

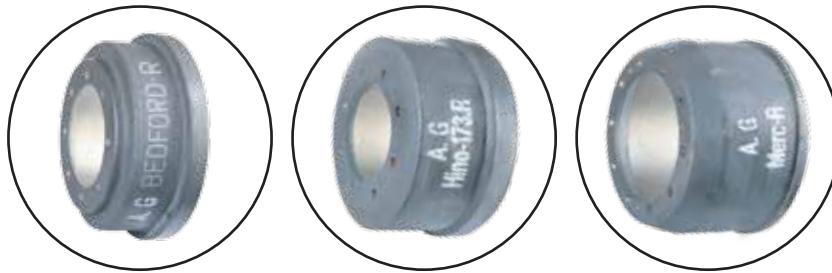
Annual Report-2013



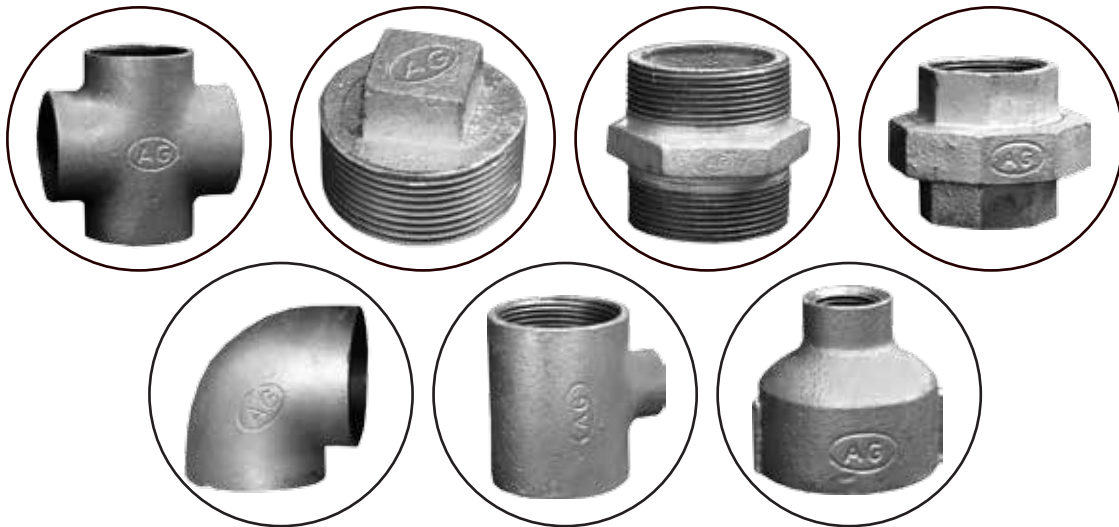
ANWAR GALVANIZING LIMITED

(a unit of Anwar Group of Industries)

OUR PRODUCTS



Brake Drums



Fittings Products

19th Annual Report-2013

C o n t e n t s

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Anwar Galvanizing Limited

(A Unit of Anwar Group of Industries)

Registered Office:

27, Dilkusha C/A, Dhaka-1000

Tel: 9564033, Fax: 9564020

Company Information

| | |
|--|--|
| Registered Office | : Baitul Hossain Building (14th Floor) 27, Dilkusha C/A, Dhaka-1000 Tel: 9564033, Telex: 642581 Fax: 880-2-9564020, 9667755, 9562347 Web : www.anwargroup.com >sector >buildingmaterials>anwargal vanizingltd. |
| Factory | : Tongi Industrial Area, Gazipur |
| Date of Incorporation | : 14-02-1995 |
| Certificate of Commencement of Business | : 14-02-1995 |
| Listed with Dhaka Stock Exchange Ltd. | : 20-07-1996 |
| Listed with Chittagong Stock Exchange Ltd. | : 24-07-1996 |
| Product | : C.I. Sheet, GI Fittings, Brake Drum |

Corporate Profile

Board of Directors

| | |
|-------------------|-----------------------|
| Chairman | : Mr. Anwar Hossain |
| Managing Director | : Mr. Manwar Hossain |
| Director | : Mrs. Bibi Amena |
| Director | : Mr. Hossain Mehmood |
| Director | : Mr. Hossain Khaled |
| Director | : Mrs. Shaheena Begum |
| Director | : Mrs. Hasina Begum |
| Director | : Mr. Tareq Hossain |

Company Secretary : Md. Mahbubur Rahman

Auditors : Shah Mozumder & Co, Chartered Accountants
85 Naya Paltan (3rd Floor), Dhaka-1000, Bangladesh.

Audit Committee

| | |
|----------|-----------------------|
| Chairman | : Dr. Tuhin Malik |
| Member | : Mr. Manwar Hossain |
| Member | : Mr. Hossain Mehmood |

Bankers : AB Bank Limited, Bangladesh Commerce Bank Limited
Bank Al Falah, Duch Bangla Bank Limited
The City Bank Limited

Legal Advisor : Advocate Sayed Qumrul Hossain (Kiron)
Address: Room No.-343, Supreme Court Bar Asso. Building
Dhaka Chamber: Suit No.- 7M, Meherba Plaza (7th Floor)
33, Topkhana Road, Dhaka.

Factory : Morkun, Tongi, Gazipur, Bangladesh

Registered Office : 27, Dilkusha C/A, Dhaka-1000

Directors Report

Assalamu Alaikum

Dear Shareholders

On behalf of the Board of Directors, we are pleased to submit this report and audited Financial Statements of Anwar Galvanizing Ltd. for the year ended 30th June 2013.

In order to Comply the SEC notification SEC/CMRRCD/2006-158/134/Admin/44 Date 07 August 2012 the following conditions of Corporate Governance have 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 though 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 :

| Particulars | G.I. Fittings Plant | C.I. Galvanizing Plant |
|---------------------|---------------------|------------------------|
| Revenue (Turnover) | 11,47,11,498 | Nil |
| Cost of Goods Sold | 9,93,66,790 | Nil |
| Gross Profit | 1,53,44,708 | Nil |
| Profit before Tax | 1,09,25,674 | 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 : | 2012-2013 |
|-----------------------------------|---------------------|
| Raw Materials Consumed | 52,416,165 |
| Auxiliary Materials Consumed | 15,442,895 |
| Total Materials Consumed | 67,859,059 |
| Add: Factory Overheads | 21,107,715 |
| Add: Factory Wages | 19,822,860 |
| | 108,789,635 |
| Opening Stock of Work-In-Process | 15,365,592 |
| Closing Stock of Work -In-Process | (19,556,004) |
| Cost of Production | 104,599,223 |
| Opening Stock of Finished Goods | 14,812,313 |
| Closing Stock of Finished Goods | (20,044,746) |
| Cost of Goods Sold | 99,366,790 |
| Gross Profit | 15,344,708 |
| Net Profit Before Tax | 10,925,674 |

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

In the year 2012-2013 AGL did not occur 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. 5,08,73,109
- * At the year end total liabilities to Anwar Ispat Ltd is amounting to Tk. 3,60,16,508

Basis of related part transaction :

Anwar Ispat Ltd. is one of the largest consumers of Cast Iron and Pig Iron in Bangladesh. They purchase these materials in large amount and at the lower cost compare to Anwar galvanizing Limited. So in order to minimize cost, AGL purchase RM 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 8 Directors (including independent Director) in the company during the year ended June 30 2013. No remuneration was paid to the Directors during the year.

Condition-1.5 (xi) Remuneration 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 Accounts 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 accounting estimates are based on reasonable and prudent judgement.

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 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 related earnings is Tk. (5, 91, 88, 862), that exist a wide range of factors that we satisfy ourselves that the going concern basis is appropriate. Such as from the year 2010 to 2013 we made accumulated profit before tax 3,29,92,474 and expecting to increase profit year to year. Already we producing and selling fast moving product like brake Drum of vehicles to boost our turnover.

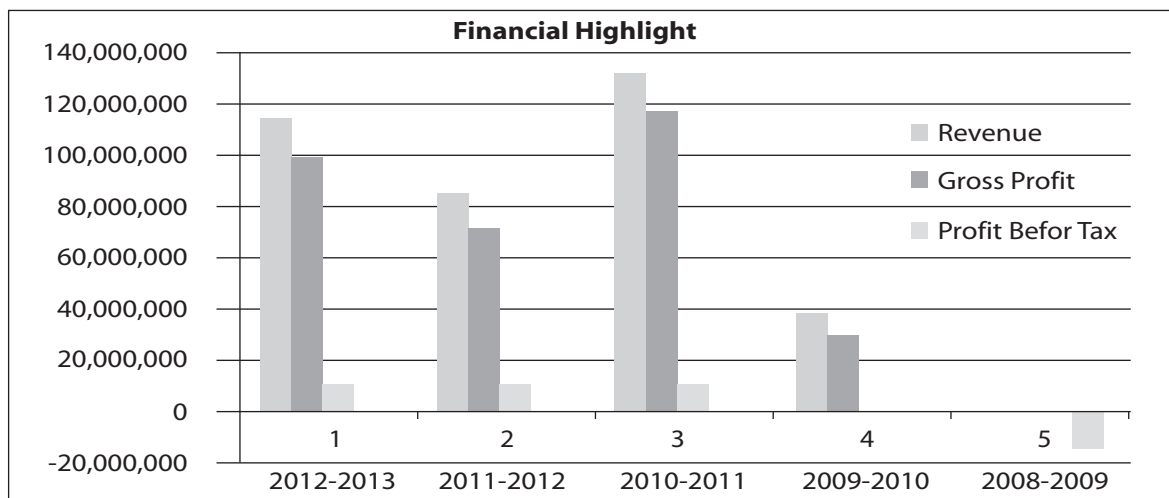
Condition-1.5 (xvii) Significant deviations from last year's operation :

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

| Particulars | Taka 30.06.2013 | Taka 30.06.2012 |
|---|--------------------|--------------------|
| Revenue (Turnover) | 114,711,498 | 84,824,034 |
| Less : Cost of Sales | 99,366,790 | 71,421,457 |
| Gross Profit | 15,344,708 | 13,402,577 |
| Less: Administrative, Selling & Distribution Expenses | 3,746,277 | 2,093,291 |
| Operating Profit | 11,598,431 | 11,309,286 |
| Less : Financial Expenses | 32,592 | 14,683 |
| Less : Loss on Investment | 93,881 | - |
| Less : Workers Profit Participation Fund | 546,284 | 537,838 |
| Profit Before Tax | 10,925,674 | 10,756,765 |

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

| Particulars | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 | 2008-2009 |
|--------------------|-------------|------------|-------------|------------|-------------|
| Revenue | 114,711,498 | 84,824,034 | 131,320,934 | 38,098,865 | Nil |
| Cost of Goods Sold | 99,366,790 | 71,421,457 | 116,854,489 | 29,331,867 | Nil |
| Gross Profit | 15,344,708 | 13,402,577 | 14,466,445 | 8,766,998 | Nil |
| Profit Before Tax | 10,925,674 | 10,756,765 | 11,028,113 | 281,992 | (9,505,965) |

**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 cash dividend @ 7 % for the year 2012-2013

Condition-1.5 (xx) Board Meeting attendance (107th to 113th):

| SL. | Name of Directors | Meeting held | Member of meeting attended |
|-----|--|--------------|----------------------------|
| 1 | Mr. Anwar Hossain | 7 | 6 |
| 2 | Mr. Manwar Hossain | 7 | 7 |
| 3 | Mr. Hossain Mehmood | 7 | 7 |
| 4 | Mr. Hossain Khaled | 7 | 6 |
| 5 | Mrs. Bibi Amena | 7 | 5 |
| 6 | Mrs. Shaheena Begum | 7 | 5 |
| 7 | Mrs. Hasina Begum | 7 | 4 |
| 8 | Mr. Tareq Hossain | 7 | 5 |
| 9 | Mr. Tuhin Malik (Independent Director) | 7 | 6 |

Condition-1.5 (xxi) Pattern of shareholding :

The share holding position as on 30 June 2013 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 as on |
|---------|-------------------------------------|---|------------------|--|
| 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 | 4.96 |
| 9 | Mr. Tareq Hossain | Director | 14000 | 0.11 |
| 10 | Mrs. Shahnaz Begum | Sponsor | 175000 | 1.33 |
| 11 | Mrs. Selina Begum | Sponsor | 175,000 | 1.33 |
| 13 | Dr. Tuhin Malik | Independent Director | Nil | |
| 14 | Md. Mahbubur Rahman | Company Secretary | Nil | |
| 15 | Spouses and minor Children of above | | Nil | |
| | Total | | 46,14,000 | 34.95% |

c) Top Five Salarie Executives :

| <u>Name</u> | <u>Designation</u> | <u>Share held</u> |
|------------------------|----------------------------|-------------------|
| A.T.M Nazmul Hossain | AGM (Finance & Accounts) | Nil |
| Md. Anisur Rahman | AGM (Production In Charge) | Nil |
| Syed Mehedi Hasan | Sr. Manager | Nil |
| Md. Zakaria Habib Khan | Manager | Nil |
| Meherun Nahar | Sr. Excutive | 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, 2013

| Share Holdings Range | No. of Shares | Percentage |
|----------------------|-------------------|----------------|
| 01 To 20 | 220 | 0.002% |
| 21 To 49 | 240 | 0.002% |
| 50 To 50 | 650 | 0.005% |
| 51 To 200 | 13,590 | 0.103% |
| 201 To 500 | 321,890 | 2.439% |
| 501 To 1000 | 337,720 | 2.558% |
| 1001 To 5000 | 1,191,270 | 9.025% |
| 5001 To 10000 | 618,070 | 4.682% |
| 10001 To 25000 | 989,710 | 7.498% |
| 25001 To 50000 | 568,510 | 4.307% |
| 50001 To 9999999 | 9,158,130 | 69.380% |
| Total | 13,200,000 | 100.00% |

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

Condition-1.5 (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.

The Board of Directors has appointed Mr. Moammad Faiz as an independent Director of Anwar Galvanizing Limited in December 2013 which has to be approved at the 19th AGM whose Bio-data is furnished below:

Mr. Mohammad Faiz is a well known Banker in various Banks and non banking financial institutions of Bangladesh. He born in 1945, obtained Bachelor of Commerce degree in 1966 from the University of Dhaka. He also earned some valuable certificates through various trainings such as 'Course on Agricultural Credit' sponsored by IFDC in USA in 1990, 'Course on Bank Management Executive Development program' from the University of Dhaka in 1980, 'Course on Performance Budgeting; from Bangladesh Institute of Bank Management in 1981, 'Course on Executive Development Training on General Banking' from the Department of Finance, University of Dhaka in 1979 and 'Obtain training from the then Habib Bank Training Institute at karachi in 1967.

His professional Experience are as Director, Special Investment Projects in Bangladesh Finance and Investment Company Limited from November 2000 to till date, as a Consultant of The City Bank Limited from November 2000 to June and as Managing Director of The City Bank Limited from July 1998 to November 2000.

Some of his short descriptions of job are as Additional Managing Director, Deputy Managing Director, Executive Vice President, Senior Vice President, Vice President in banking sectors from 1983 to 1998. As a best banker Mr. Mohammad Faiz achieved 'Moulana Akram Khan Gold Medal in 1996, Atish Dipankar Gold Medal in 1997 & Sher-e-Bangla A.K Fazlul Haque Gold Medal in 1999'.

Appointment of Auditors :

Saha Mozumder & Co. Chartered Accountants has carried out the audit of the company for the year 2012-2013. They will retire in the 19th Annual General Meeting. **Saha Mazumder & Co.** Chartered Accountants, desired to conduct the audit of the company for the financial year 2013-2014. Therefore, a proposal for appointment of an Auditor for the year 2013-2014 and to determine their audit fee for conducting audit is placed before the shareholders for kind consideration.

Condition of compliance of Corporate Governances :

As per notification no. SEC/CMRRCD/2006-158/134/Admin/44 dt. 07 August 2012 the company has complied all the conditions of Corporate Governance.

Acknowledgements:

We would like to express great appreciation to our management team, officers, staff and all other employees of the company for their continued service and loyalty to the company.

We take this opportunity to express thanks and gratitude to the esteemed shareholders for the co-operation extended by them.

We also acknowledge and give thanks for the co-operation extended to us by the Securities and Exchange Commission, the Dhaka Stock Exchange Limited, the Chittagong Stock Exchange Limited, the Bangladesh bank, Various Government Agencies, Non-Government Agencies, Autonomous Bodies, Banks, Insurance Companies, the Suppliers, Customers, Dealers, Retailers and our well wishers.

On behalf of the Board



Anwar Hossain
(Chairman)

AUDITORS REPORT TO THE SHAREHOLDERS OF ANWAR GALVANIZING LIMITED

We have audited the accompanying financial statements of ANWAR GALVANIZING LIMITED (AGL) which comprise the Statement of Financial Position as at 30 June 2013, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, 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 misstatements, 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 auditors' 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, we consider 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 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.

We report that:

- 1.00 Opening balances as shown in the accompanying financial statements have been brought forward from previous year's financial statements which were audited by other auditors. We could not verify/cross check those balances of last year with current year's books in absence of proper recording in the books, registers and other relevant documents.
- 2.00 We could not confirm physical existence of all the fixed assets shown in the accompanying financial statements for non-availability of list of item-wise fixed assets with identification code and sub-code.
- 3.00 We could not confirm if the inventories were valued at lower of Cost or Net Realizable Value following BAS-2 because the detailed/item wise register/statement of stocks with basis of valuation there against were not made available to us.

Opinion

In our opinion, except for the possible effects of the matters described in the preceding paragraphs (1.00 to 3.00), 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 30 June 2013 and the results 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 purposes 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.
- c) The Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account, and
- d) The expenditure incurred was for the purposes of the Company's business.

Dated: Dhaka
30 October 2013

Mabs & Partners

MABS & J Partners
Chartered Accountants
(Formerly Saha Mazumder & Co.)

Anwar Galvanizing Limited

Statement of Financial Position

As at 30 June 2013

| Particulars | Notes | 30 June-13 | 30 June-12 |
|---|-------|--------------------|--------------------|
| ASSET | | | |
| Non-Current Assets: | | 85,919,110 | 87,654,791 |
| Property, Plant & Equipment | 3.00 | 85,919,110 | 87,654,791 |
| Current Asset, Loan & Advance: | | 101,856,899 | 82,468,567 |
| Inventories | 4.00 | 69,242,685 | 47,467,455 |
| Trade Receivable | 5.00 | 6,194,375 | 4,256,686 |
| Advances, Deposits & Pre-Payments | 6.00 | 21,475,331 | 26,989,285 |
| Short Term Investment | 7.00 | 2,825,845 | 2,919,725 |
| Cash & Cash Equivalents | 8.00 | 2,118,664 | 835,416 |
| Total Tk. | | 187,776,010 | 170,123,358 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' Equity: | | 106,868,841 | 106,640,295 |
| Share Capital | 9.00 | 132,000,000 | 132,000,000 |
| Retained Earnings | 10.00 | (59,188,862) | (59,417,408) |
| Tax Holiday Reserve | 11.00 | 34,057,703 | 34,057,703 |
| Long Term Liabilities | | 720,557 | - |
| Deferred Tax Liability | | 720,557 | - |
| Current Liabilities & Provisions | | 80,186,611 | 63,483,063 |
| Liabilities for Expenses | 12.00 | 61,467,259 | 42,374,798 |
| Liabilities for other Finance | 13.00 | 18,719,353 | 21,108,265 |
| Total Tk. | | 187,776,010 | 170,123,358 |
| NAV Per Share | | 8.10 | 8.08 |

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 2013 and signed on its behalf by:


Managing Director

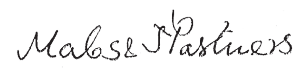
SHAHEENA BEGUM
Director


Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

Dated : 30 October 2013


MABS & J Partners
Chartered Accountants

Anwar Galvanizing Limited

Statement of Comprehensive Income

For the year ended 30 June 2013

| Particulars | Notes | 30 June-13 | 30 June-12 |
|---|------------|---------------------|---------------------|
| Revenue (Turnover) | 14.00 | 114,711,498 | 84,824,034 |
| Less: Cost of Goods Sold | 15.00 | 99,366,790 | 71,421,457 |
| Gross Profit | | 15,344,708 | 13,402,577 |
| Less: Administrative, Selling & Distribution Expenses | 16.00 | 3,746,277 | 2,093,291 |
| Operating Profit | | 11,598,431 | 11,309,286 |
| Less: Financial Expenses | 17.00 | 32,592 | 14,683 |
| Less: Loss on Investment | | 93,881 | - |
| Less: Workers Profit Participation Fund | | 546,284 | 537,838 |
| Profit Before Tax | | 10,925,674 | 10,756,765 |
| Less: Provision for Income Tax | | 4,097,128 | 4,033,788 |
| Current Tax | Annex: III | 3,376,571 | - |
| Diferred Tax | Annex: IV | 720,557 | - |
| Net Profit After Tax | | 6,828,546 | 6,722,978 |
| Add: Balance Carried Forward | | (52,817,408) | (59,540,386) |
| Balance Transferred to Statement of Financial Position | | (45,988,862) | (52,817,408) |
| Earning Per Share (EPS) | 18.00 | 0.52 | 0.51 |

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 2013 and signed on its behalf by:



Managing Director

SHAHEENA BEGUM
Director



Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

Dated : 30 October 2013

MABS & J Partners
MABS & J Partners
Chartered Accountants

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 2011-2012 | | | - | (6,600,000) | (6,600,000) |
| As on 30 June 2013 | 132,000,000 | 34,057,703 | | (59,188,862) | 106,868,841 |
| As on 30 June 2012 | 132,000,000 | 34,057,703 | - | (59,417,408) | 106,640,295 |

Anwar Galvanizing Limited

Statement of Changes in Equity

For the year ended 30 June 2012

| 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 2011 | 132,000,000 | 34,057,703 | - | (59,540,386) | 106,517,317 |
| Net Profit for the year | - | - | | 6,722,978 | 6,722,978 |
| Cash Dividend | | | | (6,600,000) | (6,600,000) |
| As on 30 June 2012 | 132,000,000 | 34,057,703 | - | (59,417,408) | 106,640,295 |
| As on 30 June 2011 | 132,000,000 | 34,057,703 | - | (59,540,386) | 106,517,317 |

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 2013 and signed on its behalf by:



Managing Director

SHAHEENA BEGUM
Director



Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

Dated : 30 October 2013

Mabs & J Partners
MABS & J Partners
Chartered Accountants

Anwar Galvanizing Limited

Statement of Cash Flows For the year ended 30 June 2013

| Particulars | Notes | 30 June-13 | 30 June-12 |
|--|-------|--------------------|---------------------|
| (a) Cash Flows from operating activities: | | | |
| Collection from Turnover & other income | 19.00 | 112,773,810 | 85,322,516 |
| Payment for Cost & Expenses | 20.00 | (101,414,740) | (58,556,475) |
| Net Cash Flows from operating activities | | 11,359,069 | 26,766,041 |
| (b) Cash Flows from Investing Activities: | | | |
| Acquisition of Fixed Assets | | (3,393,909) | (3,784,573) |
| Short Term Investment | | - | (2,919,726) |
| Net Cash Flows from Investing activities | | (3,393,909) | (6,704,299) |
| (c) Cash Flows from Financing Activities: | | | |
| Bank Overdraft Repaid | | - | - |
| Dividend Paid | | (4,293,000) | (4,293,000) |
| Loan Received (Paid) NBL Securities Ltd. | | (81,912) | 1,919,226 |
| Directors Loan | | (2,307,000) | (18,869,080) |
| Net Cash Flows from Financing activities | | (6,681,912) | (16,949,854) |
| (d) Net Cash Flows (a+b+c) | | | |
| Add: Opening Cash & Cash Equivalents | | 1,283,248 | (1,181,112) |
| Closing Cash & Cash Equivalents | | 835,416 | 2,016,528 |
| | | 2,118,664 | 835,416 |

Net Operating Cash-flow per share

0.86

2.03

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 2013 and signed on its behalf by:


Managing Director

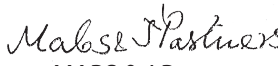
SHAHEENA BEGUM
Director


Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

Dated : 30 October 2013


MABS & J Partners
Chartered Accountants

Anwar Galvanizing Limited

Notes to the Financial Statements as at and for the year ended 30 June 2013

Forming an integral part of the financial statements

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 Galvanizing 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 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. The company has a policy of charging depreciation on WDV of assets as on opening date of each financial year.

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 @ 37.50% in compliance with the Income tax Ordinance 1984. A separate Annexure: IV is attached with the Financial Statements disclosing the calculation.

ii. Previous years Assessment Status:

The company submitted Income tax Returns for assessment years 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 and tax assessment done 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.

iii. Deferred Income Tax has been accounted for as per BAS-12 for the FY 2012-13. A separate Annexure: IV is attached with the Financial Statements disclosing the calculation.

(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 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".

(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 (BAS) 1 "Presentation of Financial Statements" the complete set of Financial Statements includes the following components:

- i). Statement of Financial Position as at 30th June 2013.
- ii). Statement of Comprehensive Income for the year ended 30th June 2013.
- iii). Statement of Cash Flows for the year ended 30th June 2013.
- iv). Statement of Changes in Equity for the year ended 30th June 2013
- v). Accounting Policies and Explanatory Notes to Financial Statements.

(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 (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.

(l). Reporting Period:

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

(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)

| | 2013 | 2012 |
|---------------------------|-------------|-------------|
| Without Proposed dividend | 8.10 | 8.08 |
| With Proposed dividend | 7.64 | 7.58 |

(o). Comparative Information:

Comparative information have been disclosed in respect of the year 2012-13 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 2011-12 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). 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 require the dividend proposed after the balance sheet date before the financial statements are authorized for issue, be disclosed in the notes to the financial statements. Accordingly, the Company has disclosed the amount of proposed dividend in notes.

| Note No. | Particulars | Notes | 30-Jun-13 | 30-Jun-12 |
|----------|---------------------------------------|-------|--------------------|--------------------|
| 3.00 | Non-Current Assets: | | | |
| | Opening Balance (at cost) | | 171,665,885 | 167,881,312 |
| | Add: Addition During the year | | (3,393,909) | (3,784,573) |
| | | | 175,059,794 | 171,665,885 |
| | Less: Accumulated Depreciation | | (89,140,684) | (84,011,094) |
| | Written down value as on 30.06.2013 | | 85,919,110 | 87,654,791 |
| | Details have been shown in Annexure-1 | | | |
| 4.00 | Investors: | | | |
| | Raw Materials | 4.01 | 8,355,338 | 9,898,394 |
| | Auxiliary Materials | 4.02 | 3,053,062 | 886,378 |
| | General Stores & Spare | 4.03 | 18,233,535 | 6,504,778 |
| | Finished Goods | 4.04 | 20,044,746 | 14,812,313 |
| | Work-in-process | 4.05 | 19,556,003 | 15,365,592 |
| | | | 69,242,685 | 47,467,455 |
| 4.01 | Raw Materials: | | | |
| | Pig Iron | | 6,136,745 | 6,558,623 |
| | CI Scrap | | 1,909,110 | 3,314,977 |
| | MS Scrap | | 309,483 | 24,794 |
| | | | 8,355,338 | 9,898,394 |
| 4.02 | Auxiliary Materials: | | | |
| | Hydrochloric Acid | | 28,383 | 11,280 |
| | Molases | | 511,478 | 241,418 |
| | Soil-red | | 12,950 | 6,084 |
| | Telcom Powder | | 28,442 | 27,922 |
| | Zinc Ingot | | 1,919,177 | 293,265 |
| | China Clay | | 23,949 | 2,495 |
| | Quartz Powder | | 86,653 | 40,410 |
| | Cloth (Markin) | | - | 11,409 |
| | Departure Powder | | 4,972 | - |
| | Grafide Powder | | 17,963 | 48,605 |
| | Shots | | 5,143 | - |
| | Sand-Viti | | - | 641 |
| | Aluminium Ingot | | 13,241 | 8,720 |
| | Ferro Manges | | 14,037 | 25,722 |
| | Silica Powder | | 15,530 | 168,406 |
| | Fero Silicon | | 371,144 | - |
| | | | 3,053,062 | 886,378 |
| 4.03 | General Stores & Spare: | | | |
| | General Stores & Spares | | 18,233,535 | 6,504,778 |
| | | | 18,233,535 | 6,504,778 |
| 4.04 | Finished Goods: | | | |
| | Finished Goods | | 20,044,746 | 14,812,313 |
| | | | 20,044,746 | 14,812,313 |

| Note No. | Particulars | Notes | 30-Jun-13 | 30-Jun-12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------|---|--------------|-------------------|-------------------|------------|--------------|-----|---------------|------|---------|---------|-----|------------|------|---------|---------|-----|----------|------|---------|---------|-----|------------|------|---------|---------|-----|-------------|------|---------|---------|--|--|--|------------------|------------------|--|--|--|
| 4.05 | Work in Process: Break up is given below: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Casting | | 11,887,681 | 2,610,806 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Annealing | | 4,226,008 | 5,909,896 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Grinding | | 436,016 | 2,120,102 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Shots Blasting | | 1,585,962 | 866,700 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Galvanizing | | 928,754 | 3,668,848 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Threading Process | | 491,582 | 189,240 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 19,556,003 | 15,365,592 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5.00 | Trade Receivable: Trade Receivable: | | 6,194,375 | 4,256,686 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Details have been shown in Annexure-II | | 6,194,375 | 4,256,686 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.00 | Advance, Deposits & Pre-payment: Break up is given below: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Advances | 6.01 | 20,352,244 | 25,866,198 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Security Deposits | 6.02 | 1,123,087 | 1,123,087 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 21,475,331 | 26,989,285 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.01 | Advances: Break up is given below: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Advance Against Purchase | | 139,898 | 799,714 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Advance Against Supplier | | 1,381,936 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Motaleb Hossain | | - | 33,735 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Advance to Employee | | 444,112 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | VAT Current Account | | 4,645,653 | 4,366,568 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | AIT (Advance Income Tax) | | 13,740,645 | 20,666,181 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 20,352,244 | 25,866,198 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.02 | Security Deposit: 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 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 1,123,087 | 1,123,087 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.00 | Short Term Investment: Break up is given below: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table> <tr> <th>SL. No.</th><th>Name of Company</th><th>No. of Share</th><th>Cost Price</th><th>Market Price</th></tr> <tr> <td>01.</td><td>Grameen Phone</td><td>3000</td><td>662,640</td><td>536,700</td></tr> <tr> <td>02.</td><td>Jamuna Oil</td><td>3250</td><td>702,800</td><td>744,575</td></tr> <tr> <td>03.</td><td>Micement</td><td>5500</td><td>652,600</td><td>497,750</td></tr> <tr> <td>04.</td><td>Mpetroleum</td><td>3900</td><td>692,760</td><td>927,420</td></tr> <tr> <td>05.</td><td>Sumit Power</td><td>3000</td><td>208,926</td><td>119,400</td></tr> <tr> <td></td><td></td><td></td><td>2,919,726</td><td>2,825,845</td></tr> </table> | SL. No. | Name of Company | No. of Share | Cost Price | Market Price | 01. | Grameen Phone | 3000 | 662,640 | 536,700 | 02. | Jamuna Oil | 3250 | 702,800 | 744,575 | 03. | Micement | 5500 | 652,600 | 497,750 | 04. | Mpetroleum | 3900 | 692,760 | 927,420 | 05. | Sumit Power | 3000 | 208,926 | 119,400 | | | | 2,919,726 | 2,825,845 | | | |
| SL. No. | Name of Company | No. of Share | Cost Price | Market Price | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 01. | Grameen Phone | 3000 | 662,640 | 536,700 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 02. | Jamuna Oil | 3250 | 702,800 | 744,575 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 03. | Micement | 5500 | 652,600 | 497,750 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 04. | Mpetroleum | 3900 | 692,760 | 927,420 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 05. | Sumit Power | 3000 | 208,926 | 119,400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 2,919,726 | 2,825,845 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Note No. | Particulars | Notes | 30-Jun-13 | 30-Jun-12 |
|---|---|-------|---------------------|---------------------|
| 8.00 | Cash & Cash Equivalents: | | | |
| | Break up is given below: | | | |
| | Cash at Banks | 8.01 | 1,719,062 | 570,639 |
| | Cash in Hand | 8.02 | 399,602 | 264,777 |
| | | | 2,118,664 | 835,416 |
| 8.01 | Cash at Banks: | | | |
| | Break up is given below: | | | |
| | The City Bank Ltd. PO, STD A/C # 3102020260001 | | 220,098 | 416,607 |
| | The City Bank Ltd. F. Ex. CD A/C # 1102039225001 | | 1,101,565 | 13,313 |
| | The City Bank Ltd. Chamber Branch, CD A/C # 720820001 | | 1,592 | - |
| | Bank Al Falah, Bahrain, CD A/C # 12003872 | | - | - |
| | Dutch Bangla Bank, CD 0101110000028361 | | 197,222 | 113,099 |
| | AB Bank Limited, CD-4004-673501-000 | | 154,980 | 1,561 |
| | BD. Commerce Bank. CD A/C # 210021857 | | 25,364 | 26,060 |
| | NRB Commercial Bank-10133300000091 | | 5,000 | - |
| | AL-Arafah- 33040334 | | 4,732 | - |
| | Bank Asia- CD-333006608 | | 8,328 | - |
| | Bank Asia CD-00733003590 | | 181 | - |
| | | | 1,719,062 | 570,639 |
| 8.02 | Cash in Hand: | | | |
| | Break up is given below: | | | |
| | Cash in Head Office | | 72,236 | 23,282 |
| | Cash in Factory Office | | 327,366 | 241,495 |
| | | | 399,602 | 264,777 |
| 9.00 | Share Capital: | | | |
| | Break up is given below: | | | |
| | Authorised Capital: | | 200,000,000 | 200,000,000 |
| | 2,00,00,000 Ordinary Shares of Tk. 10 Each | | 200,000,000 | 200,000,000 |
| | Issued, Subscribed, and Paid-up-Capital: | | 132,000,000 | 132,000,000 |
| | 1,32,00,000 Ordinary Shares of Tk. 10 as fully paid in cash | | 132,000,000 | 132,000,000 |
| The market value appeared on 30th June 2013 of Tk. 16.20- per share | | | | |
| 10.00 | Retained Earnings: | | | |
| | Break up is given below: | | | |
| | Profit Brought Forward | | (59,417,408) | (59,540,386) |
| | Net Profit during the year | | 6,828,546 | 6,722,978 |
| | | | (52,588,862) | (52,817,408) |
| | Less: Cash Dividend | | (6,600,000) | (6,600,000) |
| | Balance Carried Forward | | (59,188,862) | (59,417,408) |

| Note No. | Particulars | Notes | 30-Jun-13 | 30-Jun-12 |
|----------|---|-----------------------------|---|---|
| 11.00 | Tax Holiday Reserve: Break up is given below: Year 1996-1997 1997-1998 1998-1999 1999-2000 2000-2001 Closing balance as per 31 June 2012 | | 8,489,546 8,539,236 5,687,240 5,700,825 5,640,856 34,057,703 | 8,489,546 8,539,236 5,687,240 5,700,825 5,640,856 34,057,703 |
| 12.00 | Liability for Expenses: Break up is given below: Payable for Electric Bill Payable for Telephone Bill Liability for Audit Fee Liability for news paper Payable for WPPF Payable for Income Tax Liabilities for other (Including Dividend Payable Tk. 46,14,000/-) Liabilities for Goods Supplies | | 204,286 10,407 50,000 - 546,284 5,868,526 18,771,248 36,016,508 61,467,259 | 55,662 1,011 50,000 28,196 537,838 4,933,879 17,284,041 19,484,171 42,374,797 |
| 13.00 | Liabilities for Other Finance: Break up is given below: Loan From Directors Loan from NBL Securities Ltd. | | 16,882,039 1,837,314 18,719,353 | 19,189,039 1,919,226 21,108,265 |
| 14.00 | Revenue (Turnover): Break up is given below: Sales: GI Fittings Sales: Brake Drum Sales: Others | | 98,104,179 6,809,316 9,798,003 114,711,498 | 69,555,708 183,358 15,084,968 84,824,034 |
| 15.00 | Cost of Goods Sold: Break up is given below: Raw Materials Consumed Auxiliary Materials Consumed Total Materials Consumed Add: Factory Overheads Add: Factory Wages Opening Stock of Work-In-Process Closing Stock of Work-In-Process Cost of Production Opening Stock of Finished Goods Closing Stock of Finished Goods Cost of Goods Sold | 15.01 15.02 15.03 | 52,416,165 15,442,895 67,859,059 21,107,715 19,822,860 108,789,635 15,365,592 (19,556,003) 104,599,223 14,812,313 (20,044,746) 99,366,790 | 29,843,413 10,465,064 40,308,477 16,256,389 7,323,405 63,888,271 30,405,903 (15,365,592) 78,928,582 7,305,188 (14,812,313) 71,421,457 |

| Note No. | Particulars | Notes | 30-Jun-13 | 30-Jun-12 |
|----------|--|----------|-------------------|-------------------|
| 15.01 | Raw Material Consumed: | | | |
| | Break up is given below: | | | |
| | Raw Materials Consumed (GI Fittings) | 15.01.01 | 52,416,165 | 29,609,916 |
| | Raw Materials Consumed (Zinc Sheet) | 15.01.02 | - | 233,497 |
| | | | 52,416,165 | 29,843,413 |
| 15.01.01 | Raw Material Consumed (GI Fittings) | | | |
| | Break up is given below: | | | |
| | Opening Stock | | 9,898,394 | 9,785,186 |
| | Add: Purchase | | 50,873,109 | 29,723,124 |
| | | | 60,771,503 | 39,508,310 |
| | | | 8,355,338 | 9,898,394 |
| | Less: Closing Stock | | 52,416,165 | 29,609,916 |
| 15.01.02 | Raw Material Consumed (Zinc Sheet): | | | |
| | Break up is given below: | | | |
| | Opening Stock | | - | 233,497 |
| | Add: Purchase | | - | - |
| | | | - | 233,497 |
| | | | - | - |
| | Less: Closing Stock | | - | 233,497 |
| 15.02 | Auxiliary Materials Consumed: | | | |
| | Break up is given below: | | | |
| | Opening Stock | | 886,378 | 1,280,394 |
| | Add: Purchase | | 17,609,579 | 10,071,048 |
| | | | 18,495,957 | 11,351,442 |
| | | | 3,053,062 | 886,378 |
| | Less: Closing Stock | | 15,442,895 | 10,465,064 |
| 15.03 | Factory Overheads: | | | |
| | Break up is given below: | | | |
| | Salary & Allowances | | 19,822,860 | 5,839,965 |
| | Festival Bonus | | 945,331 | 370,278 |
| | Carriage Inwards | | 1,487,640 | 1,070,216 |
| | Electricity Charges | | 3,653,688 | 1,630,549 |
| | Gas Expenses | | 469,800 | 19,800 |
| | Entertainment Expenses | | 37,726 | 101,985 |
| | Phone Bill | | 15,117 | 7,650 |
| | Land Tax | | - | 12,375 |
| | Medical Expenses | | 60,242 | 50,045 |
| | Misscellaneous Expenses | | 13,753 | 37,741 |
| | Business Promotion Expenses | | 180,460 | 105,940 |
| | Internet Expenses | | 4,535 | 690, |
| | Newspaper | | - | 28,196 |
| | Photocopy & Stamp Expenses | | 8,182 | 5,975 |

| | | | |
|---------------------------------|---|-------------------|-------------------|
| Repairs & Maintenance/Cover | | 390,945 | 74,234 |
| General Stores & Others | | - | 21,261 |
| General Stores | | 8,466,875 | 1,494,134 |
| Conveyance & CNG Expenses | | 188,248 | 130,471 |
| Quality Test Fees | | 17,250 | - |
| Picnic Expenses | | 85,000 | - |
| Ifter Expenses | | 54,260 | - |
| Depreciation | | 5,028,663 | 5,254,884 |
| | | 40,930,575 | 16,256,389 |
| <hr/> | | | |
| 16.00 | Administrative, Selling & Distribution Expenses: | | |
| Break up is given below: | | | |
| Administrative Expenses | 16.01 | 2,887,682 | 1,917,347 |
| Selling & Distribution Expenses | 16.02 | 858,596 | 175,944 |
| | | 3,746,277 | 2,093,291 |
| <hr/> | | | |
| 16.01 | Administrative Expenses: | | |
| Break up is given below: | | | |
| Salary & Allowances | | 1,193,007 | 688,369 |
| Festival Bonus | | 15,358 | 29,755 |
| Business Promotion Expenses | | 673,300 | 57,300 |
| AGM Expenses | | 305,500 | 160,200 |
| Audit Fees | | 86,000 | 50,000 |
| Annual Listing Fee | | 65,700 | 80,000 |
| Conveyance | | 18,060 | - |
| Consultancy Fees | | 5,000 | - |
| CDBL Charged | | 56,000 | 74,496 |
| Miscellaneous Expenses | | 106,085 | 35,471 |
| Legal Fees | | 48,200 | 68,800 |
| License & Renewals | | 7,005 | 12,005 |
| Office Rent | | 10,500 | 180,000 |
| Printing, Courier & Stamp | | 151,890 | 333,040 |
| Telephone Bill Expenses | | 14,798 | 31,205 |
| Zakat Expenses | | 7,502 | 5,552 |
| Depreciation | | 22,850 | - |
| | | 100,927 | 111,154 |
| | | 2,887,682 | 1,917,347 |
| <hr/> | | | |
| 16.02 | Selling & Distribution Expenses: | | |
| Break up is given below: | | | |
| Advertisement | | 88,906 | 111,254 |
| Carriage Outward | | 737,702 | - |
| Traveling & Conveyance | | 31,988 | 64,690 |
| | | 858,596 | 175,944 |
| <hr/> | | | |
| 17.00 | Financial Expenses: | | |
| Break up is given below: | | | |
| Bank Charges & Commission | | 32,592 | 14,683 |
| | | 32,592 | 14,683 |
| <hr/> | | | |

18.00 **Earning Per Share (EPS):**

Profit Attributable to the ordinary shareholders
Weighted average number of ordinary shares

| | |
|------------|------------|
| 6,828,546 | 6,722,978 |
| 13,200,000 | 13,200,000 |

Basic Earning Per Share

0.52

0.51

19.00 **Collection from Turn Over and Others:**

Break up is given below:

Opening Balance of Trade Directors
Add: Sales

| | |
|-------------|------------|
| 4,256,686 | 4,755,168 |
| 114,711,498 | 84,824,034 |
| 118,968,184 | 89,579,202 |

Less: Closing Debtors

Total

Loan from Directors

| | |
|--------------------|-------------------|
| 6,194,375 | 4,256,686 |
| 112,773,810 | 85,322,516 |
| - | - |
| 112,773,810 | 85,322,516 |

20.00 **Payment for Cost & Expenses:**

Break up is given below:

Payments to Suppliers & Others
Payment of Interest

Total Cash Payment & Expenses

| | |
|--------------------|-------------------|
| 101,382,148 | 58,541,792 |
| 32,592 | 14,683 |
| 101,414,740 | 58,556,475 |

21 Director of the Company:

- a) Number of Directors:
There are 8 Directors of the company during the year ended June 30.2013
- 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:

| S.L | Name | Designation | Per Year | Remarks |
|-----|---------------------|----------------------|----------|-----------|
| 1 | Mr. Anwar Hossain | Chairman | Nil | |
| 2 | Mrs. Bibi Amena | Director | Nil | Nil |
| 3 | Mr. Manwar Hossain | Managing Director | Nil | Full Time |
| 4 | Mr. Hossain Mehmood | Director | Nil | |
| 5 | Mr. Hossain Khaled | Director | Nil | |
| 6 | Mrs. Hasina Begum | Director | Nil | |
| 7 | Mrs. Shaheena Begum | Director | Nil | |
| 8 | Dr. Tuhin Malik | 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 [Rule12 (2)]

- a) Claim against the company not acknowledge as debt as on 30.06.2013 Nil
- b) Uncalled liability on partly paid up shares Nil
- c) Arrears of first cumulative dividends on preference shares together with the period for which the dividend are in arrears. Nil
- d) The aggregate amount of contracts for capital expenditure remaining to be executed and not provided for Nil
- e) Other sums for which the company is continently liable as on 30/06/2013 except letter of credit open in the normal course of have the same amount of contingent asset, business, again we have the same amount of contingent asset. Nil
- f) The general nature of any credit facilities available to the company under any contract and not taken up at date of Statement of Financial Position. Nil
- g) Aggregate amount due by directors and officers of the company or associated undertakings:
- | | |
|------------------------|-----|
| Director | Nil |
| Associated Undertaking | Nil |
| Officers | Nil |
- h) Securities and Exchange Rules, 1987 [Para 5 (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

1. 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. | 52,416,165 | |
| ii) | Opening Stock | | 61.52 | MT |
| iii) | Production during the year | | 593.31 | MT |
| iv) | Sold during the year | | 563.13 | MT |
| v) | Other consumption | | Nil | MT |
| vi) | Closing Stock | | 91.70 | MT |

4. Para-3 (ii)

i) Number of employees drawing salary above Tk. 5000 per month 42 Nos.

ii) Number of employees drawing salary below Tk. 5000 per month 171 Nos.

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 | 131,689 | 61,36,744,.84 | Nil | |
| Cast Iron | 48.28 | 19,09,110.25 | | |
| Foreign | Nil | Nil | Nil | |
| - | Nil | Nil | Nil | |
| Total | 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

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 its 115th Board Meeting held on 30 October 2013 proposed 7% cash dividend for general shareholders on share value worth Tk. 8,58,60,000 (Excluding Sponsor Directors and Shareholders portion) for the year 2012-2013. This dividend is subject to approval in the Annual General Meeting (AGM).

(b) Approval of Financial Statements:

These financial statements were authorised for issue in accordance with a resolution of the company's Board of directors on 30 October 2013.

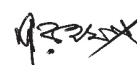
(c) There is no other significant event that has occurred between the end of the reporting period and the date when the Financial Statements were authorised for issue.



Managing Director

SHAHEENA BELUM

Director



Company Secretary

Anwar Galvanizing Limited

Schedule of Fixed Assets as on 30th June 2013

Annexure-1

| Sl. No. | Assets Category | COST | | | | Rate % | Depreciation | | | | Written Down Value as on 30/06/2013 | Written Down Value as on 30/06/2012 |
|---------|--|--------------------|----------------------|-------------------|--------------------|--------|-------------------|-------------------------|-------------------|-------------------|-------------------------------------|-------------------------------------|
| | | As on 01/07/2012 | Addition during year | Sales/ Adjustment | As on 30-06-2013 | | As on 30/06/2012 | Charged during the year | Sales/ Adjustment | As on 30/06/2013 | | |
| 1 | Land & Land Development | 6,476,562 | | | 6,476,562 | | - | - | | - | 6,476,562 | 6,476,562 |
| | Total Tk. | 6,476,562 | - | - | 6,476,562 | | - | - | - | - | 6,476,562 | 6,476,562 |
| 2 | Building & Construction: | | | | | | | | | | | |
| | Boundary Wall | 803,196 | | | 803,196 | 10% | 599,035 | 20,416 | | 619,451 | 183,745 | 204,161 |
| | Building (Factory) | 14,396,574 | | | 14,396,574 | 5% | 8,444,922 | 297,583 | | 8,742,504 | 5,654,070 | 5,951,652 |
| | Building (Office) | 372,173 | | | 372,173 | 10% | 277,572 | 9,460 | | 287,032 | 85,141 | 94,601 |
| | Control Room | 230,409 | | | 230,409 | 10% | 171,842 | 5,857 | | 177,699 | 52,710 | 58,567 |
| | Drawing, Design Supply | 1,212,636 | | | 1,212,636 | 10% | 904,400 | 30,824 | | 935,223 | 277,413 | 308,237 |
| | Finished Goods Godown | 5,672,227 | | | 5,672,227 | 10% | 4,230,423 | 144,180 | | 4,374,604 | 1,297,623 | 1,441,804 |
| | Furnace Cost | 886,286 | | | 886,286 | 10% | 661,005 | 22,528 | | 683,533 | 202,753 | 225,281 |
| | Generator Room | 208,192 | | | 208,192 | 10% | 155,273 | 5,292 | | 160,565 | 47,627 | 52,919 |
| | Machinery Control Room | 265,886 | | | 265,886 | 10% | 198,302 | 6,758 | | 205,061 | 60,825 | 67,584 |
| | Raw Material Godown | 7,373,896 | | | 7,373,896 | 10% | 5,499,552 | 187,434 | | 5,686,986 | 1,686,910 | 1,874,345 |
| | Sanitation | 1,374,897 | | | 1,374,897 | 10% | 1,025,418 | 34,948 | | 1,060,366 | 314,531 | 349,479 |
| | Security Room | 29,469 | | | 29,469 | 10% | 21,977 | 749 | | 22,726 | 6,743 | 7,493 |
| | Water Supply Installation | 432,320 | | | 432,320 | 10% | 322,431 | 10,989 | | 333,420 | 98,900 | 109,889 |
| | Workshop | 693,178 | | | 693,178 | 10% | 516,981 | 17,620 | | 534,601 | 158,577 | 176,197 |
| | Total Tk. | 33,951,339 | - | - | 33,951,339 | 10% | 23,029,133 | 794,638 | - | 23,823,771 | 10,127,568 | 10,922,206 |
| 3 | Plant, Machinery & Equipment: | | | | | | | | | | | |
| | Boiler | 1,052,446 | | | 1,052,446 | 15% | 925,199 | 19,087 | | 944,286 | 108,160 | 127,247 |
| | Deep Tubewell | 2,215,676 | | | 2,215,676 | 15% | 1,947,789 | 40,183 | | 1,987,972 | 227,704 | 267,887 |
| | Electrical Installation | 2,535,530 | | | 2,535,530 | 15% | 2,211,008 | 48,678 | | 2,259,686 | 275,844 | 324,522 |
| | Electrical Equipment | 4,700 | | | 4,700 | 15% | 4,031 | 100 | | 4,131 | 569 | 669 |
| | Gas Installation | 487,966 | | | 487,966 | 15% | 391,264 | 14,505 | | 405,769 | 82,197 | 96,702 |
| | Plant & Machinery/Other | 53,043,494 | | | 53,043,494 | 5% | 33,885,624 | 957,894 | | 34,843,517 | 18,199,977 | 19,157,870 |
| | Workshop Machinery | 10,111,328 | | | 10,111,328 | 10% | 7,541,165 | 257,016 | | 7,798,181 | 2,313,147 | 2,570,163 |
| | Total Tk. | 69,451,140 | - | - | 69,451,140 | | 46,906,080 | 1,337,464 | - | 48,243,544 | 21,207,596 | 22,545,060 |
| | Sub Total Tk. | 109,879,041 | - | - | 109,879,041 | | 69,935,213 | 2,132,102 | - | 72,067,314 | 37,811,727 | 39,943,829 |

Anwar Galvanizing Limited

Schedule of Fixed Assets as on 30th June 2013

| SI No. | Assets Category | COST | | | | Rate | Description | | | | Written down value as on 30/06/2013 | Written down value as on 30/06/2012 |
|--------|-------------------------|------------------|--------------------------|-------------------|------------------|------|------------------|-------------------------|-------------------|------------------|-------------------------------------|-------------------------------------|
| | | As on 01/07/2012 | Addition during the year | Sales/ Adjustment | As on 30/06/2013 | % | As on 30-06-2013 | Charged during the Year | Sales/ Adjustment | As on 30/06/2013 | | |
| 4 | Factory Equipments: | | | | | | | | | | | |
| | Telephone, Telex & Fax: | 58,935 | | | 85,935 | 15% | 75,545 | 1,558 | | 77,104 | 8,832 | 10,390 |
| | Typewriter & Photocopy | 120,000 | | | 120,000 | 15% | 1105,491 | 2,176 | | 107,668 | 12,332 | 14,509 |
| | Total Tk. | 205,935 | - | - | 205,935 | 15% | 181,037 | 3,735 | - | 184,772 | 21,163 | 24,898 |
| 5 | Head Office Equipments: | | | | | | | | | | | |
| | Computer | 183,888 | 35,500 | | 219,388 | 15% | 163,247 | 3,096 | | 166,344 | 53,044 | 20,641 |
| | Computer Printer | 38,350 | | | 38,350 | 15% | 34,228 | 618 | | 34,847 | 3,503 | 4,122 |
| | Computer Software | 124,250 | | | 124,250 | 15% | 111,481 | 1,915 | | 113,397 | 10,853 | 12,769 |
| | Mobile Phone | 68,200 | | | 68,200 | 15% | 57,586 | 1,592 | | 59,178 | 9,022 | 10,614 |
| | Office Equipment | 115,325 | | | 115,325 | 15% | 103,296 | 1,804 | | 105,100 | 10,225 | 12,029 |
| | Telephone, Telex & Fax | 25,000 | | | 25,000 | 15% | 22,816 | 328 | | 23,143 | 1,857 | 2,185 |
| | Total Tk. | 555,013 | 35,500 | - | 590,513 | 15% | 492,654 | 9,354 | - | 502,008 | 88,505 | 62,359 |
| 6 | Furniture (Office): | | | | | | | | | | | |
| | Air Cooler | 218,400 | | | 218,400 | 15% | 192,303 | 3,915 | | 196,218 | 22,182 | 26,097 |
| | Furniture & Fixture | 1,124,120 | 4,000 | | 1,128,120 | 10% | 844,992 | 27,913 | | 872,905 | 255,215 | 279,128 |
| | Total Tk. | 1,342,520 | 4,000 | - | 1,346,520 | | 1,037,296 | 31,827 | - | 1,069,123 | 277,397 | 305,225 |
| 7 | Furniture & Fixture: | | | | | | | | | | | |
| | Air Cooler | 300,000 | | | 300,000 | 15% | 273,794 | 3,931 | | 277,725 | 22,275 | 26,206 |
| | Total Tk. | 300,000 | - | - | 300,000 | | 273,794 | 3,931 | - | 277,725 | 22,275 | 26,206 |
| 8 | Vehicles / Motor Car: | | | | | | | | | | | |
| | Vehicles / Motor Car: | 1,824,100 | | | 1,824,100 | 20% | 1,750,684 | 14,683 | | 1,765,367 | 58,733 | 73,416 |
| | Total Tk. | 1,824,100 | - | - | 1,824,100 | | 1,750,684 | 14,683 | - | 1,765,367 | 58,733 | 73,416 |
| 9 | Sundry Assets: | | | | | | | | | | | |
| | Cookeries & Cutleries | 55,197 | | | 55,197 | 10% | 41,018 | 1,418 | | 42,436 | 12,761 | 14,179 |
| | Fire Extinguisher | 12,519 | | | 12,519 | 10% | 9,941 | 258 | | 10,199 | 2,320 | 2,578 |
| | Loose Tools | 1,304,504 | | | 1,304,504 | 10% | 977,358 | 32,715 | | 1,010,072 | 294,432 | 327,146 |
| | Miscellaneous Assets | 129,139 | | | 129,139 | 10% | 99,075 | 3,006 | | 102,081 | 27,058 | 30,065 |
| | Total Tk. | 1,501,359 | - | - | 1,501,359 | | 1,127,392 | 37,397 | - | 1,164,789 | 336,570 | 373,967 |
| | Sub Total Tk. | 5,728,927 | 39,500 | | 5,768,427 | | 4,862,856 | 100,927 | - | 4,963,783 | 804,644 | 866,071 |

Anwar Galvanizing Limited

Schedule of Fixed Assets as on 30th June 2013

| SI No. | Assets Category | COST | | | | Rate | Description | | | | Written down value as on 30/06/2013 | Written down value as on 30/06/2012 |
|--------|----------------------------|------------------|--------------------------|-------------------|------------------|------|------------------|-------------------------|------------------|------------------|-------------------------------------|-------------------------------------|
| | | As on 01/07/2012 | Addition during the year | Sales/ Adjustment | As on 30/06/2013 | % | As on 30-06-2013 | Charged during the Year | Sales/ Adjutment | As on 30/06/2013 | | |
| 10 | GI Fittings Line: | | | | | | | | | | | |
| | Building & Constructions | 23,004,059 | | | 23,004,059 | 5% | 3,072,647 | 996,571 | | 4,069,217 | 18,934,842 | 19,931,412 |
| | | 23,004,059 | - | - | 23,004,059 | | 3,072,647 | 996,571 | - | 4,069,217 | 18,934,842 | 19,931,412 |
| 11 | Plant & Machinery | | | | | | | | | | | |
| | Video Zet Printing Machine | 4,800,000 | - | | 4,800,000 | 10% | 1,300,800 | 349,920 | | 1,650,720 | 3,149,280 | 3,499,200 |
| | Extruder Machine | 5,240,000 | - | | 5,240,000 | 10% | 1,420,040 | 381,996 | | 1,802,036 | 3,437,964 | 3,819,960 |
| | Compound Machine | 1,650,000 | - | | 1,650,000 | 10% | 447,150 | 120,285 | | 567,435 | 1,082,565 | 1,202,850 |
| | Lathe Machine | - | 2,320,500 | | 2,320,500 | 10% | - | - | | - | 2,320,500 | |
| | Shafer Machine | - | 310,000 | | 310,000 | 10% | | | | - | 310,000 | |
| | Mixture Machine | 1,050,000 | - | | 1,050,000 | 10% | 284,550 | 76,545 | | 361,095 | 688,905 | 765,450 |
| | Melting Machine | 1,260,000 | - | - | 1,260,000 | 10% | 341,460 | 91,854 | | 433,314 | 826,686 | 918,540 |
| | Erection & Commissioning | 1,207,584 | - | | 1,207,584 | 10% | 327,255 | 88,033 | | 415,288 | 792,296 | 880,329 |
| | Plant & Machinery | 15,483,538 | 723,909 | | 16,207,447 | 5% | 1,853,528 | 681,501 | | 2,535,028 | 13,672,419 | 13,630,010 |
| | Mould | 2,362,736 | - | | 2,362,736 | 5% | 165,595 | 109,857 | | 275,452 | 2,087,284 | 2,197,141 |
| | Total Tk. | 33,053,858 | 3,354,409 | - | 36,408,267 | | 6,140,379 | 1,899,990 | - | 8,040,369 | 28,367,898 | 26,913,479 |
| | Sub Total Tk. | 56,057,917 | 3,354,409 | | 59,412,326 | | 9,213,025 | 2,896,561 | - | 12,109,586 | 47,302,740 | 46,844,892 |
| | Grand Total | 171,665,885 | 3,393,909 | | 175,059,794 | | 84,011,094 | 5,129,590 | - | 89,140,684 | 85,919,110 | 87,654,791 |

Allocation of Depreciation:

Charge to Production

Charge to Administration

5,028,663

100,927

5,129,590

Anwar Galvanizing Limited

Schedule of Trade Receivable

For the year ended 30 June 2013

| SL. No. | PARTICULARS | 30-June-13 | 30-June-12 |
|---------|----------------------------|------------|------------|
| 01 | Ahmed Paribahan | 12,000 | - |
| 02 | Akota Transport | 361,000 | - |
| 03 | Al-Amin Motors | 17,000 | - |
| 04 | Al-Amin Traders | 452 | 452 |
| 05 | Arafat Trading | 171 | 171 |
| 06 | Artistic Developments Ltd. | 19 | 19 |
| 07 | Asia Exclusive (Pvt.) Ltd. | 66,000 | - |
| 08 | Awlad Engineering Works | 148,800 | - |
| 09 | Athena Furniture | 5,605 | 5,605 |
| 10 | Bablu Enterprise | 65,000 | - |
| 11 | Bhai Bhai Hardware | 115 | 115 |
| 12 | Alubazar Depot | 1,610,303 | 2,120,879 |
| 13 | Dhaka Trading (Jinjira) | 799,857 | 799,857 |
| 14 | Econo Service | 10,000 | - |
| 15 | Ekushe Express Ltd. | 55,500 | - |
| 16 | Emon Motors | 10,000 | - |
| 17 | Faruk Sanitary | 308 | 308 |
| 18 | Faysal Hardware Store | 28 | 28 |
| 19 | Hamid Sanitary | 39 | 39 |
| 20 | Hanif Enterprise | 281,500 | - |
| 21 | Jhalokati Builders | 420,824 | 420,824 |
| 22 | Khorsed Sanitary | 179 | 1,590 |
| 23 | Mamun Paribahan | 11,000 | - |
| 24 | Madab Traders | 449 | 121 |
| 25 | Meghna Electric | 28 | 28 |
| 26 | M.H.Trading | 58 | 58 |
| 27 | Modhumoti Agency | - | 23 |
| 28 | Mollik Electrics & Sons | 1,893 | - |
| 29 | Monalisa Automobile | 16,500 | - |
| 30 | M. Shamsuzzoha | 770 | - |
| 31 | M/s. Sky Motors | 44,000 | - |
| 32 | M/s. Taposi Motors | 51,000 | - |
| 33 | Sundry Debtors | - | 14,657 |
| 34 | Nahida Motors | 3,000 | - |

| SL. No. | PARTICULARS | 30-June-13 | 30-June-12 |
|---------|--------------------------------|------------------|------------------|
| 35 | National Motors | 22,000 | - |
| 36 | National Travels | 46,000 | - |
| 37 | Nazrul Motors | 77,000 | - |
| 38 | Nasir & Brothers | - | 15,271 |
| 39 | New Jesco Traders | - | 34 |
| 40 | Nirman Traders | - | - |
| 41 | N. S. Traders | 330 | 330 |
| 42 | Palash Traders | 49,000 | - |
| 43 | Olympic Mosaic | 27 | 26 |
| 44 | Rahman Traders - Bhola | 841,960 | 841,960 |
| 45 | Raju Sanitary & Hardware Store | 131 | 130 |
| 46 | Ruby Sanitary | - | 14,022 |
| 47 | S. Alam Group | 132,000 | - |
| 48 | Samoli Paribahan | 280,000 | - |
| 49 | Selim Motors | 562,500 | - |
| 50 | Shahajadpur Travels | 2,000 | - |
| 51 | Shahi CNG Refuling | 22,000 | - |
| 52 | Sabuj Enterprise | 2 | 2 |
| 53 | Shahid Hardware Store | - | 19,556 |
| 54 | Sangita Enterprise | 57 | - |
| 55 | Selim Enterprise | 178 | 178 |
| 56 | Sharif & Co. | 13,246 | - |
| 57 | Sohel Traders | 188 | 188 |
| 58 | Soma Enterprise | 159 | 159 |
| 59 | Soudia Coach Service | 48,000 | - |
| 60 | S. R Travel (Pvt.) Ltd. | 55,500 | - |
| 61 | Star Line Special | 56,000 | - |
| 62 | T. R Travels | 4,700 | - |
| 63 | Taj Traders | - | 56 |
| | Grand Total | 6,194,375 | 4,256,686 |

Audit Committee Report

The Audit Committee of the company is composed of two Directors and one Independent Director who acts as chairman of the Committee. The Company secretary acts as the 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 reflects true and fair view of the state of affairs of the company and that a good monitoring system is maintained within the business.

In compliance to the BSEC's Notification dated August 07, 2012, the Role of the Audit Committee has been determined comprising, among others, the following functions:

- i) To oversee the financial reporting process
- ii) To monitor choice of accounting policies and principles.
- iii) To monitor Internal Control Risk management process.
- iv) To oversee hiring and performance of external auditors.
- v) To review along with the management, the annual financial statements before submission to the board for approval.
- vi) To review the adequacy of internal audit functions.

The Audit Committee has reported to the Board of Directors that during its discharge of audit activities throughout the year, it did not find any irregularity or any other matter which may be concern.

The report is based on the papers / documents reviewed by the committee thoroughly.



Hossain Mehmood

Member

Audit Committee

Status report on compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August 2012 is given below in prescribed format:

| Condition No. | Title | Compliance status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|--|--------------|--------------------------|
| | | Complied | Not complied | |
| 1.1 | Board's size - No of Directors shall not be less than 5 and more than 20 | ✓ | | |
| 1.2 | INDEPENDENT DIRECTORS | | | |
| 1.2 (i) | 1/5 th of the total number of Directors in the company's Board shall be Independent Directors | ✓ | | |
| 1.2 (ii) a) | Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up capital of the company. | ✓ | | |
| 1.2 (ii) b) | Independent Director is not connected with the company's sponsor or director of shareholder. | ✓ | | |
| 1.2 (ii) c) | Independent Director does not have any other relationship with pecuniary or otherwise. | ✓ | | |
| 1.2 (ii) d) | Independent Director is not a member, director or officer of any Stock Exchange. | ✓ | | |
| 1.2 (ii) e) | Independent Director is not a shareholder, Director or officer of any member of Stock Exchange or any intermediary of the | ✓ | | |
| 1.2 (ii) f) | Independent Director is not a partner or an executive or was not a partner or any executive during the preceding 3 (three) years of any statutory audit firm. | ✓ | | |
| 1.2 (ii) g) | Independent Director shall not be a Director in more than 3 (three) listed companies. | ✓ | | |
| 1.2 (ii) h) | Independent Director has not been convicted by a court of competent. Jurisdiction as a defaulter in payment of any loan to a Bank or NBFIs. | ✓ | | |
| 1.2 (ii) i) | Independent Director has not been convicted for a criminal offence involving moral turpitude | ✓ | | |
| 1.2 (iii) | The independent director(s) shall be appointed by the board of directors & approved by the shareholders in the Annual General Meeting (AGM). | ✓ | | |
| 1.2 (iv) | The post of independent Director can not remain vacant for more than 90 days. | | | No such situation arisen |
| 1.2 (v) | The board shall lay down a code of conduct of all Board members and annual compliance of the code of recorded. | ✓ | | |
| 1.2 (vi) | The tenure of office of an independent director shall be for a period of 3 (three) years and may be extended for 1 (One) term only. | ✓ | | |
| 1.3 | QUALIFICATION OF INDEPENDENT DIRECTOR | ✓ | | |
| 1.3 (i) | Independent Director shall be a knowledgeable person regarding Financial regulatory and corporate laws. | ✓ | | |
| 1.3 (ii) | Qualification of Independent Directors should be a business leader/corporate leader Bureaucrat/University Teacher with Economics or Business studies or law background/Professional and must have at least 12 (twelve) years of corporate management/professional experiences. | ✓ | | |
| 1.3 (iii) | Qualification of Independent Director may be relaxed subject to prior approval of the SEC. | | | No such situation arisen |
| 1.4 | CHAIRMAN OF THE BOARD The Chairman of the company elected from among the Directors of company. | ✓ | | |

| Condition No. | Title | Compliance status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|--|--------------|--------------------------|
| | | Complied | Not complied | |
| 1.5 | DIRECTOR REPOT TO SHAREHOLDERS | ✓ | | |
| 1.5 (i) | Industry outlook and possible future development in the industry. | ✓ | | |
| 1.5 (ii) | Segment wise or product wise performance. | ✓ | | |
| 1.5 (iii) | Risk and concerns | ✓ | | |
| 1.5 (iv) | A discussion on cost of Goods sold, Gross profit margin and net profit margin. | ✓ | | |
| 1.5 (v) | Discussion on continuity of any Extra-Ordinary gain or loss. | ✓ | | |
| 1.5 (vi) | Statement of all related party transactions disclosed in the annual report | ✓ | | |
| 1.5 (vii) | Utilization of proceeds from public issues, rights issues and or/through any others instrument. | ✓ | | |
| 1.5 (viii) | Explanation if the financial results deteriorate after the company goes for initial public offering (IPO), Repeat Public Offering (RPO) Rights Offer etc. | ✓ | | |
| 1.5 (ix) | If significant variance occurs between quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance. | | | No such situation arisen |
| 1.5 (x) | Remuneration to Directors Including Independent Directors. | ✓ | | |
| 1.5 (xi) | The Financial Statements proposed by the management of the issuer company present fairly its state of affairs, the result of its operation, cash flows and charges in equity. | ✓ | | |
| 1.5 (xii) | Keeping proper books of accounts. | ✓ | | |
| 1.5 (xiii) | Consistent application of Accounting policies and preparation of financial statements. | ✓ | | |
| 1.5 (xiv) | Observance of Bangladesh Accounting Standards (BAS) International Financial Reporting Standards (IFRS) Bangladesh Financial Reporting Standards (BFRS) | ✓ | | |
| 1.5 (xv) | Soundness and efficiency of internal control. | ✓ | | |
| 1.5 (xvi) | Ability of Anwar Galvanizing Ltd. to continue as a going concern. | ✓ | | |
| 1.5 (xvii) | Significant deviations from the last year's operation results. | ✓ | | |
| 1.5 (xviii) | Key operation and financial data for last 5 (five) years. | ✓ | | |
| 1.5 (xix) | Declaration of dividend. | ✓ | | |
| 1.5 (xx) | Number of Board meeting held during the year and attendance by each director. | ✓ | | |
| 1.5 (xxi) a) | Shareholding pattern of parent/subsidiary/ Associated companies. | ✓ | | |
| 1.5 (xxi) b) | Directors, Chief Executive Officer, Company Secretary, CFO, Head of Internal Audit and their spouse and minor children. | ✓ | | |
| 1.5 (xxi) c) | Executive (TOP 5 Salaried Officers) | ✓ | | |
| 1.5 (xxi) d) | Shareholders holding ten percent (10%) or more voting interest in the company. | ✓ | | |
| 1.5 (xxii) a) | Disclose of appointment/re-appointment of Director. | ✓ | | |
| 1.5 (xxii) b) | Expertise of appointment/re-appointment of Directors. | ✓ | | |
| 1.5 (xxii) c) | Names of companies in which the person also holds the directorship of committees of the Board. | ✓ | | |
| 2.0 | CHIEF FINANCIAL OFFICER HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY | | | |
| 2.1 | Appointment of Chief Financial Officer (CFO) Head of Internal Audit and a Company Secretary (CS) | ✓ | | |

| Condition No. | Title | Compliance status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|--|--------------|--------------------------|
| | | Complied | Not complied | |
| 2.2 | Requirement as to attendance of CFO, Head of Internal Audit and Company Secretary in the Board Meeting. | ✓ | | |
| 3.0 | | | | |
| 3.0 (i) | Formation of Audit Committee | ✓ | | |
| 3.0 (iii) | The duties of the Audit Committee | ✓ | | |
| 3.1 | | | | |
| 3.1 (i) | Number of members of Audit Committee | ✓ | | |
| 3.1 (ii) | Inclusion of an independent director. | ✓ | | |
| 3.1 (iii) | Number of Audit Committee 1 member who have Accounting or related Financial management experience. | ✓ | | |
| 3.1 (iv) | Fill the casual vacancy in Audit Committee | | | No such situation arisen |
| 3.1 (v) | Company Secretary acts as the Secretary of the Committe. | ✓ | | |
| 3.1 (vi) | Quorum of the Audit Committee including 1 (One) Independent Director. | ✓ | | |
| 3.2 | CHAIRMAN OF AUDIT COMMITTEE | | | |
| 3.2 (i) | Selection of Chairman of Audit Committee from an Independent Director. | ✓ | | |
| 3.2 (ii) | Present the Chairman of Audit Committee in Annual General Meeting. | ✓ | | |
| 3.3 | ROLE OF AUDIT COMMITTEE | | | |
| 3.3 (i) | Role of Audit Committee to oversee the Financial reporting. | ✓ | | |
| 3.3 (ii) | Monitor choice of accounting prices and principles. | ✓ | | |
| 3.3 (iii) | Moinitor Internal Control Risk management process. | ✓ | | |
| 3.3 (iv) | Oversee hiring and performance of external auditors. | ✓ | | |
| 3.3 (v) | Review along with the management, the annual Financial statements before submission to the board. | ✓ | | |
| 3.3 (vi) | Review along with the management, the quarterly and half yearly financial statements before submission to the board. | ✓ | | |
| 3.3 (vii) | Review the adequacy of Internal function. | ✓ | | |
| 3.3 (viii) | Review statement of significant related party transactions submitted by the management. | ✓ | | |
| 3.3 (ix) | Review management letters/letter of Internal Control /Weakness issued by statutory auditors. | ✓ | | |
| 3.3 (x) | Review management letters/letter of Internal Control /Weakness issued by statutory auditors.Submission of money raise through IPO, Committee on quarterly basis. | ✓ | | |
| 3.4 | REPORT OF THE AUDIT COMMITTEE | | | |
| 3.4.1 (i) | Report to the board by the Audit Committee on its activities. | ✓ | | |
| 3.4.1 (ii) a) | Report to the Board by the Audit Committee on Conflicts of Interests. | | | No such situation arisen |
| 3.4.1 (ii) b) | Report to the Board by the Audit Committee on suspected or presumed fraud or irregularity or material defect in the internal control system. | | | Do |
| 3.4.1 (ii) c) | Report to the Board by the Auditor on suspected infringement of laws, including securities related laws, rules and regulations. | | | Do |
| 3.4.1 (ii) d) | Any other matter | | | Do |
| 3.4.2 | Reporting to the SEC by the Audit Committee. | | | Do |
| 3.5 | Reporting to the Shareholders and General shareholders by the Audit Committee | | | Do |

| Condition No. | Title | Compliance status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|--|--------------|---|
| | | Complied | Not complied | |
| 4.0 | EXTERNAL/STATUTORY AUDITORS | | | |
| 4.0 (i) | External/statutory auditors not to engage in appraisal or valuation services or fairness opinions. | ✓ | | |
| 4.0 (ii) | External/Statutory Auditors not to engage in financial information system design and implementation. | ✓ | | |
| 4.0 (iii) | External/Statutory Auditors not to engage in book-keeping or other services related to the accounting cash or financial | ✓ | | |
| 4.0 (iv) | External/Statutory Auditors not to engage in broker-dealer services. | ✓ | | |
| 4.0 (v) | External /Statutory Auditors not to engage in Actuarial Services. | | | We do not extend any actuarial services |
| 4.0 (vi) | External/Statutory Auditors not to engage in Internal Audit services. | ✓ | | |
| 4.0 (vii) | External/Statutory Auditors not to engage in any other service that the audit committee determines. | ✓ | | |
| 4.0 (viii) | External/Statutory Auditors not to engage in no partner or employees of the external audit firms shall possess any share of the company. | ✓ | | |
| 5.0 | SUBSIDIARY COMPANY | | | |
| 5.0 (i) | Provision relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Director of the subsidiary company. | | | N/A |
| 5.0 (ii) | As least 1 (one) independent director on the board of Directors of the holding company shall be a director on the Board of the susidiary company. | | | N/A |
| 5.0 (iii) | Placed the minutes of the Board meeting of the subsidiary of the holding company shall be a director on the Board of the subsidiary company. | | | N/A |
| 5.0 (iv) | The minutes of the respective board meeting of the holding company state affair of the subsidiary company have been reviewed. | | | N/A |
| 5.0 (v) | The Audit Committee of the holding company has been reviewed financial statements, in particular the investments made by the subsidiary company. | | | N/A |
| 6.0 | DUTIES OF CEO AND CFO | | | |
| 6.0 (i) a) | The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) clarify to the Board that they have received financial statements for the year and that to the best of their knowledge and belief, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. | ✓ | | |
| 6.0 (i) b) | The financial statements together present a true and fair view of the company affairs and are in compliance with existing according standards and applicable laws. | ✓ | | |
| 6.0 (ii) | The financial statements are to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct. | ✓ | | |
| 7.0 | REPORTING AND COMPANIES OF CORPORATE GOVERNANCE | | | |
| 7.0 (i) | Obtain a certificate form a professional Accountant/Secretary regarding compliance of conditions of corporate Governance of the commission. | ✓ | | Certificate shall be with annual report |
| 7.0 (ii) | Conditions of corporate Governance have been complied and the director of the company state in their report. | ✓ | | Shall be mentioned with annual report |

Certificate on Compliance with the conditions of corporate governance guidelines

As per SEC rules (letter SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012), all the companies listed with any stock exchange in Bangladesh shall comply with some conditions in accordance with condition no. 7. The condition requires that the directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions and prerequisite set by SEC in their letter.



PODDER & ASSOCIATES

Cost and Management Accountants

Compliance Certificate

On

Corporate Governance

To the Shareholders of

Anwar Galvanizing Limited

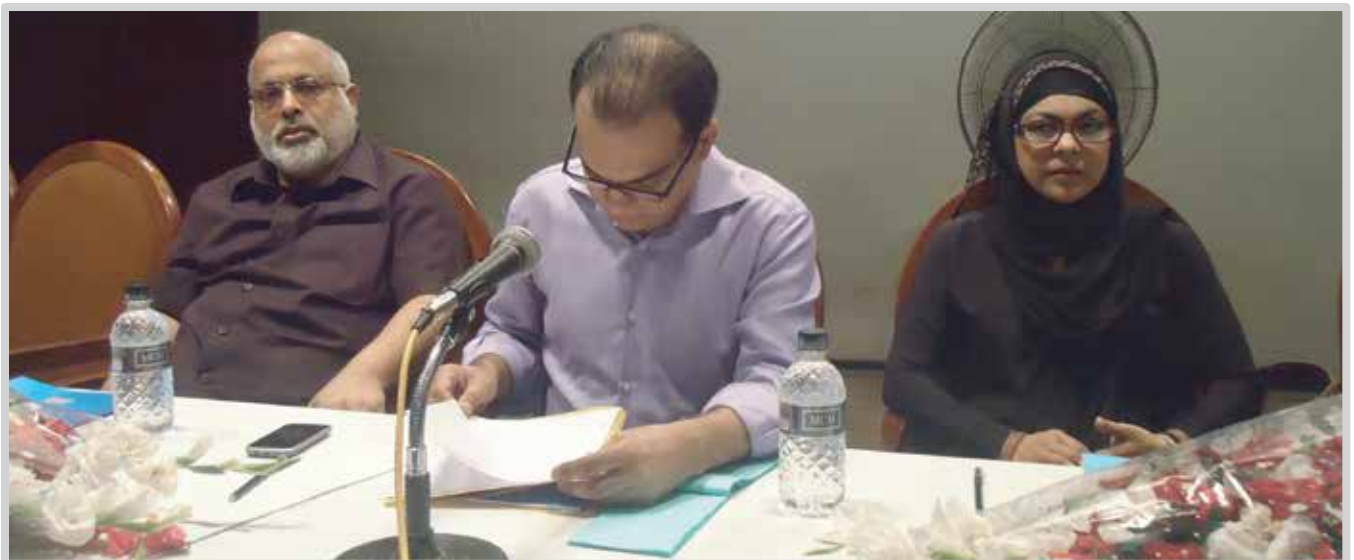
"Podder & Associates", being one of the "Professional Accountants" of Bangladesh, takes the gratification to study and opine in attainment of Compliance on Corporate Governance by **Anwar Galvanizing Limited** for the period ended 30 June 2013. This is completed in accordance with the guideline set by Bangladesh Securities and Exchange Commission by the notification SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012.

Accomplishment of compliance on corporate governance is the conscientiousness of the management of the Company. Our study is limited to the measures and execution of such as per guideline by BSEC.

As per our study and observation on the information & explanations provided, **Anwar Galvanizing Limited** has complied with the conditions of Corporate Governance set by Bangladesh Securities & Exchange Commission.

Jayanta Kumer Podder
Chief Executive Officer
Podder & Associates

Date: 22 December, 2013
Place: Dhaka, Bangladesh





ANWAR GALVANIZING LTD.

(a unit of Anwar Group of Industries)

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