

# Auditors' Report



Name of Client  
**ANWAR GALVANIZING LIMITED**  
*for the year ended June 30, 2016*

**পিনাকী এণ্ড কোম্পানী**  
**Pinaki & Company**

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



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

We have audited the accompanying financial statements of **Anwar Galvanizing Ltd.** which comprises the Statement of Financial Position as at June 30, 2016 and the related Statement of Profit or Loss and other comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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**Independent Associate Member of Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi, India.**

Dhaka : AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh

Tel # 966-0944, 966-5095, E-mail : pinaki\_co@yahoo.com Fax # 88-02-9672726, Mobile # 01711-364850, 01711-106302



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

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at June 30, 2016 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 need be strengthened further.

**We also report that:**

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received;
- (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;
- (iv) The expenditure incurred was for the purpose of the company's business;

*pinaki & Co.*

Dhaka  
Dated: 27-10-2016

**Pinaki & Company**  
Chartered Accountants

**Independent Associate Member of Thakur, Vaidyanath Aiyar & Co., Chartered Accountants, New Delhi, India.**

☎ : AHSANDELL, 2/A, Mymensingh Road (2nd Floor), Shahbag, Dhaka-1000, Bangladesh

# 966-0944, 966-5095, E-mail : pinaki\_co@yahoo.com Fax # 88-02-9672726, Mobile # 01711-364850, 01711-106302


**Anwar Galvanizing Limited**

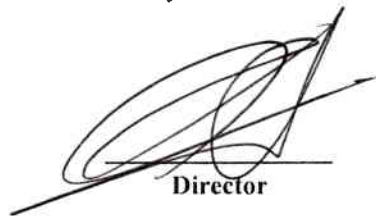
**Statement of Financial Position**

As at 30 June 2016

Particulars	Notes	30 June 2016	30 June 2015
<b>ASSETS</b>			
<b>Non-Current Assets:</b>		<b>121,645,263</b>	<b>93,611,082</b>
Property, Plant & Equipment	3.00	121,645,263	93,611,082
<b>Current Asset, Loan &amp; Advance:</b>		<b>145,591,175</b>	<b>134,500,351</b>
Non-current Assets Held for Sale	4.00	-	5,591,266
Inventories	5.00	97,381,465	89,334,122
Accounts Receivable	6.00	7,779,350	2,946,064
Advances, Deposits & Pre- Payments	7.00	28,865,792	27,777,108
Short Term Investment	8.00	1,250,645	3,315,470
Cash & Cash Equivalents	9.00	10,313,924	5,536,321
<b>Total Assets</b>		<b>267,236,438</b>	<b>228,111,433</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity:</b>		<b>111,135,056</b>	<b>109,332,816</b>
Share Capital	10.00	132,000,000	132,000,000
Retained Earnings	11.00	(54,922,647)	(56,724,887)
Tax Holiday Reserve	12.00	34,057,703	34,057,703
<b>Long Term Liabilities</b>		<b>4,737,164</b>	<b>3,632,670</b>
Deferred Tax Liability		4,737,164	3,632,670
<b>Current Liabilities &amp; Provisions</b>		<b>151,364,218</b>	<b>115,145,947</b>
Liabilities for Expenses and Others	13.00	150,435,807	112,533,074
Liabilities for other Finance	14.00	928,411	2,612,873
<b>Total Equity and Liabilities</b>		<b>267,236,438</b>	<b>228,111,433</b>
<b>NAV Per Share</b>		<b>8.42</b>	<b>8.28</b>

The accounting policies and other notes from 01 to 27 form an integral part of the Financial Statement.  
The Financial Statements were authorized for issue by the Board of Directors on 27 October 2016 and signed on its behalf by :

  
Managing Director

  
Director

  
Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

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

Dated : Dhaka, 27 October 2016.

  
Pinaki & Company  
Chartered Accountants

**Anwar Galvanizing Limited**

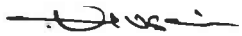
**Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 30 June 2016

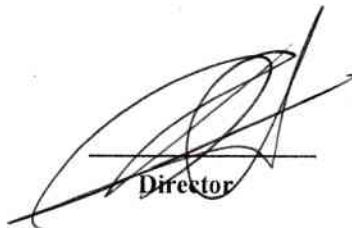
Particulars	Notes	July'15 to June'16	July'14 to June'15
Revenue(Turnover)	15.00	182,258,220	144,870,700
Less: Cost of Goods Sold	16.00	159,214,978	122,645,354
<b>Gross Profit</b>		<b>23,043,242</b>	<b>22,225,346</b>
Less: Administrative, Selling & Distribution Expenses	17.00	9,982,941	8,507,201
Less: Financial Expenses	18.00	662,378	467,089
<b>Operating Profit</b>		<b>12,397,924</b>	<b>13,251,057</b>
Add: Other Income		310,177	294,119
Less: Loss on sale of share		(564,944)	-
Less: Workers Profit Participation Fund		(605,148)	(645,009)
<b>Profit Before Tax</b>		<b>11,538,009</b>	<b>12,900,167</b>
Less: Provision for Income Tax		1,932,823	4,515,059
Current Tax		828,329	882,389
Deferred Tax		1,104,494	3,632,670
<b>Net Profit After Tax</b>		<b>9,605,186</b>	<b>8,385,108</b>
<b>Other Comprehensive Income</b>			
Gain (loss) on Marketable Securities (Unrealized)		(75,546)	-
<b>Total Comprehensive Income for the Year</b>		<b>9,529,640</b>	<b>8,385,108</b>
<b>Earning Per Share (EPS)</b>	19.00	0.73	0.64


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

The Financial Statements were authorized for issue by the Board of Directors on 27 October 2016 and signed on its behalf by :



Managing Director

  
Director



Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

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

Dated : Dhaka, 27 October 2016.



Pinaki & Company  
Chartered Accountants

**Anwar Galvanizing Limited**

**Statement of Changes in Equity**

For the year ended 30 June 2016

Amount (in Taka)

Particulars	Share Capital	Tax Holiday	Proposed Dividend	Retained Earnings	Total
Balance as on 01 July 2015	132,000,000	34,057,703	-	(56,724,887)	109,332,816
Less: Prior year adjustment	-	-	-	-	-
Adjusted opening balance	132,000,000	34,057,703	-	(56,724,887)	109,332,816
Net Profit for the year	-	-	-	9,605,186	9,605,186
Gain (Loss) on Investment (Unrealised)				(75,546)	(75,546)
Cash Dividend 2014-2015	-	-	-	(7,727,400)	(7,727,400)
As on 30 June 2016	132,000,000	34,057,703	-	(54,922,647)	111,135,056
As on 30 June 2015	132,000,000	34,057,703	-	(56,724,887)	109,332,816

**Anwar Galvanizing Limited**

**Statement of Changes in Equity**

For the year ended 30 June 2015

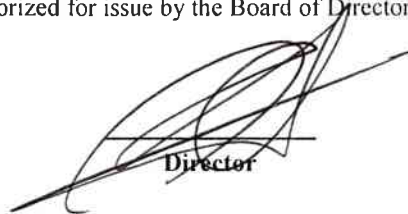
Amount (in Taka)

Particulars	Share Capital	Tax Holiday	Proposed Dividend	Retained Earnings	Total
Balance as on 01 July 2014	132,000,000	34,057,703	-	(59,066,238)	106,991,465
Less: Prior year adjustment	-	-	-	-	-
Adjusted opening balance	132,000,000	34,057,703	-	(59,066,238)	106,991,465
Net Profit for the year	-	-	-	8,385,108	8,385,108
Gain (Loss) on Investment				395,744	395,744
Cash Dividend 2013-2014	-	-	-	(6,439,500)	(6,439,500)
As on 30 June 2015	132,000,000	34,057,703	-	(56,724,887)	109,332,816
As on 30 June 2014	132,000,000	34,057,703	-	(59,066,238)	106,991,465

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

The Financial Statements were authorized for issue by the Board of Directors on 27 October 2016 and signed on its behalf by :

  
Managing Director


  
Director

  
Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

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

Dated : Dhaka, 27 October 2016.

  
Pinaki & Company  
Chartered Accountants




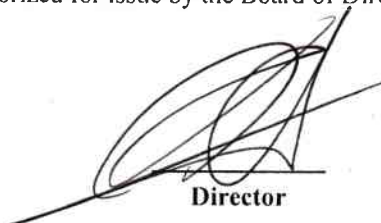
**Anwar Galvanizing Limited**

**Statement of Cash Flows**  
For the year ended 30 June 2016

Particulars	Notes	July'15 to June'16	July'14 to June'15
<b>(a) Cash Flows from operating activities:</b>			
Collection from Turnover & other income	20.00	196,406,157	148,638,838
Payment for Cost & Expenses	21.00	(156,804,991)	(115,709,115)
<b>Net Cash Flows from operating activities</b>		<b>39,601,167</b>	<b>32,929,723</b>
<b>(b) Cash Flows from Investing Activities:</b>			
Acquisition of Fixed Assets		(33,098,546)	(7,458,560)
Sales on share sale on Investment		1,418,050	-
Disposal on NCA Held for Sale		5,591,266	-
<b>Net Cash Flows from Investing Activities</b>		<b>(26,089,230)</b>	<b>(7,458,560)</b>
<b>(c) Cash Flows from Financing Activities:</b>			
Dividend Paid		(7,049,872)	(7,753,086)
Loan Received (Paid) NBL Securities Ltd		(1,684,462)	406,277
Directors Loan		-	(16,882,039)
<b>Net Cash Flows from Financing Activities</b>		<b>(8,734,334)</b>	<b>(24,228,848)</b>
<b>(d) Net Cash Flows (a+b+c)</b>		<b>4,777,603</b>	<b>1,242,315</b>
Add-Opening Cash & Cash Equivalents		5,536,321	4,294,006
<b>Closing Cash &amp; Cash Equivalents</b>		<b>10,313,924</b>	<b>5,536,321</b>
<b>Net Operating Cash-flow Per Share</b>		<b>3.00</b>	<b>2.49</b>

The accounting policies and other notes from 01 to 27 form an integral part of the Financial Statement.  
The Financial Statements were authorized for issue by the Board of Directors on 27 October 2016 and  
signed on its behalf by :

  
Managing Director

  
Director

  
Company Secretary

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

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

Dated : Dhaka, 27 October 2016.

  
Pinaki & Company  
Chartered Accountants

**Anwar Galvanizing Ltd.**

**Notes to the Financial Statement**

As at 30 June 2016

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

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

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

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

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

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

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

**(d) Going Concern:**

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

**Significant Accounting Policies**

**Basis of Accounting:**

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

**Tangible Assets:**

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

**Depreciation:**

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

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

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

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





**Anwar Galvanizing Ltd.****Notes to the Financial Statement**

As at 30 June 2016

**Inventories:**

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

**Cash and Cash Equivalents:**

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

**Creditors and Accrued Expenses:**

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

**Taxation:****i. Current Year:**

During the year provision for income tax has been calculated @ 25% in compliance with the Income Tax Ordinance 1984.

**ii. Previous Years Assessment Status:**

The company submitted Income Tax Returns for assessment years from 2007-08 to 2014-15 (Income Years 2006-07 to 2013-14) to the Tax Authority availing of facility u/s 82 BB of the I.T. Ordinance, 1984. The returns so submitted to the Tax Authority are deemed to have been accepted by the Tax Department as per Section 82 BB with no further tax liability in respect of these assessment years.

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

There was no tax demand pending with company till 30 June 2015 in respect of any of the previous assessment years.

**Turnover:**

**Turnover** comprises sales of the company excluding VAT.

**Revenue Recognition:**

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



**Anwar Galvanizing Ltd.****Notes to the Financial Statement**

As at 30 June 2016

**Statement of Cash Flows:**

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

**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:

- Statement of Financial Position as at 30<sup>th</sup> June 2016.
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30<sup>th</sup> June 2016.
- Statement of Cash Flows for the year ended 30<sup>th</sup> June 2016.
- Statement of Changes in Equity for the year ended 30<sup>th</sup> June 2016.
- Accounting Policies and Explanatory Notes to Financial Statements.

**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.

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

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

**Reporting Period:**

Financial Statements of the company cover one financial year from 1<sup>st</sup> July 2015 to 30<sup>th</sup> June 2016.

**Reporting Currency and Level Precision:**

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

**The Net Asset Value (NAV)**

	<u>2016</u>	<u>2015</u>
Net Asset Value (NAV)	8.42	8.28



**Anwar Galvanizing Ltd.****Notes to the Financial Statement**

As at 30 June 2016

**Comparative Information:**

Comparative information have been disclosed in respect of the year 2014-15 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 2014-15 have been rearranged whenever considered necessary to ensure comparability with the current period. The disclosures in the financial statements, in all materials aspects, are in accordance with Bangladesh Accounting Standards, as adopted in Bangladesh.

**Proposed Dividend**

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

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

**Related Party Transaction**

As per BAS-24 parties are considered to be related if one of the parties has ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related parties are stated their actual value in the note number 26.



**Anwar Galvanizing Limited**

**Notes to the Financial Statement**  
As at 30 June 2016

	Particulars	Notes	30 June 2016	30 June 2015
<b>2.00</b>	<b>Non-Current Assets:</b>			
	Property, Plant & Equipments	3.01	116,581,515	89,276,475
	Capital Work -in-progress	3.02	5,063,748	4,334,607
			<u>121,645,263</u>	<u>93,611,082</u>
<b>3.00</b>	<b>Property, Plant &amp; Equipments:</b>			
	Opening Balance(at cost)		181,593,365	176,453,387
	Add: Addition During the year		32,369,406	18,648,298
	Less : Sales /Adjustment		-	(13,508,320)
			<u>213,962,771</u>	<u>181,593,365</u>
	<b>Accumulated Depreciation :</b>			
	Opening Balance		92,316,890	94,299,270
	Add: Addition During the year		5,064,366	4,983,977
	Less : Sales /Adjustment		-	(6,966,357)
			<u>97,381,256</u>	<u>92,316,890</u>
	Written down value as on 30.06.2016		<u>116,581,515</u>	<u>89,276,475</u>
	Details have been shown in Annexure-I			
<b>3.02</b>	<b>Capital Work -in-progress:</b>			
	Annealing Furnace 03		977,400	224,400
	Annealing Furnace 04		442,427	442,427
	Annealing Furnace 05		1,239,634	-
	Annealing Furnace 06		282,240	-
	Annealing Furnace 01		1,159,153	-
	Excavation Exp for IF		-	95,000
	Induction Furnace		194,868	2,979,046
	Piling Expense for IF		-	70,000
	Raw Material Godown		323,356	323,356
	Water Tank		444,670	200,379
			<u>5,063,748</u>	<u>4,334,607</u>
<b>4.00</b>	<b>Non-Current Assets Held for Sale</b>			
	Non-Current Assets Held for Sale		-	5,591,266
			<u>-</u>	<u>5,591,266</u>
<b>5.00</b>	<b>Inventories:</b>			
	Raw Materials	5.01	13,387,474	12,601,581
	Auxiliary Materials	5.02	2,816,235	2,340,907
	General Stores & Spare	5.03	22,441,808	20,481,773
	Finished Goods	5.04	10,259,669	11,861,966
	Work -in-process	5.05	48,476,278	42,047,896
			<u>97,381,465</u>	<u>89,334,122</u>



Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2016

	Particulars	Notes	30 June 2016	30 June 2015
<b>5.81</b>	<b>Raw Materials:</b>			
	Pig Iron		10,348,906	11,873,181
	CI Scrap		1,563,240	701,280
	MS Scrap		1,475,328	27,120
			<u>13,387,474</u>	<u>12,601,581</u>
<b>5.82</b>	<b>Auxiliary Materials:</b>			
	Hydrochloric acid		3,943	1,385
	Molasses		282,000	285,519
	Telcom Powder		20,700	14,250
	Zinc Ingot		271,800	1,615,880
	China clay/Ball clay		-	31,200
	Quartz Powder		67,870	14,025
	Departure & Dexine Powder		-	389
	Grafiide Powder		-	2,800
	Shots		578,176	140,027
	Aluminium Ingot		-	27,000
	Sulphur		-	408
	Silica Powder		3,753	3,753
	Fero Silicon		115,134	39,546
	Ball Clay		37,200	-
	Bruss		51,911	52,065
	Binder Core		250	250
	Coal Dust		4,750	4,725
	Fire Clay		16,100	10,800
	Hard Cook		41,925	90,000
	Resin Sand for Core		3,000	3,000
	Silicon Manganise		666	3,885
	Boric Acid		2,313	-
	Calcine Petroleum Coke (CPC)		1,269,225	-
	Castable Cement G-1850		42,000	-
	Sodium Silicate Gum		3,520	-
			<u>2,816,235</u>	<u>2,340,907</u>
<b>5.83</b>	<b>General Stores &amp; Spare:</b>			
	General Stores & Spares		22,441,808	20,481,773
			<u>22,441,808</u>	<u>20,481,773</u>
<b>5.84</b>	<b>Finished Goods:</b>			
	Finished Goods		10,259,669	11,861,966
			<u>10,259,669</u>	<u>11,861,966</u>



**Anwar Galvanizing Limited**

**Notes to the Financial Statement**  
As at 30 June 2016

Particulars	Notes	30 June 2016	30 June 2015
<b><u>Work-in-Process:</u></b>			
Break up is given below:			
Casting		7,765,419	11,260,335
Annealing		30,192,157	13,041,455
Drill		-	64,405
Flance		-	558,606
Grinding		962,585	2,620,634
Shots Blasting		68,357	704,534
Galvanizing		4,349,041	6,560,162
Threading Process		5,138,720	7,237,764
		<u>48,476,278</u>	<u>42,047,896</u>
<b><u>Accounts Receivable:</u></b>			
Accounts Receivable		<u>7,779,350</u>	<u>2,946,064</u>
		<u>7,779,350</u>	<u>2,946,064</u>
<b><u>Advance, Deposits &amp; Pre-payments:</u></b>			
Break up is given below:			
Advances	7.01	<u>27,742,705</u>	<u>26,654,021</u>
Security Deposits	7.02	<u>1,123,087</u>	<u>1,123,087</u>
		<u>28,865,792</u>	<u>27,777,108</u>
<b><u>Advances:</u></b>			
Break up is given below:			
Advance against Purchase		-	50,000
Advance against Supplier		5,353,281	7,559,234
Advance to employee		738,832	705,892
VAT Current Account		4,328,597	4,539,017
AIT ( Advance Income Tax)		17,321,995	13,799,878
		<u>27,742,705</u>	<u>26,654,021</u>
<b><u>Security Deposit:</u></b>			
Break up is given below:			
Security deposit -CDBL		300,000	300,000
Security deposit-Electricity		219,500	219,500
Security deposit-Gas		561,587	561,587
Security deposit- metre		42,000	42,000
		<u>1,123,087</u>	<u>1,123,087</u>





**Anwar Galvanizing Limited**

**Notes to the Financial Statement**  
As at 30 June 2016

Particulars	Notes	30 June 2016	30 June 2015
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**2.20 Short Term Investment:**

Break up is given below:

S/L No.	Name of Company	No of Share	Cost Price	Market Price
01.	Jamuna Oil Limited	3,932	702,800	714,838
02.	M.I. Cement Factory Limited	5,500	652,600	411,950
03.	Sumit Power Limited	3,839	208,925	130,142
			<u>1,564,325</u>	<u>1,256,930</u>
			Estimated Sales Commission	6,285
			<u>Net Realizable Value</u>	<u>1,250,645</u>

**2.21 Cash and Cash Equivalents:**

Break up is given below:

Cash at Banks	9.01	5,915,601	4,546,960
Cash in Hand	9.02	4,398,323	989,361
		<u>10,313,924</u>	<u>5,536,321</u>

**2.22 Cash at Banks:**

Break up is given below:

The City Bank Ltd. Principle Branch	1,852,469	4,151,511
The City Bank Ltd. F.Exchange Branch	538,025	(2,650,788)
The City Bank Ltd. Chamber Branch	9,765	221,407
Dutch Bangla Bank	3,747,596	1,583,272
First Security Islami Bank	(625,196)	429,689
AB Bank Limited	81,879	626,791
BD. Commerce Bank	21,525	22,250
NRB Commercial Bank	4,030	4,030
South Bangla Agriculture & Commerce Bank	285,508	158,798
	<u>5,915,601</u>	<u>4,546,960</u>

**2.23 Cash in Hand:**

Break up is given below:

Cash in Head office	468,770	670,946
Cash in Alu Bazar Depot	93,648	-
Cash in Factory office	3,835,905	318,415
	<u>4,398,323</u>	<u>989,361</u>



**Anwar Galvanizing Limited**

**Notes to the Financial Statement**

As at 30 June 2016

Particulars	Notes	30 June 2016	30 June 2015
<b>Share Capital:</b>			
Break up is given below:			
<b>Authorised Capital:</b>			
2,00,00,000 Ordinary Shares of Tk. 10 Each		200,000,000	200,000,000
		<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued, Subscribed, and Paid-up-Capital:</b>			
1,32,00,000 Ordinary Shares of Tk.10 as fully paid in cash		132,000,000	132,000,000
		<u>132,000,000</u>	<u>132,000,000</u>
<b>Retained Earnings:</b>			
Break up is given below:			
Profit Brought Forward		(56,724,887)	(59,066,238)
Less: Prior year adjustment		-	-
Adjusted opening balance		(56,724,887)	(59,066,238)
Net profit during the year		9,605,186	8,385,108
Add: Gain/(loss) on Marketable Securities (Unrealized)		(75,546)	395,744
Less : Cash Dividend		(7,727,400)	(6,439,500)
Balance carried forward		<u>(54,922,647)</u>	<u>(56,724,887)</u>
<b>Tax Holiday Reserve:</b>			
Break up is given below:			
<b>Year</b>			
1996-1997		8,489,546	8,489,546
1997-1998		8,539,236	8,539,236
1998-1999		5,687,240	5,687,240
1999-2000		5,700,825	5,700,825
2000-2001		5,640,856	5,640,856
Closing balance as per 30 June 2016		<u>34,057,703</u>	<u>34,057,703</u>
<b>Liability for Expenses and Others:</b>			
Break up is given below:			
Payable for Electric Bill		-	325,472
Liability for Audit Fee		100,000	90,000
Payable for WPPF		1,697,633	1,092,485
Advance Received from Customers		18,671,046	3,852,812
Liabilities for Others	13.01	28,955,603	18,121,284
Payable for Current Income Tax		1,710,718	882,389
Liabilities for Goods Supplies		99,300,807	88,168,632
		<u>150,435,807</u>	<u>112,533,074</u>



**Anwar Galvanizing Limited**

**Notes to the Financial Statement**  
As at 30 June 2016

	Particulars	Notes	30 June 2016	30 June 2015
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**13.00 Liabilities for Others:**

Break up is given below:

Dividend Payable

Others Liabilities

6,716,840	6,039,312
22,238,763	12,081,972
<u>28,955,603</u>	<u>18,121,284</u>

**14.00 Liabilities for Other Finance:**

Break up is given below:

Loan From Directors

Loan from NBL Securities Ltd

-	-
928,411	2,612,873
<u>928,411</u>	<u>2,612,873</u>



**Anwar Galvanizing Limited**

**Notes to the Financial Statement**  
For the year ended 30 June 2016

	Particulars	Notes	July'15 to June'16	July'14 to June'15
<b>15.00</b>	<b><u>Revenue (Turnover):</u></b>			
	Break up is given below:			
	Sales: GI Fittings		154,391,140	123,645,777
	Sales: Brake Drum		21,613,097	13,173,105
	Sales: Others		6,253,983	8,051,819
			<u>182,258,220</u>	<u>144,870,700</u>
<b>16.00</b>	<b><u>Cost of Goods Sold:</u></b>			
	Break up is given below:			
	Raw Materials Consumed	16.01	47,521,111	59,803,536
	Auxiliary Materials Consumed	16.02	24,799,492	19,163,063
	<b>Total Materials Consumed</b>		<b>72,320,603</b>	<b>78,966,599</b>
	Add: Factory Overheads	16.03	91,720,460	57,862,979
	Opening Stock of Work -In-Process		42,047,896	25,436,209
	Closing Stock of Work -In-Process		(48,476,278)	(42,047,896)
	<b>Cost of Production</b>		<b>157,612,681</b>	<b>120,217,890</b>
	Opening Stock of Finished Goods		11,861,966	14,289,430
	Closing Stock of Finished Goods		(10,259,669)	(11,861,966)
	<b>Cost of Goods Sold</b>		<b>159,214,978</b>	<b>122,645,354</b>
<b>16.01</b>	<b><u>Raw Material Consumed(GI Fittings):</u></b>			
	Break up is given below:			
	Opening Stock		12,601,581	5,790,391
	Add: Purchase		48,307,004	66,614,726
			60,908,585	72,405,117
	Less: Closing Stock		13,387,474	12,601,581
			<u>47,521,111</u>	<u>59,803,536</u>
<b>16.02</b>	<b><u>Auxiliary Materials Consumed:</u></b>			
	Break up is given below:			
	Opening Stock		2,340,907	776,242
	Add: Purchase		25,274,820	20,727,727
			27,615,727	21,503,969
	Less: Closing Stock		2,816,235	2,340,907
			<u>24,799,492</u>	<u>19,163,063</u>



**Anwar Galvanizing Limited**

**Notes to the Financial Statement**  
For the year ended 30 June 2016

	Particulars	Notes	July'15 to June'16	July'14 to June'15
<b>16.02</b>	<b><u>Factory Overheads:</u></b>			
	Break up is given below:			
	Salary & Wages		43,974,791	28,295,467
	Festival Bonus		721,344	757,492
	Carriage Inward, Loading & Unloading Exp		535,160	6,110
	Electricity Charges		15,793,412	4,666,446
	Gas Expenses		7,181,758	7,431,759
	Entertainment Expenses		432,929	245,069
	Phone Bill		71,000	40,462
	Medical Expenses		486,734	95,925
	Land Development Tax		14,075	31,570
	Miscellaneous. Expenses		55,577	33,660
	Business Promotion Expenses		127,656	177,680
	Internet Expenses		6,000	1,725
	Food and Lodging		42,582	17,389
	Photocopy, Printing & Stamp expenses		7,146	9,059
	Repairs & Maintenance		1,110,205	1,182,585
	General Stores		15,180,993	9,756,342
	Fuel & CNG Expenses		71,760	123,972
	Traveling & Conveyance		214,047	-
	Management Exp.		769,911	-
	Picnic Expenses		192,802	100,463
	Other Expenses		56,160	56,370
	Depreciation		4,674,418	4,833,433
			<b>91,720,460</b>	<b>57,862,979</b>
<b>17.01</b>	<b><u>Administrative, Selling &amp; Distribution Expenses:</u></b>			
	Break up is given below:			
	Administrative Expenses	17.01	7,045,871	6,181,726
	Selling & Distribution Expenses	17.02	2,937,070	2,325,475
			<b>9,982,941</b>	<b>8,507,201</b>



**Anwar Galvanizing Limited**

**Notes to the Financial Statement**  
For the year ended 30 June 2016

Particulars	Notes	July'15 to June'16	July'14 to June'15
<b>Administrative Expenses:</b>			
Break up is given below:			
Salary and Allowances		3,979,153	3,358,802
Festival Bonus		158,511	211,480
Business Promotion Expenses		381,482	360,500
AGM & others Expenses		174,750	109,330
Fuel & CNG Exp		278,661	-
Audit Fees		125,000	130,000
Annual Fee		66,000	80,000
Travell & Conveyance		96,085	43,072
Consultancy fees		50,000	224,500
CDBL Charged		56,000	56,000
Municipal Tax		64,854	74,708
Miscellaneous. Expenses		85,463	99,250
Legal Fees		90,700	44,730
License, Registration & Renewals		61,880	452,105
Office Rent		168,245	370,326
Utility & others Maintenance		405,571	139,498
Visa & Work permit Exp		103,900	-
Printing & Stationery		295,421	150,081
Postage, Courier & Stamp		3,197	80,219
Telephone Bill Expenses		11,050	8,993
Loss on Sale of Assets		-	37,588
Depreciation		389,948	150,544
		<b>7,045,871</b>	<b>6,181,726</b>
<b>Selling &amp; Distribution Expenses:</b>			
Break up is given below:			
Promotion & Advertisement		215,475	149,564
Carriage Outward		1,589,816	1,120,039
Sales Incentive		849,025	904,428
Transportation Exp		74,892	-
TA, DA & others		207,862	151,444
		<b>2,937,070</b>	<b>2,325,475</b>
<b>Financial Expenses:</b>			
Break up is given below:			
Bank Charges & Commission		53,070	61,380
Interest Expenses		609,308	405,709
		<b>662,378</b>	<b>467,089</b>





**Anwar Galvanizing Limited**

**Notes to the Financial Statement**  
For the year ended 30 June 2016

	Particulars	Notes	July'15 to June'16	July'14 to June'15
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**20.00 Earning Per Share(EPS):**

Profit Attributable to the ordinary shareholders  
Weighted average number of ordinary shares  
Basic Earning Per Share

9,605,186	8,385,108
13,200,000	13,200,000
0.73	0.64

**21.00 Collection from Turnover and Others:**

Break up is given below:

Opening Balance of Trade Receivables  
Add: Sales

Less: Closing Debtors

Total Collection from Trade Receivables

Collection from Other Income

Advance Collection from Customers

2,946,064	2,567,270
182,258,220	144,870,700
185,204,284	147,437,970
7,779,350	2,946,064
177,424,934	144,491,906
310,177	294,119
18,671,046	3,852,812
196,406,157	148,638,838

**22.00 Payment for Cost & Expenses :**

Break up is given below:

Payments to Suppliers & Others

Tax Paid

Paid to Employee

Payment of Interest

Total Cash payment & Expenses

103,786,697	80,451,596
3,522,117	2,167,189
48,833,799	32,623,241
662,378	467,089
156,804,991	115,709,115



**Anwar Galvanizing Limited**

**Notes to the Financial Statement**

As at 30 June 2016

**Director of the Company:**

**a) Number of Director:**

There are 09 Directors of the company during the year ended 30 June 2016

**b) Salary & Remuneration of the management team:**

Aggregate amount paid to the management team for their service rendered as defined in the schedule (22) para 4 part-II of Securities & Exchange rules 1987 are given below:

Sl	Name	Designation	Per Year	Remarks
1	Mr. Manwar Hossain	Chairman	NIL	
2	Mr. Hossain Mehmood	Managing Director	NIL	Full Time
3	Mrs. Bibi Amena	Director	NIL	
4	Mr. Hossain Khaled	Director	NIL	
5	Mrs. Hasian Begum	Nominated Director	NIL	
6	Mrs. Shaheena Begum	Nominated Director	NIL	
7	Mr. Tareq Hossain	Shareholder Director	NIL	
8	Mr Mafizuddin Sarkar	Independent Director	NIL	
9	Mohammad Faiz	Independent Director	NIL	

**General**

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



# Anwar Galvanizing Limited

## Notes to the Financial Statement As at 30 June 2016

### ADDITIONAL DISCLOSURE AS PER SEC :

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

- a) Claim against the company not acknowledge as debt as on 30.06.2016 NIL
- b) Uncalled liability on partly paid up shares NIL
- c) Arrears of first cumulative dividends on preference shares together with the period for which the dividend are in arrears. NIL
- d) The aggregate amount of contracts for capital expenditure remaining to be executed and not provided for NIL
- e) Other sums for which the company is continently liable as on 30/06/2016 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
- i) Mode of disposal of machinery and equipment. NIL

### 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.	47,521,111
ii)	Opening Stock	89.21	MT
iii)	Production during the year	1,098.76	MT
iv)	Sold during the year	1,106.09	MT
v)	Other consumption	NIL	MT
vi)	Closing Stock	81.87	MT



## Anwar Galvanizing Limited

### Notes to the Financial Statement

As at 30 June 2016

4. Para- 3 (a)

- Number of employees drawing salary above Tk. 3,000 per Month 410 Nos  
Number of employees drawing salary below Tk. 3,000 per month NIL

5. Para- 8 (b)

- Expenses incurred in foreign currency on account of royalty, Technical expert & professional advisory fee, Interest etc. if any NIL

6. Para- 8 (c)

Local	Qty. MT	Value	%	Remarks
Description				
Hot Iron	423.644	10,348,906		
Cast Iron	45.23	1,563,240		
Foreign	NiL	NiL	NiL	
Total	468.87	11,912,146		

7. Para- 8 (d)

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

8. Para- 8 (e)

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

9. Related Party Transactions:

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

Name of party/Company	Relation	Nature of Transaction	Transaction During the	Balance Dr/(Cr)
Hossain Dyeing & Printing Mills Ltd.	Common Director	Product Supply	1,267	19,304
JR Furniture			NiL	150,757
AGI Automobiles Ltd.	Common Director		NiL	1,200,000
Anwar Integrate Steel Mills	Common Director	Purchase	NiL	(3,784,573)
Anwar Ispat Ltd.	Common Director		(3,827,639)	(80,682,153)



## Anwar Galvanizing Limited

### Notes to the Financial Statement

As at 30 June 2016

#### Events after the reporting period:

##### Proposed Dividend:

The Board of Directors of ANWAR GALVANIZING LTD. at its 135th the Board Meeting held on 27 October 2016 proposed 10% cash dividend for general shareholders on share value worth Tk. **25,000,000** (Excluding Sponsor Directors and Shareholder portion) for the year 2015-2016. This dividend is subject to approval by the shareholders in the Annual General Meeting (AGM).

##### Approval of Financial Statements:

These financial statements were authorized for issue in accordance with a resolution of the company's Board of directors on 27 October 2016.

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



Managing Director

  
Director

Company Secretary



**Anwar Galvanizing Limited**  
**Schedule of Property, plant and equipment as at 30th June 2016**  
**Annexure-I**

Sl No.	Assets Category	COST				Rate %	Depreciation			Written down value as on 30 June 2016	Written down value as on 30 June 2015
		As on 01 July 2015	Addition during the year	Sales/Adjustment	As on 30 June 2016		Charged during the year	Sales / Adjust ment	As on 30 June 2016		
1	Land & Land Development	9,500,758	-	-	9,500,758	-	-	-	-	9,500,758	9,500,758
2	Building & Construction	60,131,181	3,298,072	-	63,429,253	-	1,639,927	-	32,786,110	30,643,143	28,984,998
3	Plant, Machinery & Equipment	106,140,530	28,552,899	-	134,693,429	-	3,034,491	-	60,825,739	73,867,690	48,349,282
4	Head Office Equipment	1,163,213	187,800	-	1,351,013	-	55,781	-	847,143	503,870	371,851
5	Furniture (Office)	1,980,463	330,635	-	2,311,098	-	53,926	-	1,511,198	799,900	523,191
6	Vehicles / Motor Car	1,256,000	-	-	1,256,000	-	251,200	-	251,200	1,004,800	1,256,000
7	Sundry Assets	1,421,220	-	-	1,421,220	-	29,041	-	1,159,866	261,354	290,395
	<b>Total Taka</b>	<b>181,593,365</b>	<b>32,369,406</b>	<b>-</b>	<b>213,962,771</b>		<b>5,064,366</b>	<b>-</b>	<b>97,381,256</b>	<b>116,581,515</b>	<b>89,276,475</b>

**Allocation of Depreciation :**

Charge to Production

Charge to Administration

4,674,418

389,948

**5,064,366**

