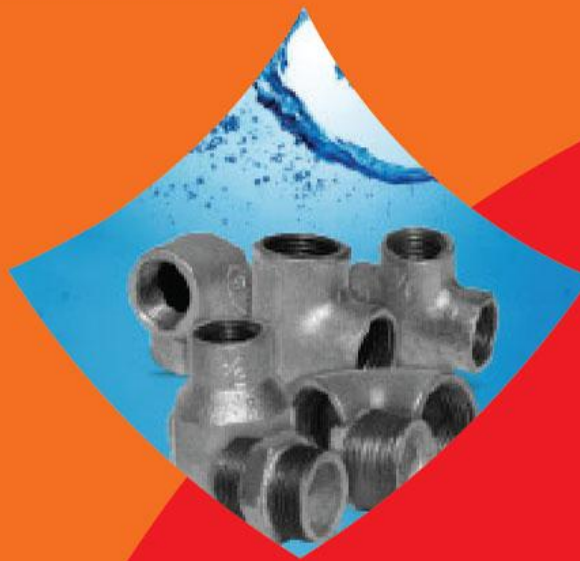


Annual Report - 2018



ANWAR GALVANIZING LTD

(a unit of Anwar Group of Industries)



বাংলাদেশে শিল্পায়নের মহানায়ক

সত্য - ১৯৫২'র বাঙালীর ভাষা আন্দোলন!

সত্য - ১৯৬৯'র বাঙালীর গণ আন্দোলন!

সত্য - ১৯৭১'র বাঙালীর মুক্তিযুদ্ধ!

ঠিক সেরকমই সত্য যুদ্ধ-পরবর্তী বাংলাদেশ গড়ার পিছনে কিছু শিল্প-সৈনিকের অবদান। আমরা সশ্রদ্ধচিত্তে তাঁদের স্মরণ করি। সেই সৈনিকদের মধ্যে মহানায়ক আমাদের মাননীয় চেয়ারম্যান, জনাব আনোয়ার হোসেন, বাংলাদেশের শিল্প বিপ্লবের এক অসাধারণ যোদ্ধা। তাঁর উদ্ভাবনী চিন্তাধারা, দূরদর্শিতা, বিরল নেতৃত্ব সবাইকে দেখিয়েছে অগ্রগতির পথ। তাঁর অদম্য কর্মস্পৃহায় আমরা উজ্জীবিত ও সদাজাগ্রত।

আমাদের মাননীয় চেয়ারম্যান জনাব আনোয়ার হোসেন ১৯৮২ সাল থেকে শুরু করে ২০১৫ সাল পর্যন্ত একাধিকবার সি.আই.পি মর্যাদা অর্জন করায় আমরা গর্বিত। তাঁর প্রজ্জ্বলিত উন্নয়নের মশাল গর্বের সাথে বহন করে আমরা এগিয়ে যাব আগামী পথে।

শিল্পায়নের এই মহানায়কের দীর্ঘায়ু কামনায় - আমরা ১৪ হাজার পরিবারের আনোয়ার গ্রুপ।

CONTENTS

Particulars Page No.

Letter of Transmittal	01
Notice of the 24th Annual General Meeting	02
Chairman's Statements [Included Photo]	03
Speech of the Managing Director [Included Photo]	04

Corporate Profile

Corporate Profile	05
Corporate Governance Report	07
Corporate Governance Compliance Report	10
Certificate on Corporate Governance	21
Declaration by CEO and CFO	22
Audit Committee Report	23
Directors' Responsibilities for Financial Statements	24
Directors' Report	25
Management's Discussion and Analysis	32
BAPLC Membership Certificate, 2018	35

Financial Report

Auditors' Report to the Shareholders	36
Statement of Financial Position	37
Statement of Comprehensive Income	38
Statement of Changes in Equity	39
Cash Flow Statement	40
Notes to the Financial Statements	41
Schedule of Property, Plant and Equipment	53

Attendance Slip and Proxy Form.....54

Photo of the 23rd AGM

Transmittal Letter

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

Annual Report for the year ended June 30, 2018

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2018 Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended June 30, 2018 along with notes thereon and all related Financial Statements for your record/ necessary measures.

Yours sincerely,

Sd/-

Tauhidul Islam FCS
Company Secretary

Dated: Dhaka
January 07, 2019



ANWAR GALVANIZING LIMITED
Registered Office: 27, Dilkusha C/A, Dhaka-1000.

Notice of the 24th Annual General Meeting and Special Business to be Transacted

Notice is hereby given that the 24th Annual General Meeting (AGM) of Anwar Galvanizing Limited will be held on Wednesday dated January 23, 2019 at 10:30 a.m. at the BCIC Auditorium, 30-31, Dilkusha C/A, Dhaka to transact the following business:

A. Ordinary Business:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended June 30, 2018, together with the Auditors' Report and Directors' Reports thereon.
2. To declare Dividend for the year ended June 30, 2018.
3. To elect /re- elect Directors who will retire by rotation as per the provisions of the Articles of Association.
4. To appoint Statutory Auditors for the year 2018-2019 and to fix their remuneration.
5. To appoint Compliance Auditor / Professional for the year 2018-19 in order to issue the Certificate on Compliance of the Corporate Governance Code, 2018.

B. Special Business:

6. To consider the following proposed resolution, with or without modification, as Special Resolution relating to sale of Non-current assets reclassified as held for sale:

RESOLVED that, the shareholders of the Company hereby decided to authorize the Board of Directors of the Company to enter into contract and executing the same to sale the non-current assets (tangible assets) classified in the financial statements of the Company for the year 2017-18 as assets held for sale which represent plant and machinery unused for long time and had become obsolete and unusable.

By order of the Board,

Sd/-

Tauhidul Islam FCS
Company Secretary

Dated: Dhaka
December 27, 2018

Notes:

- i. Shareholders whose names appear on the Members / Depository Register on the Record Date i.e. November 29, 2018 shall be eligible to attend the 24th AGM of the Company and to receive the Dividend.
- ii. A Shareholder wishing to appoint a Proxy must deposit the Proxy Form, duly stamped, at the Company's Registered Office by 10:30 a.m of January 20, 2019.
- iii. Only Shareholders or their properly appointed proxies will be allowed to attend the meeting.
- iv. Admission into the auditorium will be allowed strictly on submission of the Attendance Slip sent with the Annual Report.
- v. No children will be allowed at the AGM.

বিঃদ্রঃ বাংলাদেশ মিকিউরটিং এন্ড এলেকট্রিক্যাল কমিশনের সার্কেুলার নং-এমইসি/মি-এমআরআরমিডি/২০০৯-১৯৩/১৫৫ তারিখ অক্টোবর ২৪, ২০১৩ এর আনোকে আমদানি বার্ষিকী আশ্রয়ন মজার কোন ধরনের আধ্যাতন বা উপহারের ব্যবস্থা থাকবে না।



Anwar Galvanizing Limited
(A Concern of Anwar Group of Industries)

Statement of the Chairman

Dear Shareholders,

Assalamualaikum,

I am very pleased to welcome you to the 24th Annual General Meeting of **Anwar Galvanizing Limited**. On behalf of the Board of Directors, I express our sincere gratitude to all shareholders once again for their confidence and trust on the management of the Company and continued support for the success of the Company.

The Company closed the financial year 2017-18 with record Revenues of BDT 368,290,713 with a growth of 48% as compared to the previous financial year. Profit before tax arrived at BDT 26,696,790 which is 33% higher than last year. We are expecting better growth in profits for financial year 2018-19. Along with the growth of GI Fittings and Brake Drums are achieving growths continuously. We are preparing to take the market opportunities by introducing modern technologies and operating processes.

As you find from Directors' Report and audited financial statements and notes thereon, the Company under the Managing Director, Mr. Hossain Mehmood and his management team, is successfully and competitively leading to attain Company's goal with increasing level of production, turnover and profits. The Board of Directors of the Company has proposed 10% cash dividend for the year ended June 30, 2018.

We continue to contribute towards initiatives that drive societal change in the communities where we are ensuring that our growth is sustainable. In addition to our business goals and commitment to make shareholders value, our Company is playing its role as a responsible corporate citizen.

Finally, I express my gratitude to the stakeholders for their trust and support which encouraged us. I thank the entire team of the Company for their continued efforts towards achieving goals.

I look forward to your continued support and best wishes.

Sd/-

Manwar Hossain
Chairman

**Statements from
the Managing Director and CEO**



Dear Shareholders,

Assalaamu-Alaikum,

I feel highly delighted to welcome you all at this 24th Annual General Meeting (AGM) of Anwar Galvanizing Limited (AGL). I am thankful to you all for taking the trouble to attend the meeting despite your busy occupations. I hope the Annual Report for the year 2017-2018 has reached to you in time and you had the scope to go through it for necessary examination, scrutiny and analysis of performance.

I am pleased to report another successful year for the company with hard earned performance. During the year, AGL registered double-digit growth of 48% with revenues of BDT 368,290,713. We have maintained consistent growth in terms of market share also. Being the biggest among local producers, we have maintained our strong position in the top list. The management team is investing all its efforts to maintain continued growth performance in future.

I would like to note that Company has succeeded in improving performance of production, turnover and all profit centers including other income heads through skilful financial planning. As a result, the net profit Earning per Share (EPS) has increased from Tk.1.04 to Tk.1.24 during the Year 2017-2018.

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

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

With best wishes for you all.

Sd/-

Hossain Mahmood
Managing Director and CEO

Corporate Profile

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

Share Capital

Authorized Capital	: BDT 20.00 cr
Subscribed Capital	: BDT 14 cr and 52 lacs
Paid-up Capital	: BDT 14 cr and 52 lacs

Shareholding Position

Sponsors & Directors	: 34.85%
Institutes	: 17.53%
Government	: Nil
Foreigner	: Nil
General Public	: 47.62%
No. of Shareholder	: 4,159

Board of Directors

Chairman

Mr. Manwar Hossain

Managing Director & CEO

Mr. Hossain Mehmood

Director

Mr. Hossain Khaled
Mrs. Bibi Amena
Mrs. Shaheena Begum
Mrs. Hasina Begum
Mr. Tareq Hossain (Shareholder Director)

Independent Director(s)

Mr. Naba Gopal Banik
Mr. Mafizuddin Sarker

Company Secretary

Mr. Tauhidul Islam FCS

Board of Directors' Sub-committees

Audit Committee

Chairman

Naba Gopal Banik

Member

Mr. Manwar Hossain
Mr. Hossain Mehmood
Mr. Mafizuddin Sarker

Secretary to the Committee

Mr. Tauhidul Islam FCS

Nomination and Remuneration Committee (NRC)

Chairman

Mr. Naba Gopal Banik

Member

Mr. Manwar Hossain
Mr. Hossain Mehmood

Secretary to the Committee

Mr. Tauhidul Islam FCS

Management Team

Chief Financial Officer
Mr. Gopal C Ghosh FCA, FCMA

Head of Internal Audit
Mr. Abdul Hannan (C.C)

Company Secretary
Mr. Tauhidul Islam FCS

Head of Finance & Account
Mr. Sardar Mostafa Ali

Investors' Relation Department

Mr. Tauhidul Islam FCS
Company Secretary & In-charge (Share Department)

Ms. Razia Sultana
Sr. Executive, Corporate Affairs

Statutory Auditor

Pinaki & Company, Chartered Accountants
Corporate Office: AHSANDELL
2/A, Mymensingh Road (2nd Floor), Shahbag,
Dhaka-1000, Bangladesh.

Corporate Governance Compliance Auditor

Suraiya Parveen & Associates
(Chartered Secretaries in Practice)
Hasan Holdings (9th Floor), 52/1, New Eskaton Road,
Dhaka-1000, Bangladesh.

Human Resources

Permanent: 510
Casual: NA

Legal Advisor

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

Bankers

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

Contact Information

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

Phone: +88 02 9551335, +88 02 9552134 **Fax:** +88 029564020

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

Corporate Governance Report

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

A good governance process provides transparency of corporate policies, strategies and the decision making process. We at Anwar Galvanizing Limited believe in transparency and commit ourselves to adherence to good corporate governance practices at all times, as we believe that good governance generates goodwill among business partners, customers and investors and helps the Company's growth. AGL's Corporate Governance code has been developed and enhanced based on the principles and best practices outlined in the Notification of Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), Dhaka and Chittagong Stock Exchanges Listing Regulations, 2015, Standards of Business Conduct of the Company, Statement of Business Principles of the Company and Statement of Delegated Authorities of the Company.

Board of Directors

The Board of Directors is a bridge between the stakeholders and operational management of the Company. The shareholders appoint the Directors of the Board of the Company in the Annual General Meeting (AGM). The Board is responsible for operation of the Company for best interest of its stakeholders.

A. Composition of the Board

The size of the Board of AGL comprised of nine members including two Independent Directors. The different persons occupy the positions of the Chairman of the Board and the Chief Executive Officer of the Company. The Chairman of the Company is elected from among the Directors of the Company. The Board of Directors has clearly defined respective roles and responsibilities of the Chairman and the Chief Executive Officer.

B. Board Procedure

To follow transparency, the Board follows the practice of advance planning in matters requiring discussion and decision by the Board. The Board is evaluated the presentation on finance, sales, marketing, major business segments and operations of the Company and other matters, as required. The Managing Director along with the Company Secretary finalizes the agenda for the Board meeting in consultation with the other person concerned, if needed. The minutes of the Board meeting are maintained in terms of statutory provisions. The Board of Directors of AGL has laid down a Code of Conduct of all Board members and annual compliances of the code have recorded.

Audit Committee

In accordance with the requirement of Corporate Governance Guidelines of BSEC, Anwar Galvanizing Limited has an Audit Committee as a sub-committee of the Board of Directors. The Audit Committee assists the Board of Directors in ensuring a good monitoring system within the business. The Audit Committee is

accountable to the Board and the duties and responsibilities to internal control, financial reporting and compliance monitoring, among others, of the Audit Committee are clearly set forth in writing by the Board in the Audit Committee Charter.

Nomination and Remuneration Committee

As per Corporate Governance Code of BSEC, Anwar Galvanizing Limited has a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board of Directors. The committee comprised three members including independent director.

Chairman of the Board and Chief Executive

The positions of the Chairman of the Board and the Chief Executive Officer (CEO) of the Company are filled by different individuals. The Board of Directors also clearly defined particular roles and responsibilities of the Chairman and the CEO in addition to their roles and responsibilities as per Articles of Association of the Company.

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

Chief Financial Officer

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

Head of Internal Audit

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

Company Secretary

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

Statutory Auditors

Statutory Auditor was appointed by the shareholders in Annual General Meeting and fixed their remuneration. During the year, M/s. Pinaki & Company, Chartered Accountants, is the Statutory Auditor of the Company. They performed systematic examination of books and records of the Company and reported upon the facts regarding the financial operation and the results of the Company. The Auditor has performed his duties according to the Corporate Governance Code as notified by BSEC.

No partner or employees of the auditors are holding any shares of AGL during the tenure of their audit assignment.

Compliance Auditor

The Company has obtained a certificate from Suraiya Parveen & Associates, Chartered Secretaries in Practice, regarding compliance of conditions of Corporate Governance Code of the Commission which has been incorporated in the Annual Report. The Compliance Auditor carried out systematic examination of books and records of the Company according to the Corporate Governance Code as notified by BSEC.

Internal Audit and Internal Control

Anwar Galvanizing Limited believes that internal audit is one of the four pillars of corporate governance, the other pillars being the Board of Directors, Management and the External Auditors. The Company has an independent Internal Audit Department under control of the Audit Committee of the Board. Internal auditing of AGL assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Organization's risk management, control and governance processes.

Compliances

To ensure the spirit of the corporate governance for inspiring confidence of investors, regulators, financier and other stakeholders, Anwar Galvanizing Limited is committed to comply with all the requirements of corporate governance as required by the Bangladesh Securities and Exchange Commission (BSEC). AGL ensured highest standards in corporate good governance and strict adherence to the requirements of ethical code of conduct, through close monitoring. Through the code of ethics all levels of staff have been educated and encouraged to resort to whistle blowing, when they suspect wrong doings by other employees.

COMPLIANCE REPORT ON BSEC'S NOTIFICATION

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

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.00	Board of Directors			
	Size of the Board of Directors:			
1.1	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Director			
1.2(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors	✓		
1.2(b)(i)	Do not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2(b)(ii)	Do not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company	✓		
1.2(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1.2(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1.2(b)(v)	Independent directors are not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
1.2(b)(vi)	Independent director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		
1.2(b)(vii)	Independent director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	✓		
1.2(b)(viii)	They are not the Independent directors in more than 5 (five) listed companies	✓		
1.2(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	✓		
1.2(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1.2(c)	The independent director(s) shall be appointed by the	✓		

	Board and approved by the shareholders in the Annual General Meeting (AGM)			
1.2(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		No vacancy occurred
1.2(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. A former independent director may be considered for reappointment for another tenure after a time gap of one tenure. The independent director shall not be subject to retirement by rotation as the Companies Act, 1994.	√		
1.3	Qualification of Independent Director (ID)			
1.3(a)	independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	√		
1.3(b)	Independent director shall have following qualifications:			
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association	√		
1.3(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company	√		
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law	√		
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law	√		
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	√		
1.3(c)	The independent director have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1.3(d)	In special cases, above qualifications or experiences may be relaxed subject to prior approval of the Commission.	-		N/A
1.4	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1.4 (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1.4 (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1.4 (c)	The Chairperson of the Board shall be elected from	√		

	among the non-executive directors of the company			
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	√		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1.5	Directors report to shareholders			
1.5(i)	Industry outlook and possible future developments in the industry	√		
1.5(ii)	Segment-wise or product-wise performance	√		
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		
1.5(iv)	Discussion on cost of goods sold, gross profit margin and net profit margin	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1.5(vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments	√		
1.5(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	√		
1.5(ix)	Explanation on significant variance occurs between Quarterly Financial performance and Annual Financial Statements	√		
1.5(x)	Remuneration to directors including independent directors	√		
1.5(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5(xii)	Proper books of account of the issuer company have been maintained	√		
1.5(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1.5(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1.5(xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		

1.5(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1.5(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5(xx)	If the issuer company has not declared dividend (cash or stock) for the year	√		
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend			N/A
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1.5 (xxiii)	Report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1.5(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		
1.5(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
1.5(xxiii)(c)	Executives	√		
1.5(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)	√		
1.5(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:			
1.5(xxiv)(a)	A brief resume of the director	√		
1.5(xxiv)(b)	Nature of his or her expertise in specific functional areas	√		
1.5(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board	√		
1.5(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		
1.5(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explain to the shareholders in the next AGM	√		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to	√		

	the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A			
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	√		
1.6	Meetings of the Board of Directors			
1.6	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		
2.00	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	-		N/A
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	-		N/A
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	-		N/A
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	-		N/A
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-		N/A
3.00	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3.1	Appointment			
3.1 (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3.1 (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3.1 (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3.1 (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the	√		

	CS			
3.1 (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3.2	Requirement to attend Board of Directors' Meetings			
3.2	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3(a)	The MD or CEO and CFO shall certify to the board that they have reviewed financial statements for the year and that to the best of their knowledge and belief			
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3.3(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	√		
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee.	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5.1 (a)	The company shall have an Audit Committee as a subcommittee of the Board	√		
5.1 (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5.1 (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5.2	Constitution of the Audit Committee			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5.2 (b)	The Board shall appoint members of the Audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5.2 (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5.2 (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one)	-		No such situation arisen

	month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			
5.2 (e)	The company secretary shall act as the secretary of the Committee	√		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5.3	Chairperson of the Audit Committee			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b). And the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5.4	Meeting of the Audit Committee			
5.4 (a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5.4 (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5.5	Role of Audit Committee			
5.5 (a)	Oversee the financial reporting process;	√		
5.5 (b)	Monitor choice of accounting policies and principles	√		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5.5 (d)	Oversee hiring and performance of external auditors;	√		
5.5 (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5.5 (f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		
5.5 (g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
5.5 (h)	Review the adequacy of internal audit function	√		
5.5 (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		

5.5 (j)	Review statement of all related party transactions submitted by the management	√		
5.5 (k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5.5 (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission			N/A
5.6	Reporting of the Audit Committee			
5.6(a)	Reporting of the Board of Directors			
5.6 (a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5.6 (a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings report on conflicts of interests	√		
5.6 (a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		
5.6 (a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations	√		
5.6 (a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	√		
5.6 (b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier	√		
5.7	Reporting to the shareholders and General Investors : Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company	√		
6	Nomination and Remuneration Committee (NRC)			
6.1 (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	√		
6.1 (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6.1 (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√		

6.2	Constitution of the NRC			
6.2 (a)	The Committee shall comprise of at least three members including an independent director;	√		
6.2 (b)	All members of the Committee shall be non-executive directors;	√		
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6.2 (d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6.2 (g)	The company secretary shall act as the secretary of the Committee;	√		
6.2 (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	√		
6.3	Chairperson of the NRC			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	√		
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: in absence of chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholders queries and reason for absence of the chairperson of the NRC shall be recorded in the minutes of the AGM	√		
6.4	Meeting of the NRC			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	√		
6.4 (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		

6.5	Role of the NRC			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6.5 (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6.5(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract retain and motivate suitable directors to run the company successfully	√		
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	√		
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	√		
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		
6.5(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		
6.5(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6.5(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7.	External or Statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7.1 (i)	Appraisal or valuation services or fairness opinions;	√		
7.1 (ii)	Financial information systems design and implementation;	√		
7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7.1 (iv)	Broker-dealer services;	√		
7.1 (v)	Actuarial services;	√		
7.1 (vi)	Internal audit services or special audit services;	√		
7.1 (vii)	Any service that the Audit Committee determines;	√		
7.1 (viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1)	√		
7.1 (ix)	Any other service that creates conflict of interest.	√		
7.2	No partner or employees of the external audit firms shall possess any share of the company they audit at least	√		

	during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:			
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company.			
8.1	The company shall have an official website linked with the website of the stock exchange	√		
8.2	The company shall keep the website functional from the date of listing	√		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance.			
9.1	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		



Suraiya Parveen & Associates
Chartered Secretaries

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

**Report to the Shareholders of
Anwar Galvanizing Limited on compliance on the Corporate Governance Code**

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

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

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

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

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

Dhaka, Dated
December 20, 2018

For Suraiya Parveen & Associates
Chartered Secretaries

Suraiya Parveen, FCS
Chartered Secretary in Practice

Anwar Galvanizing Limited
Declaration by CEO and CFO

Date: October 23, 2018

The Board of Directors
Anwar Galvanizing Limited

Subject: Declaration on Financial Statements for the year ended on June 30, 2018

Dear Sirs,

Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 Dated June 3, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of **Anwar Galvanizing Limited** for the year ended on **June 30, 2018** have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that

- (i) We have reviewed the financial statements for the year ended on June 30, 2018 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-

Managing Director & CEO

Sd/-

Chief Financial Officer (CFO)

Audit Committee's Report

The Audit Committee, appointed by and responsible to the Board of Directors of Anwar Galvanizing Limited (AGL), is constituted as per the internal control framework of the Company Policy and conditions imposed by the Bangladesh Securities and Exchange Commission (BSEC). The present committee comprises of 4 (Four) members of whom two are Independent Directors. The Company Secretary functions as the Secretary of the Committee as well. All members of the committee are financially literate and able to interpret financial statements and assess the adequacy of the internal control process. A total of 4 (four) meetings were held during the year.

Role of the Committee

The Audit Committee's authorities, duties and responsibilities flow from the Board's oversight function and the terms of reference are detailed in Committee Charter approved by the Board. The major responsibilities of the Committee, among others, include:

- Review of the quarterly, half-yearly and annual financial statements as well as other financial results of the Company and, upon its satisfaction of the review, recommend them to the board for approval;
- Monitoring and reviewing the adequacy and effectiveness of the Company's financial reporting process, internal control and risk management system;
- Monitoring and reviewing the arrangements to ensure objectivity and effectiveness of the external and internal audit functions. Examine audit findings and material weaknesses in the system and monitor implementation of audit action plans;
- Recommending to the Board for appointment, re- appointment or removal of external auditors;
- Reviewing and monitoring of the Company's ethical standards and procedures to ensure compliance with the regulatory and financial reporting requirements.

During the year, the activities of the committee include, among others:

- Reviewed the quarterly and half-yearly financial statements of the Company and recommended to the Board for adoption and circulation as per the requirement of BSEC;
- Assessed the report of the external auditors on critical accounting policies, significant judgments and practices used by the Company in preparation of financial statements;
- Pinaki & Company, Chartered Accountants, the retiring auditor, have completed three consecutive years of service as a statutory auditor of the company and hence is not eligible for re-appointment in terms of BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 20th June 2018. Therefore, after due deliberations, Committee recommended Mahfel Haque & Co, Chartered Accountants, to the Board for appointment as a statutory Auditors of the Company for the next financial year ending on June 30, 2019.
- Reviewed the effectiveness of internal financial control and the internal audit procedures;
- Reviewed the recurrent related party transactions during the year under report;
- Reviewed the external auditors' findings arising from audit, particularly comments and responses of the management;
- Reviewed the matters of compliance as per requirements of the BSEC and ensured corrections, as appropriate, to remain compliant;

The Committee is of the opinion that adequate controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and the financial position of the Company is adequately managed.

On behalf of the Committee

Sd/-

Naba Gopal Banik
Independent Director & Chairman
Audit Committee
November 11, 2018

Directors' Responsibilities to Prepare Financial Statements

The law requires that the financial statements of your Company would follow International Financial Reporting Standards (IFRS) as adopted by ICAB as Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). This has been completely followed to fairly present the financial position and performance of the Company. While preparing the financial statements, the following points were considered:

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

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

In compliance with the requirements of the BSEC's Notification, the Directors are also pleased to make the following declarations in their report:

- 1) The financial statement prepared by the management of your Company fairly presents its state of affairs, the result of its operations, cash flows and changes in equity;
- 2) Proper books of accounts of your Company have been maintained;
- 3) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;
- 4) International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any discrepancies have been adequately disclosed;
- 5) The system of internal control is well structured and has been effectively implemented and monitored;
- 6) There are no significant doubts upon your Company's ability to continue as an ongoing concern basis;
- 7) Significant deviations from last year in operating results of the Company are disclosed in this report, if any;
- 8) Key operating and financial data has been summarized for the preceding five years;
- 9) Significant plans and decisions, such as corporate restructuring, business expansion and future prospects, risks and uncertainties surrounding the Company has been outlined under the related captions of this report;
- 10) The number of Board meetings held during the year and attendance of each director has been disclosed;
- 11) The pattern of shareholding has been reported in the Directors' Report.

Sd/-

Hossain Mahmood
Managing Director & CEO

The Directors' Report to Shareholders

Dear Shareholders,

The Board of Directors of Anwar Galvanizing Limited (AGL) has expressed the immense pleasure in submitting the Annual Report together with the Company's Audited Financial Statements for the year ended June 30, 2018.

The Directors' Report has been prepared in accordance with the Clause No. 5 of the Corporate Governance Code as imposed by the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 and Section-184 of The Companies Act, 1994. This report is being submitted to the members at the 24th Annual General Meeting (AGM) of the Company to be held on January 23, 2019.

Anwar Galvanizing Limited (AGL) had another successful year in 2017-2018 with revenue earnings of Tk. 368,290,713 indexing a growth of 48%. This achievement was feasible as a result of synchronized efforts from different functions working as a team who were lead by AGI management.

The Declaration by CEO and CFO (**Annexure-A**) has affirmed the Company's affairs as well as illustrate deliberation to the important events those occurred throughout the year. These reports outline an essential part of the Directors' Report.

An Industry Outlook and Possible Future Developments in the Industry

AGL has a well equipped workshop with necessary plant and machinery to produce its core products GI Fittings and world class Brake Drum. In order to keep the competitive edge through technological changes and to ensure sustainable growth, the plants have been being reinforced through introduction of modern machinery. Though we have suffered from shortage of gas supply all through the year the management team succeeded to ensure the growth of production and revenue. Another challenge for this industry is to maintain adequate supply of skilled human resource as there is no other similar plant in the country in terms of technology used and the nature of production functions. Management was very dynamic on both counts and is capable of handling both the matters effectively and efficiently.

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

The Segment-wise or Product-wise Performance

From July 01, 2017 to June 30, 2018, revenue of the Company reached at Tk. 368,290,713 which was improved by 48 % compared to the past year's revenue of Tk. 249,107,204. Net Profit after Tax for the year was Tk. 18,023,780 which was increased by 20% over the previous year. AGL is now positioned to realize benefits from enhanced capacity, wide retail presence, strong brand image along with smooth sales service and we are confident to attain new heights in 2018.

Procurement Information

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

Product Information

The GI fittings products have been classified as plain elbow, plain tee, plain socket, union, reducer elbow, reducer tee, reducer socket, plain cross, way elbow, hex nipple, bend, plug and so on. It produces fittings of different sizes as required by our customers in conformity with the international quality standards. Moreover, AGL is the major local manufacturer of GI fittings have more than 1000 wholesalers spread over almost all districts across the country. The Company is also involved in manufacturing and marketing world class Brake Drums.

Risk and Concern

Anwar Galvanizing Limited (AGL) is facing gas crisis almost on daily basis and hence the Company often needs to use furnace oil to run the production which is very expensive. On the other hand, it is a labor intensive industry cost of which is escalating gradually. The manufacturer of GI fittings and Brake Drum, like any other business industry, is exposed financial risks implanted during business transactions.

The management is well aware of the associated risks and actively responsive to the issues and passionately tries to follow the standard procedures for identification and evaluation of the risks and to take preventive measures in order to mitigate the risk factors. Depending on the nature of the risk, strategic decisions are taken to eliminate or mitigate the impact of the risks.

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

Note-16 of the financial statements contains details of the Cost of Goods Sold (COGS). COGS for the year ended June 30, 2018 was Tk. 317,361,710 higher than last year by 48.67% which is closely consistent with the growth of sales. The potential average cost reduction and profit potentials due to increase in volume was set off by the increase in material and labor costs and provision for impairment loss against old and unusable assets.

The financial statements show the Gross Profit (GP) of Tk. 50,929,003 which is higher by 42.84% over last year when it was Tk. 35,653,495. Consequently, the Net Profit (NP) also shows an escalating figure of Tk. 17,870,395 where as it Tk. 15,276,154 in 2017 was resulting in an increase by 17%.

Extra-Ordinary Gain or Loss

During 2018, no event either an extra-ordinary gain or loss occurred which might require any adjustments or disclosure in the financial statements except that a provision has been made for the impairment loss of assets against the old and unusable assets reclassified as held for sale in year 2017-18 as has been disclosed in Note-4 and Note-16.04.

Related Party Transactions

The Related party transactions of AGL are carried out on an arm's length basis and the Audit Committee during reviewing the financial statements with periodically carried out in-depth analysis of the transactions among the related parties. The Company purchases raw materials from Anwar Ispat Ltd at its landed cost. This is due to enjoy the benefit from economies of scale jointly with Anwar Ispat Ltd. The financial statements contains details of the transactions with the related parties in Note-25.

Utilization of Proceeds from Public Issue

Initial Public Offering (IPO) of Anwar Galvanizing Limited was made in 1996 and the fund raised thereby has already been utilized as reported to the regulators. No further issue of any instrument was made during the year.

Financial Result after IPO

No IPO or Right issue was made during the year.

Significant Variance between Quarterly Financial Performance and Annual Financial Statements

During the year 2017-2018, there was no significant variance occurred between Quarterly Financial Performances and the performance reported in Annual Financial Statements.

Remuneration to Directors

From July 01, 2017 to June 30, 2018, no remuneration was paid to the Directors of the Board for their services to the Company. There were nine Directors including two Independent Directors in the Company served during the year. Details information is included in Note-26 (b) to the Financial Statements.

Statement of Directors on Financial Reports for the year ended June 30, 2018

Directors are delighted to convey the report by complying as under:

- ✚ The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules, 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- ✚ Proper books of accounts of the Company have been maintained.
- ✚ Appropriate accounting policies have been consistently applied in the preparation of the financial statements.
- ✚ Bangladesh Financial Reporting Standards (BFRSs), as applicable in Bangladesh, have been followed in the preparation of the financial statements.
- ✚ Internal Control System is sound in design and has been effectively implemented and monitored.
- ✚ There is no significant doubt about the ability of the Company to continue as a going concern.

Compliance of proper books of account and appropriate accounting policies in preparation of the financial statements

The Board has reviewed the Financial Statements for the period July 01, 2017 to June 30, 2018 and to the best of their knowledge and belief:

- The Financial Statements present a true and fair view of the affairs of the Company and are in compliance with existing accounting standards and applicable laws.
- There is no statement which is materially untrue or misleading and there is no omission of facts in such statements.
- No transaction has been entered into by the Company which are fraudulent, illegal or in violation of the Company's code of conduct.

Significant Variance over the Last Year's Operating Result

We are pleased to report to the shareholders that the significant variations from last year in the operating results of the Company have been highlighted in the report and reasons thereof have been explained earlier. Below is the summary:

Particulars	30-Jun-18	30-Jun-17	Variance (%)
Revenue (Turnover)	368,290,713	249,107,204	47.84
Gross Profit	50,929,003	35,653,495	42.84
Operating Profit	28,075,501	21,546,733	30.30
Profit Before Tax	26,696,790	20,127,631	32.64
Profit After Tax	17,870,395	15,276,154	16.98

Five Year's Financial Highlights

The operating and financial statistics of the Company for the last 5 (Five) years as under –

Particulars	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014
Revenue	368,290,713	249,107,204	182,258,220	144,870,700	133,703,746
Cost of Goods sold	317,361,710	213,453,709	159,214,978	122,645,354	118,433,754
Gross Profit	50,929,003	35,653,493	23,043,242	22,225,346	15,269,993
Profit before tax	26,696,790	20,127,629	11,538,009	12,900,167	8,949,507
Profit After Tax	17,870,395	15,276,154	9,605,186	8,385,108	6,537,736

Declaration of Dividend

- ❖ The Board of Directors of the Company at its 149th meeting held on Sunday dated October 28, 2018 proposed 10% Cash Dividend for all eligible shareholders for the year ended June 30, 2018 for onward approval in the 24th Annual General Meeting (AGM) of the Company which is going to be held on Wednesday dated January 23, 2019.
- ❖ No bonus share or stock dividend has been declared as interim dividend during the financial year 2017-2018.

Board Meetings Held During the Year and Attendance by Each Director

During the year, the Board of Directors met 8 (Eight) times. Audit Committee met 4 (Four) times. The Board

granted leave of absence to the members who are unable to attend the meetings as per laws. The attendance record of the Directors is shown as under.

Sl.	Name of Directors	Meeting Attended
1	Mr. Manwar Hossain	8
2	Mr. Hossain Mehmood	8
3	Mr. Hossain Khaled	8
4	Mrs. Bibi Amena	8
5	Mrs. Shaheena Begum	5
6	Mrs. Hasina Begum	4
7	Mr. Tareq Hossain	3
8	Mr. Mafizuddin Sarker (Independent Director)	-
9	Mr. Naba Gopal Binik (Independent Director)	8

Pattern of Shareholding

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

- (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:

Name of the Shareholder	No. of Shares held
Anwar Steel mills Ltd., Sponsor	1,100,000
Mr. Anwar Hossain, Sponsor	2,750
Mrs. Shaheena Begum, Directors	189,750
Mrs. Hasina Begum, Directors	192,500
Mr. Manwar Hossain, Chairman	825,000
Mr. Hossain Mehmood, Managing Directors	825,000
Mr. Hossain Khaled, Directors	825,000
Mrs. Bibi Amena, Directors	715,000
Mrs. Shahnaz Begum, Sponsor	192,500
Mrs. Selina Begum, Sponsor	192,500
Chief Financial Officer	-
Head of Internal Audit	-
Company Secretary	-
Spouses and minor children of above	-

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

Distribution of Shareholdings

All shares have been fully called and paid-up. There was no preference share issued by the Company. The distribution schedule of each class of equity security and percentage as on June 30, 2018 is as under:

Share Holdings Range	Number of Shareholders	No. of Shares	Percentage (%)
1-20	298	2,232	0.015
21-49	98	3169	0.022
50-50	71	3,550	0.024
51-200	582	75,732	0.522
201-500	896	377,776	2.602
501-1000	824	659,451	4.542
1001-5000	1,032	2,410,772	16.603
5001-10000	194	1,422,474	9.797
10001-25000	125	1,893,754	13.042
25001-50000	19	735,814	5.068
50001-999999999	20	6,932,276	47.764
Total	4,159	14,52,00,000	100.00

Appointment or Re-appointment of a Director

Mr. Manwar Hossain and Mr. Hossain Mehmood, Directors of the Company retire by rotation as per Articles 114 and 117 of the Articles of Association of the Company and being eligible, offer themselves for re-election. The Board of Directors recommended their re-appointment.

Brief resumes of Mr. Manwar Hossain and Mr. Hossain Mehmood are as under-

Mr. Manwar Hossain son of Country's renowned Business philanthropy Mr. Anwar Hossain. He is the Director and Chairman of Anwar Galvanizing Limited. He is Director of a numerous Companies of Anwar Group of Industries and Mr. Manwar is the Managing Director of Anwar Ispat Ltd., Anwar Cement Limited, Anwar Cement Sheet Limited, A-One Polymer Limited and so on. Mr. Hossain did his MBA from the University of New Hampshire. He is also the former Director and Vice Chairman of the City Bank Limited. He is associated with different social and trade bodies makes him amongst the most recognized Business personalities of the new generation.

Mr. Hossain Mehmood is an industrial entrepreneur and has been in the business for a long period and successfully set up and executed a good number of industrial undertakings. Currently, he is the Managing Director and CEO of Anwar Galvanizing Limited. He is Director of a number of Companies of Anwar Group of Industries and Mr. Mehmood is the Managing Director of Hossain Dyeing & Printing Mills Limited, Mehmud Industries (Pvt.) Limited and Anwar Silk Mills Limited. Mr. Mehmood is the representative Director of A-One Polymer Ltd. in the Board of the City Bank Ltd. and immediate past Vice Chairman as well as a member of the Executive Committee of the Board of Directors of the of the bank. He served on the Board at Bangladesh Terry Towel Manufacturers & Exporters Association and Bangladesh Textile Mills Association (BTMA). Mr. Mehmood born in a reputed Muslim family. He received his Associate degree in Textile Engineering and Management from the University of New Hampshire, USA.

Auditors' Appointment

The existing Auditors, M/S Pinaki & Company, Chartered Accountants who were completed their 3 (Three) years term as a Statutory and External Auditor of the Company and have carried out the audit for the year ended June 30, 2018.

Mahfel Huq & Co., Chartered Accountants has expressed their willingness to hold in office of the Statutory Auditor of the Company for the year 2018-2019. The Board after due consideration of the proposal made by the Audit Committee recommends for appointment of Mahfel Huq & Co., Chartered Accountants as auditors for the year 2018-2019 subject to the approval in the 24th AGM which is going to be held on Wednesday dated January 23, 2019.

Bangladesh Socio-economic Environment

Bangladesh has undergone major socio economic development in last few years especially in rapid expansion of information technology, construction sector and manufacturing sector. These transformations have boosted Bangladesh from a 'low-income-country' to a 'lower-middle-income-country'. Bangladesh has now become home to one of the fastest growing economies in the world.

The World Bank, in its latest 'Bangladesh Development Update: Powering the Economy Efficiently' report, has forecasted a seven percent growth for the 2018-2019 fiscal year, building on the 7.86 percent expansion seen in the previous period.

The global economy is expanding and expected to expand at a lesser pace than earlier. The projected economic growth for the year 2018-19 is 3.9%.

Corporate Governance Compliance Report

In accordance with the requirements of the Bangladesh Securities and Exchange Commission notification, a Report on Corporate Governance Compliance has been presented in the Annual Report in the Page No. 10 Suraiya Parveen & Associates, Chartered Secretaries in Practice has issued the certificate on Compliance of the Corporate Governance Code.

Conclusion

The AGL family wishes to express its sincere appreciation to all employees for their contribution and at the same time, thanks to all the stakeholders for their continued support.

On behalf the Board,

Sd/-

Chairman

Dhaka: Dhaka
October 28, 2018

Sd/-

Company Secretary

Management's Discussion and Analysis

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

Accounting policies and estimation:

We have applied accounting policies consistently to all periods presented while preparing the financial statements. We have applied Bangladesh Financial Reporting Standards (BFRS) to transactions, other events or conditions to their full extent as applicable.

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

Changes in accounting policies and estimation:

We usually change an accounting policy only when the change is required by a BFRS or results in the financial statements providing more reliable and relevant information about the effect of transactions, other events or conditions on the financial position, financial performance or cash flows.

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

Analyses of financial performance of the Company are as follows:

- 1) Revenue has increased over the years since 2014 by 175% and on average by 35% each year and stood at Tk. 368,290,713 for the year ended 30 June 2018;
- 2) Net profit before tax of the Company has also increased over the years since 2013 by 198% and on average by 40% each year and stood at Tk. 26,696,791 for the year ended 30 June 2018;
- 3) Total assets of the Company has also increased over the years since 2013 by 9% and on average by 2% each year and stood at Tk. 89,399,729 for the year ended 30 June 2018;
- 4) The Company declared 10% stock dividend in last year. Cash and cash equivalent stood at Tk. 34,349,782 and the Board has proposed 10% cash dividend for this year as well;
- 5) Earnings per share (EPS) has also increased over the years since 2014 by 148 % and on average by 30 % each year and stood at Tk.1.24 per share for the year ended 30 June 2018;
- 6) Net asset value (NAV) per share has also increased over the years since 2013 by 15 % and on average by 3 % each year and stood at Tk. 9.34 per share for the year ended 30 June 2018;

Comparative analysis of financial performance and financial position as well as cash flows with peer industry scenario:

The AGL is the only local manufacturer in Bangladesh and by producing 2445 MT GI fittings. During the year, the assets base of the Company is of Tk. 89,399,729, the revenue of the Company is of Tk. 368,290,713, Net

Operating cash Flows of the Company is Tk 37,207,758 and the net profit, attributable to the shareholders, of the Company is of Tk. 17,870,395.

Financial and economic scenario of the country and the world

As stated in the Directors' Report, the global economy is expanding and expected to expand further at a lesser pace than earlier. The projected economic growth for the year 2018-19 is 3.9%.

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

Risks and concerns issues related to the financial statements:

Within the context of changes in global economy and financial market including the expansion of emerging markets, the financial and economic practices have shifted in a radical pace. The risks and concerns issues related to Company's financial statements are as following:

- i. Recognition and presentation of property, plant & equipment including classification of spare parts are now a days very challenging job to reflect the effect reliably;
- ii. The revenues 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 replaced by IFRS- 15 "Contract with Customers & Others"; and
- iii. Identification and recognition of deferred tax issue on property, plant & equipment is now a days challenging due to its effect in the financial statements correctly and reliably;

To mitigate the above risk concerns and challenges, the Company has a well set of internal control system including the Internal Audit team under the guidance of Audit Committee and under the direct consultation with competent external auditors.

Talented pool of employees are well aware of the risk concerns and they are nominated for training and workshop program for skill development in the challenging areas so that they can identify, measure, recognize and condition relevantly and reliably.

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

The Company has installed the latest technology in casting "Induction Furnace" to double capacity of the plant and at the same time Induction Furnace technology will allow re-use of wastage. The Existing Melting capacity of the plant is 2,445 MT/year

Sd/-

Hossain Mahmood
Managing Director & CEO



Contribution to the National Exchequer & the Economy

In the development of industrialization, ZI fittings have no alternative. This addition has contributed notably in enhancing building construction and providing job opportunities throughout the country. As a shareholder you can be proud of your Company's contribution to Bangladesh. The Company is now set to increase and enhance its contribution to national economy in the years to come.

The Company has contributed a significant amount to the national exchequer in the form of different duties, taxes and VAT at different operation level activities.





AUDITORS' REPORT TO THE SHAREHOLDERS OF ANWAR GALVANIZING LIMITED

We have audited the accompanying financial statements of **Anwar Galvanizing Limited** which comprises the Statement of Financial Position as at June 30, 2018 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 International Financial Reporting Standards (IFRS), 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 the International Standards on Auditing (ISA) applicable in Bangladesh ensuring the provisions of the (কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনে ১৮নং আইন)) (Companies Act, 1994), the Financial Reporting Act, 2015, Securities laws and other relevant laws. Those standards require that we comply with the provisions or professionalisms or practices or ethical requirements of the International Standards on Auditing (ISA), system of quality control requirement under the International Standard on Quality Control (ISQC), the code of Ethics for Professional Accountants and other relevant standards and pronouncements as applicable in Bangladesh. We also 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 International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations give a true and fair view of the state of the company's affairs as at 30 June 2018 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 process needs 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: 28 October 2018

Pinaki & Company
Chartered Accountants

ANWAR GALVANIZING LIMITED
STATEMENT OF FINANCIAL POSITION

as on 30 June 2018

Particulars	Notes	30 June 2018	30 June 2017
		Taka	Taka
ASSETS			
NON CURRENT ASSETS		89,399,729	139,372,329
Property, Plant and Equipments	3.00	89,399,729	139,372,329
CURRENT ASSETS		249,572,656	162,839,306
Assets Reclassified as Held for Sale	4.00	52,280,217	-
Inventories	5.00	138,128,715	111,860,151
Trade Receivables	6.00	10,175,087	8,040,183
Advance, Deposits and Pre-Payments	7.00	13,315,562	31,268,562
Short Term Investment	8.00	1,323,293	1,476,678
Cash and Cash Equivalents	9.00	34,349,782	10,193,732
TOTAL ASSETS		338,972,385	302,211,635
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY		135,650,975	117,780,579
Share Capital	10.00	145,200,000	132,000,000
Retained Earnings	11.00	(43,606,728)	(48,277,124)
Tax Holiday Reserve	12.00	34,057,703	34,057,703
NON CURRENT LIABILITIES		10,409,064	7,321,711
Deferred Tax Liability		10,409,064	7,321,711
CURRENT LIABILITIES AND PROVISION		192,912,346	177,109,345
Creditors and Accruals	13.00	191,186,822	177,102,601
Liabilities for Other Finance	14.00	1,725,524	6,744
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		338,972,385	302,211,635
NET ASSETS VALUE PER SHARE	20.00	9.34	8.92

The Financial Statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sd/-	Sd/-	Sd/-
Company Secretary	Director	Managing Director

AUDITOR'S REPORT TO THE SHAREHOLDERS:

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

Dated : 28 October 2018

Pinaki & Company
Chartered Accountants

ANWAR GALVANIZING LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2018

Particulars	Notes	July'17 To June' 18	July'16 To June'17
		Taka	Taka
Revenue	15.00	368,290,713	249,107,204
Cost of Goods Sold	16.00	(317,361,710)	(213,453,709)
Gross Profit		50,929,003	35,653,495
Operating Expenses		(22,853,502)	(14,106,762)
Administrative Expenses	17.00	(11,792,217)	(8,263,478)
Selling and Distribution Expenses	18.00	(11,061,285)	(5,843,284)
Operating Profit		28,075,501	21,546,733
		(43,871)	(412,720)
Financial Expenses	19.00	(517,653)	(847,161)
Non-Operating Income		473,783	434,441
Profit Before Distribution of WPPF		28,031,630	21,134,013
Contribution to WPPF		(1,334,840)	(1,006,382)
Profit Before Tax		26,696,790	20,127,631
Income Tax expense		(8,673,011)	(5,077,510)
Current		(5,585,658)	(2,492,963)
Deferred		(3,087,353)	(2,584,547)
Net Profit After Tax		18,023,780	15,050,121
Other Comprehensive Income			
Unrealized Gain/(loss) on Marketable Securities		(153,385)	226,033
Total Comprehensive Income for the Year		17,870,395	15,276,154
Basic Earning Per Share	21.00	1.24	1.14
Restated Earning Per Share		1.24	1.04

The Financial Statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sd/-	Sd/-	Sd/-
Company Secretary	Director	Managing Director

AUDITOR'S REPORT TO THE SHAREHOLDERS:

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

Dated : 28 October 2018

Pinaki & Company
Chartered Accountants

Anwar Galvanizing Limited
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2018

Amount in Taka				
Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
Balance as on 01 July 2017	132,000,000	34,057,703	(48,277,124)	117,780,579
Net Profit (After Tax and Reserve)	-	-	18,023,780	18,023,780
Unrealized Gain/ (Loss)	-	-	(153,385)	(153,385)
Dividend (Stock)	13,200,000	-	(13,200,000)	-
Balance as on 30 June 2018	145,200,000	34,057,703	(43,606,729)	135,650,974

for the year ended 30 June 2017

Amount in Taka				
Particulars	Share Capital	Tax Holiday Reserve	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 (After Tax and Reserve)	-	-	15,050,119	15,050,119
Unrealized Gain/ (Loss)	-	-	226,033	226,033
Dividend (Cash)	-	-	(8,600,000)	(8,600,000)
Balance as on 30 June 2017	132,000,000	34,057,703	(48,277,124)	117,780,579

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

The Financial Statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

AUDITOR'S REPORT TO THE SHAREHOLDERS:

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

Dated : 28 October 2018

ANWAR GALVANIZING LIMITED
STATEMENT OF CASH FLOWS

for the year ended 30 June 2018

Particular	Notes	July 2017 To June 2018	July 2016 To June 2017
		Taka	Taka
CASH FLOWS FROM OPERATING ACTIVITIES			
Collection from Customers and Others	22.00	382,749,631	255,251,528
Payment for Expenses	23.00	(340,509,966)	(215,700,611)
Income Tax Paid		(5,031,907)	(6,119,008)
Interest Paid		-	(847,161)
Net Cash Inflow/(Outflow) from Operating Activities		37,207,758	32,584,748
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Purchase of Fixed Assets		(14,665,458)	(24,731,538)
Net Cash Inflow/(Outflow) from Investing Activities		(14,665,458)	(24,731,538)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend Paid		(111,775)	(7,051,735)
Loan Repaid to NBL securities		-	(921,667)
Loan Received from Inter Company		1,725,525	-
Net Cash Inflow/(Outflow) from Financing Activities		1,613,750	(7,973,402)
Net Increase in Cash and Cash Equivalents		24,156,050	(120,192)
Cash and Cash Equivalents at the Beginning of the Year		10,193,732	10,313,924
Cash and Cash Equivalents at the Year End		34,349,782	10,193,732
OPERATING CASH FLOW PER SHARE	24.00	2.56	2.47

The Financial Statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sd/-

Company Secretary

Sd/-

Director

Sd/-

Managing Director

AUDITOR'S REPORT TO THE SHAREHOLDERS:

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

Dated : 28 October 2018

Anwar Galvanizing Ltd.**Notes to the Financial Statement**
as on 30 June 2018**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 IASs of Anwar Galvanizing Limited being a going concern.

2. Significant Accounting Policies**2.1 IASs of Accounting:**

The Financial statements have been prepared in accordance with International Accounting Standards (IAS) under the historical cost convention.

2.2 Tangible Assets:

Tangible assets are stated at original cost / revalued amount less accumulated depreciation.

2.3 Depreciation:

Depreciation has been charged during the year on Fixed Assets under reducing balance method. Depreciation on additions during the year has been 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 IAS-16 "Property, Plant and Equipment". Cost represents cost of acquisition/ construction and installation.

(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 IAS-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 IAS-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. IAS 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provisions of IAS-7 and IAS-1 cash in hand and bank balances have been considered as cash and cash equivalents.

Anwar Galvanizing Ltd.**Notes to the Financial Statement**
as on 30 June 2018

- (d) **Creditors and Accrued Expenses:**
Liabilities are recognized for amounts to be paid in the future for goods and services received.
- (e) **Taxation:**
- i. **Current Year:**
During the year, provision for income tax has been calculated 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 2017-18 (Income Years 2006-07 to 2016-17) to the Tax Authority availing facility u/s 82 BB of the I.T. Ordinance, 1984. The returns so submitted to the Tax Authority are deemed to have been accepted by the Tax Authority as per Section 82 BB. There is no further tax liability in respect of these assessment years except for assessment year 2009-10 and 2014 -15 for which revised assessments have been completed and necessary provisions have been made.

The company has preferred an appeal to the High Court Division of the Honorable Supreme Court of Bangladesh in respect of assessment year 2002-2003 against which Court award is still pending. The management, in consultation with the tax consultant is expecting that no liability will be aroused.
- (f) **Turnover:**
Turnover comprises sales of the company excluding VAT.
- (g) **Revenue Recognition:**
The revenues 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 replaced by IFRS- 15 "Contract with Customers & Others".
- (h) **Statement of Cash Flows:**
The Statement of Cash Flows has been prepared in accordance with IAS 7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method as prescribed by the Security and Exchange Rules 1987 and considering the provision of Paragraph 19 of IAS 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 on 30th June 2018.
 - ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2018.
 - iii) Statement of Cash Flows for the year ended 30th June 2018.
 - iv) Statement of Changes in Equity for the year ended 30th June 2018.
 - v) Accounting Policies and Explanatory Notes.
- (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.

Anwar Galvanizing Ltd.
Notes to the Financial Statement
as on 30 June 2018

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

The financial statements have been prepared in compliance with requirements of the IFRS/BFRS.

(l) Reporting Period:

Financial Statements of the company cover one financial year from 1st July 2017 to 30th June 2018.

(m) Reporting Currency and Level Precision:

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

(n) The Net Asset Value (NAV)

	<u>2018</u>	<u>2017</u>
Net Asset Value (NAV)	9.34	8.92

(o) Comparative Information:

Comparative information have been disclosed 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 2016-17 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 International Accounting Standards, as adopted in Bangladesh.

(p) Proposed Dividend

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

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

(q) Related Party Transaction

As per IAS-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. Information on related parties transactions have been disclosed in note 25.

Anwar Galvanizing Limited
Notes to the Financial Statement

for the year ended 30 June 2018

Note No.	Particulars	Notes	30 June 2018	30 June 2017
			Taka	Taka
03.00	PROPERTY, PLANT AND EQUIPMENT			
	A. Cost			
	Opening balance as on 01 July 2017		243,758,057	213,962,771
	Addition during the year		14,665,458	29,795,286
	Disposal during the year		(530,000)	-
	Assets reclassified as held for sale		(136,307,706)	-
	Total cost as on 30 June 2018		121,585,809	243,758,057
	B. Accumulated Depreciation :			
	Opening balance as on 01 July 2017		104,385,728	97,381,256
	Depreciation during the year		7,452,000	7,004,472
	Depreciation on disposal of assets during the year		(212,016)	-
	Depreciation on assets reclassified as held for sale		(79,439,632)	-
	Total depreciation as on 30 June 2018		32,186,080	104,385,728
	Written down value as on 30 June 2018 (A-B)		89,399,729	139,372,329
04.00	ASSETS RECLASSIFIED AS HELD FOR SALES			
	Total cost as on 30 June 2018		136,307,706	-
	Less. Accumulated depreciation :		79,439,632	-
			56,868,074	-
	Less. Impairment loss		4,587,857	-
	Written down value as on 30 June 2018		52,280,217	-
	There are Plant and Machinery kept unused for long time and have become obsolete and unusable. As such management has decided to sell the obsolete item as scrap metals and use the fund for futherance of business. Assessment has been done to determine the fair value (NRV) of the items and necessary provisions have been made as per guidelines of IFRS 5.			
05.00	INVENTORIES			
	Raw materials	5.01	6,644,492	5,924,950
	Auxiliary materials	5.02	5,616,796	4,603,614
	Spare parts and other materials	5.03	31,444,070	43,386,944
	Finished goods	5.04	49,675,758	29,022,505
	Work -in-process	5.05	44,747,599	28,922,138
			138,128,715	111,860,151
05.01	Raw Materials			
	Pig iron		1,460,670	4,919,987
	CI scrap		2,703,062	415,712
	MS scrap		2,480,760	589,251
			6,644,492	5,924,950
05.02	Auxiliary Materials			
	Hydrochloric acid		7,560	2,431
	Molases		402,187	400,046
	Telcom powder		28,920	17,982
	Quartz powder		91,001	29,676
	Grafide powder		47,600	57,000
	Shots		232,762	500,654
	Aluminium ingot		54,208	6,705
	Silica powder		5,365	3,753
	Ball clay		45,230	3,400
	Bruss		9,914	49,017

Anwar Galvanizing Limited
Notes to the Financial Statement
for the year ended 30 June 2018

Note No.	Particulars	Notes	30 June 2018	30 June 2017
			Taka	Taka
	Binder core		250	250
	Coal dust		18,720	47,880
	Fire clay		16,900	7,350
	Hard cook		75,480	43,860
	Resin sand for core		3,000	3,000
	Silicon manganese		611	610
	Boric acid		12,000	2,430
	Castable cement G-1850		3,125	15,125
	Sodium silicate gum		12,341	10,400
	Sponge iron		18,100	-
	CPC		773,608	397,974
	Ferro silicon		1,085,320	605,850
	Zinc ingot		2,672,595	2,398,221
			5,616,796	4,603,614
05.03	Spare parts and other materials			
	Spare parts and other materials		31,444,070	43,386,944
			31,444,070	43,386,944
05.04	Finished Goods			
	Finished goods		49,675,758	29,022,505
			49,675,758	29,022,505
05.05	Work -in-Process			
	Casting		9,195,233	6,422,607
	Annealing		17,856,891	12,652,553
	Galvanizing		3,075,726	1,530,062
	Threading		13,364,688	7,551,880
	Packing		1,255,060	765,036
			44,747,599	28,922,138
06.00	TRADE RECEIVABLES			
	Receivable from dealers		13,046,585	8,040,183
	Provision for bad debt		(2,871,498)	-
			10,175,087	8,040,183
07.00	ADVANCE, DEPOSITS AND PRE-PAYMENTS			
	Advances	7.01	9,078,010	27,031,010
	Security deposits	7.02	4,237,552	4,237,552
			13,315,562	31,268,562
07.01	Advances			
	Advance against suppliers		3,227,533	3,463,737
	Advance against employees		162,096	933,500
	Advance against others		546,637	1,361,469
	Advance to NBL Securities Ltd		35,648	-
	VAT Current Account		3,106,095	3,941,627
	Advance income tax		2,000,000	17,330,677
			9,078,010	27,031,010
07.02	Security Deposit			
	Security deposit -CDBL		300,000	300,000
	Security deposit-electricity		3,333,965	3,333,965
	Security deposit-gas		561,587	561,587
	Security deposit- metre		42,000	42,000
			4,237,552	4,237,552

Anwar Galvanizing Limited
Notes to the Financial Statement

for the year ended 30 June 2018

Note No.	Particulars	Notes	30 June 2018	30 June 2017
			Taka	Taka
08.00 SHORT TERM INVESTMENT				
SL. No.	Name of Company	No. of Share	Cost Price	Market Price
01.	Jamuna Oil Limited	3,932	702,800	731,745
02.	M.I. Cement Factory Limited	5,500	652,600	446,050
03.	Sumit Power Limited	3,839	208,925	145,498
			1,564,325	1,323,293
09.00 CASH AND CASH EQUIVALENT				
Cash at banks		9.01	31,609,204	9,468,322
Cash in hand		9.02	2,740,578	725,410
			34,349,782	10,193,732
09.01 Cash at Banks				
AB Bank Limited			4,199	862,659
Al-Arafah Islami Bank Limited			150,823	-
Bangladesh Commerce Bank Limited			18,500	19,650
Brac Bank Limited			1,418,612	-
Dutch Bangla Bank Limited			1,245,198	116,041
First Security Islami Bank Limited			2,169,503	779,716
Islami Bank Limited			904,423	-
Mutual Trust Bank Limited			75,248	-
NRB Commercial Bank Limited			2,305	2,305
Pubali Bank Limited			151,556	-
South Bangla Agricultural and Commercial Bank Limited			213	274,903
Shahjalal Islami Bank Limited			357,974	-
Standard Bank Limited			93,398	-
The City Bank Limited, F.Ex. Branch			23,399,926	6,893,076
The City Bank Limited, Motijheel Branch			934,487	88,219
The City Bank Limited, Principal Branch			74,033	431,754
United Commercial Bank Limited			501,159	-
Uttara Bank Limited			107,648	-
			31,609,204	9,468,322
09.02 Cash in Hand				
Cash in head office			124,372	33,400
Cash in factory office			2,616,206	692,010
			2,740,578	725,410
10.00 SHARE CAPITAL				
Authorised Capital				
2,00,00,000 Ordinary Shares of Tk. 10 Each			200,000,000	200,000,000
			200,000,000	200,000,000
Issued, Subscribed, and Paid-up-Capital:				
13,200,000 Ordinary Shares of Tk.10 each			132,000,000	132,000,000
1,320,000 Bonus Shares of Tk.10 each			13,200,000	-
			145,200,000	132,000,000

Anwar Galvanizing Limited
Notes to the Financial Statement

for the year ended 30 June 2018

Note No.	Particulars	Notes	30 June 2018	30 June 2017
			Taka	Taka
11.00	RETAINED EARNINGS			
	Profit brought forward		(48,277,124)	(54,922,647)
	Less: Prior year adjustment		-	(30,629)
	Adjusted opening balance		(48,277,124)	(54,953,276)
	Net profit during the year		18,023,780	15,050,119
	Add: Gain/(loss) on marketable securities (Unrealized)		(153,385)	226,033
	Less : Stock / cash dividend		(13,200,000)	(8,600,000)
	Balance carried forward		(43,606,728)	(48,277,124)
12.00	TAX HOLIDAY RESERVE			
	Year			
	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
13.00	CREDITORS AND ACCRUALS			
	Income tax payable		6,860,416	6,918,263
	Advance received from customers		19,368,465	5,970,716
	Liabilities for expenses	13.01	21,182,530	15,687,815
	Liabilities for goods supply		143,775,411	148,525,807
			191,186,822	177,102,601
13.01	Liabilities for Expenses			
	Unpaid dividend		8,106,354	8,265,105
	Liabilities for salaries, wages and others		13,076,176	7,422,710
			21,182,530	15,687,815
14.00	Liabilities for Other Finance			
	Loan against trust receipts (LTR)		1,725,524	-
	Loan from NBL securities		-	6,744
			1,725,524	6,744
Note No.	Particulars	Notes	July 2017 To June 2018	July 2016 To June 2017
			Taka	Taka
15.00	REVENUE			
	Sales: GI Fittings		325,638,545	216,831,016
	Sales: Brake Drum		33,563,553	23,520,611
	Sales: Others		9,088,614	8,755,577
			368,290,713	249,107,204
16.00	COST OF GOODS SOLD			
	Raw materials consumption	16.01	84,175,300	45,250,431
	Auxiliary materials consumption	16.02	78,598,200	46,886,100
	Spare parts and other material consumption	16.03	48,711,840	21,982,004
	Total materials consumption		211,485,340	114,118,534
	Factory overheads	16.04	142,355,084	98,543,872
	Opening stock of work -in-process		28,922,138	48,476,278
	Closing stock of work -in-process		(44,747,599)	(28,922,138)
	Cost of production		338,014,963	232,216,547
	Opening stock of finished goods		29,022,505	10,259,669
	Closing stock of finished goods		(49,675,758)	(29,022,505)
	Cost of goods sold		317,361,710	213,453,709

Anwar Galvanizing Limited
Notes to the Financial Statement

for the year ended 30 June 2018

Note No.	Particulars	Notes	July 2017 To June 2018	July 2016 To June 2017
			Taka	Taka
16.01	Raw materials consumption			
	Opening stock		5,924,950	13,387,474
	Add: Purchase		84,894,842	37,787,907
			90,819,792	51,175,381
	Less: Closing stock		6,644,492	5,924,950
			84,175,300	45,250,431
16.02	Auxiliary materials consumption			
	Opening stock		4,603,614	2,816,235
	Add: Purchase		79,611,382	48,673,479
			84,214,996	51,489,714
	Less: Closing stock		5,616,796	4,603,614
			78,598,200	46,886,100
16.03	Spare parts and other material consumption			
	Opening Stock		43,386,944	22,441,808
	Add: Purchase		36,768,966	42,927,140
			80,155,910	65,368,948
	Less: Closing stock		(31,444,070)	(43,386,944)
			48,711,840	21,982,004
16.04	Factory Overhead			
	Salary, wages and allowances		81,053,638	60,313,008
	Power cost		43,877,521	27,644,046
	Repair and maintenance		2,464,227	1,913,129
	Food expense		1,718,154	815,854
	Business development expense		588,357	667,382
	Cleaning expense		40,700	47,500
	Workers quarter rent		412,000	-
	Telephone and mobile		102,400	98,800
	Travelling and conveyance		30,393	104,720
	Depreciation		6,855,840	6,444,114
	Impairment loss of assets	4.00	4,587,857	-
	Carriage inward		623,997	495,319
			142,355,084	98,543,872
17.00	ADMINISTRATIVE EXPENSE			
	Salary and allowance		4,604,640	5,430,451
	Licence, registration, consultancy and renewal fees		1,333,266	318,207
	Audit fees		123,500	123,500
	Utility expenses		537,306	512,046
	Telephone and mobile		37,517	33,110
	Business development expenses		710,870	491,109
	IT expenses		73,862	6,950
	Postage and courier expenses		22,313	90,528
	Printing, stationary and photocopy		193,126	380,297
	Car repair and maintenance		565,312	282,256
	Travelling and conveyance		122,846	34,666
	Provision for bad debt		2,871,498	-
	Depreciation		596,160	560,358
			11,792,217	8,263,478

Anwar Galvanizing Limited
Notes to the Financial Statement
for the year ended 30 June 2018

Note No.	Particulars	Notes	July 2017 To June 2018 Taka	July 2016 To June 2017 Taka
18.00	SELLING AND DISTRIBUTION EXPENSES			
	Carriage outward		2,562,181	1,982,126
	Promotional expenses		1,464,626	865,493
	Sales incentive		2,612,691	1,683,639
	Mobile bill		77,191	40,000
	Mechanics seminar		657,800	-
	Salary and allowances		2,068,534	915,454
	Travelling and daily allowances		1,618,262	356,572
			11,061,285	5,843,284
19.00	FINANCIAL EXPENSES			
	Bank charges and commission		132,452	72,908
	Credit report fee		40,000	40,000
	Interest expenses		345,201	734,253
			517,653	847,161
20.00	NET ASSETS VALUE (NAV) PER SHARE			
	The Computation of NAV per share is given below :			
	Total assets		338,972,385	302,211,635
	Less: Liabilities		203,321,410	184,431,056
	Net assets value		135,650,974	117,780,579
	Number of ordinary share outstanding during the year		14,520,000	13,200,000
	Net assets value (NAV) per share		9.34	8.92
21.00	EARNING PER SHARE (EPS)			
	a) Profit Attributable to the ordinary shareholders		18,023,780	15,050,121
	b) Weighted average number of ordinary shares outstanding		14,520,000	13,200,000
	Basic earning per share (a/b)		1.24	1.14
	Restated basic earning per share		1.24	1.04
22.00	COLLECTION FROM CUSTOMERS AND OTHERS			
	Opening balance of trade receivables		8,040,183	7,779,350
	Add: Sales		368,290,713	249,107,204
			376,330,896	256,886,554
	Less: Closing trade receivables		13,046,585	8,040,183
	Total collection from trade receivables		363,284,311	248,846,371
	Collection from other income		96,855	434,441
	Advance collection from customers		19,368,465	5,970,716
			382,749,631	255,251,528
23.00	PAYMENTS FOR EXPENSES			
	Payments to suppliers and others		257,222,380	149,957,152
	Paid to employee		83,287,586	65,743,459
	Total cash payment and expenses		340,509,966	215,700,611
24.00	OPERATING CASH FLOW PER SHARE			
	The composition of operating cash inflow/outflow value per share is given below			
	a) Operating cash inflow/ (outflow) during the year		37,207,758	32,584,748
	b) Number of ordinary shares outstanding at the year end		14,520,000	13,200,000
			2.56	2.47

Anwar Galvanizing Limited
Notes to the Financial Statement
for the year ended 30 June 2018

25.00 Related Party Disclosure :

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

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

Name of Party/Company	Relation	Nature of Transaction	Outstanding as on 30 June 2018
Anwar Ispat Ltd.	Common Director	Supply of Material	116,595,870
A One Polymer Ltd	Common Director	Supply of Material	26,550,798
Anwar Integretad Steel Plant Ltd.	Common Director	Supply of Material	3,412,371
Anwar Cement Sheet Ltd.	Common Director	Supply of Material	22,756

26.00 Director of the Company:
a) Number of Director:

There are 09 Directors of the company during the year ended 30 June 2018

b) Salary & Remuneration of the management team:

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

SL	Name	Designation	Amount (Yearly)	Remarks
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. Hasina 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	

27.00 General

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

Anwar Galvanizing Limited
Notes to the Financial Statement
for the year ended 30 June 2018

28.00 ADDITIONAL DISCLOSURE AS PER SEC :

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

a) Claim against the company not acknowledge as debt as on 30.06.2018	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 30/06/2018 except letter of credit open in the normal course of have the same amount of contingent asset. business, again we have the same amount of contingent asset.	NIL
f) The general nature of any credit facilities available to the company under any contract and not taken up at date of Statement of Financial Position.	NIL
g) Aggregate amount due by directors and officers of the company or associated undertakings:	
Director	NIL
Associated Undertaking	NIL
Officers	NIL
h) Securities and Exchange Rules, 1987[Para5(a), (iii) of part-1]	
The advances against goods, services and expenses considered good by the management and no collateral security is held against the advances.	NIL

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

1. Para-3 (i) (b) Commission paid to selling agents.	NIL
2. Para-3 (i) (c) Brokerage and discount on sales other then the usual trade discount	NIL
3. Para-3d (i) (ii)	

i)	Value of raw materials consumed	Tk.	84,175,300
ii)	Opening Stock	153.34	MT
iii)	Production during the year	2,445.00	MT
iv)	Sold during the year	2,415.88	MT
v)	Other consumption	NIL	MT
vi)	Closing Stock	182.46	MT

4. Para-3,(ii)	
i) Number of employees drawing salary above Tk. 3,000 per Month	510 Nos
ii) Number of employees drawing salary below Tk. 3,000 per month	NIL
5. Para - 8 (b)	
Expenses incurred in foreign currency on account of royalty, Technical expert & professional advisory fee, Interest etc. if any	NIL
6. Para - 8 (c)	
Value of all imported raw materials, spare parts & components consumed during the financial year & the value of all indigenous raw materials, spare parts & components similarly consumed & the percentage of each to the total consumption are as under:	

Anwar Galvanizing Limited
Notes to the Financial Statement
for the year ended 30 June 2018

Local	Qty. MT	Value	%	Remarks
CI Scrap	370,360	12,222,856	9.20	
MS Scrap/ Rod Cutting	1,901,820	66,644,862	50.15	
Pig Iron	143,301	5,307,582	3.99	
Sub Total	2,415,481	84,175,300	63.34	
Spare Parts		48,711,840	36.66	
Foreign	NiL	NiL	NiL	
Total	2,415,481	132,887,140	100	

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

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

30.00 Events after the reporting period:
a) Proposed Dividend:

The Board of Directors of its 149th meeting held on 28 October 2018 recommended 10% cash dividend for the year ended 30 June 2018 which 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 28 October 2018.

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.

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Anwar Galvanizing Limited
Schedule of Property, Plant and Equipment
for the year ended 30 June 2018

Sl No.	Assets Category	COST				Rate %	Depreciation				Written down value as on 30 June 2018
		As on 01 July 2017	Addition during the year	Disposal	Reclassified		Charged during the year	Disposal	Reclassified	As on 30 June 2018	
		A	B	C	D	E=(A+B-C-D)	F	G	H	J=(F+G-H-J)	K=(E-J)
01	Land & Land Development	8,877,421	-	-	-	8,877,421	-	-	-	-	8,877,421
02	Building & Construction	20,061,370	1,122,832	-	6,293,357	14,890,845	9,170,613	297,856	-	7,762,969	7,127,876
03	Plant, Machinery & Equipment	203,968,400	13,223,639	530,000	129,262,203	87,399,835	92,766,884	6,151,082	212,016	21,642,334	65,757,501
04	Office Equipment:	6,622,240	305,383	-	80,000	6,847,623	1,237,586	739,058	-	68,513	1,908,131
05	Furniture (Office)	1,315,157	13,604	-	672,146	656,615	693,450	69,773	-	602,003	161,220
06	Vehicles / Motor Car	2,913,470	-	-	-	2,913,470	517,193	194,231	-	-	711,425
	Total Taka as on 30 June 2018	243,758,057	14,665,458	530,000	136,307,706	121,585,809	104,385,728	7,452,000	212,016	32,186,080	89,399,729
	Total Taka as on 30 June 2017	213,962,771	29,795,286	-	-	243,758,057	97,381,256	7,004,472	-	104,385,728	139,372,329

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

PROXY FORM

Revenue
Stamp of
Tk. 20.00

I/We of
..... being a
Member of Anwar Galvanizing Limited, hereby appoint Mr./Ms. of
..... as
my proxy in my/our absence to attend and vote for me/us and on my/our behalf at the **24th Annual General Meeting** of the company to be held on 23rd January, 2019 at 10:30 a.m at the BCIC Auditorium of 30-31, Dilkusha C. A., Dhaka-1000, and or at any adjournment thereof.

As witness my / our hand this day of 2019.

Signature of Proxy

Signature of Member

Register Folio no./BO ID of Member

NOTE:

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

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

ATTENDANCE SLIP

Name of Member

Name of Proxy

Register Folio No. / BO ID of Member

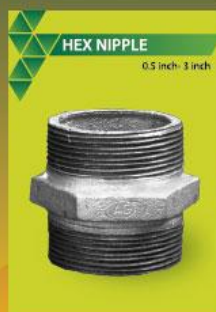
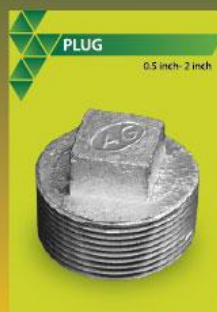
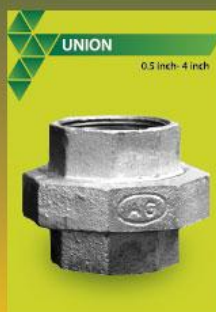
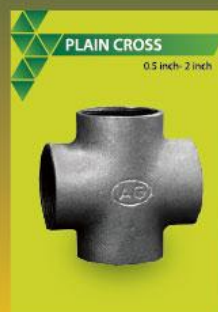
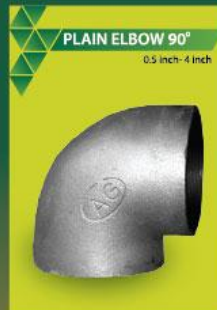
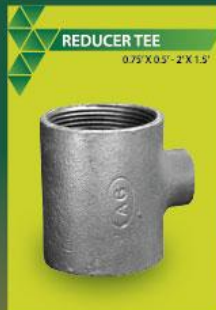
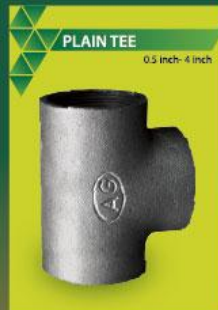
I/we hereby record my/our presence at the **24th Annual General Meeting** of the Company to be held on 23rd January, 2019 at 10:30 a.m at the BCIC Auditorium of 30-31, Dilkusha C. A., Dhaka-1000.

Signature of Member.....

Signature of Proxy.....



Photo of the 23rd AGM

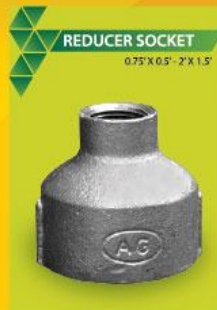


FEATURES & SPECIALTIES OF ANWAR'S GI FITTINGS

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

SCOPE OF OUR GI PIPE FITTINGS

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



**BUET
CERTIFIED**



ANWAR GALVANIZING LTD.

Baitul Hossain Building (14th Floor), 27 Dilkusha C/A, Dhaka-1000, Bangladesh. Phone: +88 02 9564033, Fax: +88 02 9564020, E-mail: salesaop@anwargroup.com

www.anwargalvanizing.com

Printed by : Meghna Printers