Sheet Date"

BAS 1: Presentation of Financial Statements, also requires the dividend proposed after the balance sheet date but before 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.

**(s) Related Party Transaction**

As per BAS - 24 parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related parties are stated their actual value in note number 14.00 and 15.01.

Note No.	PARTICULARS	Notes	30-Jun-14	30-Jun-13
3.00	<b>Non-Current Assets:</b>			
	Opening Balance(at cost)		175,059,794	171,665,885
	Add: Addition During the year		1,393,593	3,393,909
			<b>176,453,387</b>	<b>175,059,794</b>
	Less: Accumulated Depreciation		(94,299,270)	(89,140,684)
	Written down value as on 30.06.2013		<b>82,154,117</b>	<b>85,919,110</b>
	Details have been shown in Annexure-I			
4.00	<b>Inventories:</b>			
	Raw Materials	4.01	5,790,391	8,355,338
	Auxiliary Materials	4.02	776,242	3,053,062
	General Stores & Spare	4.03	18,427,677	18,233,535
	Finished Goods	4.04	14,289,430	20,044,747
	Work -in-process	4.05	25,436,209	19,556,003
			<b>64,719,949</b>	<b>69,242,685</b>
4.01	<b>Raw Materials:</b>			
	Pig Iron		4,757,503	6,136,745
	CI Scrap		1,032,889	1,909,110
	MS Scrap		-	309,483
			<b>5,790,391</b>	<b>8,355,338</b>
4.02	<b>Auxiliary Materials:</b>			
	Hydrochloric acid		2,240	28,383
	Molases		161,141	511,478
	Soil -red		-	12,950
	Telcom Powder		2,250	28,442
	Zinc Ingot		216,972	1,919,177
	China clay/Ball clay		4,950	23,949
	Quartz powder		31,025	86,653
	Departure & Dexine Powder		1,753	4,972
	Grafide Powder		12,300	17,963
	Shots		41,160	5,143
	Aluminium Ingot		41,550	13,241
	Ferro mangeses		-	14,037
	Silica Powder		3,563	15,530
	Fero Silicon		108,870	371,144
	Bentonite		7,800	-
	Bruss		58,500	-
	BinderCore		460	-
	Coal Dust		11,700	-
	Fire Clay		13,200	-
	Hard Cook		48,480	-
	Resin Core for sand		3,000	-
	Silicon Manganise		5,328	-
			<b>776,242</b>	<b>3,053,062</b>
4.03	<b>General Stores &amp; Spare:</b>			
	General Stores & Spares		18,427,677	18,233,535
			<b>18,427,677</b>	<b>18,233,535</b>
4.04	<b>Finished Goods:</b>			
	Finished Goods		14,289,430	20,044,747
			<b>14,289,430</b>	<b>20,044,747</b>
4.05	<b>Work -in-Process:</b>			
	Break up is given below:			
	Casting		13,003,702	11,887,681
	Annealing		10,060,278	4,226,008
	Grinding		165,911	436,016
	Shots Blasting		355,740	1,585,962
	Galvanizing		1,425,229	928,754
	Threading Process		425,349	491,582
			<b>25,436,209</b>	<b>19,556,003</b>

Note No.	PARTICULARS	Notes	30-Jun-14	30-Jun-13																																			
5.00	<b>Trade Receivable:</b> Trade Receivable:		2,567,270	6,194,375																																			
			<u>2,567,270</u>	<u>6,194,375</u>																																			
	Details have been shown in Annexure-II																																						
6.00	<b>Advance, Deposits &amp; Pre-payments:</b> Break up is given below:																																						
	Advances	6.01	21,441,720	20,352,244																																			
	Security Deposits	6.02	1,123,087	1,123,087																																			
			<u>22,564,807</u>	<u>21,475,331</u>																																			
6.01	<b>Advances:</b> Break up is given below:																																						
	Advance against Purchase		100,000	139,898																																			
	Advance against Supplier		1,381,936	1,381,936																																			
	Advance to employee		625,760	444,112																																			
	VAT Current Account		4,569,008	4,645,653																																			
	AIT ( Advance Income Tax)		14,765,016	13,740,645																																			
			<u>21,441,720</u>	<u>20,352,244</u>																																			
6.02	<b>Security Deposit:</b> Break up is given below:																																						
	Security deposit -CDBL		300,000	300,000																																			
	Security deposit-Electricity		219,500	219,500																																			
	Security deposit-Gas		561,587	561,587																																			
	Security deposit- metre		42,000	42,000																																			
			<u>1,123,087</u>	<u>1,123,087</u>																																			
7.00	<b>Short Term Investment:</b> Break up is given below:																																						
	<table border="1"> <thead> <tr> <th>SL. No.</th> <th>Name of Company</th> <th>No of Share</th> <th>Cost Price</th> <th>Market Price</th> </tr> </thead> <tbody> <tr> <td>01.</td> <td>Grammen Phone Limited</td> <td>3000</td> <td>662,640</td> <td>900,900</td> </tr> <tr> <td>02.</td> <td>Jamuna Oil Limited</td> <td>3575</td> <td>702,800</td> <td>760,403</td> </tr> <tr> <td>03.</td> <td>M.I. Cement Factory Limited</td> <td>5500</td> <td>652,600</td> <td>473,000</td> </tr> <tr> <td>04.</td> <td>Meghna Petroleum Limited</td> <td>4680</td> <td>692,760</td> <td>1,280,448</td> </tr> <tr> <td>05.</td> <td>Sumit Power Limited</td> <td>3450</td> <td>208,926</td> <td>111,780</td> </tr> <tr> <td></td> <td></td> <td></td> <td><u>2,919,726</u></td> <td><u>3,526,531</u></td> </tr> </tbody> </table>	SL. No.	Name of Company	No of Share	Cost Price	Market Price	01.	Grammen Phone Limited	3000	662,640	900,900	02.	Jamuna Oil Limited	3575	702,800	760,403	03.	M.I. Cement Factory Limited	5500	652,600	473,000	04.	Meghna Petroleum Limited	4680	692,760	1,280,448	05.	Sumit Power Limited	3450	208,926	111,780				<u>2,919,726</u>	<u>3,526,531</u>			
SL. No.	Name of Company	No of Share	Cost Price	Market Price																																			
01.	Grammen Phone Limited	3000	662,640	900,900																																			
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			<u>2,919,726</u>	<u>3,526,531</u>																																			
			<u>2,919,726</u>	<u>3,526,531</u>																																			
8.00	<b>Cash and Cash Equivalents:</b> Break up is given below:																																						
	Cash at Banks	8.01	3,859,155	1,719,062																																			
	Cash in Hand	8.02	434,851	399,602																																			
			<u>4,294,006</u>	<u>2,118,664</u>																																			
8.01	<b>Cash at Banks:</b> Break up is given below:																																						
	The City Bank Ltd.PO,STD A/C # 3102020260001		2,096,816	220,098																																			
	The City Bank Ltd. F.Ex, CD A/C # 1102039225001		773,779	1,101,565																																			
	The City Bank Ltd. Chamber Branch, CD A/C # 720820001		782	1,592																																			
	Dutch Bangla Bank CD 0101110000028361		623,228	197,222																																			
	AB Bank Limited CD-4004-673501-000		320,848	154,980																																			
	BD.Commerce Bank. CD A/C # 210021857		23,520	25,364																																			
	NRB Commercial Bank-10133300000091		4,030	5,000																																			
	AL-Arafah- 33040334		4,733	4,733																																			
	Bank Asia CD-333006608		8,328	8,328																																			
	Bank Asia CD-00733003590		181	181																																			
	SBAC Bank Ltd 8953		2,913	-																																			
			<u>3,859,155</u>	<u>1,719,062</u>																																			

Note No.	PARTICULARS	Notes	30-Jun-14	30-Jun-13
8.02	<b>Cash in Hand:</b> Break up is given below: Cash in Head office Cash in Factory office		260,807 174,044 <b>434,851</b>	72,236 327,366 <b>399,602</b>
9.00	<b>Share Capital:</b> Break up is given below: <b>Authorised Capital:</b> 2,00,00,000 Ordinary Shares of Tk. 10 Each		200,000,000 <b>200,000,000</b>	200,000,000 <b>200,000,000</b>
	<b>Issued, Subscribed, and Paid-up-Capital:</b> 1,32,00,000 Ordinary Shares of Tk.10 as fully paid in cash		132,000,000 <b>132,000,000</b>	132,000,000 <b>132,000,000</b>
10.00	<b>Retained Earnings:</b> Break up is given below: Profit Brought Forward Less: Prior year adjustment <b>Adjusted opening balance</b> Net profit during the year Less : Cash Dividend <b>Balance carried forward</b>		(59,188,862) (404,912) <b>(59,593,774)</b> 6,537,736 (6,010,200) <b>(59,066,238)</b>	(59,417,408) - <b>(59,417,408)</b> 6,828,546 (6,600,000) <b>(59,188,862)</b>
11.00	<b>Tax Holiday Reserve:</b> Break up is given below: <b>Year</b> 1996-1997 1997-1998 1998-1999 1999-2000 2000-2001 <b>Closing balance as per 30 June 2014</b>		8,489,546 8,539,236 5,687,240 5,700,825 5,640,856 <b>34,057,703</b>	8,489,546 8,539,236 5,687,240 5,700,825 5,640,856 <b>34,057,703</b>
12.00	<b>Liability for Expenses and Others</b> Break up is given below: Payable for Electric Bill Payable for Telephone Bill Liability for Audit Fee Payable for WPPF Advance Received from Customers Payable for Current Income Tax Liabilities for Others Liabilities for Goods Supplies	12.01	318,303 - 100,000 447,476 1,150,457 4,183,169 22,615,006 24,325,365 <b>53,139,776</b>	204,286 10,407 50,000 546,284 - 5,868,526 18,771,248 36,016,508 <b>61,467,259</b>

Note No.	PARTICULARS	Notes	30-Jun-14	30-Jun-13
12.01	<b>Liabilities for Others:</b>			
	Break up is given below:			
	Dividend Payable		8,032,154	6,850,935
	Others Liabilities		14,582,852	11,920,313
			<b>22,615,006</b>	<b>18,771,248</b>
13.00	<b>Liabilities for Other Finance:</b>			
	Break up is given below:			
	Loan From Directors		16,882,039	16,882,039
	Loan from NBL Securities Ltd		2,206,596	1,837,314
			<b>19,088,635</b>	<b>18,719,353</b>
14.00	<b>Revenue ( Turnover):</b>			
	Break up is given below:			
	Sales: GI Fittings		105,292,011	98,104,179
	Sales: Brake Drum		9,747,814	6,809,316
	Sales: Others		18,663,921	9,798,003
			<b>133,703,746</b>	<b>114,711,498</b>
	Note: Sales to Anwar Ispat Limited was Tk 1,16,71,500 during the year 2013-14. However receivable balance with the company was Nil as on 30 June 2014.			
15.00	<b>Cost of Goods Sold:</b>			
	Break up is given below:			
	Raw Materials Consumed	15.01	55,994,930	52,416,165
	Auxiliary Materials Consumed	15.02	16,971,352	15,442,895
	<b>Total Materials Consumed</b>		<b>72,966,282</b>	<b>67,859,059</b>
	Add: Factory Overheads	15.03	45,592,361	40,930,575
	Opening Stock of Work -In-Process		19,556,003	15,365,592
	Closing Stock of Work -In-Process		(25,436,209)	(19,556,003)
	<b>Cost of Production</b>		<b>112,678,437</b>	<b>104,599,224</b>
	Opening Stock of Finished Goods		20,044,747	14,812,313
	Closing Stock of Finished Goods		(14,289,430)	(20,044,747)
	<b>Cost of Goods Sold</b>		<b>118,433,754</b>	<b>99,366,790</b>
15.01	<b>Raw Material Consumed(GI Fittings)</b>			
	Break up is given below:			
	Opening Stock		8,355,338	9,898,394
	Add: Purchase		53,429,983	50,873,109
			61,785,321	60,771,503
	Less: Closing Stock		5,790,391	8,355,338
			<b>55,994,930</b>	<b>52,416,165</b>
	Note: Raw material purchase from Anwar Ispat Limited was Tk 3,97,53,046 during the year 2013-14 . Out of this total, an amount of Tk 1,88,21,525 was payable as on 30 June 2014.			
15.02	<b>Auxiliary Materials Consumed:</b>			
	Break up is given below:			
	Opening Stock		3,053,062	886,378
	Add: Purchase		14,694,533	17,609,579
			<b>17,747,595</b>	<b>18,495,957</b>
	Less: Closing Stock		776,242	3,053,062
			<b>16,971,352</b>	<b>15,442,895</b>

Note No.	PARTICULARS	Notes	30-Jun-14	30-Jun-13
15.03	<b>Factory Overheads:</b>			
	Break up is given below:			
	Salary & Wages		23,124,821	19,822,860
	Festival Bonus		301,549	945,331
	Carriage Inward, Loading & Unloading Exp		45,393	1,487,640
	Electricity Charges		4,333,506	3,653,688
	Gas Expenses		3,811,844	469,800
	Entertainment Expenses		89,160	37,726
	Phone Bill		12,770	15,117
	Medical Expenses		51,357	60,242
	Miscellaneous. Expenses		17,872	13,753
	Business Promotion Expenses		193,720	180,460
	Internet Expenses		2,415	4,535
	Food and Lodging		20,038	-
	Photocopy & stamp expenses		10,061	8,182
	Repairs & Maintenance		293,621	390,945
	General Stores		8,035,081	8,466,875
	Conveyance & CNG Expenses		83,166	188,248
	Quality Test Fees		7,000	17,250
	Picnic Expenses		110,000	85,000
	Ifter Expenses		46,830	54,260
	Depreciation		5,002,157	5,028,663
			<b>45,592,361</b>	<b>40,930,575</b>
16.00	<b>Administrative, Selling &amp; Distribution Expenses:</b>			
	Break up is given below:			
	Administrative Expenses	16.01	<b>4,304,301</b>	<b>2,887,682</b>
	Selling & Distribution Expenses	16.02	<b>1,751,854</b>	<b>858,596</b>
			<b>6,056,155</b>	<b>3,746,277</b>
16.01	<b>Administrative Expenses:</b>			
	Break up is given below:			
	Salary and Allowances		2,194,183	1,193,007
	Festival Bonus		38,166	15,358
	Business Promotion Expenses		184,613	673,300
	AGM Expenses		128,150	305,500
	Board Meeting Fee		25,000	-
	Audit Fees		107,500	86,000
	Annual Listing Fee		50,000	65,700
	Conveyance		58,082	18,060
	Consultancy fees		57,500	5,000
	CDBL Charged		112,000	56,000
	Municipal Tax		55,000	-
	Miscellaneous. Expenses		79,325	106,085
	Legal Fees		75,160	48,200
	License & Renewals		89,955	7,005
	Office Rent		261,600	10,500
	Registration Expenses		463,250	-
	Printing & Stationery		109,061	151,890
	Postage, Courier & Stamp		37,580	14,798
	Telephone Bill Expenses		21,746	7,502
	Zakat Expenses		-	22,850
	Depreciation		156,430	100,927
			<b>4,304,301</b>	<b>2,887,682</b>

Note No.	PARTICULARS	Notes	30-Jun-14	30-Jun-13
16.02	<b>Selling &amp; Distribution Expenses:</b> Break up is given below:			
	Advertisement		117,622	88,906
	Carriage Outward		1,184,475	737,702
	Discount on Sales		163,179	-
	Sales Incentive		195,898	-
	Travelling & Conveyance		90,680	31,988
			<b>1,751,854</b>	<b>858,596</b>
17.00	<b>Financial Expenses:</b> Break up is given below:			
	Bank Charges & Commission		52,328	32,592
			<b>52,328</b>	<b>32,592</b>
18.00	<b>Earning Per Share(EPS):</b>			
	Profit Attributable to the ordinary shareholders		6,537,736	6,828,546
	Weighted average number of ordinary shares		13,200,000	13,200,000
	Basic Earning Per Share		<b>0.50</b>	<b>0.52</b>
19.00	<b>Collection from Turn over and Others:</b> Break up is given below:			
	Opening Balance of Trade Receivables		6,194,375	4,256,686
	Add: Sales		133,703,746	114,711,498
			139,898,121	118,968,184
	Less: Closing Debtors		2,567,270	6,194,375
	Total Collection from Trade Receivables		137,330,851	112,773,810
	Collection from Other Income		235,472	-
	Advance Collection from Customers		1,150,457	-
			<b>138,716,780</b>	<b>112,773,810</b>
20.00	<b>Payment for Cost &amp; Expenses :</b> Break up is given below:			
	Payments to Suppliers & Others		105,219,017	101,382,148
	Tax Paid		5,121,499	-
	Paid to Employee		20,295,302	-
	Payment of Interest		52,328	32,592
	<b>Total Cash payment &amp; Expenses</b>		<b>130,688,145</b>	<b>101,414,740</b>

**21. Director of the Company:**

a) a) Number of Director:

There are 10 Directors of the company during the year ended 30 June 2014

b) Salary &amp; 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 &amp; Exchange rules 1987 are given below:

SL	Name	Designation	Per Year	Remarks
1	Mr. Anwar Hossain	Chairman	NIL	
2	Mrs. Bibi Amena	Director	NIL	
3	Mr. Manwar Hossain	Managing Director	NIL	Full Time
4	Mr. Hossain Mehmood	Director	NIL	
5	Mr. Hossain Khaled	Director	NIL	
6	Mrs. Hasian Begum	Director	NIL	
7	Mrs. Shaheena Begum	Director	NIL	
8	Mr. Tareq Hossain	Shareholder Director	NIL	
9	Dr. Tuhin Malik	Independent Director	NIL	
10	Mohammad Faiz	Independent Director	NIL	

**22. General**

a. The Company has no aggregate amount of contract for capital expenditure to be executed and not provided for in the accounts.

b. There is no Guarantee issued by the management on behalf of Director of the company.

c. Auditors are paid only statutory audit fees approved by the share holders in the last AGM.

d. There was no foreign exchange remitted to relevant share holders during the year under audit.

e. No amount of money was expended by the company for compensating any member of the board for special service

**23. ADDITIONAL DISCLOSURE AS PER SEC :**

Security and Exchange rules, 1987 [ Rule 12(2)]

a) Claim against the company not acknowledge as debt as on 30.06.2014	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 contingently liable as on 30/06/2014 except letter of credit open in the normal course of 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  
 Mode of disposal of machinery and equipment. NIL

**24. 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	Tk.	55,994,930
ii)	Opening Stock		98.99 MT
iii)	Production during the year		678.99 MT
iv)	Sold during the year		688.00 MT
v)	Other consumption		NIL MT
vi)	Closing Stock		89.98 MT

4. Para-3,(ii)  
 i) Number of employees drawing salary above Tk. 3,000 per Month 167 Nos  
 ii) Number of employees drawing salary below Tk. 3,000 per month NIL
5. Para - 8 (b)  
 Expenses incurred in foreign currency on account of royalty, Technical expert & professional advisory fee, Interest etc. if any NIL

## 6. Para - 8 (c)

Local	Qty. MT	Value	%	Remarks
Description				
Pig Iron	104.01	4,757,503		
Cust Iron	27.69	1,032,889		
Foreign	NiL	NiL	NiL	
<b>Total</b>	<b>131.70</b>	<b>5,790,391</b>		

## 7. Para- 8(d)

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

## 8. Para - 8 (e)

- (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

**25. Events after the reporting period:**

## a) Proposed Dividend:

The Board of Directors of ANWAR GALVANIZING LTD. at it's 121th Board Meeting held on 30 October 2014 proposed 7.50% cash dividend for general shareholders on share value worth Tk. 8,58,60,000 (Excluding Sponsor Directors and Shareholder portion) for the year 2013-2014. This dividend is subject to approval by the shareholders in the Annual General Meeting (AGM).

## 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 30 October 2014.

## c) 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.



Managing Director



Director



Company Secretary

**ANWAR GALVANIZING LIMITED**  
Schedule of Property, plant and equipment as on 30th June 2014

SI No.	Assets Category	COST			Rate %	Depreciation			Written down value as on 30/06/2014	Written down value as on 30/06/2013
		As on 01/07/2013	Addition during the year	Sales/ Adjustment		As on 30/06/2014	Charged during the year	Sales/ Adjustment		
1	Land & Land Development	6,476,562	-	-	-	-	-	-	6,476,562	6,476,562
	<b>Total Tk.</b>	<b>6,476,562</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>6,476,562</b>	<b>6,476,562</b>
2	<b>Building &amp; Construction:</b>									
	Boundary Wall	803,196			10%	18,375		637,826	165,370	183,745
	Building (Factory)	14,396,574			5%	282,703		9,025,207	5,371,367	5,654,070
	Building (Office)	372,173			10%	8,514		295,546	76,627	85,141
	Control Room	230,409			10%	5,271		182,970	47,439	52,710
	Drawing Design Supply	1,212,636			10%	27,741		962,964	249,672	277,413
	Finished Goods Godown	5,672,227			10%	129,762		4,504,366	1,167,861	1,297,623
	Furnace Cost	886,286			10%	20,275		703,808	182,478	202,753
	Generator Room	208,192			10%	4,763		165,328	42,864	47,627
	Machinery Control Room	265,886			10%	6,083		211,144	54,742	60,825
	Raw Material Godown	7,373,896			10%	168,691		5,855,677	1,518,219	1,686,910
	Sanitation	1,374,897			10%	31,453		1,091,819	283,078	314,531
	Security Room	29,469			10%	674		23,400	6,069	6,743
	Water Supply Installation	432,320			10%	9,890		343,310	89,010	98,900
	Workshop	693,178			10%	15,858		550,459	142,719	158,577
	<b>Total Tk.</b>	<b>33,951,339</b>	<b>-</b>	<b>-</b>		<b>730,053</b>	<b>-</b>	<b>24,553,824</b>	<b>9,397,515</b>	<b>10,127,568</b>
3	<b>Plant, Machinery &amp; Equipment:</b>									
	Boiler	1,052,446			15%	16,224		960,510	91,936	108,160
	Deep Tubewell	2,215,676			15%	34,156		2,022,128	193,548	227,704
	Electrical installation	2,535,530			15%	41,377		2,301,063	234,467	275,844
	Electrical Equipment	4,700			15%	85		4,216	484	569
	Gas installation	487,966			15%	12,329		418,098	69,868	82,197
	Plant & Machinery / Other	53,043,494			5%	909,999		35,753,516	17,289,978	18,199,977
	Workshop Machinery	10,111,328			10%	231,315		8,029,496	2,081,832	2,313,147
	<b>Total Tk.</b>	<b>69,451,140</b>	<b>-</b>	<b>-</b>		<b>1,245,484</b>	<b>-</b>	<b>49,489,026</b>	<b>19,962,114</b>	<b>21,207,596</b>
	<b>Sub Total Tk.</b>	<b>109,879,041</b>	<b>-</b>	<b>-</b>		<b>1,975,538</b>	<b>-</b>	<b>74,042,851</b>	<b>35,836,190</b>	<b>37,811,727</b>

Annexure-I

**ANWAR GALVANIZING LIMITED**  
Schedule of Property, plant and equipment as on 30th June 2014

SI No.	Assets Category	COST			Rate	Depreciation			Written down value as on 30/06/2014	Written down value as on 30/06/2013
		As on 01/07/2013	Addition during the year	Sales/ Adjustment		As on 30/06/2014	Charged during the year	Sales/ Adjustment		
4	<b>Factory Equipment:</b>									
	Telephone, Telex & Fax	85,935			15%	77,104	1,325	78,429	7,506	8,831
	Typewriter & Photocopy	120,000			15%	107,668	1,850	109,518	10,482	12,332
	<b>Total Tk.</b>	<b>205,935</b>	<b>-</b>	<b>-</b>		<b>184,772</b>	<b>3,175</b>	<b>187,947</b>	<b>17,988</b>	<b>21,163</b>
5	<b>Head Office Equipment:</b>									
	Computer	219,388	176,800		15%	166,344	23,842	190,186	206,002	53,044
	Laptop	-	80,000		15%	-	12,000	12,000	68,000	-
	Computer Printer	38,350	16,000		15%	34,847	526	35,373	18,977	3,503
	Computer Software	124,250			15%	113,397	1,628	115,025	9,225	10,853
	Mobile Phone	68,200	9,615		15%	59,178	2,796	61,974	15,841	9,022
	Office Equipment	115,325	27,000		15%	105,100	4,684	109,784	32,541	10,225
	Telephone, Telex & Fax	25,000	850		15%	23,143	279	23,422	2,428	1,857
	<b>Total Tk.</b>	<b>590,513</b>	<b>310,265</b>	<b>-</b>		<b>502,009</b>	<b>45,753</b>	<b>547,762</b>	<b>353,016</b>	<b>88,505</b>
6	<b>Furniture (Office):</b>									
	Air Cooler	218,400	-		15%	196,218	3,327	199,545	18,855	22,182
	Furniture & Fixture	1,128,120	270,883		10%	872,905	50,530	923,435	475,568	255,215
	<b>Total Tk.</b>	<b>1,346,520</b>	<b>270,883</b>	<b>-</b>		<b>1,069,123</b>	<b>53,857</b>	<b>1,122,980</b>	<b>494,423</b>	<b>277,397</b>
7	<b>Air Cooler:</b>									
	Air Cooler	300,000			15%	277,725	3,341	281,066	18,934	22,275
	<b>Total Tk.</b>	<b>300,000</b>	<b>-</b>	<b>-</b>		<b>277,725</b>	<b>3,341</b>	<b>281,066</b>	<b>18,934</b>	<b>22,275</b>
8	<b>Vehicles / Motor Car:</b>									
	Vehicles / Motor Car	1,824,100			20%	1,765,367	11,747	1,777,114	46,986	58,733
	<b>Total Tk.</b>	<b>1,824,100</b>	<b>-</b>	<b>-</b>		<b>1,765,367</b>	<b>11,747</b>	<b>1,777,114</b>	<b>46,986</b>	<b>58,733</b>
9	<b>Sundry Assets:</b>									
	Cookeries & Cutleries	55,197			10%	42,436	1,276	43,712	11,485	12,761
	Fire Extinguisher	12,519			10%	10,199	232	10,431	2,088	2,320
	Loose Tools	1,304,504	49,000		10%	1,010,072	34,343	1,044,415	309,089	294,432
	Miscellaneous Assets	129,139			10%	102,081	2,706	104,787	24,352	27,058
	<b>Total Tk.</b>	<b>1,501,359</b>	<b>49,000</b>	<b>-</b>		<b>1,164,798</b>	<b>38,557</b>	<b>1,203,345</b>	<b>347,014</b>	<b>336,570</b>
	<b>Sub Total Tk.</b>	<b>5,768,427</b>	<b>630,148</b>	<b>-</b>		<b>4,963,784</b>	<b>150,430</b>	<b>5,120,214</b>	<b>1,278,361</b>	<b>804,644</b>

**ANWAR GALVANIZING LIMITED**  
Schedule of Property, plant and equipment as on 30th June 2014

Annexure-I

Sl No.	Assets Category	COST			Rate %	Depreciation			Written down value as on 30/06/2014	Written down value as on 30/06/2013	
		As on 01/07/2013	Addition during the year	Sales/ Adjustment		As on 30/06/2014	Charged during the year	Sales/ Adjustment			As on 30/06/2014
10 GI Fittings Line:											
	Building & Constructions	23,004,059	-	-	23,004,059	5%	4,069,217	946,742	5,015,959	17,988,100	18,934,842
	Total Tk.	23,004,059	-	-	23,004,059		4,069,217	946,742	5,015,959	17,988,100	18,934,842
11 Plant & Machinery											
	Video Zet Printing Machine	4,800,000	-	-	4,800,000	10%	1,650,720	314,928	1,965,648	2,834,352	3,149,280
	Extruder Machine	5,240,000	-	-	5,240,000	10%	1,802,036	343,796	2,145,833	3,094,167	3,437,964
	Compound Machine	1,650,000	-	-	1,650,000	10%	567,435	108,257	675,692	974,309	1,082,565
	Lathe Machine	2,320,500	142,000	-	2,462,500	10%	-	232,050	232,050	2,230,450	2,320,500
	Shafer Machine	310,000	-	-	310,000	10%	-	31,000	31,000	279,000	310,000
	Mixture Machine	1,050,000	-	-	1,050,000	10%	361,095	68,891	429,986	620,015	688,905
	Melting Machine	1,260,000	-	-	1,260,000	10%	433,314	82,669	515,983	744,017	826,686
	Erection & Commissioning	1,207,584	-	-	1,207,584	10%	415,288	79,230	494,518	713,066	792,296
	Plant & Machinery	16,207,447	621,445	-	16,828,892	5%	2,535,028	714,693	3,249,722	13,579,170	13,672,419
	Mould	2,362,736	-	-	2,362,736	5%	275,452	104,364	379,816	1,982,920	2,087,284
	Total Tk.	36,408,267	763,445	-	37,171,712		8,040,369	2,079,877	10,120,246	27,051,466	28,367,898
	Sub Total Tk.	59,412,326	763,445	-	60,175,771		12,109,587	3,026,619	15,136,206	45,039,565	47,302,740
	Grand Total	175,059,794	1,393,593	-	176,453,387		89,140,684	5,158,586	94,299,270	82,154,117	85,919,110

**Allocation of Depreciation :**

Charge to Production	5,002,157
Charge to Administration	156,430
	5,158,586

**Anwar Galvanizing Ltd.**  
**Schedule of Trade Receivable**  
**For the year ended 30 June 2014**

## Annexure-II

Sl. No.	PARTICULARS	30-Jun-14	30-Jun-13
01	Ahmed Paribahan	1,000	12,000
02	Akota Transport	104,000	361,000
03	Al-Amin Motors	10,000	17,000
04	Al-Amin Traders	452	452
05	Arafat Trading	171	171
06	Asia Exclusive (Pvt.) Ltd	20,000	66,000
07	Awlad Engineering Works	8,000	148,800
08	Athena Furniture	5,605	5,605
09	Bablu Enterprise	-	65,000
10	Bhai Bhai Hardware	115	115
11	Alubazar Depot	301,561	1,610,303
12	Econo Service	10,000	10,000
13	Ekushe Express Ltd	11,500	55,500
14	Emon Motors	27,000	10,000
15	Faruk Sanitary	362	308
16	Hanif Enterprise	221,250	281,500
17	Haque & Brothers (Magura)	7,684	-
18	Jesco Traders	13,759	-
19	Khokon Engineering Works	51,200	-
20	Mamun Paribahan	53,425	11,000
21	Madab Traders	-	449
22	M.H. Trading	58	58
23	Momta Traders	3,034	-
24	Mollik Electrics & Sons	-	1,893
25	Monalisa Automobile	-	16,500
26	M.Samsuzzoha	770	770
27	M/S Mujaffor Trading	14,800	-
28	M/S Roni Motors	1,650	-
29	M/S Sky Motors	-	44,000
30	M/S Taposi Motors	101,180	51,000
31	Sundry Debtors	103,404	2,064,006
32	Nahida Motors	3,000	3,000
33	National Motors	16,500	22,000
34	National Travels	2,000	46,000
35	Nazrul Mators	4,200	77,000
36	Palash Traders	39,000	49,000

**Anwar Galvanizing Ltd.**  
**Schedule of Trade Receivable**  
**For the year ended 30 June 2014**

**Annexure-II**

Sl. No.	PARTICULARS	30-Jun-14	30-Jun-13
37	Pingky Paribahan	2,000	-
38	Rahman Engineering Workshop	30,200	-
39	S.Alam Group	114,000	132,000
40	Samoli Paribahan	448,400	280,000
41	Selim Motors	495,000	562,500
42	Shahajadpur Travels	2,000	2,000
43	Shahi CNG Refuling	24,000	22,000
44	Shamim Enterprise(Mohakhali)	24,000	-
45	Sharif & Co.	13,246	13,246
46	Soudia Coach Service	-	48,000
47	S.R Travel (Pvt) Ltd	166,045	55,500
48	Star Line Special	60,000	56,000
49	T.R Travels	51,700	4,700
<b>Grand Total</b>		<b>2,567,270</b>	<b>6,194,375</b>



**Anwar Galvanizing Limited**  
 Register Office: 27, Dilkusha C/A, Dhaka-1000

Revenue Stamp of Tk. 20.00
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**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 **20<sup>th</sup> Annual General Meeting** of the company to be held on 12<sup>th</sup> January, 2014 at 10:30 am at the BCIC Auditorium of 30-31, Dilkusha C. A., Dhaka-1000, and or at any adjournment thereof.  
 As witness my/our hand this.....day of.....2015.

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 Limited**  
 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 **20<sup>th</sup> Annual General Meeting** of the company to be held on 12<sup>th</sup> January, 2014 at 10:30 am at the BCIC Auditorium of 30-31, Dilkusha C. A., Dhaka-1000.

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.

[www.anwargroup.com](http://www.anwargroup.com)



**ANWAR GALVANIZING LTD.**

(a unit of Anwar Group of Industries)

Baitul Hossain Building (14th Floor), 27 Dilkusha C/A, Dhaka-1000, Bangladesh.

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