

Auditors' Report



Name of Client

ANWAR GALVANIZING LIMITED
for the year ended June 30, 2017

পিনাকী এণ্ড কোম্পানী
Pinaki & Company

AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh
Tel # 966-0944, 966-5095, Fax # 88-02-9672726
E-mail : pinaki_co@yahoo.com



AUDITOR'S REPORT
TO THE SHAREHOLDERS
OF
ANWAR GALVANIZING LTD.

We have audited the accompanying financial statements of **Anwar Galvanizing Ltd.** which comprises the Statement of Financial Position as at June 30, 2017 and the related Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's 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 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 audit opinion.

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at June 30, 2017 and of the results of its operations and its cash flows for the year then ended and comply with the Bangladesh Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations. However, compliance and documentation need be strengthened further.

We also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income and its statements of Cash Flows dealt with by the report are in agreement with the books of account and returns; and
- (iv) The expenditure incurred was for the purpose of the company's business;

Dhaka
Dated: 25.10.2017

Pinaki & Company
Chartered Accountants

Anwar Galvanizing Limited

Statement of Financial Position

As at 30 June 2017

Particulars	Notes	30 June 2017	30 June 2016
ASSETS			
Non-Current Assets:		139,372,329	121,645,263
Property, Plant & Equipment	3.00	139,372,329	121,645,263
Current Asset, Loan & Advance:		162,839,306	145,591,175
Inventories	4.00	111,860,151	97,381,465
Accounts Receivable	5.00	8,040,183	7,779,350
Advances, Deposits & Pre- Payments	6.00	31,268,562	28,865,792
Short Term Investment	7.00	1,476,678	1,250,645
Cash & Cash Equivalents	8.00	10,193,732	10,313,924
Total Assets		302,211,635	267,236,438
<u>EQUITY AND LIABILITIES</u>			
Shareholders' Equity:		117,780,579	111,135,056
Share Capital	9.00	132,000,000	132,000,000
Retained Earnings	10.00	(48,277,124)	(54,922,647)
Tax Holiday Reserve	11.00	34,057,703	34,057,703
Long Term Liabilities		7,321,711	4,737,164
Deferred Tax Liability		7,321,711	4,737,164
Current Liabilities & Provisions		177,109,345	151,364,218
Liabilities for Expenses and Others	12.00	177,102,601	150,435,807
Liabilities for other Finance	13.00	6,744	928,411
Total Equity and Liabilities		302,211,635	267,236,438
NAV Per Share		8.92	8.42

The accounting policies and other notes from 01 to 27 form an integral part of the Financial Statement.

The Financial Statements were authorized for issue by the Board of Directors on 25.10.2017 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, 25.10.2017.



Pinaki & Company
Chartered Accountants

Anwar Galvanizing Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

Particulars	Notes	July'16 to June'17	July'15 to June'16
Revenue(Turnover)	14.00	249,107,204	182,258,220
Less: Cost of Goods Sold	15.00	213,453,711	159,214,978
Gross Profit		35,653,493	23,043,242
Less: Administrative, Selling & Distribution Expenses	16.00	14,106,762	9,982,941
Less: Financial Expenses	17.00	847,161	662,378
Operating Profit		20,699,570	12,397,924
Add: Other Income		434,441	310,177
Less: Loss on sale of share		-	564,944
Less: Workers Profit Participation Fund		1,006,382	605,148
Profit Before Tax		20,127,629	11,538,009
Less: Provision for Income Tax		5,077,510	1,932,823
Current Tax		2,492,963	828,329
Deferred Tax		2,584,547	1,104,494
Net Profit After Tax		15,050,119	9,605,186
Other Comprehensive Income			
Gain/(loss) on Marketable Securities (Unrealized)		226,033	(75,546)
Total Comprehensive Income for the Year		15,276,152	9,529,640
Earning Per Share (EPS)	18.00	1.14	0.73

The accounting policies and other notes from 01 to 27 form an integral part of the Financial Statement.
The Financial Statements were authorized for issue by the Board of Directors on 25.10.2017 and signed on its behalf by :



Managing Director



Director



Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS:

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our report.

Dated : Dhaka, 25.10.2017.



Pinaki & Company
Chartered Accountants

Anwar Galvanizing Limited

Statement of Changes in Equity
For the year ended 30 June 2017

Amount (in Taka)

Particulars	Share Capital	Tax Holiday	Retained Earnings	Total
Balance as on 01 July 2016	132,000,000	34,057,703	(54,922,647)	111,135,056
Less: Prior year adjustment	-	-	(30,629)	(30,629)
Adjusted opening balance	132,000,000	34,057,703	(54,953,276)	111,104,427
Net Profit for the year After Tax	-	-	15,050,119	15,050,119
Gain (Loss) on Investment (Unrealised)			226,033	226,033
Dividend 2015-2016	-	-	(8,600,000)	(8,600,000)
As on 30 June 2017	132,000,000	34,057,703	(48,277,124)	117,780,579
As on 30 June 2016	132,000,000	34,057,703	(54,922,647)	111,135,056


Anwar Galvanizing Limited

Statement of Changes in Equity
For the year ended 30 June 2016

Amount (in Taka)

Particulars	Share Capital	Tax Holiday	Retained Earnings	Total
Balance as on 01 July 2015	132,000,000	34,057,703	(56,724,887)	109,332,816
Less: Prior year adjustment	-	-	-	-
Adjusted opening balance	132,000,000	34,057,703	(56,724,887)	109,332,816
Net Profit for the year After Tax	-	-	9,605,186	9,605,186
Gain (Loss) on Investment	-	-	(75,546)	(75,546)
Cash Dividend 2015-2016	-	-	(7,727,400)	(7,727,400)
As on 30 June 2016	132,000,000	34,057,703	(54,922,647)	111,135,056
As on 30 June 2015	132,000,000	34,057,703	(56,724,887)	109,332,816

The accounting policies and other notes from 01 to 27 form an integral part of the Financial Statement.
The Financial Statements were authorized for issue by the Board of Directors on 25.10.2017 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, 25.10.2017.

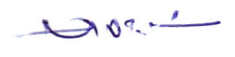


Anwar Galvanizing Limited

Statement of Cash Flows
For the year ended 30 June 2017

Particulars	Notes	July'16 to June'17	July'16 to June'16
(a) Cash Flows from operating activities:			
Collection from Turnover & other income	19.00	255,251,528	196,406,157
Payment for Cost & Expenses	20.00	(222,666,780)	(156,804,991)
Net Cash Flows from operating activities		32,584,748	39,601,167
(b) Cash Flows from Investing Activities:			
Acquisition of Fixed Assets		(24,731,538)	(33,098,546)
Sales on share sale on Investment		-	1,418,050
Disposal on NCA Held for Sale		-	5,591,266
Net Cash Flows from Investing Activities		(24,731,538)	(26,089,230)
(c) Cash Flows from Financing Activities:			
Dividend Paid		(7,051,735)	(7,049,872)
Loan Repaid NBL Securities Ltd		(921,667)	(1,684,462)
Net Cash Flows from Financing Activities		(7,973,402)	(8,734,334)
(d) Net Cash Flows (a+b+c)			
Add: Opening Cash & Cash Equivalents		(120,192)	4,777,603
Closing Cash & Cash Equivalents		10,313,924	5,536,321
Net Operating Cash-flow Per Share		2.47	3.00

The accounting policies and other notes from 01 to 27 form an integral part of the Financial Statement.
The Financial Statements were authorized for issue by the Board of Directors on 25.10.2017 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, 25.10.2017.



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 @ 25% 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 2016-17 (Income Years 2006-07 to 2015-16) to the Tax Authority availing of facility u/s 82 BB of the Income Tax 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.

(f) **Turnover:**

Turnover comprises sales of the company excluding VAT.

(g) **Revenue Recognition:**

The revenue during the year represents revenue arising from the sale of GI fittings and Brake Drum 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".

(h) **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".

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

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

- i) Statement of Financial Position as at 30th June 2017.
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2017.
- iii) Statement of Cash Flows for the year ended 30th June 2017.
- iv) Statement of Changes in Equity for the year ended 30th June 2017.
- v) Accounting Policies and Explanatory Notes to Financial Statements.



Anwar Galvanizing Ltd.

Notes to the Financial Statement

As at 30 June 2017

(j) **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.

(k) **Compliance with the International Accounting Standards (IAS):**

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

(l) **Reporting Period:**

Financial Statements of the company cover one financial year from 1st July 2016 to 30th June 2017.

(m) **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.

(n) **The Net Asset Value (NAV)**

	<u>2017</u>	<u>2016</u>
Net Asset Value (NAV)	8.92	8.42

(o) **Comparative Information:**

Comparative information have been disclosed in respect of the year 2016-17 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 2015-16 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.

(p) **Related Party Transaction**

As per BAS-24 parties are considered to be related if one of the parties has 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 party transactions are disclosed in the note number 25.



Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

	Particulars	Notes	30 June 2017	30 June 2016
3.00	<u>Non-Current Assets:</u>			
	Property, Plant & Equipments	3.01	139,372,329	116,581,515
	Capital Work -in-progress	3.02	-	5,063,748
			<u>139,372,329</u>	<u>121,645,263</u>
3.01	<u>Property, Plant & Equipments:</u>			
	Opening Balance(at cost)		213,962,771	181,593,365
	Add: Addition During the year		29,795,286	32,369,406
			<u>243,758,057</u>	<u>213,962,771</u>
	<u>Accumulated Depreciation :</u>			
	Opening Balance		97,381,256	92,316,890
	Add: Addition During the year		7,004,472	5,064,366
			<u>104,385,728</u>	<u>97,381,256</u>
	Written down value as on 30.06.2017		<u>139,372,329</u>	<u>116,581,515</u>
	Details have been shown in Annexure-I			
3.02	<u>Capital Work -in-progress:</u>			
	Annealing Furnace		-	4,100,854
	Induction Furnace		-	194,868
	Raw Material Godown		-	323,356
	Water Tank		-	444,670
			<u>-</u>	<u>5,063,748</u>
4.00	<u>Inventories:</u>			
	Raw Materials	4.01	5,924,950	13,387,474
	Auxiliary Materials	4.02	4,603,614	2,816,235
	General Stores & Spare	4.03	43,386,944	22,441,808
	Finished Goods	4.04	29,022,505	10,259,669
	Work -in-process	4.05	28,922,138	48,476,278
			<u>111,860,151</u>	<u>97,381,465</u>
4.01	<u>Raw Materials:</u>			
	Pig Iron		4,919,987	10,348,906
	CI Scrap		415,712	1,563,240
	MS Scrap		589,251	1,475,328
			<u>5,924,950</u>	<u>13,387,474</u>



Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

Note No.	Particulars	Notes	30 June 2017	30 June 2016
4.02	Auxiliary Materials:			
	Hydrochloric acid		2,431	3,943
	Molases		400,046	282,000
	Telcom Powder		17,982	20,700
	Quartz Powder		29,676	67,870
	Graphite Powder		57,000	-
	Shots		500,654	578,176
	Aluminium Ingot		6,705	-
	Silica Powder		3,753	3,753
	Ball Clay		3,400	37,200
	Brass		49,017	51,911
	Binder Core		250	250
	Coal Dust		47,880	4,750
	Fire Clay		7,350	16,100
	Hard Cook		43,860	41,925
	Resin Sand for Core		3,000	3,000
	Silicon Manganise		610	666
	Boric Acid		2,430	2,313
	Castable Cement G-1850		15,125	42,000
	Sodium Silicate Gum		10,400	3,520
	CPC		397,974	1,269,225
	Ferro Silicon		605,850	115,134
	Zing Ingot		2,398,221	271,800
			4,603,614	2,816,235
4.03	General Stores & Spare:			
	General Stores & Spares		43,386,944	22,441,808
			43,386,944	22,441,808
4.04	Finished Goods:			
	Finished Goods		29,022,505	10,259,669
			29,022,505	10,259,669
4.05	Work-in-Process:			
	Break up is given below:			
	Casting		6,422,607	7,765,419
	Annealing		12,652,553	30,192,157
	Grinding		-	962,585
	Shots Blasting		-	68,357
	Galvanizing		1,530,062	4,349,041
	Threading Process		7,551,880	5,138,720
	Packing		765,036	-
			28,922,138	48,476,278



Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

Note No.	Particulars	Notes	30 June 2017	30 June 2016																																			
5.00	Accounts Receivable:																																						
	Accounts Receivable		8,040,183	7,779,350																																			
			<u>8,040,183</u>	<u>7,779,350</u>																																			
6.00	Advance, Deposits & Pre-payments:																																						
	Break up is given below:																																						
	Advances	6.01	27,031,010	27,742,705																																			
	Security Deposits	6.02	4,237,552	1,123,087																																			
			<u>31,268,562</u>	<u>28,865,792</u>																																			
6.01	Advances:																																						
	Break up is given below:																																						
	Advance against Supplier		3,463,737	5,353,281																																			
	Advance to Employee		933,500	738,832																																			
	Goods in Transit		1,361,469	-																																			
	VAT Current Account		3,941,627	4,328,597																																			
	AIT (Advance Income Tax)		17,330,677	17,321,995																																			
			<u>27,031,010</u>	<u>27,742,705</u>																																			
6.02	Security Deposit:																																						
	Break up is given below:																																						
	Security deposit -CDBL		300,000	300,000																																			
	Security deposit-Electricity		3,333,965	219,500																																			
	Security deposit-Gas		561,587	561,587																																			
	Security deposit- metre		42,000	42,000																																			
			<u>4,237,552</u>	<u>1,123,087</u>																																			
7.00	Short Term Investment:																																						
	Break up is given below:																																						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 10%;">SL. No.</th> <th style="width: 40%;">Name of Company</th> <th style="width: 15%;">No of Share</th> <th style="width: 15%;">Cost Price</th> <th style="width: 20%;">Market Price</th> </tr> </thead> <tbody> <tr> <td>01.</td> <td>Jamuna Oil Limited</td> <td style="text-align: right;">3,932</td> <td style="text-align: right;">702,800</td> <td style="text-align: right;">814,317</td> </tr> <tr> <td>02.</td> <td>M.I. Cement Factory Limited</td> <td style="text-align: right;">5,500</td> <td style="text-align: right;">652,600</td> <td style="text-align: right;">513,150</td> </tr> <tr> <td>03.</td> <td>Sumit Power Limited</td> <td style="text-align: right;">3,839</td> <td style="text-align: right;">208,925</td> <td style="text-align: right;">156,631</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;"><u>1,564,325</u></td> <td style="text-align: right;"><u>1,484,098</u></td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">Estimated Sales Commission</td> <td style="text-align: right;">(7,420)</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">Net Realizable Value</td> <td style="text-align: right;"><u>1,476,678</u></td> </tr> </tbody> </table>	SL. No.	Name of Company	No of Share	Cost Price	Market Price	01.	Jamuna Oil Limited	3,932	702,800	814,317	02.	M.I. Cement Factory Limited	5,500	652,600	513,150	03.	Sumit Power Limited	3,839	208,925	156,631				<u>1,564,325</u>	<u>1,484,098</u>				Estimated Sales Commission	(7,420)				Net Realizable Value	<u>1,476,678</u>			
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			Net Realizable Value	<u>1,476,678</u>																																			
8.00	Cash and Cash Equivalents:																																						
	Break up is given below:																																						
	Cash at Banks	8.01	9,468,322	5,915,601																																			
	Cash in Hand	8.02	725,410	4,398,323																																			
			<u>10,193,732</u>	<u>10,313,924</u>																																			



Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

Note No.	Particulars	Notes	30 June 2017	30 June 2016
8.01	Cash at Banks:			
	Break up is given below:			
	The City Bank Ltd. Principle Branch		431,754	1,852,469
	The City Bank Ltd. F.Exchange Branch		6,893,076	538,025
	The City Bank Ltd. Chamber Branch		88,219	9,765
	Dutch Bangla Bank		116,041	3,747,596
	First Security Islami Bank		779,716	(625,196)
	AB Bank Limited		862,659	81,879
	BD. Commerce Bank		19,650	21,525
	NRB Commercial Bank		2,305	4,030
	South Bangla Agriculture & Commerce Bank		274,903	285,508
			<u>9,468,322</u>	<u>5,915,601</u>
8.02	Cash in Hand:			
	Break up is given below:			
	Cash in Head office		33,400	468,770
	Cash in Alu Bazar Depot		-	93,648
	Cash in Factory office		692,010	3,835,905
			<u>725,410</u>	<u>4,398,323</u>
9.00	Share Capital:			
	Break up is given below:			
	Authorised Capital:			
	2,00,00,000 Ordinary Shares of Tk. 10 Each		200,000,000	200,000,000
			<u>200,000,000</u>	<u>200,000,000</u>
	Issued, Subscribed, and Paid-up-Capital:			
	1,32,00,000 Ordinary Shares of Tk.10 as fully paid in cash		132,000,000	132,000,000
			<u>132,000,000</u>	<u>132,000,000</u>
10.00	Retained Earnings:			
	Break up is given below:			
	Profit Brought Forward		(54,922,647)	(56,724,887)
	Less: Prior year adjustment		(30,629)	-
	Adjusted opening balance		(54,953,276)	(56,724,887)
	Net profit during the year		15,050,119	9,605,186
	Add: Gain/(loss) on Marketable Securities (Unrealized)		226,033	(75,546)
	Less : Cash Dividend		(8,600,000)	(7,727,400)
	Balance carried forward		(48,277,124)	(54,922,647)



Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

Note	Particulars	Notes	30 June 2017	30 June 2016
11.00	<u>Tax Holiday Reserve:</u>			
	Break up is given below:			
	<u>Year</u>			
	1996-1997		8,489,546	8,489,546
	1997-1998		8,539,236	8,539,236
	1998-1999		5,687,240	5,687,240
	1999-2000		5,700,825	5,700,825
	2000-2001		5,640,856	5,640,856
	Closing balance as per 30 June 2017		34,057,703	34,057,703
12.00	<u>Liability for Expenses and Others:</u>			
	Break up is given below:			
	Payable for WPPF		2,704,015	1,697,633
	Payable for Current Income Tax		6,918,263	1,710,718
	Audit Fees		100,000	100,000
	Advance Received from Customers		5,970,716	18,671,046
	Liabilities for Others	12.01	12,883,800	28,955,603
	Liabilities for Goods Supplies		148,525,807	99,300,807
			177,102,601	150,435,807
12.01	<u>Liabilities for Others:</u>			
	Break up is given below:			
	Dividend Payable		8,265,105	6,716,840
	Others Liabilities		4,618,695	22,238,763
			12,883,800	28,955,603
13.00	<u>Liabilities for Other Finance:</u>			
	Break up is given below:			
	Loan from NBL Securities Ltd		6,744	928,411
			6,744	928,411



Anwar Galvanizing Limited

Notes to the Financial Statement
For the year ended 30 June 2017

Note No.	Particulars	Notes	July'16 to June'17	July'15 to June'16
14.00	Revenue (Turnover):			
	Break up is given below:			
	Sales: GI Fittings		216,831,016	154,391,140
	Sales: Brake Drum		23,520,611	21,613,097
	Sales: Others		8,755,577	6,253,983
			<u>249,107,204</u>	<u>182,258,220</u>
15.00	Cost of Goods Sold:			
	Break up is given below:			
	Raw Materials Consumed	15.01	45,250,431	47,521,111
	Auxiliary Materials Consumed	15.02	46,886,100	24,799,492
	General Stores Consumption	15.03	21,982,005	15,180,993
	Total Materials Consumed		114,118,535	87,501,596
	Add: Factory Overheads	15.04	98,543,872	76,539,467
	Opening Stock of Work -In-Process		48,476,278	42,047,896
	Closing Stock of Work -In-Process		(28,922,138)	(48,476,278)
	Cost of Production		232,216,547	157,612,681
	Opening Stock of Finished Goods		10,259,669	11,861,966
	Closing Stock of Finished Goods		(29,022,505)	(10,259,669)
	Cost of Goods Sold		213,453,711	159,214,978
15.01	Raw Material Consumed:			
	Break up is given below:			
	Opening Stock		13,387,474	12,601,581
	Add: Purchase		37,787,907	48,307,004
			<u>51,175,381</u>	<u>60,908,585</u>
	Less: Closing Stock		5,924,950	13,387,474
			<u>45,250,431</u>	<u>47,521,111</u>
15.02	Auxiliary Materials Consumed:			
	Break up is given below:			
	Opening Stock		2,816,235	2,340,907
	Add: Purchase		48,673,479	25,274,820
			<u>51,489,714</u>	<u>27,615,727</u>
	Less: Closing Stock		4,603,614	2,816,235
			<u>46,886,100</u>	<u>24,799,492</u>
15.03	Store Material Consumption			
	Break up is given below:			
	Opening Stock		22,441,808	22,425,125
	Add: Purchase		42,927,140	15,197,677
			<u>65,368,948</u>	<u>37,622,802</u>
	Less: Closing Stock		43,386,944	22,441,808
			<u>21,982,004</u>	<u>15,180,993</u>



Anwar Galvanizing Limited

Notes to the Financial Statement For the year ended 30 June 2017

Note No.	Particulars	Notes	July'16 to June'17	July'15 to June'16
15.04	<u>Factory Overheads:</u>			
	Break up is given below:			
	Salary & Wages		60,313,008	44,696,135
	Carriage Inward, Loading & Unloading Exp		495,319	535,160
	Electricity Charges		17,481,980	15,793,412
	Gas & Generator Expenses		10,162,066	7,181,758
	Entertainment Expenses		406,321	432,929
	Phone Bill		98,800	71,000
	Medical Expenses		82,921	486,734
	Land Development Tax		-	14,075
	Miscellaneous. Expenses		73,452	55,577
	Business Promotion Expenses		507,883	127,656
	Internet Expenses		-	6,000
	Food and Loading		-	42,582
	Photocopy, Printing & Stamp expenses		3,126	7,146
	Repairs & Maintenance		1,960,629	1,110,205
	Fuel & CNG Expenses		-	71,760
	Traveling & Conveyance		104,720	214,047
	Management Exp.		-	769,911
	Picnic Expenses		202,993	192,802
	Filter Expenses		206,540	56,160
	Depreciation		6,444,114	4,674,418
			98,543,872	76,539,467
16.00	<u>Administrative, Selling & Distribution Expenses:</u>			
	Break up is given below:			
	Administrative Expenses	16.01	8,303,478	7,045,871
	Selling & Distribution Expenses	16.02	5,803,284	2,937,070
			14,106,762	9,982,941
16.01	<u>Administrative Expenses:</u>			
	Break up is given below:			
	Salary and Allowances		5,430,451	4,137,664
	Business Promotion Expenses		491,109	556,232
	License, Registration & Renewals		318,207	61,880
	Fuel & CNG Exp		289,206	278,661
	Audit Fees		123,500	125,000
	Annual Fee		-	66,000
	Travell & Conveyance		34,666	96,085
	Consultancy fees		-	50,000
	CDBL Charged		-	56,000
	Municipal Tax		-	64,854
	Miscellaneous. Expenses		-	85,463
	Legal & Professional Fees		-	90,700
	Office Rent		-	168,245



Anwar Galvanizing Limited

Notes to the Financial Statement

For the year ended 30 June 2017

Note No.	Particulars	Notes	July'16 to June'17	July'15 to June'16
	Utility & others Maintenance		512,046	405,571
	Visa & Work permit Exp		-	103,900
	Printing & Stationery		380,297	295,421
	Postage, Courier & Stamp		90,528	3,197
	Telephone & Internet Expenses		73,110	11,050
	Depreciation		560,358	389,948
			8,303,478	7,045,871
16.02	<u>Selling & Distribution Expenses:</u>			
	Break up is given below:			
	Promotion & Advertisement		865,493	215,475
	Carriage Outward		1,982,126	1,589,816
	Sales Incentive		1,683,639	849,025
	Staff Salary (Marketing)		915,454	
	Transportation Exp		-	74,892
	TA, DA & others		356,572	207,862
			5,803,284	2,937,070
17.00	<u>Financial Expenses:</u>			
	Break up is given below:			
	Bank Charges & Commission		72,908	53,070
	Credit Rating Report Fees		40,000	-
	Interest Expenses		734,253	609,308
			847,161	662,378
18.00	<u>Earning Per Share(EPS):</u>			
	Profit Attributable to the ordinary shareholders		15,050,119	9,605,186
	Weighted average number of ordinary shares		13,200,000	13,200,000
	Basic Earning Per Share		1.14	0.73
19.00	<u>Collection from Turnover and Others:</u>			
	Break up is given below:			
	Opening Balance of Trade Receivables		7,779,350	2,946,064
	Add: Sales		249,107,204	182,258,220
			256,886,554	185,204,284
	Less: Closing Debtors		8,040,183	7,779,350
	Total Collection from Trade Receivables		248,846,371	177,424,934
	Collection from Other Income		434,441	310,177
	Advance Collection from Customers		5,970,716	18,671,046
			255,251,528	196,406,157
20.00	<u>Payment for Cost & Expenses :</u>			
	Break up is given below:			
	Payments to Suppliers & Others		149,957,152	103,786,697
	Tax Paid		6,119,008	3,522,117
	Paid to Employee		65,743,459	48,833,799
	Payment of Interest		847,161	662,378
	Total Cash payment & Expenses		222,666,780	156,804,991



Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

21. Director of the Company:

a) Number of Director:

There are 09 Directors of the company during the year ended 30 June 2017.

b) Salary & Remuneration of the management team:

Aggregate amount paid to the management team for their service rendered as defined in the schedule 12(2) para 4 part-II of Securities & Exchange rules 1987 are given below:

SL	Name	Designation	Per Year	Remarks
1	Mr. Manwar Hossain	Chairman	NIL	
2	Mr. Hossain Mehmood	Managing Director	NIL	Full Time
3	Mrs. Bibi Amena	Director	NIL	
4	Mr. Hossain Khaled	Director	NIL	
5	Mrs. Hasian Begum	Nominated Director	NIL	
6	Mrs. Shaheena Begum	Nominated Director	NIL	
7	Mr. Tareq Hossain	Shareholder Director	NIL	
8	Mr Mafizuddin Sarkar	Independent Director	NIL	
9	Mr. Naba Gopal Banik	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 30.06.2017 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 30/06/2017 except letter of credit open in the normal course of have the same amount of contingent asset. business, again we have the same amount of contingent asset. NIL
- f) The general nature of any credit facilities available to the company under any contract and not taken up at date of Statement of Financial Position. NIL
- g) Aggregate amount due by directors and officers of the company or associated undertakings:



Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

Director	NIL
Associated Undertaking	NIL
Officers	NIL
b) 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
i) 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 then the usual trade discount.	NIL
3. Para-3d (i) (ii) The value of the raw materials consumed and quantities thereof:	

i)	Value of raw materials consumed	Tk.	45,250,431
ii)	Opening Stock	89.87	MT
iii)	Production during the year	1,450.07	MT
iv)	Sold during the year	1,386.60	MT
v)	Other consumption	Nil	MT
vi)	Closing Stock	153.34	MT

4. Para-3,(ii)	
i) Number of employees drawing salary above Tk. 3,000 per Month	488 Nos
ii) Number of employees drawing salary below Tk. 3,000 per month	NIL
5. Para - 8 (b)	
Expenses incurred in foreign currency during the financial year on account of royalty, Technical expert & professional advisory fee, Interest etc. if any	NIL

6. Para - 8 (c)	
Value of all imported raw materials, spare parts and components consumed during the financial year and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption are as under:	

Local	Quantity	Value	%	Remarks
C.I Scrap	302,694	9,977,688	0.087432668	
MS Scrap/ Rod Cutting	1,150,310	30,199,177	0.264629907	
Pig Iron	132,445	5073565.61	0.044458734	
Sub Total	1,585,449	45,250,431	0.396521309	
Spare Parts		14,173,471	0.124199554	
Total		59,423,902	0.520720863	
Foreign	Nil	Nil	Nil	

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



Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

8. Para - 8 (e)

Earnings in foreign exchange classified under the following heads, namely:

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

15. Related Party Transactions:

During the financial year under review, the company carried out a number of transactions with related parties in the normal course of business. Details are shown below;

Name of party/Company	Relation	Nature of Transaction	Transaction During the year	Balance Dr/(Cr)
Hossain Dyeing & Printing Mills Ltd	Common Director	Product Supply	17,788	1,516
JR Furniture	Common Director		7,560	143,197
AGI Automobiles Ltd	Common Director		Nil	(1,200,000)
Anwar Integrated Steel Mills Ltd	Common Director	Purchase	Nil	(3,684,573)
Anwar Ispat Ltd	Common Director		8,631,363	(73,639,607)

16. Unpaid Dividend:

The amount remained unpaid due to non collection by concerned shareholders.

17. Events after the reporting period:

a) Proposed Dividend:

The Board of Directors of Anwar Galvanizing Ltd. at its 141st Meeting held on 25.10.2017 proposed 10% Stock Dividend for all shareholders for the year 2016-2017. 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 25.10.2017.

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 at 30th June 2017

Sl No.	Assets Category	Cost				Rate %	Depreciation			Written down value as on 30 June 2017	Written down value as on 30 June 2016
		As on 01 July 2016	Addition during the year	Sales/Adjustment	As on 30 June 2017		Charged during the year	Sales / Adjustment	As on 30 June 2017		
1	Land & Development	9,500,758	-	-	9,500,758	-	-	-	9,500,758	9,500,758	
2	Building & Construction	63,429,253	861,597	-	64,290,850	1,814,178	34,600,288	29,690,562	30,643,143		
3	Plant, Machinery & Equipment	134,693,429	26,203,362	-	160,896,791	4,790,519	65,616,258	95,280,533	73,867,690		
4	Head Office Equipment:	1,351,013	869,434	-	2,220,447	75,584	922,727	1,297,720	503,870		
5	Furniture (Office)	2,311,098	203,423	-	2,514,521	97,093	1,608,291	906,230	799,900		
6	Vehicles / Motor Car	1,256,000	1,657,470	-	2,913,470	200,960	452,160	2,461,310	1,004,800		
7	Sundry Assets	1,421,220	-	-	1,421,220	26,138	1,186,004	235,216	261,354		
	Total Taka	213,962,771	29,795,286	-	243,758,057	7,004,472	104,385,728	139,372,329	116,581,515		

Allocation of Depreciation :

Charge to Production
 Charge to Administration

6,444,114
 560,358
7,004,472

