



ANWAR GALVANIZING LTD.
(a concern of Anwar Group of Industries)

A central graphic featuring a diamond-shaped frame containing a photograph of various galvanized metal fittings, including elbows and tees. The frame is surrounded by a collage of colorful, abstract shapes and splashes in shades of blue, green, yellow, and pink, set against a light blue background with faint silhouettes of people and clouds.

Annual Report, 2019

THE LEGACY OF A LEGEND



“
মেহনত করো- সৎ পথে,
বুদ্ধিমানের মতো কাজ করো
পুরস্কার আসবেই
”

আলহাজ্ব আনোয়ার হোসেন
চেয়ারম্যান, আনোয়ার গ্রুপ অব ইন্ডাস্ট্রিজ

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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, 2019

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, 2019 Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended June 30, 2019 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 13, 2020

**ANWAR GALVANIZING LIMITED**

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

Notice of the 25th Annual General Meeting and Special Business to be Transacted

Notice is hereby given that the 25th Annual General Meeting (AGM) of Anwar Galvanizing Limited will be held on Tuesday dated January 28, 2020 at 10:30 a.m. at the BCIC Auditorium, 30-31, Dilkusha C/A, Dhaka-1000 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, 2019, together with the Auditors' Report and Directors' Reports thereon.
2. To declare Dividend for the year ended June 30, 2019.
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 2019-2020 and to fix their remuneration.
5. To appoint Corporate Compliance Auditor for the year 2019-2020 and to fix their remuneration.
6. To appointment of an Independent Director.

B) Special Business:

- 1) To consider the following proposed resolution, with or without modification, as Special Resolution relating to change the clause number-V of the Memorandum of Association and to change the clause number-5 of the Article of Association of the Company for revising the authorize capital of Anwar Galvanizing Limited.

RESOLVED that, the proposal for increasing the authorize capital of Anwar Galvanizing Limited from BDT 20,00,00,000 (Taka Twenty crore) to BDT 50,00,00,000 (Fifty crore) only divided into 5,00,00,000 (Five crore) ordinary shares of BDT 10 (Ten) each, was approved.

ALSO RESOLVED that, the clause number-V of the Memorandum of Association and the clause number-5 of the Article of Association of the Company be and are hereby amended and shall be substituted to read as follows:

“ V. The authorized Capital of Company is BDT 50,00,00,000 (Fifty crore) only divided into 5,00,00,000 (Five crore) ordinary shares of BDT 10 (Ten) each, with powers to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company and consolidate or sub-divide the share of higher or lower denominations.”

- 2) To consider the following proposed resolution, with or without modification, as Special Resolution relating to revise clause number-107 of the Articles of Association for revising Board Meeting Attendance Fees of each member of the Board of Anwar Galvanizing Limited.

RESOLVED that, the proposal for increasing the Board Meeting Attendance Fees of each member of the Board of Directors of Anwar Galvanizing Limited from BDT 500/- (Five Hundred) to BDT 10,000/- (Ten Thousand), was approved.

ALSO RESOLVED that, the clause number-107 of the Articles of Association of the Company be and is hereby amended and shall be substituted to read as follows:

“107. Remuneration of a Director shall not exceed BDT 10,000/- (Ten Thousand) per meeting of the member of Board of Directors attended by him excluding traveling expenses which shall be determined by the Board. The remuneration of a Director for performing extra services shall be subject to the approval of the company in General meeting (not Board of Directors) if payment for extra services is to be made in the form of commission fixed as a percentage of profit, it will be subject to prior approval of the Bangladesh Securities & Exchange commission.”

3) To consider the following proposed resolution, with or without modification, as Special Resolution relating to the related party transactions with Anwar Galvanizing Limited for the financial Year ended on June 30, 2019.

RESOLVED that, the related party transactions mentioned in the note number-27 of the audited financial statements of Anwar Galvanizing Limited for the year ended on June 30, 2019 was considered and approved in compliance with the provisions imposed by Bangladesh Securities & Exchange commission (BSEC).

By order of the Board,

Sd/-

Tauhidul Islam FCS
Company Secretary

Dated: Dhaka
January 6, 2020

Notes:

- Shareholders whose names appear on the Members / Depository Register on the Record Date i.e. December 05, 2020 shall be eligible to attend the 25th AGM of the Company and to receive the Dividend.
- 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 25, 2020.
- Only Shareholders or their properly appointed proxies will be allowed to attend the meeting. No children will be allowed at the AGM.
- Admission into the auditorium will be allowed strictly on submission of the Attendance Slip sent with the Annual Report.

বিঃ দ্রঃ বাংলাদেশ মিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের মার্কিন নং- এমইবি/মি-এমআরআরমিডি/২০০৯-১৯৭/১৫৫ তারিখ অক্টোবর ২৪, ২০১৭ এর আদ্যে আমন্ত্রণ বার্ষিক সাধারণ সভায় কোন প্রকার আদ্যায়ন বা উপস্থিতির 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 25th 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 2018-19 with record Revenues of BDT 433,443,776 with a growth of 18% as compared to the previous financial year. Profit after tax arrived at BDT 21,888,967 which is 21% higher than last year. We are expecting better growth in profits for financial year 2019-20. GI Fittings are achieving growth 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, 2019.

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

Dear Shareholders,

Assalaamu-Alaikum,

I feel highly delighted to welcome you all at this 25th Annual General Meeting of Anwar Galvanizing Limited. 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 2018-2019 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 18% with revenues of BDT 433,443,776. 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.1.24 to Tk.1.51 during the Year 2018-2019.

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 Akhtar
Managing Director

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
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	: 35.32%
Institutes	: 19.66%
Government	: Nil
Foreigner	: Nil
General Public	: 45.02%
No. of Shareholder	: 3,133

Board of Directors

Chairman

Mr. Manwar Hossain

Managing Director & CEO

Mr. Hossain Akhtar

Director

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

Independent Director(s)

Mr. Naba Gopal Banik
Mr. Abul Quasem

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. Abul Quasem

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

Company Secretary
Mr. Tauhidul Islam FCS

Head of Internal Audit
Mr. Rubayat Sadik, ACA

Head of Finance & Account
Ms. Nasrin Ahmed Hela, ACA

Investors' Relation Department

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

Statutory Auditor

M/s. Mahfel Huq & Co., Chartered Accountants
Corporate Office: BGIC Tower (4th floor),
34 Topkhana Road, 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: 564
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.

The Directors' Report to Shareholders**Dear Shareholders,**

The Board of Directors of Anwar Galvanizing Limited (AGL) has the immense pleasure in submitting the Annual Report together with the Company's Audited Financial Statements for the year ended June 30, 2019.

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 25th Annual General Meeting (AGM) of the Company to be held on January 28, 2020.

Anwar Galvanizing Limited (AGL) had another successful year in 2018-2019 with revenue earnings of Tk. 433,443,776 indexing a growth of 18%. This achievement was possible as a result of synchronized efforts from different functions working as a team who were led by AGI management.

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. 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. In this process, we added machinery of Taka 3,477,066 in the year 2018-19.

This is the year we suffered from shortage of electricity supply again. In spite of that the management team succeeded to ensure the growth of production and revenue. Challenge continues regarding skilled human resource shortage. There is no other similar plant in the country in terms of technology used and the nature of production functions. Plant management was very dynamic on both counts and was able to handle the matters effectively and efficiently by introducing proper planning and improving processes.

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 grab the opportunity of continuously growing market potentials.

The Segment-wise or Product-wise Performance

From July 01, 2018 to June 30, 2019, revenue of the Company reached at Tk. 433,443,776 which was improved by 18 % compared to the past year's revenue of Tk. 368,290,713. Net Profit after Tax for the year was Tk. 21,888,967, increased by 21% over the previous year. AGL is now positioned to realize benefits from enhanced capacity, wide retail presence, strong brand image along with smooth sales services and we are confident to attain new heights in 2020.

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 department for all types of purchases.

Product Information

The Company produces GI fitting of competitive standards. The products are classified as plain elbow, plain

The Directors' Report to Shareholders

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. The Company is the major local manufacturer of GI fittings and have more than 1457 wholesalers spread over almost all the districts across the country.

Till last year, the Company was involved in manufacturing and marketing Brake Drums. In year 2018-19, the Company has closed down manufacturing and distribution of Brake Drums to alternatively utilize the same capacity to manufacture GI products which generates higher profit for the company.

Risk and Concern

The Company has a defined business risk assessment process which has been illustrated under Corporate Governance Chapter and the notes to the Financial Statements. GI is a labor-intensive industry cost of which is escalating gradually. Same is in the case of Gas and Electricity prices which is gradually in raising trends.

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-17 of the Financial Statements contain details of the Cost of Goods Sold (COGS). COGS for the year ended June 30, 2019 was Tk. 379,257,017 which is 87.5 % of sales as compared to 86.2 % last year which resulted a decline of gross profit margin by 1.3% from 13.8% in 2017-18 to 12.5% in 2018-19. The potential average cost reduction and profit potentials due to increase in volume and efficiency in production evidenced from lower overhead cost was set off by the increase in material price. Raw materials namely Zinc and CI Scrap faced a cost rise during the year as the international market price for the same had increased.

The Company has ensured stable growth in Net Profit Margin at 5.1% over the year (4.9% in 2017-18) despite the decline of Gross Profit Margin. The Net Profit After Tax (NPAT) arrived at an escalating figure of Tk. 21,888,967 for the year against Tk. 18,023,779 last year. This was achieved by efficient and effective operation and closely monitoring the administrative, selling & distribution expense without compromising the quality and compliance. Another contributing factor was the benefit arising from deferred tax adjustments.

Extra-Ordinary Activities

Assets reclassified and presented as held for sale in the Financial Statements of year 2017-18 have been sold in the current year. The loss arising from the sale has been charged against current year's profit in accordance with IAS-16 and IFRS 5. The proceeds from the sale of assets have been utilized for capital expenditure and working capital financing. Note-4.00 of the Financial Statements contain details of the Assets reclassified as held for sale in 2017-18 and the sale of the same in current year.

Related Party Transactions

The Related party transactions of AGL are carried out on an arm's length basis and the Audit Committee periodically carried out in-depth analysis of the transactions among the related parties. The Company purchases

The Directors' Report to Shareholders

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 contain details of the transactions with the related parties in Note-27.

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 thereafter.

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 2018-2019, there was no significant variations occurred between Quarterly Financial Performances and the performance reported in Annual Financial Statements.

Remuneration to Directors

From July 01, 2018 to June 30, 2019, no remuneration was paid to the Directors of the Board for their services to the Company. There were ten Directors including 2 (Two) Independent Directors and one shareholder Director served during the year. Details information is included in Note-30 (b) to the Financial Statements.

Statement of Directors on Financial Reports for the year ended June 30, 2019

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 flows 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 and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) have been followed in the preparation of the financial statements.
- Internal Control System is properly designed and has been effectively implemented and monitored.
- The minority shareholders are protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and effective means of redress.
- There is no significant doubt about the ability of the Company to continue as a going concern.

Proper books of accounts and appropriate accounting policies in preparation of the financial statements

The Board has reviewed the Financial Statements for the period July 01, 2018 to June 30, 2019 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.

The Directors' Report to Shareholders
Significant Variance over the Last Year's Operating Result

We are pleased to report the variations from last year in the operating results of the Company as below:

Particulars	30-Jun-19	30-Jun-18	Variance
Revenue (Turnover)	433,443,776	368,290,713	18%
Gross Profit	54,186,759	50,929,003	6%
Operating Profit	29,994,008	28,075,501	7%
Profit Before Tax	27,975,596	26,696,790	5%
Profit After Tax	21,888,967	18,023,779	21%
Comprehensive Income	21,783,142	17,870,395	22%

Five Year's Financial Highlights

The financial performance of the Company for the last 5 (Five) years as under –

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Revenue	433,443,776	368,290,713	249,107,204	182,258,220	144,870,700
Cost of Goods sold	379,257,017	317,361,710	213,453,709	159,214,978	122,645,354
Gross Profit	54,186,759	50,929,003	35,653,493	23,043,242	22,225,346
Profit before tax	27,975,596	26,696,790	20,127,629	11,538,009	12,900,167
Profit After Tax	21,888,967	18,023,779	15,050,119	9,605,186	8,385,108
Comprehensive Income	21,783,142	17,870,395	15,276,154	9,529,640	8,385,108
EPS*	1.51	1.24	1.14	0.73	0.64

*Earning Per Share

The financial position of the Company for the last 5 (Five) years as under –

Particulars	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
Total Assets	268,591,663	338,972,385	302,211,635	267,236,438	228,111,433
Net Assets	142,914,117	135,650,975	213,453,709	111,135,056	109,332,816
NAV*	9.84	9.34	8.92	8.42	8.28
NOCFPS**	1.67	2.56	2.47	3.00	2.49

*Net Asset Value

**Net Operating Cash Flow Per Share

Declaration of Dividend

The Board of Directors of the Company at its 157th meeting held on October 27, 2019 proposed 10% Cash Dividend for all eligible shareholders for the year ended June 30, 2019 for onward approval in the 25th Annual General Meeting of the Company which is going to be held on January 28, 2020. No bonus share or stock dividend has been declared during the financial year 2018-2019. No bonus share or stock dividend was recommended or declared as interim dividend.

Board Meetings Held During the Year and Attendance by Each Director

During the year, the Board of Directors met 10 (Ten) times. Audit Committee met 4 (Four) times. The Board granted leave of absence to the members who are unable to attend the meetings. The attendance record of the Directors is shown as under.

Sl.	Name of Directors	Meeting Attended
1	Mr. Manwar Hossain, Chairman	10

The Directors' Report to Shareholders

2	Mr. Hossain Akhtar, Managing Director	6
3	Mr. Hossain Mehmood, Director	10
4	Mr. Hossain Khaled, Director	9
5	Mrs. Bibi Amena, Director	9
6	Mrs. Shaheena Begum, Nominated Director	7
7	Mrs. Hasina Begum, Nominated Director	7
8	Mr. Tareq Hossain, shareholder Director	5
9	Mr. Md. Abul Quasem, Independent Director	4
10	Mr. Naba Gopal Binik, Independent Director	10

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, 2019 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
Mr. Manwar Hossain, Chairman	825,000
Mr. Hossain Akhtar, Managing Directors	-
Mr. Hossain Mehmood, Directors	825,000
Mr. Hossain Khaled, Directors	825,000
Mrs. Bibi Amena, Directors	715,000
Mrs. Shaheena Begum, Directors	189,750
Mrs. Hasina Begum, Directors	192,500
Mrs. Shahnaz Begum, Sponsor	192,500
Mrs. Selina Begum, Sponsor	192,500
Anwar Steel mills Ltd., Sponsor	1,100,000
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, 2019 is as under:

Share Holding Range	Number of Shareholders	No. of Shares	Ownership (%)
0000000001-0000000020	349	2,482	0.017%
0000000021-0000000049	134	4,259	0.029%
0000000050-0000000050	65	3,250	0.022%

The Directors' Report to Shareholders

0000000051-0000000200	623	80,211	0.552%
0000000201-0000000500	852	359,903	2.479%
0000000501-0000001000	732	575,934	3.967%
0000001001-0000005000	911	2,079,036	14.318%
0000005001-0000010000	158	1,175,973	8.099%
0000010001-0000025000	84	1,231,088	8.479%
0000025001-0000050000	21	705,736	4.860%
0000050001-9999999999	30	8,302,128	57.177%
Total :	3,959	14,520,000	100.00%

Appointment or Re-appointment of Director

Mrs. Bibi Amena, Director, Mr. Hossain Khaled, Director, and Mr. Tareq Hossain, shareholder Director, of the Company retired and being eligible, offered themselves for re-election. The Board of Directors recommended their re-appointment.

Mrs. Bibi Amena was born in a reputed Muslim Family in the Old Town of Dhaka. She is a Sponsor Director of Anwar Galvanizing Limited. She is also Director of few sister concerns of Anwar Group of Industries namely Anwar Cement Limited, Hossain Dyeing & Printing Mills Ltd., Anwar Jute Spinning Mills Limited, Mehmud Industries (Pvt.) Ltd., AG Automobiles Limited, etc.

Mr. Hossain Khaled is the son of Country's renowned Business philanthropist Mr. Anwar Hossain. He is the Director of Anwar Galvanizing Limited. He is also Director of other Companies of Anwar Group of Industries. Mr. Khaled is the Managing Director of Anwar Landmark Ltd., AG Automobiles Ltd., AG Motors Ltd. He is Former President of DCCI and he is associated with different social and trade bodies makes him amongst the most recognized Business personalities of the new generation. Mr. Khaled is also the Vice Chairman of the City Bank Limited. Mr. Khaled did his BBA in Accounting from University of Toledo, Ohio, USA and MBA in International Banking from Texas A&M University, Texas, USA.

Mr. Tareq Hossain was born in a reputed Muslim Family in the Old Town of Dhaka. He is a shareholder Director of Anwar Galvanizing Limited. He is currently a chief Business Development Officer and partner of Shepherds Hajj agency. He is associated with different social organizations. He completed his MSc degree in Advanced Mechanical Engineering (AME) from Imperial College London, United Kingdom.

Appointment of Independent Director

In accordance with the 1.2 (iii) of CGG, the Board of Directors appointed Mr. Md. Abul Quasem as an Independent Director of the Company on July 27, 2019, subject to approval by the shareholders in the General Meeting.

Mr. Quasem completed his B.S.S. (Hons.) in Economics and M.S.S. Economics respectively in 1973 and 1974 from University of Dhaka. He joined Bangladesh Bank as an Assistant Director in 1976. He was appointed as the Deputy Governor of Bangladesh Bank twice. During that period, he performed his responsibilities in many departments like Currency Management and Payment System, Accounts & Budgeting, Debt Management,

The Directors' Report to Shareholders

Special Studies Cell, SME & Special Programs, Printing and Publications, Common Services, Investment Promotion & Financing Facility Project cell, Expenditure Management, Research, Statistics, Law, Monetary Policy etc. During his long tenure of working in Bangladesh Bank he attended many domestic/foreign trainings and seminars in different international organizations in various countries around the globe.

Management's Discussion and Analysis of the Company's position and operations

The Discussion and analysis by Managing Director of the Company's position and operations along with a brief discussion of changes in financial statements have been disclosed in separately in the Annual Report.

Declaration by CEO and CFO

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

The Report as well as Certificate Corporate Governance Code

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. Suraiya Parveen & Associates, Chartered Secretaries in Practice, has issued the report as well as certificate on Compliance of the Corporate Governance Code for the financial year of 2018-2019.

Auditors' Appointment

The existing Auditors, Mahfel Huq & Co., Chartered Accountants completed their one-year term as a Statutory and External Auditor of the Company and has expressed their willingness to hold office of the Statutory Auditor of the Company for the year 2019-2020. The Board, after due consideration of the proposal made by the Audit Committee, recommends for reappointment of Mahfel Huq & Co., Chartered Accountants as auditors for the year 2019-2020 subject to the approval in the 25th AGM which is scheduled to be held on January 28, 2020.

Conclusion

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

On behalf the Board,

Sd/-
Chairman

Sd/-
Company Secretary

Dhaka: Dhaka
October 26, 2019

Management's Discussion and Analysis*[As per condition No. 1(5)(xxv) of CGG]*

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 International Financial Reporting Standards (IFRS) to transactions, other events or conditions to their full extent as applicable.

In the absence of applicable IFRSs 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 IFRS 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:

The company saw an increase in growth in pre and after tax profit consistent with robust growth in sales revenue. Revenue increased by 18% over the last year to reach at TK. 433,443,776 . Profit after tax also grew by 21% to reach TK 21,888,967. The five years' comparative financial performance information are available in the directors' report.

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

Till last year, AGL was the only local manufacturer of GI Fittings in Bangladesh. In the year 2018-19, few companies have started manufacturing and distributing in the local market. However, the financial performance and position information of the companies are not readily available. During the year, the assets base of the Company is of Tk. 88,031,523 the revenue of the Company is of Tk. 433,443,776, Net Operating cash Flows of the Company is Tk 24,246,092 and the net profit, attributable to the shareholders, of the Company is of Tk. 21,783,142.

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. Bangladesh will stand out by growing at record 8% in 2019 and 2020, making it the fastest growing economy in Asia-Pacific. This is happening at a time when the global economic outlook remains challenging, and growth is expected to moderate across most of developing Asia at 5.7% in 2019 and 5.6% in 2020.

Management's Discussion and Analysis*[As per condition No. 1(5)(xxv) of CGG]*

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. The risks and concerns issues related to Company's financial statements are identified and mentioned in the annual financial statements for the year ending 30 June 2019.

The Company has a robust system of internal control and well-designed accounting and reporting process. The Company's accounting and finance functions are manned with adequate experienced professionals. Appropriate policies and procedures, as well as adequate review and control mechanisms are in place in every steps of the financial reporting value chain to avoid, eliminate or reduce the risk of errors, omissions or material misstatements. Moreover, quarterly and annual public reports are subject to review by the Board's Audit Committee in addition to the annual accounts being audited by independent external auditors.

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

The Company is continuing investment in the latest technology driven annealing furnace and other laboratory equipment to increase the capacity of the plant and at the same time reduce wastage and ensure quality products.

Sd/-

Hossain Akhtar
Managing Director & CEO

Dhaka
October 25, 2019



**Independent Auditor's Report
to the Shareholders' of
Anwar Galvanizing Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Anwar Galvanizing Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2019 and along with the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 30 June 2019, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to the key audit matters
<p>Revenue recognition</p> <p>At year end, the company reported total revenue of BDT 433,443,776.</p> <p>Revenue is measured including discounts, incentives and rebates by customers on the company's sales. Within a number of the company's markets, the estimation of incentives recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to the fraud through manipulation of the discounts, incentives and rebates recognised resulting from the pressure of local management may feel to achieve performance targets</p>	<ul style="list-style-type: none"> • We have tested the design and operating effectiveness of key controls focusing on the following: Calculation of incentives; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded at the year end date to determine whether revenue was recognized in the current period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards. <p><i>[See note 16.0 of the financial statements]</i></p>

Valuation of Inventory	Our response to the risk
<p>The company had inventory of BDT 125,387,724 at 1st July 2019, held in factory premises and warehouse.</p> <p>Inventory value is measured at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for value in use and working progress.</p> <p>Closing Inventory under work-in-process is BDT 38,502,547, the items of this kind requires expert valuer's opinion. An expert valuers report would be required.</p> <p>The Work in Process is calculated within the company's accounting systems using an automated process. Where local systems require manual interfaces and inputs, there is a risk that inappropriate management override and/or error</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of warehouses. • Attending inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess

may occur.	<p>whether inventory provisions are complete; and</p> <ul style="list-style-type: none"> Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory to assess whether provisions for slow-moving/obsolete stock are valid and complete. <p><i>[See note 5.00 of the financial statements]</i></p>

Legal and regulatory matters

We focused on this area because the company operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

Overall, the legal provision represents the company's best estimate for existing legal matters that have a probable and estimable impact on the company's financial position.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the legal provision and contingencies process.

We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the company's provisions and contingent liabilities disclosure.

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditures incurred were for the purpose of the company's business.

Place: Dhaka
Dated: 27 October 2019

Sd/-
Md. Abu Kaiser, FCA
Partner,
Mahfel Huq & Co.
Chartered Accountants

Anwar Galvanizing Limited
Statement of Financial Position
As at 30 June 2019

Particulars	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Assets			
Non Current Assets			
Property, Plant and Equipment	3.00	88,031,523	89,399,729
		88,031,523	89,399,729
Current Assets			
Assets Reclassified as Held for Sale	4.00	-	52,280,217
Inventories	5.00	125,387,724	138,128,715
Trade Receivables	6.00	5,224,134	10,175,087
Advances, Deposits and Prepayments	7.00	15,373,982	13,315,562
Short Term Investment	8.00	1,217,468	1,323,293
Cash and Cash Equivalents	9.00	33,356,832	34,349,782
		180,560,140	249,572,656
Total Assets		268,591,663	338,972,385
Equity & Liabilities			
Shareholders' Equity			
Share Capital	10.00	145,200,000	145,200,000
Retained Earnings	11.00	(2,285,883)	(43,606,728)
Tax Holiday Reserve	12.00	-	34,057,703
		142,914,117	135,650,975
Non Current Liabilities			
Deferred Tax Liabilities	13.00	10,320,053	10,409,064
		10,320,053	10,409,064
Current Liabilities			
Trade and Other Payables	14.00	115,357,493	191,186,822
Liabilities for Other Finance	15.00	-	1,725,524
		115,357,493	192,912,346
Total Equity & Liabilities		268,591,663	338,972,385
Net Asset Value Per Share	23.00	9.84	9.34

The annexed notes form an integral part of these financial statements

Sd/-
Company Secretary

Sd/-
Managing Director

Sd/-
Chairman

Signed as per our annexed report on even date

Place: Dhaka
Dated : 27 October 2019

Sd/-
Md. Abu Kaiser, FCA
Partner,
Mahfel Huq & Co.
Chartered Accountants

Anwar Galvanizing Limited
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Revenue	16.00	433,443,776	368,290,713
Cost of Goods Sold	17.00	(379,257,017)	(317,361,710)
Gross Profit		54,186,759	50,929,003
Operating Expenses			
Administrative Expenses	18.00	(13,333,045)	(11,792,217)
Selling and Distribution Expenses	19.00	(10,859,706)	(11,061,285)
		(24,192,751)	(22,853,502)
Operating Profit		29,994,008	28,075,501
Financial Expenses	20.00	(806,570)	(517,653)
Non-Operating Income	21.00	186,937	473,783
Profit Before Distribution of WPPF		29,374,376	28,031,630
Contribution to WPPF		(1,398,780)	(1,334,840)
Profit Before Tax		27,975,596	26,696,790
Income Tax Expense			
Current Tax	14.02	(6,175,640)	(5,585,658)
Deferred Tax	13.00	89,011	(3,087,353)
		(6,086,629)	(8,673,011)
Net Profit After Tax		21,888,967	18,023,779
Other Comprehensive Income			
Unrealized Gain/(Loss) on Marketable Securities	8.00	(105,825)	(153,385)
Total Comprehensive Income for the Period		21,783,142	17,870,395
Basic Earning Per Share	24.00	1.51	1.24

The annexed notes form an integral part of these financial statements

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Chairman

Signed as per our annexed report on even date

Place: Dhaka
Dated : 27 October 2019

Sd/-

Md. Abu Kaiser, FCA
Partner,
Mahfel Huq & Co.
Chartered Accountants

Anwar Galvanizing Limited
Statement of Changes in Equity
For the year ended 30 June 2019

Amount in Taka

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
Balance as on 01 July 2017	132,000,000	34,057,703	(48,277,123)	117,780,580
Net Profit/Loss for the year	-	-	18,023,779	18,023,779
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	(43,606,728)	135,650,975
Net Profit/Loss for the year	-	-	21,888,967	21,888,967
Unrealized Gain/ (Loss)	-	-	(105,825)	(105,825)
Dividend (Cash)	-	-	(14,520,000)	(14,520,000)
Transfer of Reserve to Retained Earnings	-	(34,057,703)	34,057,703	-
Balance as on 30 June 2019	145,200,000	-	(2,285,883)	142,914,117

The annexed notes form an integral part of these financial statements

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Chairman

Place: Dhaka
Dated : 27 October 2019

Anwar Galvanizing Limited
Statement of Cash Flows
For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		30 June 2019	30 June 2018
Cash Flows from Operating Activities			
Collection from Customers and Others	22.00	448,169,015	382,749,631
Payment for Expenses		(418,705,817)	(340,509,966)
Income Tax Paid		(5,051,812)	(5,031,907)
Interest Paid		(165,293)	-
Net Cash Inflow/(Outflow) from Operating Activities		24,246,092	37,207,758
Cash Flows from Investing Activities			
Payment for the Acquisition of Property, Plant & Equipment		(6,502,585)	(14,665,458)
Proceeds from Sales of Property, Plant & Equipment		51,783,688	-
Net Cash Inflow/(Outflow) from Investing Activities		45,281,103	(14,665,458)
Cash Flows from Financing Activities			
Dividend Paid		(10,546,053)	(111,775)
Inter Company Payment		(55,977,217)	-
Paid Loan against Trust Receipts (LTR)		(3,996,875)	1,725,525
Net Cash Inflow/(Outflow) from Financing Activities		(70,520,146)	1,613,750
Net Increase/(decrease) in Cash and Cash Equivalents		(992,950)	24,156,050
Cash and Cash Equivalents at the Beginning of the Year		34,349,782	10,193,732
Cash and Cash Equivalents at the Year End		33,356,832	34,349,782
Net Operating Cash Flow Per Share	25.00	1.67	2.56

The annexed notes form an integral part of these financial statements

Sd/-

Company Secretary

Sd/-

Managing Director

Sd/-

Chairman

Place: Dhaka
Dated : 27 October 2019

Anwar Galvanizing Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2019

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.

2. Summary of significant accounting policies and basis of preparation of the financial statements:

2.1 Statement of Compliance:

These financial statements (including consolidated financial statements) have been prepared on going concern basis in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws in Bangladesh.

2.2 Going Concern:

The company has adequate resources to continue in operation for foreseeable future and hence the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.4 Compliance with Financial Reporting Standards as applicable in Bangladesh:

IAS/ IFRS	Title	Remarks
IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventory	Complied
IAS 7	Statement of Cash Flows	Complied
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied

IAS 11	Construction Contracts	N/A
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 17	Leases	Complied
IAS 18	Revenue	Complied
IAS 19	Employee Benefits	Complied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	N/A
IAS 21	The Effects of Changes in Foreign Exchange Rates	Complied
IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	N/A
IAS 27	Consolidated and Separate Financial Statements	N/A
IAS 28	Investments in Associates and Joint Ventures	N/A
IAS 31	Interests in Joint Ventures	N/A
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings per Share	Complied
IAS 34	Interim Financial Reporting	Complied
IAS 36	Impairment of Assets	Complied
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Complied
IAS 39	Financial Instruments: Recognition and Measurement	Complied
IAS 40	Investment Property	N/A
IAS 41	Agriculture	N/A
IFRS-1	First Time Adoption of IFRS	N/A
IFRS-2	Share Based Payment	N/A
IFRS-3	Business Combinations	N/A
IFRS-4	Insurance Contracts	N/A
IFRS-5	Non-Current Assets held for Sale and Discontinued Operations	Complied
IFRS-6	Exploration for and Evaluation of Mineral Resources	Complied
IFRS-7	Financial Instruments : Disclosures	N/A
IFRS-8	Operating Segments	N/A
IFRS-10	Consolidated Financial Statements	N/A
IFRS-11	Joint Arrangements	N/A
IFRS-12	Disclosure of Interests in Other Entities	Complied
IFRS-13	Fair Value Measurement	Complied
IFRS-14	Regulatory Deferral Accounts	N/A
IFRS-15	Revenue from contracts with customers	Complied
IFRS-16	Leases	Complied

2.5 Other Regulatory Compliances:

The company is also required to comply with the following major legal provisions in addition to The Companies Act 1994 and other applicable laws and regulations but not limited to:

- a) The Income Tax Ordinance & Rules, 1984
- b) The Value Added Tax Act & Rules, 1991
- c) The Security & Exchange Rules, 1987
- d) The Customs Act 1969
- e) Bangladesh Labour Act 2006 (Amended in 2013)
- f) Bangladesh Labour Rules 2015

2.6 Basis of Measurement:

The financial statements have been prepared on the historical cost basis except for the 'Short Term Investment' measured at present value using 'mark to market' concept with unrealized gain/loss presented in other comprehensive income.

2.7 Use of Estimates and Judgments:

The preparation of financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

2.8 Cash Flow Statement:

IAS 1 requires that a complete set of financial statement requires preparation of statement of cash flows. The statement of cash flows is prepared as it provides information about cash flows of the enterprise which is useful in providing users of financial statements with the information about ability of the enterprise to generate cash and utilization of those cash.

2.9 Statement of Changes in Equity:

The Statement of Changes in Equity reflects information about the increase or decrease in net assets or wealth. The statement also shows item-wise movement along with the description of changes from the end of last year to the end of current period.

2.10 Significant Accounting Policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by group entities except otherwise instructed by the Central Bank as prime regulator. Certain comparative amounts in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

i. Property, Plant and Equipments:

a) Recognition and measurement:

In pursuant to IAS 16: Property, Plant and Equipment, the cost of an item of property, plant and equipment is recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Fixed assets have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of such items can be measured reliably. All other expenditures are charged to the Profit and Loss account in the financial period which they are incurred.

b) Depreciation:

No depreciation is charged on land and capital work in progress (CWIP) as the land has unlimited useful life and CWIP has not yet been placed in service.

Depreciation on assets is calculated using the Straight Line Method to allocate the cost amount over their estimated useful lives. In respect of addition of fixed assets, depreciation is charged full month in the month of addition. No depreciation is charged in the month of disposal.

Depreciation is charged using the following rates on the fixed assets:

Asset Category	Depreciation Rate	
	FY 2018-19	FY 2017-18
Land & Land Development	0%	0%
Building & Construction	2-5%	2-5%
Plant, Machinery & Equipment	3.33-25%	3.33-25%
Office Equipment	10-33.33%	10-33.33%
Furniture & Fixtures	10%	10%
Vehicles	6.67%	6.67%

c) Retirement and disposals:

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as profit or loss.

d) Impairment of Assets:

The carrying amount of Company's assets are reviewed with sufficient regularity to determine whether there is any indication of impairment. Any impairment loss is recognized in the profit and loss account if the carrying amount of an asset exceeds its recoverable amount [IAS 36 Impairment of Assets]. No such impairment loss has been arisen and recognized during the year ended 30 June 2019.

ii. Inventories:

Inventories except materials in transit are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operation capacity.

Allowance for inventory is periodically recognized mainly on the basis of failure in quality control testing, net realizable value, non-compliance testing, near to expiry etc. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Material in transit represents the cost incurred up to the date of the statement of financial position for the items that were not received but the relative risk has been transferred till to the date of reporting. Inventory losses and abnormal losses are recognized as expenses.

iii. Leases:

All leases other than those which meet the definition of finance lease are treated as operating lease and are recognized in the statement of profit and loss. Payments made under operating leases are recognized in profit or loss. For non-cancellable operating leases payments are recognized on a straight line basis over the term of the lease.

iv. Financial instruments:

Non-derivative financial instruments comprise investments in shares and term deposit, trade receivables, other receivables, intercompany receivables, cash and cash equivalents, trade payables, other payables, intercompany payables, share capital and interest-bearing borrowings.

a) Financial Assets:

The Company initially recognizes receivables and deposits issued on the date when they are originated. All other financial assets are initially recognized on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company's financial assets comprise trade and other receivables, investment in shares and term deposit and cash and cash equivalents.

Trade, Other and Intercompany Receivables:

Trade, other and intercompany receivables are recognized at original invoiced amount. Receivables are stated at netted off provision for bad and doubtful debt and written off. Provision is made in the financial statements considering the uncertainty of recovery at the date of the statement of financial position and bad debts are written off when the debts became finally irrecoverable based on assessment and judgment made by senior management of the Company.

Investment in Shares-other than the Investment in Subsidiaries, Associates and Joint Ventures:

Investment in shares are non-derivative financial assets that are designated as available-for-sale. Initially they are recognized at cost and subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale are recognized in other comprehensive income and presented in fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Cash and Cash Equivalents:

Cash and cash equivalents comprise cash balances and all call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. There is no bank overdraft availing by the company.

b) Financial Liabilities:

The Company initially recognizes financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company recognizes such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company's financial liabilities comprise trade and other payables and interest-bearing borrowings.

Trade Payables

Trade payables are recognized at fair value.

Interest-bearing Borrowings

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost using the effective interest method less any impairment losses.

c) Offsetting a Financial Asset and a Financial Liability

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Share Capital:**a) Authorized Capital:**

Authorized capital is the maximum amount of share capital that the Company is authorized by its Memorandum and Articles of Association to issue to shareholders.

b) Paid-up Capital:

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

c) Retained Earnings:

The surplus amount after appropriation of profit is kept in Retained Earnings

vi. Taxation:**a) Current Year:**

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

b) 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.

c) Deferred Tax:

Deferred tax is recognized in compliance with IAS 12: Income Taxes, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each year-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

vii. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are liabilities of uncertain timings or amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be repaid to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

All provisions are recognized by making the best estimate of the amounts in accordance with IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

viii. Employee Benefits:

Workers' Profit Participation Fund

The company has made a provision for Workers' Profit Participation Fund (WPPF) for the year ended 30 June 2017. The Company provides 5% of its net profit before tax after charging such expense as Workers' Profit Participation Fund in accordance with Bangladesh Labour Act 2006 as amended 2013.

ix. Revenue Recognition, Measurement and Presentation:

The Company has adopted IFRS 15 (Revenue from Contracts with Customers) to provide a single, comprehensive revenue recognition model for all contracts with customers. Under the new guidance, an entity will recognize revenue to depict the transfer of promised goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. A five step model has been introduced for an entity to apply when recognizing revenue.

IFRS 15 is effective from 01 January 2018, and was applied to contracts that were not completed at the date of initial application on a modified retrospective basis through a cumulative effect adjustment to retained earnings as of that date. The prior period comparative information has not been restated and continues to be reported under the accounting guidance in effect for those periods.

x. Finance income and expenses:

The Group's finance income and finance costs include:

- interest income and
- interest expense;

Interest income or expense is recognized using the effective interest method. Interest income is recognized on accrual basis. All finance expenses are recognized in profit or loss.

xi. Foreign Currency Transactions and Translations:

a) Foreign Currency Transactions:

Transactions/Day End Balances in foreign currencies are converted into respective functional currencies at the rate of exchange ruling at the date of transactions as per IAS 21 'The Effects of Changes in Foreign Exchange Rates'. Effects of Exchange rate differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the Company are recorded in the Profit or Loss Account.

b) Foreign Currency Translations:

Assets and liabilities have been presented into Taka (which is functional currency of the Company) using yearend spot rate of exchange of the Company and incomes and expenses are translated using spot rate of exchange. The foreign currency translation difference is a net result of exchange difference of year end

standard mid-rate and monthly average of standard mid-rate arising from translation of functional currency to presentation currency.

xii. Proposed Dividend:

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

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.

xiii. Earnings Per Share (EPS)

The Company calculates earnings per share (EPS) in accordance with IAS 33 "Earnings Per Share" which has been shown on the face of Profit and Loss Account. Earnings per share (EPS) has been calculated by dividing the net profit after tax by the total number of ordinary shares outstanding at the end of the period.

Basic Earnings per Share

Basic earnings per share shall be calculated by dividing profit or loss attributable to ordinary equity holders of the entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

Diluted Earnings per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the total number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

xiv. Net Asset Value (NAV) and Net Operating Cash Flow Per share (NOCFPS):

The Net Asset Value (NAV) and Net Operating Cash Flow per share has been disclosed in the financial statements in line with BSEC (Bangladesh Securities & Exchange Commission) and have been computed in line with EPS.

xv. Related Party Disclosure:

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 'Related Party Disclosures', BSEC guidelines.

xvi. Components of Financial Statements:

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

- a) Statement of Financial Position as on 30th June 2019.
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June 2019.
- c) Statement of Cash Flows for the year ended 30th June 2019.
- d) Statement of Changes in Equity for the year ended 30th June 2019.
- e) Accounting Policies and Explanatory Notes.

2.11 Reporting Period:

Financial Statements of the company cover one financial year from 1st July 2018 to 30th June 2019.

2.12 Comparative Information and Rearrangement thereof:

Comparative information has been disclosed in respect of the year for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year’s financial statements.

Figures for prior year have been re-arranged wherever considered necessary to ensure better comparability with current year.

2.13 Reporting Currency and Level Precision:

Comparative information has been disclosed in respect of the year for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year’s financial statements.

Figures for prior year have been re-arranged wherever considered necessary to ensure better

2.14 Consistency:

In accordance with IFRS framework for the presentation of financial statements together with IAS-1 and IAS-8, Anwar Galvanizing Limited discloses its information consistently from one period to the next. Where selecting and applying a new accounting policies, changes in accounting policies, correction of errors, and the amount involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS-8. However, for changes in the accounting estimates the related amount is recognized prospectively in the current period and in the next period or periods.

Anwar Galvanizing Limited
Notes to the Financial Statements
For the year ended 30 June 2019

SL.	Particulars	Notes	Amount in Taka	
			30 June 2019	30 June 2018
3.00	Property, Plant and Equipment			
	A. Cost			
	Opening Balance as on 01 July		121,585,809	243,758,057
	Addition during the year		6,502,585	14,665,458
	Disposal during the year		(5,450)	(530,000)
	Assets reclassified as held for sale		-	(136,307,706)
			128,082,944	121,585,809
	B. Accumulated Depreciation			
	Opening Balance as on 01 July 2018		32,186,080	104,385,728
	Depreciation for the year		7,870,341	7,452,000
	Depreciation on disposal of assets during the year		(5,000)	(212,016)
	Depreciation on assets reclassified as held for sale		-	(79,439,632)
			40,051,421	32,186,080
			87,151,545	
	Written down value as on 30 June 2019 (A-B)		88,031,523	89,399,729

Details have been shown in the Schedule of Property, Plant and Equipment

4.00 Assets Reclassified as Held for Sale

Total Cost as on 01 July 2018	52,280,217	136,307,706
Less: Accumulated depreciation	-	79,439,632
	52,280,217	56,868,074
Loss on impairment of assets at reclassification	-	(4,587,857)
Loss on sale of assets	(496,529)	-
Proceed from sales of asset	(51,783,688)	-
Written down value as on 30 June 2019	-	52,280,217

Assets reclassified for sale in the year ended on 30 June 2018 have been sold in the current financial year. The loss arising from sale is reported as operating expense in accordance with IAS-16 and IFRS 5. The proceeds from sale of assets is use for the furtherance of business.

5.00 Inventories

Raw materials	5.1	4,207,551	6,644,492
Auxiliary materials	5.2	6,993,465	5,616,796
Spare parts and other materials	5.3	31,913,240	31,444,070
Finished goods	5.4	43,770,920	49,675,758
Work -in-process	5.5	38,502,547	44,747,599
		125,387,724	138,128,715

Inventories, except goods in transit are measured at lower of cost and estimated net realisable value (NRV). In view of innumerable items of inventory and diversified units of measurement, it is not feasible to disclose the comparison of NRV and cost.

5.01 Raw Materials

Pig Iron	1,689,451	1,460,671
CI Scrap	2,029,149	2,703,061
MS Scrap	488,951	2,480,760
	4,207,551	6,644,492

Anwar Galvanizing Limited
Notes to the Financial Statements
For the year ended 30 June 2019

SL.	Particulars	Notes	Amount in Taka	
			30 June 2019	30 June 2018
5.02	Auxiliary Materials			
	Hydrochloric acid		10,137	7,560
	Molasses		217,971	419,893
	Talcum powder		49,113	28,920
	Quartz powder		115,362	91,001
	Graphite powder		5,600	47,600
	Shots		451,300	232,762
	Aluminum ingot		19,652	54,208
	Ball clay		19,390	45,230
	Brass		19,580	9,914
	Binder core		250	250
	Coal dust		7,500	18,720
	Fire clay		19,250	16,900
	Hard cook		260,589	75,480
	Resin sand for core		3,000	3,000
	Silicon manganese		611	611
	Boric acid		19,425	12,000
	Castable cement G-1850		38,750	3,125
	Sodium silicate gum		5,757	-
	Sponge iron		18,100	18,100
	Calcine petroleum coke		1,989,920	773,609
	Ferro silicon		1,120,740	1,085,320
	Zinc ingot		2,514,030	2,672,595
	HS def: bar 20mm		87,440	-
			6,993,465	5,616,796
5.03	Spare Parts and Other Materials			
	Consumable materials		24,384,650	26,658,537
	Construction materials		3,169,465	141,698
	Spare parts and other materials		4,359,125	4,643,835
			31,913,240	31,444,070
5.04	Finished Goods			
	Finished Goods		43,770,920	49,675,758
			43,770,920	49,675,758
5.05	Work-in-Process			
	Annealing		6,014,720	10,356,891
	Grinding		5,961,830	-
	Drilling		860,125	-
	Galvanizing		2,253,223	75,726
	Threading		23,397,259	33,559,921
	Packing		15,390	755,060
			38,502,547	44,747,599
6.00	Trade Receivables			
	Receivable from dealers		5,224,134	13,046,585
	Provision for bad debt		-	(2,871,498)
			5,224,134	10,175,087

Anwar Galvanizing Limited
Notes to the Financial Statements
For the year ended 30 June 2019

SL.	Particulars	Notes	Amount in Taka																										
			30 June 2019	30 June 2018																									
	Aging of Trade Receivables																												
	Duration:																												
	1 - 30 Days		4,267,109	3,637,697																									
	31 - 60 Days		-	2,114,073																									
	61 - 90 Days		-	1,947,473																									
	91 - 180 Days		1	906,388																									
	181 - 365 Days		22	360,448																									
	Over 365 Days		957,002	1,209,009																									
			5,224,134	10,175,087																									
	As the Company deals with large number of parties, party-wise trade receivables could not be given.																												
7.00	Advances, Deposits and Prepayments																												
	Advances	7.1	11,136,429	9,078,009																									
	Security deposits	7.2	4,237,552	4,237,552																									
			15,373,982	13,315,562																									
	Above amounts are unsecured, but considered good.																												
7.01	Advances																												
	Advance against supplier		7,572,144	3,227,533																									
	Advance income tax	7.01.1	2,005,307	2,000,000																									
	Advance against employee		82,023	162,096																									
	Advance against others		717,577	546,637																									
	Advance To NBL securities ltd		35,198	35,648																									
	VAT current account		724,180	3,106,095																									
			11,136,429	9,078,009																									
7.01.1	Advance Income Tax																												
	Opening balance		2,000,000	17,330,677																									
	Payment made u/s 64 and 74		2,000,000	1,000,000																									
	Withholding tax		5,308	632,292																									
	Tax adjustment for AY: 2017-18		(2,000,000)	(16,962,969)																									
	Closing balance		2,005,307	2,000,000																									
7.02	Security Deposits																												
	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																									
8.00	Short Term Investment																												
	<table border="1"> <thead> <tr> <th>Name of Company</th><th>No of Share</th><th>Cost Price</th><th>Market Price</th><th>Market Price</th></tr> </thead> <tbody> <tr> <td>Jamuna Oil Limited</td><td>3,932</td><td>702,800</td><td>683,382</td><td>731,745</td></tr> <tr> <td>M.I. Cement Factory Limited</td><td>5,500</td><td>652,600</td><td>374,000</td><td>446,050</td></tr> <tr> <td>Sumit Power Limited</td><td>3,839</td><td>208,926</td><td>160,086</td><td>145,498</td></tr> <tr> <td></td><td></td><td>1,564,326</td><td>1,217,468</td><td>1,323,293</td></tr> </tbody> </table>	Name of Company	No of Share	Cost Price	Market Price	Market Price	Jamuna Oil Limited	3,932	702,800	683,382	731,745	M.I. Cement Factory Limited	5,500	652,600	374,000	446,050	Sumit Power Limited	3,839	208,926	160,086	145,498			1,564,326	1,217,468	1,323,293			
Name of Company	No of Share	Cost Price	Market Price	Market Price																									
Jamuna Oil Limited	3,932	702,800	683,382	731,745																									
M.I. Cement Factory Limited	5,500	652,600	374,000	446,050																									
Sumit Power Limited	3,839	208,926	160,086	145,498																									
		1,564,326	1,217,468	1,323,293																									

Anwar Galvanizing Limited
Notes to the Financial Statements
For the year ended 30 June 2019

SL.	Particulars	Notes	Amount in Taka	
			30 June 2019	30 June 2018

The investments comprise of equity investments in other entities and are not held for sale. The unrealized gain/(loss) has been accounted and presented in other comprehensive income in accordance IFRS 9.

9.00 Cash and Cash Equivalents				
Cash at banks	9.01		32,766,990	31,609,204
Cash in hand	9.02		589,842	2,740,578
			33,356,832	34,349,782
9.01 Cash at Banks				
AB Bank Limited			2,899	4,199
Al-Arafah Islami Bank Limited			275,902	150,823
Bangladesh Commerce Bank Limited			17,350	18,500
Brac Bank Limited			112,467	1,418,612
Dutch Bangla Bank Limited			1,804,510	1,245,198
First Security Islami Bank Limited			7,187,603	2,169,503
Islami Bank Limited			3,676,333	904,423
Mutual Trust Bank Limited			251,624	75,248
NRB Commercial Bank Limited			2,305	2,305
Pubali Bank Limited			2,124,865	151,556
South Bangla Agricultural and Commercial Bank Limited			32,279	213
Shahjalal Islami Bank Limited			80,194	357,974
Standard Bank Limited			7,043	93,398
The City Bank Limited, F.Ex. Branch			14,730,371	23,399,926
The City Bank Limited, Motijheel Branch			904,014	934,487
The City Bank Limited, Principal Branch			1,064,204	74,033
United Commercial Bank Limited			424,165	501,159
Uttara Bank Limited			68,865	107,648
			32,766,990	31,609,204
9.02 Cash in Hand				
Cash in head office			1,687	124,372
Cash in factory office			588,155	2,616,206
			589,842	2,740,578
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 issued for cash			132,000,000	132,000,000
1,320,000 bonus shares of TK 10 each			13,200,000	13,200,000
			145,200,000	145,200,000

Anwar Galvanizing Limited
Notes to the Financial Statements
For the year ended 30 June 2019

SL.	Particulars	Notes	Amount in Taka	
			30 June 2019	30 June 2018

The composition of the shareholders at balance sheet date was as follows:

Categories of Shareholders	% of Shareholding		Value of Shares	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Sponsor and Directors	35.32%	35.32%	51,290,000	51,290,000
Institutional Investors	18.91%	18.91%	27,457,280	27,457,280
Public	45.77%	45.77%	66,452,720	66,452,720
	100%	100%	145,200,000	145,200,000

Classifications of Shareholders by Holding:

Holdings	% of Holding		Number of Holders	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
01-20	0.017%	0.015%	349	298
21-49	0.029%	0.022%	134	98
50-50	0.022%	0.024%	65	71
51-200	0.552%	0.522%	623	582
201-500	2.479%	2.602%	852	896
501-1000	3.966%	4.542%	732	824
1001-5000	14.318%	16.603%	911	1032
5001-10000	8.099%	9.797%	158	194
10001-25000	8.479%	13.042%	84	125
25001-50000	4.860%	5.068%	21	19
50001-9999999999	57.177%	47.764%	30	20
Total	100%	100%	3,959	4,159

11.00 Retained Earnings

Profit brought forward	(43,606,728)	(48,277,123)
Net profit during the year	21,888,967	18,023,779
Add: Gain/(loss) on marketable securities (unrealized)	(105,825)	(153,385)
Less : Cash dividend	(14,520,000)	-
Less : Stock dividend	-	(13,200,000)
Add: Transfer of tax holiday reserve to retained earnings	34,057,703	-
Balance carried forward	(2,285,883)	(43,606,728)

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
	34,057,703	34,057,703
Less: Transfer of tax holiday reserve to retained earnings	(34,057,703)	-
	-	34,057,703

The company transferred the 'Tax Holiday Reserve' fully to the 'Retained Earnings' in the financial year ended on 30 June 2019 since tax holiday period relating to the reserve has already been elapsed since long and there is no requirement by law to continue this special reserve in accounts.

Anwar Galvanizing Limited
Notes to the Financial Statements
For the year ended 30 June 2019

SL.	Particulars	Notes	Amount in Taka	
			30 June 2019	30 June 2018
13.00	Deferred Tax Liability			
	Opening Balance		10,409,064	7,321,711
	Deferred tax (income)/ expense charged in Profit & Loss		(89,011)	3,087,353
	Deferred tax (income)/ expense charged in OCI		-	-
	Closing Balance	13.1	10,320,053	10,409,064
13.01	For 30 June 2019			
		Carrying Value	Tax Based Value	Temporary Difference
	<u>Property, Plant and Equipment</u>			
	Land	8,877,421	8,877,421	-
	Other than land	79,154,102	37,873,891	41,280,211
		88,031,523	46,751,312	41,280,211
	<u>Applicable Tax Rate</u>			
	On land			15%
	On other than land			25%
	<u>Deferred Tax Liability</u>			
	On land			-
	On other than land			10,320,053
	Deferred tax liabilities as on June 30, 2019			10,320,053
14.00	Trade and Other Payables			
	Trade payable		70,848,323	143,775,410
	Liabilities for expenses	14.1	26,970,851	21,182,530
	Income tax payable	14.2	7,984,244	6,860,416
	Advance received from customers		9,554,075	19,368,465
			115,357,493	191,186,822
14.01	Liabilities for Expenses			
	Unpaid dividend		12,080,301	8,106,354
	Liabilities for other expense		8,838,332	6,808,679
	TDS & VDS payable		963,066	924,112
	Liabilities for salaries, wages and others		5,089,152	5,343,385
			26,970,851	21,182,530
14.02	Income Tax Payable			
	Opening balance		6,860,416	5,437,538
	Tax provision made during the year		6,175,640	5,585,658
	Tax adjustment during the year		-	12,800,189
	Adjustment of tax liability with advance tax paid		(2,000,000)	(16,962,969)
	Tax payment against demand for the AY: 2018-19		(3,051,812)	-
	Closing balance		7,984,244	6,860,416
15.00	Liabilities for Other Finance			
	Loan against trust receipts (LTR)		-	1,725,524
			-	1,725,524

Anwar Galvanizing Limited
Notes to the Financial Statements
For the year ended 30 June 2019

SL.	Particulars	Notes	Amount in Taka	
			30 June 2019	30 June 2018
16.00	Revenue			
	Sales: GI Fittings		410,004,235	325,638,545
	Sales: Brake Drum		12,656,355	33,563,553
	Sales: Others		10,783,186	9,088,614
			433,443,776	368,290,713
	The sales amount is presented net of VAT.			
17.00	Cost of Goods Sold			
	Raw materials consumption	17.01	89,588,485	84,175,300
	Auxiliary materials consumption	17.02	87,101,184	78,598,200
	Spare parts and other material consumption	17.03	55,375,475	48,711,840
	Total Consumption of Material		232,065,145	211,485,340
	Factory overheads	17.04	135,041,982	142,355,084
	Opening stock of work -in-process		44,747,599	28,922,138
	Closing stock of work -in-process		(38,502,547)	(44,747,599)
	Cost of Production		373,352,178	338,014,964
	Opening stock of finished goods		49,675,758	29,022,505
	Closing stock of finished goods		(43,770,920)	(49,675,758)
	Cost of Goods Sold		379,257,017	317,361,710
17.01	Raw Materials Consumption			
	Opening stock		6,644,492	5,924,950
	Add: Purchase		87,151,545	84,894,842
			93,796,037	90,819,792
	Less: Closing stock		4,207,551	6,644,492
			89,588,485	84,175,300
17.02	Auxiliary Materials Consumption			
	Opening stock		5,616,796	4,603,614
	Add: Purchase		88,477,853	79,611,382
			94,094,649	84,214,996
	Less: Closing stock		6,993,465	5,616,796
			87,101,184	78,598,200
17.03	Spare Parts and Other Material Consumption			
	Opening stock		31,444,070	43,386,944
	Add: Purchase		55,844,646	36,768,966
			87,288,715	80,155,910
	Less: Closing stock		31,913,240	31,444,070
			55,375,475	48,711,840

17.04 Factory Overheads			
Salary, wages and allowances	81,451,201	81,053,638	
Power cost	39,264,921	43,877,521	
Entertainment expense	829,455	1,718,154	
Telephone, mobile & internet	126,498	102,400	
Workers quarter rent	504,000	412,000	
Worker welfare expenses	846,867	-	
Business development expense	247,500	588,357	
Consumables	265,756	-	
Cleaning expense	46,200	40,700	
Repair and maintenance	3,437,432	2,464,227	
Travelling and conveyance	195,961	30,393	
Carriage inward	428,071	623,997	
Impairment loss of assets	4.00	4,587,857	
Depreciation	7,398,120	6,855,840	
	135,041,982	142,355,084	
18.00 Administrative Expenses			
Salary and allowances	6,394,451	4,604,640	
Business development expenses	610,450	710,870	
Licence, registration, consultancy and renewal fees	664,695	1,333,266	
Audit fees	172,500	123,500	
Office rent	588,320	191,671	
Repair and maintenance	604,806	565,312	
Staff welfare expenses	1,213,845	-	
Utility expenses	929,239	345,635	
IT expenses	52,913	73,862	
Postage and courier expenses	53,617	22,313	
Entertainment expenses	55,384	-	
Telephone and mobile	45,358	37,517	
Printing, stationary and photocopy	715,020	193,126	
Travelling and conveyance	77,320	122,847	
Other expenses	-	-	
Loss on disposal of fixed assets	496,529	-	
Bad debt expense	186,378	2,871,498	
Depreciation	472,220	596,160	
	13,333,045	11,792,217	
19.00 Selling and Distribution Expenses			
Promotional expenses	538,984	1,464,626	
Carriage outward	2,738,884	2,562,181	
Sales incentive	2,475,783	2,612,691	
Salary and allowances	2,232,953	2,068,534	
Mobile bill	54,667	77,191	
Dealer/ mechanics seminar	1,799,985	657,800	
Travelling and daily allowances	1,018,450	1,618,262	
Repair and maintenance	-	-	
	10,859,706	11,061,285	
20.00 Financial Expenses			
Bank charges and commission	139,374	132,452	
Credit report fee	34,740	40,000	
Interest expenses	632,455	345,201	
	806,570	517,653	

21.00 Non-Operating Income			
Discount and commission		14,234	333,526
Dividend income		63,982	43,402
Rent income		72,970	92,750
Interest income		35,752	4,105
		186,937	473,783
22.00 Collection from Customers and Others			
Opening balance of trade receivables		10,175,087	8,040,183
Add: Sales during the year		433,443,776	368,290,713
		443,618,863	376,330,895
Less: Closing balance of trade receivables		5,224,134	13,046,585
Total collection from trade receivables		438,394,729	363,284,310
Advance collection from customers		9,554,075	19,368,465
Collection from other income		220,210	96,855
		448,169,015	382,749,631
23.00 Net Asset Value (NAV) Per Share			
The Computation of NAV per share is given below :			
Assets		268,591,663	338,972,385
Less: Liabilities		125,677,546	203,321,410
Net Assets Value		142,914,117	135,650,975
Weighted average number of ordinary shares	24.03	14,520,000	14,520,000
Net Assets Value (NAV) Per Share		9.84	9.34
24.00 Earnings Per Share (EPS)			
24.01 Basic Earnings Per Share			
a) Profit Attributable to the ordinary shareholders		21,888,967	18,023,779
b) Weighted average number of ordinary shares	24.03	14,520,000	14,520,000
Basic Earnings Per Share (a/b)		1.51	1.24
24.02 Diluted Earnings Per Share			
No diluted EPS was required to be calculated for the year since there was no scope for dilution of shares during the year.			
24.03 Weighted average number of Ordinary Shares as at 30 June 2019			
Details	Number of days outstanding	No. of shares in issue	Weighted average no. of shares
Outstanding shares as at 01 July 2018	365	13,200,000	13,200,000
Bonus Share	365	1,320,000	1,320,000
		14,520,000	14,520,000
Weighted average number of Ordinary Shares as at 30 June 2018			
Details	Number of days outstanding	No. of shares in issue	Weighted average no. of shares
Outstanding shares as at 01 July 2017	365	13,200,000	13,200,000
Bonus Share	365	1,320,000	1,320,000
		14,520,000	14,520,000
25.00 Net Operating Cash Flow Per share (NOCFPS)			
The composition of operating cash inflow/outflow value per share is given below:			
a) Operating cash inflow/ (outflow) during the period		24,246,092	37,207,758
b) Weighted average number of ordinary shares		14,520,000	14,520,000
		1.67	2.56

Anwar Galvanizing Limited
Notes to the Financial Statements
For the year ended 30 June 2019

		Amount in Taka	
		30 June 2019	30 June 2018
26.00	Reconciliation of Net Operating Cash Flows		
	Net profit before tax	27,975,596	26,696,790
	Add: Item not involving movement of cash		
	Depreciation on property, plant & equipment	7,870,341	7,239,984
	(Gain)/loss on disposal of non-current asset	496,529	4,587,857
	Finance cost	806,570	517,653
	Interest income	35,752	4,105
	WPPF	1,398,780	1,334,840
		10,607,971	13,684,440
	A. Cash generated from operations before changes in working capital	38,583,567	40,381,230
	Changes in working capital		
	(Increase) / decrease in inventory	12,740,991	(26,268,564)
	(Increase) / decrease in trade receivables	4,950,953	(2,134,904)
	(Increase)/ decrease in advance, deposit & prepayment	(2,053,112)	16,699,441
	Increase / (decrease) in trade and other payable	(24,759,200)	14,080,115
	B. Total changes in working capital	(9,120,368)	2,376,088
	C. Cash generated from operating activities (A+B)	29,463,198	42,757,318
	Less: payments made during the year		
	Tax paid	(5,051,812)	(5,031,907)
	Interest paid	(165,293)	(517,653)
	D. Net cash inflows from operating activities	24,246,093	37,207,758

27.00 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 Disclosure.

Name of Party/Company	Relation	Nature of Transaction	Outstanding as on 30 June 2019
Anwar Ispat Ltd.	Common Director	Supply of Material	32,026,845
A One Polymer Ltd	Common Director	Supply of Material	17,174,248
Anwar Integrated Steel Plant Ltd.	Common Director	Supply of Material	3,412,371
Anwar Cement Sheet Ltd.	Common Director	Supply of Material	(108,849)

28.00 Financial Risk Management

28.01 Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse these risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

28.02 Credit Risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However,

management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

28.03 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity (cash and cash equivalents) to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

28.04 Market Risk

Market risk is the risk that any change in market conditions, such as foreign exchange rates, interest rates and commodity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

29.00 Capital Management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing Company's internal capital adequacy to ensure Company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The Board of Directors monitors the level of dividends to ordinary shareholders.

30.00 Director of the Company:

a) Number of Director:

There are 09 Directors of the company during the year ended 30 June 2019

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. Hasian Begum	Nominated Director	NIL	
6	Mrs. Shaheena Begum	Nominated Director	NIL	
7	Mr. Tareq Hossain	Shareholder Director	NIL	
8	Mr Mafizuddin Sarkar	Independent Director	NIL	
9	Mr. Naba Gopal Banik	Independent Director	NIL	

31.00 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.

32.00 ADDITIONAL DISCLOSURE AS PER SEC :

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

- a) Claim against the company not acknowledge as debt as on 30.06.2019 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 30/06/2019 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

33.00 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	89,588,485	TK
ii)	Opening Stock	182.46	MT
iii)	Production during the year	2,328.56	MT
iv)	Sold during the year	2,244.14	MT
v)	Other consumption	NIL	MT
vi)	Closing Stock	266.88	MT

4. Para-3,(ii)

- i) Number of employees drawing salary above Tk. 3,000 per Month 564 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:

Local	Qty. MT	Value	%	Remarks
CI Scrap	439	14,496,396	10.00	
MS Scrap/ Rod Cutting	1,648	69,293,531	47.80	
Pig Iron	157	5,798,558	4.00	
Sub Total	2,244	89,588,485	61.80	
Spare Parts		55,375,475	38.20	
Foreign	NiL	NiL	NiL	
Total	2,244	144,963,960	100.00	

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 |

34.00 Events after the Reporting Period:

a) Proposed Dividend:

The Board of Directors of its 157th meeting held on 27 October 2019 recommended 10% cash dividend for the year ended 30 June 2019 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 27 October 2019.

c) Significant Events After Reporting Period:

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/-
Managing Director

Sd/-
Chairman

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Sl No.	Assets Category	COST				Rate %	Depreciation				Written down value as on 30 June 2019	
		As on 01 July 2018	Addition during the year	Disposal	Reclassified		As on 30 June 2019	Charged during the year	Disposal	Reclassified		As on 30 June 2019
		A	B	C	D	E=(A+B-C-D)	F	G	H	I	J=(F+G-H-I)	K=(E-J)
01	Land & Land Development	8,877,421	-	-	-	8,877,421	-	-	-	-	-	8,877,421
02	Building & Construction	14,890,845	1,227,687	-	-	16,118,532	2.5%	7,762,969	254,460	-	8,017,429	8,101,103
03	Plant, Machinery & Equipment	87,399,835	3,477,066	5,450	-	90,871,451	3.33-2.5%	21,642,334	6,746,063	5,000	28,383,398	62,488,053
04	Office Equipment	6,847,623	1,003,865	-	-	7,851,488	10-33.33%	1,908,131	626,771	-	2,534,902	5,316,586
05	Furniture & Fixtures	656,615	793,967	-	-	1,450,582	10%	161,220	77,893	-	239,113	1,211,468
06	Vehicles	2,913,470	-	-	-	2,913,470	6.67%	711,425	165,153	-	876,778	2,036,892
Total	Taka as on 30 June 2019	121,585,809	6,502,585	5,450	-	128,082,944		32,186,082	7,870,341	5,000	40,051,421	88,031,523
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	79,439,632	89,399,729

Corporate Governance

Anwar Galvanizing Limited (AGL) places the greatest emphasis on maintaining the highest standard of corporate governance. The Board of Directors are fully aware of its responsibilities to the interest of all concerned. We believe good governance is inevitable for the long-term performance and sustainability of the company as well as to protect and enhance the interests of the shareholders and other stakeholders.

While the Directors' report delivers details on Company's compliance to the statutory code of corporate governance, the paragraphs below further explain how corporate governance works at Anwar Galvanizing. We at Anwar Galvanizing 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.

Board of Directors

The Board of Directors is the highest level of authority in the organization structure of the Company. The primary role of the Board is to ensure effective governance over the performance and affairs of the company. The Board is collectively responsible to the Company's shareholders for the appropriate conduct and success of the business. The Board meets periodically to oversee the Company's affairs, gives approval and strategic direction to important business and policy matters.

A. Composition of the Board

Board of Directors of Anwar Galvanizing comprise of ten members with two independent directors and one shareholder Director. 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.

Board Committees

The Board has set up two important Committees namely, Audit Committee and Remuneration & Nomination Committee (NRC), to assist the Board in certain matters specified in the respective terms of reference of the Committees.

A. 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.

B. Nomination and Remuneration Committee

As per Corporate Governance Guidelines 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)**A. 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.

B. Head of Internal Audit

AGL has a Head of Internal Audit. He is an Associate Member of the Institute of Chartered Accountants of Bangladesh (ICAB). 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.

C. 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. Mahfel Huq & Co., 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 Guidelines 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 Guidelines 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 Guidelines 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.

Report of the Nomination and Remuneration Committee

October 26, 2019

I am pleased to present the report of the Nomination and Remuneration Committee (NRC) of Anwar Galvanizing Limited in pursuant to the Corporate Governance Guidelines.

NRC is a new Committee constituted as a Sub-Committee of the Board with specific Terms of Reference (ToR). Since formation, the Committee held one meeting which was attended by all the members of the Committee.

The Committee in its meeting discussed the ToR in detail set out by the Board, the role of the Committee and its modus operandi.

The Committee decided to review the code of conduct for the Chairman, Board members and the Managing Director of the Company. It was also agreed to review the existing policies of the Company including policy on remuneration for Directors and top-level executives of the Company.

On behalf of the Committee

Md. Abul Quasem

Independent Director &
Chairman, Nomination and Remuneration Committee



Suraiya Parveen & Associates

(Chartered Secretaries, Financial & Management Consultants)

[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 2019. 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 05, 2019

**For Suraiya Parveen & Associates
Chartered Secretaries**

**Suraiya Parveen, FCS
Chartered Secretary in Practice**

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			
1.1	Size of the Board of Directors: 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	✓		

[As per condition No. 9 of CGG]

	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	√		

[As per condition No. 9 of CGG]

	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	√		

[As per condition No. 9 of CGG]

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	√		N/A
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	√		

[As per condition No. 9 of CGG]

	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	√		

[As per condition No. 9 of CGG]

	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

[As per condition No. 9 of CGG]

	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	√		

[As per condition No. 9 of CGG]

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	√		
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).	√		

[As per condition No. 9 of CGG]

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.	√		

[As per condition No. 9 of CGG]

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	√		

[As per condition No. 9 of CGG]

	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.	√		

Anwar Galvanizing Limited
Declaration by CEO and CFO

Date: October 24, 2019

The Board of Directors
Anwar Galvanizing Limited
27, Dilkusha Commercial Area, Motijheel, Dhaka-1000.

Subject: Declaration on Financial Statements for the year ended on June 30, 2019

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 03, 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, 2019 have been prepared in compliance with 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, 2019 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

October 26, 2019

I am pleased to present the report of the Audit Committee of Anwar Galvanizing Limited (AGL), in pursuance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), dated June 03, 2018. The Audit Committee held four meetings to carry out its business under the ToR during the year. This report is a brief on the activities performed by the Audit Committee throughout 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;
- After due deliberations, Committee recommended M/s. Mahfel Huq & Co., Chartered Accountants, to the Board for appointment as a statutory Auditors of the Company for the next financial year of June 30, 2020.
- 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

Directors' Responsibilities to Prepare Financial Statements

The law requires that the financial statements of the Company would follow International Financial Reporting Standards (IFRS). 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 International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS); 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 No BSEC/CMRRCD/2006/158/207/Admin/80 dated June 03, 2018, 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 Akhtar
Managing Director & CEO

Contribution to the National Exchequer & the Economy

In the development of industrialization, GI 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. The details of such contribution to the Nation Exchequer and the Economy are as follows:

Forms of Duties, VAT & Tax Contribution	Amount (in Taka)	
	2018-2019	2017-2018
Salary taxes	6,66,800	6,54,801
AIT of suppliers	10,40,945	10,44,036
VAT of suppliers	16,81,947	15,43,584
AIT on dividend	20,18,207	N/A
VAT on lubricant oil/	5,35,045	6,70,876
Total	59,42,944	39,13,297





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 **25th Annual General Meeting** of the company to be held on 28th January, 2020 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 2020.

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

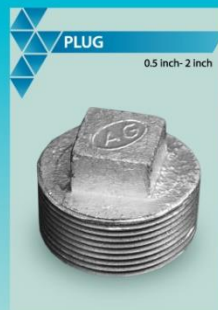
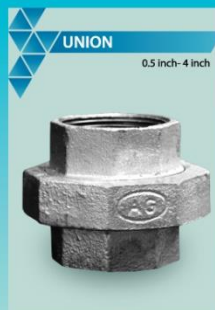
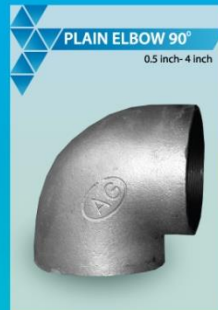
I/we hereby record my/our presence at the **25th Annual General Meeting** of the Company to be held on 28th January, 2020 at 10:30 a.m at the BCIC Auditorium of 30-31, Dilkusha C. A., Dhaka-1000.

Signature of Member.....

Signature of Proxy.....

N.B: The Member attending the meeting is requested to mention the registered name and Folio no./BO ID on this slip and present the same at the registration counter on or before 10.00 a.m.





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

Ours 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.



**B U E T
CERTIFIED**



ANWAR GALVANIZING LTD.

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