ANWAR GALVANIZING LTD.

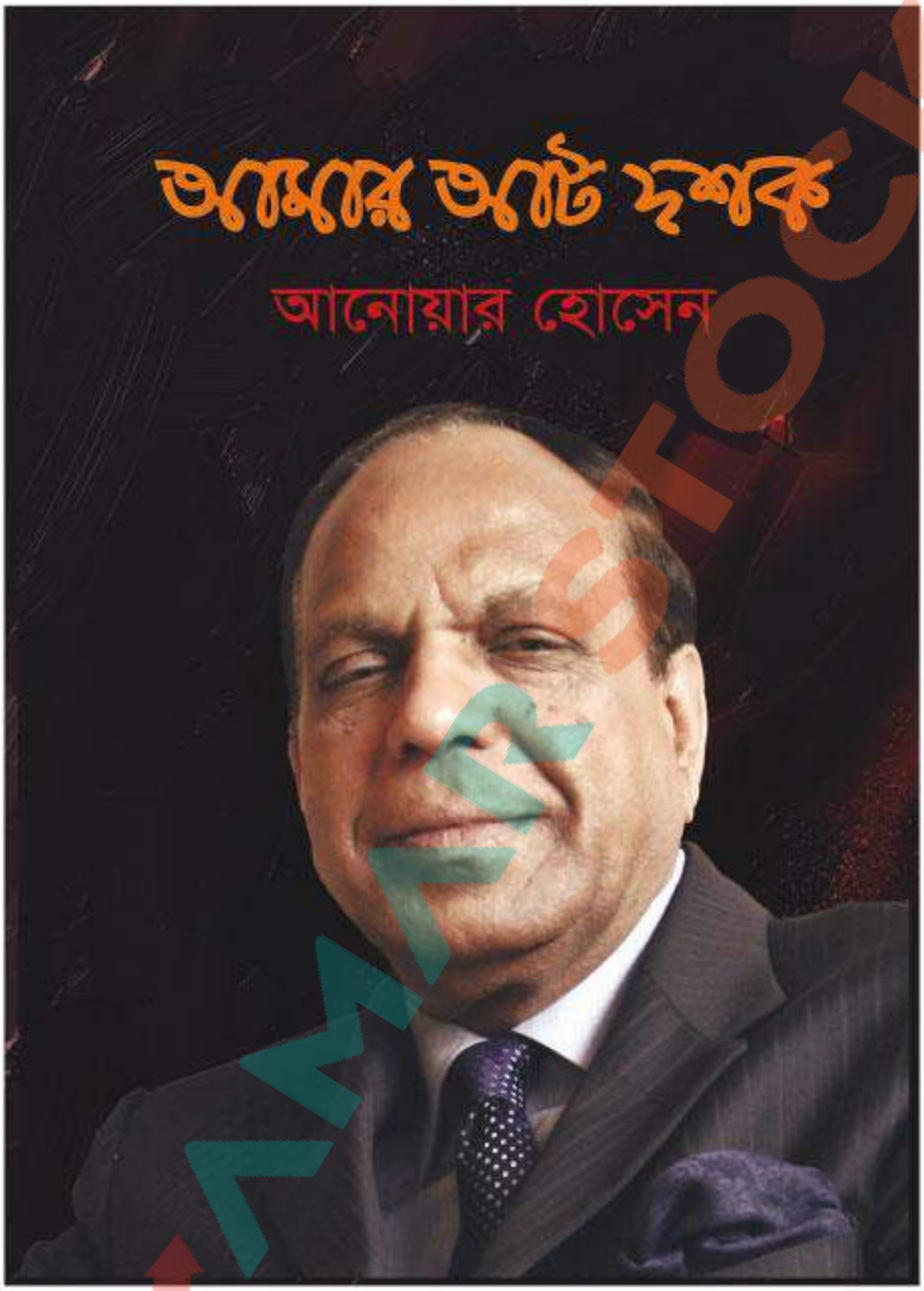
(a concern of Anwar Group of Industries)



Annual Report - 2017

আমার আট দশক

আনোয়ার হোসেন



কিংবদন্তীর ৮ দশকে আমরা গর্বিত

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Transmittal Letter

To
All 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, 2017

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, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended June 30, 2017 for your kind information and record.

Yours sincerely,

Sd/-
Tauhidul Islam FCS
Company Secretary

Dated: Dhaka
January 10, 2018

ANWAR GALVANIZING LIMITED

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

NOTICE OF THE 23rd ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of Anwar Galvanizing Limited will be held on Thursday, January 25, 2018 at 10:30 a.m. at the BCIC Auditorium, 30-31, Dilkusha C/A, Dhaka to transact the following business:

AGENDA

1. To receive, consider and adopt the Financial Statements of the Company for the year ended June 30, 2017, and the Reports of the Directors and the Auditors.
2. To declare Dividend for the year ended June 30, 2017.
3. To retire/elect Directors to appoint.
4. To appoint Statutory Auditors for the year 2017-2018 and to fix their remuneration.
5. To approve the appointment of the Independent Director.
6. Any other Business

By order of the Board,

Sd/-
Tauhidul Islam FCS
Company Secretary

Dated: Dhaka
January 10, 2018

Notes:

i. Shareholders whose names appear on the Members/ Depository Register on the Record Date i.e. November 30, 2017 shall be eligible to attend the 23rd AGM of the Company and to receive the Dividend.

ii. A Shareholder wishing to appoint a Proxy must deposit the Proxy Form, duly stamped, at the Company's Registered Office by 10:30 a.m of January 22, 2018.

iii. Only Shareholders or their properly appointed proxies will be allowed to attend the meeting.

iv. Admission into the auditorium will be allowed strictly on submission of the Attendance Slip sent with the Notice.

v. No children will be allowed at the AGM.

বিঃ দ্রঃ বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের সার্কুলার নং- এসইসি/সি-এমআরআরসিডি/২০০৯-১৯৩/১৫৪ তারিখ অক্টোবর ২৪, ২০১৩ এর আলোকে আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার আপ্যায়ন বা উপহারের ব্যবস্থা থাকবে না।

Statement of the Chairman

Dear Shareholders,
Assalamualaikum.



On behalf of the Board of Directors, I am happy to welcome you all to the 23rd Annual General Meeting of Anwar Galvanizing Limited. Thank you for your continued support and goodwill that is critical to the success of our Company.

We closed the financial year 2016-17 with recorded Revenues of BDT 249,107,204 with a growth of 36.68% as compared to that of previous financial year. Profit after tax arrived at BDT 15,050,119 which is 56.69% higher than last year. We are expecting better growth in financial year 2017-18. The Company's operating profit suffered due to increase in power and material costs, otherwise, the profit after tax could have been better.

Along with the growth of GI Fittings, newly introduced Brake Drum products is achieving high growth continuously where there are plenty of opportunities. The Company is preparing to grab the market opportunities by continuously introducing modern technologies and operation processes. However, capitalizing on these opportunities require strong focus on innovation and collaboration which our Management Team has been working on to define strategies. Due to requirements of continued investments, the Board of Directors of the Company has proposed 10% Stock Dividend for the year ended June 30, 2017 instead of cash dividend.

During the year, Mr. Naba Gopal Banik joined the Board as an Independent Director and we hope Mr. Banik will bring to our Board rich understanding of global macro-economics, finance and investment management. His participation will add value to our deliberations at the Board.

In addition to our business goals and commitment to drive shareholder value, our Company is focused on playing its role as a Responsible Corporate Citizen. We continue to contribute towards initiatives that drive societal change in the communities where we operate ensuring that our growth is sustainable.

Before conclusion, I would thank our 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

Speech of the Managing Director and CEO



Dear Shareholders,

Assalaamu-Alaikum
On behalf of the Management Team of Anwar Galvanizing Limited (AGL), I would like to welcome you all to the 23rd Annual General Meeting. Your active participation greatly inspires the management team in continued performance.

Bangladesh continues to achieve sustained economic growth with GDP growing by a record 7.2% in the last year, driven largely by rapid industrialization and sustained growth in agricultural output. The country has successfully transformed itself into a state of flourishing economic growth as it proceeds to attain middle-income status by 2021. All of these positive developments give us optimism for the country's rapid and continued socioeconomic progress in the coming years.

I would like to invite the Government, Private Sectors and the Civil Society to promote corporate governance and to take a wider and more active role, in promoting shareholders activism and their rights. Today, we are more optimistic than ever, with the assurances given by the Regulators to facilitate the necessary changes in the key legislation such as enhanced protection to investors, and promotion of corporate disclosure, Director's duties, and shareholder activism and so on.

I am pleased to report another successful year for the company with hard earned performance. During the year, AGL registered double-digit growth i.e. 36.68% with revenues of BDT 249,107,204. Profit after tax arrived at BDT 15,050,119 which is 56.69% higher than last year. We have maintained consistent growth in terms of market share, the highest ever being achieved in financial year 2017-2018. 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 rise in performance in future.

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

Thanking you.

Sd/-

Hossain Mehmood
Managing Director and CEO

CORPORATE PROFILE

Company Name	: Anwar Galvanizing Limited
Registration No.	: C-27860
Date of Incorporation	: February 14, 1995
Commencement of Business	: February 14, 1995
Legal Status	: Public Limited Company
Listed with Dhaka Stock Exchange Ltd.	: July 20, 1996
Listed with Chittagong Stock Exchange Ltd.	: July 24, 1996
Core Product	: GI Fittings, Brake Drum
GI Fittings Business	: Started commercial production of GI Fittings from December 29, 2009.

Share Capital

Authorized Capital	: BDT 20.00 cr
Subscribed Capital	: BDT 1 cr and 32 lacs
Paid-up Capital	: BDT 1 cr and 32 lacs

Shareholding Position

Sponsors & Directors	: 34.84%
Institutes	: 29.22%
Government	: Nil
Foreigner	: Nil
General Public	: 35.94%
No. of Shareholder	: 2,112

Board of Directors

Chairman
Mr. Manwar Hossain

Managing Director & CEO
Mr. Hossain Mehmood

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

Independent Director
Mr. Naba Gopal Banik
Mr. Mafizuddin Sarker

Company Secretary
Mr. Tauhidul Islam FCS

Audit Committee

Chairman
Mr. Naba Gopal Banik

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

Secretary of 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. Abdul Hannan (C.C)

Head of Finance & Account
Mr. Sardar Mostafa Ali

Investors' Relation Department

Mr. Tauhidul Islam FCS
Company Secretary

Ms. Syeda Mahrun Nahar (Panna)
In charge, Share Department

Ms. Razia Sultana
Executive, Corporate Affairs

Human Resources

Permanent: 488

Casual: NA

Statutory Auditor

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

Corporate Governance Compliance Auditor

ITRAT HUSAIN & ASSOCIATES
Chartered Secretaries in Practice
SKYDECK (Level-14), the GLASS HOUSE,
38 Gulshan Avenue, Gushan-1, Dhaka-1212.

Legal Advisor

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

Bankers

AB Bank Limited (ABBL)
NRB Commercial Bank Limited (NRBC)
Bangladesh Commerce Bank Ltd. (BCB)
First Security Islami Bank Ltd.
Dutch-Bangla Bank Limited
The City Bank Limited
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 9564033, +88 02 9551335, +88 02 9570248
Fax: +88 027124264, +88 02712426
Website: www.anwargalvanizing.com

Factory
Morkun, Tongi, Gazipur, Bangladesh.

Corporate History and Highlights

February 14, 1995	• Incorporated as a Public Limited Company
February 14, 1995	• Commencment of Business
July 20, 1996	• Listed with Dhaka Stock Exchange Limited
July 24, 1996	• Listed with Chittagong Stock Exchange Limited
December 29, 2009	• Started Commercial Production of G. I. Fittings
September 30, 2010	• Startup of demat settlement of shares traded on the Exchanges operated by Central Depository Bangladesh Limited (CDBL).
April, 2015	• Installed the latest casting technology 'Induction Furnace' to boost the capacity of the plant as well as to allow reuse of wastage upto 80%. hence, palnt capacity incresed to 1,880 MT/year from 1,160 MT/year.
October 27, 2016	• Proposed 10% Cash Dividend for the General Shareholders for the first time and approved by the shareholders in the 22nd Annual General Meeting (AGM) held on January 18, 2017.
February 20, 2017	• Achieved 'A' Category status in the Stock Exchanges.
October 25, 2017	• Proposed 10% Stock Dividend for all shareholders subject to the approval in the 23rd Annual General Meeting (AGM) held on January 25, 2018.

Financial Calendar for the year 2016 and 2017

Events	2016-17	2015-16
• Adoption of 1st Quarter (Un-audited) Statements of Financial Position for the period ended September-30	• November 13, 2016	• November 14, 2015
• Adoption of Half-yearly (Un-audited) Statements of Financial Position for the period ended December-31	• January 26, 2017	• January 28, 2016
• Adoption of 3rd Quarter (Un-audited) Statements of Financial Position for the period ended March-31	• April 25, 2017	• April 27, 2016
• Adoption of the Annual Audited Statements of Financial Position for the year ended June-30	• October 25, 2017	• October 27, 2016
• Record Date	• November 30, 2017	• November 30, 2016
• Date of the Annual General Meeting (AGM)	• January 25, 2018	• January 18, 2017

Dividend Compliance Status



Corporate Governance Report

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

A good governance process provides transparency of corporate policies, strategies and the decision making process. We at Anwar Galvanizing Limited believe in transparency and commit ourselves to adherence to good corporate governance practices at all times, as we believe that good governance generates goodwill among business partners, customers and investors and helps the Company's growth.

AGL's Corporate Governance code has been developed and enhanced based on the principles and best practices outlined in the following:

(i) Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Notification; (ii) Dhaka and Chittagong Stock Exchanges Listing Regulations, 2015; (iii) Standards of Business Conduct of the Company; (iv) Statement of Business Principles of the Company; and (v) Statement of Delegated Authorities of the Company.

Board of Directors

The Board of Directors is a bridge between the stakeholders and operational management of the Organization. The shareholders elect the Directors of the Board. The Board is responsible for operation of the Company for best interest of its stakeholders.

A. Composition of the Board

The size of the Board of AGL comprised of nine members including two Independent Directors. The dissimilar 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 appraised 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 papers for the Board meeting in consultation with the other person concerned, if needed. The minutes of the Board meeting are maintained in terms of statutory provisions. The Board of Directors of AGL has laid down a Code of Conduct of all Board members and annual compliances of the code have recorded.

Audit Committee

In accordance with the requirement of Corporate Governance Guidelines of BSEC, Anwar Galvanizing Limited has an Audit Committee as a sub-committee of the Board of Directors. The Audit Committee assists the Board of Directors in ensuring a good monitoring system within the business. The Audit Committee is accountable to the Board and the duties and responsibilities to internal control, financial reporting and compliance monitoring, among others, of the Audit Committee are clearly set forth in writing by the Board in the Audit Committee Charter.

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 respective roles and responsibilities of the Chairman and the CEO in addition to their roles and responsibilities as per Articles of Association of the Company.

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

Chief Financial Officer

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

Head of Internal Audit

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

Company Secretary

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

Statutory Auditors

Statutory Auditors were appointed by the shareholders in Annual General Meeting and fixed their remuneration. M/s. Pinaki & Company, Chartered Accountants is currently the Statutory Auditor of the Compa-

ny. They carry out systematic examination of books and records of the Company and ascertain, verify and report 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 M/s ITRAT HUSAIN & 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 carry out systematic examination of books and records of the Company and ascertain, verify and report upon the facts regarding the statutory compliance.

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, financer 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.

Corporate Governance Compliance Report

Anwar Galvanizing Limited (AGL) is complying with the corporate governance guidelines as issued by the Bangladesh Securities and Exchange Commission (BSEC) vide the Notification No. SEC/ CMRRCD/ 2006-158/ 129/ Admin/ 44 dated August 07, 2012 and subsequently amended on July 21, 2013 issued under Section-2CC of the Securities and Exchange Ordinance, 1969. Status of the compliance of AGL for the year ended June 30, 2017 is as under:

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	**Board of Directors**			
1.1	Board's Size – the number of Directors shall not be less than 5 (Five) and more than 20 (Twenty)	√		
1.2	**Independent Directors**			
1.2 (i)	One fifth ($1/5^{th}$) of the total number of Directors	√		
1.2 (ii) a)	Does not hold any share or holds less than one percent (1%) shares of the total paid-up capital.	√		
1.2 (ii) b)	Is not a sponsor and is not connected with any sponsor/ Director/ shareholder who holds 1% or more shares of the total paid-up capital on the basis of the family relationship.	√		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/ associated Companies.	√		
1.2 (ii) d)	Not a member, Director or Officer of any Stock Exchange.	√		
1.2 (ii) e)	Not a shareholder, Director or Officer of any member of Stock Exchange or any intermediary of the Capital Market.	√		
1.2 (ii) f)	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.	√		
1.2 (ii) g)	Not be an Independent Director in more than 3 (three) Listed Companies.	√		
1.2 (ii) h)	Not been convicted by a court of competent Jurisdiction as a defaulter in payment of any loan to a Bank or Non-Bank Financial Institution (NBFI).	√		
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude.	√		
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2 (iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (Ninety) days.	√		
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code of recorded.	√		
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (Three) years, which may be extended for 1 (One) term only.	√		
1.3	**Qualification of Independent Director (ID)**			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.3 (i)	Knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
1.3 (ii)	Qualification of Independent Directors: Business Leader/ Corporate Leader/ Bureaucrat/ Professionals like Chartered Accountants, Cost and Management Accountants, Chartered Secretaries. The Independent Director must have at least 12 (Twelve) years of corporate management/ professional experiences.	√		
1.3 (iii)	In special cases, the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1.4	Chairman of the Board and Chief Executive Officer shall be filled by different individuals and clearly define respective roles and responsibilities.	√		
1.5	**Directors' Report to the Shareholders**			
1.5 (i)	Industry outlook and possible future development in the industry.	√		
1.5 (ii)	Segment-wise or product-wise performance.	√		
1.5 (iii)	Risk and concerns	√		
1.5 (iv)	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.	No such situation arisen		
1.5 (vi)	Basis for related party transactions.	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and or/through any other instrument.	N/A		
1.5 (viii)	Explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing etc.	N/A		
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	N/A		
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 charges 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.	√		
1.5 (xiv)	Followed International Accounting Standard (IAS), Bangladesh Accounting Standards (BAS), International Financial Reporting Standards (IFRS), Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh, have been followed in preparation of the Financial Statements and any departure three-from has been adequately disclosed.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts 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 thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof should be explained.	√		
1.5 (xviii)	Key operation and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1.5 (xix)	If the issuer Company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		
1.5 (xxi)	**The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:**			
1.5 (xxi) a)	Parent/ Subsidiary/ Associated Companies and other related parties (name wise details);	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children (name wise details);	√		
1.5 (xxi) c)	Shareholding by the Executives;	√		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details).	√		
1.5 (xxii)	**In case of the appointment/ re-appointment of a Director the Company shall disclose the following information to the shareholders:**			
1.5 (xxii) a)	A brief resume of the Director	√		
1.5 (xxii) b)	Nature of his/ her expertise in specific functional areas	√		
1.5 (xxii) c)	Names of Companies in which the person also holds the Directorship and the membership of committees of the Board.	√		
2	**Chief Financial Officer (CFO), Head Of Internal Audit And Company Secretary (CS)**			
2.1	Appointment of a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	√		
2.2	Attendance of CFO and Company Secretary at the meeting of the Board of Directors.	√		
3	**Audit Committee**			
3 (i)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
3 (ii)	The Audit Committee shall assist the Board of Directors 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.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	**Constitution of Audit Committee**			
3.1 (i)	The Audit Committee shall be composed of at least 3 (Three) members.	√		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be Directors of the Company and shall include at 1 (One) Independent Director.	√		
3.1 (iii)	All members of the Audit Committee should be 'Financially Literate' and at least 1 (One) member shall have accounting or related Financial Management experience.	√		
3.1 (iv)	Term of service of the Audit Committee members/ filling Casual Vacancy in the Committee.			No such situation arisen
3.1 (v)	The Company Secretary shall act as the Secretary of the Committee.	√		
3.1 (vi)	The quorum of the Audit Committee shall not constitute without at least 1 (One) Independent Director.	√		
3.2	**Chairman of the Audit Committee**			
3.2 (i)	The Board of Directors shall select 1 (One) member of the Audit Committee to Chairman of the Audit Committee.	√		
3.2 (ii)	Chairman of Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	**Role of the Audit Committee**			
3.3 (i)	Oversee the financial reporting process	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk Management process.	√		
3.3 (iv)	Oversee hiring and performance of External Auditors.	√		
3.3 (v)	Review along with the management, the Annual Financial Statements before submission to the Board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half-yearly financial statements before submission to the Board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control Weakness issued by Statutory Auditors.	√		
3.3 (x)	When money is raised though Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue the Company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.) on a quarterly basis as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a Statement of Funds utilized for the purposes other than those stated in the offer document/ prospectus.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.4	**Reporting of the Audit Committee**			
3.4.1	**Reporting to the Board of Directors**			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			
3.4.1 (ii) a)	Report on Conflicts of Interests;			No such situation arisen
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			Do
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations.			Do
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.			Do
3.4.2	Reporting of anything having material financial impact to the Commission.			Do
3.5	Reporting to the shareholders and general investors.			Do
4	**External/ Statutory Auditors:**			
	Non-engagement of external/ statutory auditors in the following services:			
4 (i)	Appraisal or valuation services or fairness opinions.	√		
4 (ii)	Financial information systems design and implementation.	√		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
4 (iv)	Broker-dealer services.	√		
4 (v)	Actuarial services.	√		
4 (vi)	Internal audit services.	√		
4 (vii)	Service that the Audit Committee determines.	√		
4 (viii)	Audit firms shall not hold any share of the Company they audit.	√		
5	**Subsidiary Company**			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Director of the subsidiary Company.			N/A
5 (ii)	As least 1 (One) Independent Director on the Board of Directors of the holding Company shall be a Director on the Board of the Subsidiary Company.			N/A
5 (iii)	Placed the minutes of the Board Meeting of the subsidiary of the Holding Company shall be a director on the Board of the Subsidiary Company.			N/A
5 (iv)	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
5 (v)	The Audit Committee of the Holding Company reviewed the Financial Statements, in particular the investments made by the Subsidiary Company.			N/A
6	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**			

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6 (i)	They have reviewed the Financial Statements for the year and that to the best of their knowledge and belief:	√		Please refer to the declaration of MD & CEO and CFO on the integrity of FS
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
6 (i) b)	These statements together present a true and fair view of the Company's affairs and are in compliance with existing according standards and applicable laws.	√		
6 (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 violation of the Company's code of conduct.	√		
7	**Reporting and Companies of Corporate Governance**			
7 (i)	The Company shall obtain a certificate form a professional Accountant/ Secretary (CA/ CMA/ CS) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.			Certificate shall be with Annual Report
7 (ii)	The Directors of the Company shall state in accordance with the Annexure attached, in the Directors' Report whether the Company has complied with these conditions.	√		

ITRAT HUSAIN & ASSOCIATES
CHARTERED SECRETARIES IN PRACTICE

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

1. We have examined the compliance of conditions of Corporate Governance by **ANWAR GALVANIZING LIMITED** ("the Company") for the period ended 30 June, 2017 as per the Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) vide Notification No. SEC/CMRRCD/2006-158/134/Admin 44 dated 7 August 2012.

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanation given to us and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the BSEC notification mentioned above.

4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Itrat Husain & Associates
Chartered Secretaries in Practice

Signed by : Itrat Husain FCMA, FCS
Chief Executive

Dhaka, 7 November, 2017

"CRYSTAL PALACE" REGUS, 3RD FLOOR, SE (D) 22, ROAD 140, SOUTH GULSHAN AVENUE, GULSHAN-1, DHAKA-1212, BANGLADESH
CELL: 01713092222; 01819259703, EMAIL: itratshahed@gmail.com

CEO & CFO's Certification

(Under clause-6 of the corporate governance guidelines)

To the Board of Directors

Anwar Galvanizing Limited

We have issued the following certificates in accordance with the condition no. 6 of the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), these financial statements have been prepared and presented fairly in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the rules and regulations issued by the regulators, the Companies Act, 1994 and other laws and regulations as applicable.

We do hereby certify that:

1) We have reviewed the Financial Statements for the year ended June 30, 2017 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; and
   - **b)** 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.
2) to the best of our knowledge and belief, there were no transactions entered into by the Company during the year which are fraudulent, illegal, or violation of the Company's code of conduct.

Sd/-

Chief Financial Officer (CFO)

Sd/-

Managing Director & CEO

G. I Fittings



Top Wholesalers

Name of Dealer

Salma Sanitary Store (AB)
Proprietor: Mr. Md. Alamgir Hossain
16/1, Hazi Osman Goni Road, Dhaka-1000.
Contact: 01670-880245

Aziz Enterprise (AB)
Proprietor: Mr. Md. Aziz
185, Siddik Bazar, Dhaka-
Contact: 01923-261963

Muna Sanitary (AB)
Proprietor: Mr. Abdus Samad
15/1, Hazi Osman Goni Road, Dhaka-1000.
Contact: 01712-648752

Green Plus (AB)
Proprietor: Mr. Md. Bacchu
27/1, Hazi Osman Goni Road, Dhaka-1000.
Contact: 01732-828444

Mohammad Hossain Sanitary Mart (AB)
28/1, Hazi Osman Goni Road, Dhaka-1000.
Contact: 01716-349707

Name of Dealer

Sanitary Garden (AB)
Proprietor: Mr. Md. Arif
20/25, Habib Market, Alu Bazar. Dhaka-
Contact: 01828-384694

Genuine Mosaic
Sodar Road, Barisal.

Amin Traders
Station Road, Chowmuhani, Noakhali
Contact: 01714-064829

Rashed Corporation (AB)
30, North south Road,Alu Bazar, Dhaka-1000.
Contact: 01673-659855

Badurtaa Tubewell Store
Kabi Nazrul Islam Sarak, Rail Gate. Bogura.
Contact: 01711-116634

Brake Drum



Top Wholesalers

Name of Dealer

Hanif Enterprise
Proprietor: Mr. Md. Kofil Uddin
Cosmopolitan Center (2nd Floor), 22/2, College Gate,
Mohammadpur, Dhaka-1207.
Contact: 01713-049555

Samoli Paribahan
Proprietor: Mr. Ramesh Chandra Ghosh
25/1, Block-B,Khilji Road, Mohammadpur.
Contact: 01718-010120

Khokon Engineering Works
49, Shahid Tajuddin Sharoni,
Rashulbag, Mohakhali, Dhaka1212.
Phone: 01711-0511158

N. R. Travels
Proprietor: Mr. Babu Ramadro Natha Ghosh
NR Filling Station Bolypur, Savar. Dhaka.
Contact: 01711-174500

Name of Dealer

Halim Enterprise
Proprietor: Mr. Md. Halim.
259/Ka, Mirpur Road, Dhaka.
Contact: 01711-046277

Soudia Coach Service
Proprietor: Mr. Md. Khorshad Alam (GM)
5/6, Zakir Hossain Road, Dampara, Chittagong.
Contact: 01919-654936

Vagina Motors
Proprietor: Mr. Md. Mahbubul Haque (Mahmub)
4/2, Saydabad Bus Terminal. Dhaka-1000.
Contact: 01819-671182

GREEN LINE PARIBAHAN
Proprietor: Mr. Md. Sattar (GM)
9/2, Momenbagh, Rajabazar, Dhaka-1217.
Contact: 01730-060010

Audit Committee's Report

The Chairman
Board of Directors
Anwar Galvanizing Limited
Baitul Hossain Building (14th) floor,
27 Dilkusha C. A, Motijheel, Dhaka-1000

Subject: Report of the Audit Committee

Dear Sir,
We are pleased to submit this report under condition no 3.4.1 of the Notification No. SEC/CMR-RCD/2006-158/134/Admin/44 dated 7 August 2012 of the Bangladesh Securities and Exchange Commission.

The Committee comprises four Directors including two Independent Directors. The Chairman of the Committee is an Independent Director. The Chief Financial Officer and Head of Internal Audit attend the meetings on invitation. As per regulatory guidelines, the Company Secretary of the Company is the secretary of the Audit Committee.

We hereby submit to you the following report on our activities:

1) We have discharged the audit activities of Anwar Galvanizing Limited (AGL) throughout the financial year 2016-2017 and we found that the financial reporting process, accounting policies and principles, internal control risk management process, the hiring and performance of external auditors, etc. are in line with the requirement of the company.
2) We reviewed the quarterly, half-yearly as well as annual financial statements of Anwar Galvanizing Limited for the financial year ended at June 30, 2017 before submission to the Board of Directors for approval and we found those in order.
3) We also reviewed the internal audit functions, monitoring system prevailing within the business as well as the statement of related party transactions of the company and found those adequate, good and proper.
4) Anwar Galvanizing Limited did not raise any money during the financial year 2016-2017 through Initial Public Offering (IPO), Repeat Public Offering (RPO) and Rights Issue.
5) During the discharge of our responsibilities, we neither found any weakness about internal control functions of the company nor any irregularity or other matter which should be reported to the Board of Directors.
6) We always assisted the Board of Directors of AGL in ensuring that the financial statements of the company reflect true and fair view of its state of affairs.

Thanking you,

On behalf of the Audit Committee,

Sd/-

Naba Gopal Banik
Chairman, Audit Committee
November 07, 2017

Directors' Responsibilities to Prepare Financial Statements

The Board of Directors is responsible for preparing the Directors' Report and financial statements in accordance with the Companies Act, 1994, the Securities and Exchange Commission Rules, 1987, Bangladesh Financial Reporting Standards (BFRS) and other applicable rules and regulations of the Country.

The Anwar Galvanizing Ltd has presented fairly the the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the Bangladesh Financial Reporting Standards (BFRS) and other related laws.

In virtually all circumstances, a fair presentation will be achieved through compliance with all applicable IFRSs. The Board of Directors is also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures, when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern entity.

The Board of directors is also responsible for keeping proper accounting records to disclose with reasonable accuracy, the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a directors' report and reporting directors' remuneration.

By order of the Board,

Sd/-

Hossain Mehmood
Managing Director & CEO

Sd/-

Tauhidul Islam FCS
Company Secretary

Directors' Report

Dear Shareholders,

The Board of Directors of Anwar Galvanizing Limited (AGL) has the pleasure in submitting the Annual Report together with the Company's Audited Financial Statements for the year ended June 30, 2017.

The Directors' Report has been prepared in accordance with Bangladesh Securities & Exchange Commission (BSEC) Notification No SEC/CMRRCD/2006158/134/Admin/44 dated August 07, 2012 and the Section-184 of The Companies Act, 1994. This report is being submitted to the members at the Twenty Third Annual General Meeting (AGM) of the Company to be held on January 25, 2018.

Anwar Galvanizing Limited (AGL) had a very successful year in 2016-2017 with revenue earnings of Tk. 249,107,204 registering a growth of 36.68%. This achievement was possible due to synchronized all out efforts from different functions working as a team who were supported by AGI management.

The Statements of the Chairman and the assessment of the Chief Executive Officer state the Company's affairs and draw attention to the important events that occurred during the year. These reports form an integral part of the Directors' Report.

Property, Plant and Equipment

In financial year 2016-2017, the Company invested an amount of Tk. 29,795,286 in Plant, Machineries and others Equipment to increase production capacity and to improve quality of production. The matter has been disclosed under the note no 3.01 of the financial statements. The details are provided in Annexure-1 of the Schedule of Property, Plant and Equipment of the Financial Statements.

Industry Outlook and Future Development

Anwar Galvanizing Limited has a fully equipped workshop with necessary apparatus to produce GI Fittings and world class Brake Drum. To keep competitive along with technological changes and to ensure sustained growth, the plants have been being strengthened through introduction of modern machinery.

We suffered from shortage of gas supply during the year which is the most important challenge. Another challenge is as there is maintaining adequate supply of skilled human resource as there is no other similar plant in the country in terms of technology used and the process followed. Management is very active on both counts and is capable of handling both the matters effectively.

The management of Anwar Galvanizing Limited is working continuously to diversify the product portfolio of AGL though different ways in order to boost turnover and profitability to grab the continuously growing market potentials.

Performance

From 1st July, 2016 to June 30, 2017, revenue reached at Tk. 249,107,204 which was enhanced by 36.68 % over the previous year's revenue of Tk. 182,258,220. Net Profit after Tax for the year was Tk. 15,050,119 which was increased by 56.69% over the previous year's Net Profit of Tk. 9,605,186. The Company is now positioned to realize benefits from enhanced capacity, wide retail presence, strong brand image and smooth sales service and we are confident to achieve new heights in 2018.

Procurement Information

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

Product Information

The GI fittings products have been categorized as plain elbow, plain tee, plain socket, union, reducer elbow, reducer tee, reducer socket, plain cross, way elbow, hex nipple, bend, plug etc. It produces fittings of different sizes for differing customer requirements maintaining international quality standards. AGL is the major local manufacturer of GI fittings and it has more than 1000 wholesalers covering almost all districts across the country. AGL is also manufacturing and marketing of World Class Brake Drums.

Segment-wise Performance

The products' fragments are disclosed in the Note-14 to the financial statements which is as follows:

Particulars	June 30, 2017	June 30, 2016
G.I. Fittings	216,831,016	154,391,140
Brake Drum	23,520,611	21,613,097
Others	8,755,577	6,253,983
Revenue (Turnover)	**249,107,204**	**182,258,220**

Risk and Concern

AGL is facing gas crisis almost every day and hence the Company often needs to use furnace oil to run the production which is very costly. It is a Labour intensive industry cost of which is increasing day by day. The manufacturers of GI fittings and Brake Drum industry, like any other business industry, is exposed to political, economic, social, technological, environmental and legal risks in addition to the financial risks embedded in business transactions.

However, the management is fully aware of risks and follows standard procedures for identification and taking preventive measures to mitigate the risks. Depending on the nature of the risk, strategic decisions are taken to avoid, reduce, transfer or accommodate the risks.

Cost of Sales

Note-15 of the financial statements provides details of Cost of Goods Sold (COGS). COGS for the year 2017 was Tk. 213,453,711 as compared to 159,214,978. COGS as % of sales was 85.68 in 2017 which was 87.36 in year 2016. The slight decrease is due to the increase of gas and material prices.

Extra-Ordinary Gain or Loss

During the reporting period, no events of extra-ordinary gain or loss occurred which would require adjustment or disclosure in the financial statements.

Related Party Transactions

Related party transactions are carried out on an arm's length basis. The Audit Committee, while reviewing the financial statements, periodically carried out in-depth analysis of the transactions involving related parties. AGL purchases raw materials from Anwar Ispat Ltd. at its import cost. Note-25 of the financial statements provides details of the transactions with the related parties.

Utilization of Proceeds from Public Issue

Proceeds from public issue had utilized for construction of factory building and machinery.

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, there was no significant variance between Quarterly Financial Performances and the performance reported in Annual Financial Statements of the year ended 2016-2017.

Remuneration to Directors

From 1st July 2016 to June 30, 2017, No remuneration was paid to the Directors of the Board for their services to the Company. There were 9 (Nine) Directors including 2 (Two) Independent Directors in the Company served during the year. Details information is incorporated in Note-21 to the Financial Statements.

Statement of Directors on Financial Reports for the year ended June 30, 2017

Directors are pleased to report the following:

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

Certification by the Managing Director and Chief Financial Officer

The Managing Director (Chief Executive Officer) and the Chief Financial Officer have certified to the Board that they have reviewed the Financial Statements for the period July 01, 2016 to June 30, 2017 and to the best of their knowledge and belief:

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

Significant Variance over the Last Year's Operating Result

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

Particulars	30-Jun-17	30-Jun-16	Variance (%)
Revenue (Turnover)	249,107,204	182,258,220	36.68
Gross Profit	35,653,493	23,043, 242	54.72
Operating Profit	20,699,570	12,397,924	66.96
Profit Before Tax	20,127,629	11,538,009	74.45

Five Year's Financial Highlights

We report the operating and financial statistics for the last five years are presented below –

Particulars	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
Revenue	249,107,204	182,258,220	144,870,700	133,703,746	114,711,498
Cost of Goods sold	213,453,711	159,214,978	122,645,354	118,433,754	99,366,790
Gross Profit	35,653,493	23,043,242	22,225, 346	15,269,993	15,344,708
Profit before tax	20,127,629	11,538,009	12,900,167	8,949,507	10,925,674

Dividend

The Board of Directors of AGL at its 141st meeting held on 25 October 2017 proposed 10% Stock Dividend for the year ended June 30, 2017 for onward approval in the 23rd Annual General Meeting of the Company to be held on January 25, 2018.

Board and Committee Meetings and Attendance

During the year, the Board of Directors met ten times. Audit Committee met four times. The attendance record of the Directors is shown as under.

Sl.	Name of Directors	Meeting Attended
1	Mr. Manwar Hossain	10
2	Mr. Hossain Mehmood	10
3	Mr. Hossain Khaled	7
4	Mrs. Bibi Amena	8
5	Mrs. Shaheena Begum	7
6	Mrs. Hasina Begum	7
7	Mr. Tareq Hossain	7
8	Mr. Mafizuddin Sarker (Independent Director)	2
9	Mr. Naba Gopal Binik (Independent Director)	8

The Board granted leave of absence to the members who are unable to attend the meetings as per laws.

Pattern of Shareholding

As per condition no 1.5 (xxi) of the Corporate Governance Guidelines 2012 of Bangladesh Securities Exchange Commission, the pattern of shareholding as on June 30, 2017 are as under:

i. Parent/ Subsidiary/ Associated Companies and their related parties: N/A

ii. Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children:

Name of the Shareholder	No. of Shares held
Anwar Steel mills Ltd., Sponsor	1,000,000
Mr. Anwar Hossain, Sponsor	2,500
Mrs. Shaheena Begum, Directors	172,500
Mrs. Hasina Begum, Directors	175,000
Mr. Manwar Hossain, Chairman	750,000
Mr. Hossain Mehmood, Managing Directors	750,000
Mr. Hossain Khaled, Directors	750,000
Mrs. Bibi Amena, Directors	650,000
Mrs. Shahnaz Begum, Sponsor	175,000
Mrs. Selina Begum, Sponsor	175,000
Chief Financial Officer	-
Head of Internal Audit	-
Company Secretary	-
Spouses and minor children of above	-

iii. Executives: -

iv. Shareholder holding 10% or more voting interest in the Company: -

Distribution of Shareholdings

Following is the distribution schedule of each class of equity security and percentage as on June 30, 2017:

Share Holdings Range	Number of Shareholders	No. of Shares	Percentage (%)
1-20	162	1,191	0.009
21-49	18	579	0.004
50-50	39	1,950	0.015
51-200	323	45,548	0.345
201-500	750	337,314	2.555
501-1000	353	310,456	2.352
1001-5000	463	1,116,739	8.460
5001-10000	87	645,806	4.892
10001-25000	47	696,839	5.279
25001-50000	9	311,630	2.361
50001-9999999999	31	9,731,948	73.727
Total	**2,283**	**13,200,000**	**100.00**

All shares have been fully called and paid-up. There was no preference share issued by the Company.

Retirement, Appointment and Re-appointment of Directors

Directors

Mrs. Shaheena Begum and Mrs. Hasina Begum, Directors of the Company retire by rotation as per Articles 114 and 117 of the Articles of Association of the Company and being eligible, offer themselves for re-election. The Board of Directors recommended their re-appointment.

Mrs. Shaheena Begum is the Sponsor Director of Anwar Galvanizing Limited. She is a distinguished business personality of the country and accolades for his outstanding contribution to Bangladesh's industrial development. In addition to being Director of AGL, Mrs. Shaheena Begum is also the Director of other companies within the Anwar Group of Industries.

Mrs. Hasina Begum has been in the Board since 1996. He holds senior positions at a number of entities within the Anwar Group of Industries. Mrs. Hasina Begum born in reputed Muslim Family in the Old Town of Dhaka. She is a Sponsor Director of Anwar Galvanizing Limited (AGL).

Brief resumes of Mrs. Shaheena Begum and Mrs. Hasina Begum are presented on page 32 of the report.

Independent Directors

In accordance with Article 1.2 (iii) of the CGG, the Board of Directors appointed Mr. Naba Gopal Banik as an Independent Director of the Company on March 05, 2017, subject to approval by the shareholders in Annual General Meeting.

Mr. Banik has more than 30 (Thirty) years extensive experience in Banking and Financial sectors of Bangladesh. He did his Masters of Science in Statistics from the University of Chittagong.

Brief resume of Mr. Naba Gopal Banik is presented on page 32 of the report.

Corporate Governance Compliance Report

In accordance with the requirements of the Bangladesh Securities and Exchange Commission notification, a Report on Corporate Governance Compliance has been presented in the Annual Report. Itrat Husain & Associates, Chartered Secretaries in Practice issued the Corporate Governance Compliance Certificate.

Auditors' Appointment

The existing Auditors, M/S Pinaki & Company, Chartered Accountants who were appointed as Auditors of the Company in the 22nd Annual General Meeting of the Company has carried out the audit for the year ended June 30, 2017.

M/S Pinaki & Company, Chartered Accountants the Auditors of the Company retires at this meeting and has expressed their willingness to continue in office for the year 2017-2018. The board after due consideration of the proposal made by the Audit Committee recommends for reappointment of M/S Pinaki & Company, Chartered Accountants as auditors for the year 2017-2018.

Conclusion

The Company wishes to express its sincere appreciation to all employees of Anwar Galvanizing Limited for their contribution and at the same time, thanks to all the stakeholders for their continued support.

On behalf the Board,

Sd/-
Chairman

Sd/-
Company Secretary

Dhaka
October 25, 2017

A brief resume of the director

Mr. Naba Gopal Banik

Mr. Banik has more than 30 (Thirty) years extensive experience in Banking and Financial sector of Bangladesh. He did his Masters of Science in Statistics from the University of Chittagong. He started his career with the Bangladesh Bank as an Officer Class-1 through Public Service Commission in 1976 and retired as an Executive Director in 2008. He has successfully completed the Diploma in Associate of the Institute of Bankers' Bangladesh (DAIBB).

Mr. Gopal attended numerous training and seminar in Bangladesh as well as in abroad. For instance, Remittance and Payment Partnership organized by DFID, Corporate Governance in Banks and Financial Institutions in Bangladesh, Financial Globalization and Financial Sector Development in South and Central Asia and so on. Beside these, Mr. Banik attended several training as a guest speaker like BASEL-II Implementation, Banking Regulation and Policy, Foreign Exchange Policy etc. He is also affiliated with the Professional body namely, the insurance development and Regulatory Authority (IDRA).

Mrs. Shaheena Begum

Mrs. Shaheena Begum 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 concerns of Anwar Group of Industries namely Hossain Dyeing & Printing Mills Ltd., Anwar Jute Spinning Mills Limited, Mehmud Industries (Pvt.) Ltd., AG Automobiles Limited, and so on.

Mrs. Hasina Begum

Mrs. Hasina Begum born in reputed Muslim Family in the Old Town of Dhaka. She is a Sponsor Director of Anwar Galvanizing Limited (AGL). Besides AGL, she is associated with the business activities of Anwar Group of Industries for a long-time and has been gathered sound knowledge about diversified business activities.

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF ANWAR GALVANIZING LTD.

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

We also report that:

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;

(iii) The Company's Statement of Financial Position and Statement of Profit or Loss and other Comprehensive Income and its statements of Cash Flows dealt with by the report are in agreement with the books of account and returns; and

(iv) The expenditure incurred was for the purpose of the Company's business.

Sd/-
Pinaki & Company
Chartered Accountants

Dhak
Dated 25.10.2017

Anwar Galvanizing Limited

Statement of Financial Position
As at 30 June 2017

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

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

The Financial Statements were authorized for issue by the Board of Directors on 25.10.2017 and signed on its behalf by :

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

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

Sd/-

Dated : Dhaka, 25.10.2017.

Pinaki & Company
Chartered Accountants

Anwar Galvanizing Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

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

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

The Financial Statements were authorized for issue by the Board of Directors on 25.10.2017 and signed on its behalf by :

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

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

Sd/-

Dated : Dhaka, 25.10.2017.

Pinaki & Company

Chartered Accountants

Anwar Galvanizing Limited

Statement of Changes in Equity

For the year ended 30 June 2017

Amount (in Taka)

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

Anwar Galvanizing Limited

Statement of Changes in Equity

For the year ended 30 June 2016

Amount (in Taka)

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

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

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

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

Dated : Dhaka, 25.10.2017.

Anwar Galvanizing Limited

Statement of Cash Flows
For the year ended 30 June 2017

Particulars	Notes	July'16 to June'17	July'16 to June'16
(a) Cash Flows from operating activities:			
Collection from Turnover & other income	19.00	255,251,528	196,406,157
Payment for Cost & Expenses	20.00	(222,666,780)	(156,804,991)
Net Cash Flows from operating activities		**32,584,748**	**39,601,167**
(b) Cash Flows from Investing Activities:			
Acquisition of Fixed Assets		(24,731,538)	(33,098,546)
Sales on share sale on Investment		-	1,418,050
Disposal on NCA Held for Sale		-	5,591,266
Net Cash Flows from Investing Activities		**(24,731,538)**	**(26,089,230)**
(c) Cash Flows from Financing Activities:			
Dividend Paid		(7,051,735)	(7,049,872)
Loan Repaid NBL Securities Ltd		(921,667)	(1,684,462)
Net Cash Flows from Financing Activities		**(7,973,402)**	**(8,734,334)**
(d) Net Cash Flows (a+b+c)		(120,192)	4,777,603
Add:Opening Cash & Cash Equivalents		10,313,924	5,536,321
Closing Cash & Cash Equivalents		**10,193,732**	**10,313,924**
Net Operating Cash-flow Per Share		**2.47**	**3.00**

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

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

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

Dated : Dhaka, 25.10.2017.

Anwar Galvanizing Ltd.

Notes to the Financial Statement
As at 30 June 2017

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

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

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

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

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

(c) Principal Activities and Nature of Operation:

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

(d) Going Concern:

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

2. Significant Accounting Policies

2.1 Basis of Accounting:

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

2.2 Tangible Assets:

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

2.3 Depreciation:

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

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

(a) Recognition of Property, Plant and Equipment:

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

(b) Inventories:

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

(c) Cash and Cash Equivalents:

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

(d) Creditors and Accrued Expenses:

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

(e) Taxation:

i. Current Year:

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

ii. Previous Years Assessment Status:

The company submitted Income Tax Returns for assessment years from 2007-08 to 2016-17 (Income Years 2006-07 to 2015-16) to the Tax Authority availing of facility u/s 82 BB of the Income Tax Ordinance, 1984. The returns so submitted to the Tax Authority are deemed to have been accepted by the Tax Department as per Section 82 BB with no further tax liability in respect of these assessment years.

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

(f) Turnover:

Turnover comprises sales of the company excluding VAT.

(g) Revenue Recognition:

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

(h) Statement of Cash Flows:

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

(i) Components of the Financial Statements:

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

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

(j) Compliance with Local Laws:

The financial statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local laws and rules.

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

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

(l) Reporting Period:

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

(m) Reporting Currency and Level Precision:

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

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

	2017	2016
Net Asset Value (NAV)	8.92	8.42

(o) Comparative Information:

Comparative information have been disclosed in respect of the year 2016-17 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Figures of the year 2015-16 have been rearranged whenever considered necessary to ensure comparability with the current period. The disclosures in the financial statements, in all materials aspects, are in accordance with Bangladesh Accounting Standards, as adopted in Bangladesh.

(p) *Related Party Transaction*

As per BAS-24 parties are considered to be related if one of the parties has ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties. Related party transactions are disclosed in the note number 25.

Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

Note No.	Particulars	Notes	30 June 2017	30 June 2016
3.00	**Non-Current Assets:**			
	Property, Plant & Equipments	3.01	139,372,329	116,581,515
	Capital Work-in-progress	3.02	-	5,063,748
			139,372,329	**121,645,263**
3.01	**Property, Plant & Equipments:**			
	Opening Balance(at cost)		213,962,771	181,593,365
	Add: Addition During the year		29,795,286	32,369,406
			243,758,057	**213,962,771**
	Accumulated Depreciation :			
	Opening Balance		97,381,256	92,316,890
	Add: Addition During the year		7,004,472	5,064,366
			104,385,728	**97,381,256**
	Written down value as on 30.06.2017		**139,372,329**	**116,581,515**
	Details have been shown in Annexure-I			
3.02	**Capital Work -in-progress:**			
	Annealing Furnace		-	4,100,854
	Induction Furnace		-	194,868
	Raw Material Godown		-	323,356
	Water Tank		-	444,670
			-	**5,063,748**
4.00	**Inventories:**			
	Raw Materials	4.01	5,924,950	13,387,474
	Auxiliary Materials	4.02	4,603,614	2,816,235
	General Stores & Spare	4.03	43,386,944	22,441,808
	Finished Goods	4.04	29,022,505	10,259,669
	Work -in-process	4.05	28,922,138	48,476,278
			111,860,151	**97,381,465**
4.01	**Raw Materials:**			
	Pig Iron		4,919,987	10,348,906
	CI Scrap		415,712	1,563,240
	MS Scrap		589,251	1,475,328
			5,924,950	**13,387,474**

Anwar Galvanizing Limited

Notes to the Financial Statement
As at 30 June 2017

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

Anwar Galvanizing Limited

Notes to the Financial Statement
As at 30 June 2017

Note No.	Particulars	Notes	30 June 2017	30 June 2016
5.00	**Accounts Receivable:**			
	Accounts Receivable		8,040,183	7,779,350
			8,040,183	**7,779,350**
6.00	**Advance,Deposits & Pre-payments:**			
	Break up is given below:			
	Advances	6.01	27,031,010	27,742,705
	Security Deposits	6.02	4,237,552	1,123,087
			31,268,562	**28,865,792**
6.01	**Advances:**			
	Break up is given below:			
	Advance against Supplier		3,463,737	5,353,281
	Advance to Employee		933,500	738,832
	Goods in Transit		1,361,469	-
	VAT Current Account		3,941,627	4,328,597
	AIT (Advance Income Tax)		17,330,677	17,321,995
			27,031,010	**27,742,705**
6.02	Security Deposit:			
	Break up is given below:			
	Security deposit -CDBL		300,000	300,000
	Security deposit-Electricity		3,333,965	219,500
	Security deposit-Gas		561,587	561,587
	Security deposit- metre		42,000	42,000
			4,237,552	**1,123,087**

7.00 Short Term Investment:

Break up is given below:

SL. No.	Name of Company	No of Share	Cost Price	Market Price
01.	Jamuna Oil Limited	3,932	702,800	814,317
02.	M.I. Cement Factory Limited	5,500	652,600	513,150
03.	Sumit Power Limited	3,839	208,925	156,631
			1,564,325	**1,484,098**
		Estimated Sales Commission		(7,420)
		Net Realizable Value		**1,476,678**

8.00	**Cash and Cash Equivalents:**			
	Break up is given below:			
	Cash at Banks	8.01	9,468,322	5,915,601
	Cash in Hand	8.02	725,410	4,398,323
			10,193,732	**10,313,924**

Anwar Galvanizing Limited

Notes to the Financial Statement
As at 30 June 2017

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

Anwar Galvanizing Limited

Notes to the Financial Statement
As at 30 June 2017

Note No.	Particulars	Notes	30 June 2017	30 June 2016
11.00	**Tax Holiday Reserve:**			
	Break up is given below:			
	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
	Closing balance as per 30 June 2017		**34,057,703**	**34,057,703**
12.00	**Liability for Expenses and Others:**			
	Break up is given below:			
	Payable for WPPF		2,704,015	1,697,633
	Payable for Current Income Tax		6,918,263	1,710,718
	Audit Fees		100,000	100,000
	Advance Received from Customers		5,970,716	18,671,046
	Liabilities for Others	12.01	12,883,800	28,955,603
	Liabilities for Goods Supplies		148,525,807	99,300,807
			177,102,601	**150,435,807**
12.01	**Liabilities for Others:**			
	Break up is given below:			
	Dividend Payable		8,265,105	6,716,840
	Others Liabilities		4,618,695	22,238,763
			12,883,800	**28,955,603**
13.00	**Liabilities for Other Finance:**			
	Break up is given below:			
	Loan from NBL Securities Ltd		6,744	928,411
			6,744	**928,411**

Anwar Galvanizing Limited

Notes to the Financial Statement
As at 30 June 2017

Note No.	Particulars	Notes	30 June 2017	30 June 2016
14.00	**Revenue (Turnover):**			
	Break up is given below:			
	Sales: GI Fittings		216,831,016	154,391,140
	Sales: Brake Drum		23,520,611	21,613,097
	Sales: Others		8,755,577	6,253,983
			249,107,204	**182,258,220**
15.00	**Cost of Goods Sold:**			
	Break up is given below:			
	Raw Materials Consumed	15.01	45,250,431	47,521,111
	Auxiliary Materials Consumed	15.02	46,886,100	24,799,492
	General Stores Consumption	15.03	21,982,005	15,180,993
	Total Materials Consumed		**114,118,535**	**87,501,596**
	Add: Factory Overheads	15.04	98,543,872	76,539,467
	Opening Stock of Work -In-Process		48,476,278	42,047,896
	Closing Stock of Work -In-Process		(28,922,138)	(48,476,278)
	Cost of Production		**232,216,547**	**157,612,681**
	Opening Stock of Finished Goods		10,259,669	11,861,966
	Closing Stock of Finished Goods		(29,022,505)	(10,259,669)
	Cost of Goods Sold		**213,453,711**	**159,214,978**
15.01	**Raw Material Consumed:**			
	Break up is given below:			
	Opening Stock		13,387,474	12,601,581
	Add: Purchase		37,787,907	48,307,004
			51,175,381	**60,908,585**
	Less: Closing Stock		5,924,950	13,387,474
			45,250,431	**47,521,111**
15.02	**Auxiliary Materials Consumed:**			
	Break up is given below:			
	Opening Stock		2,816,235	2,340,907
	Add: Purchase		48,673,479	25,274,820
			51,489,714	27,615,727
	Less: Closing Stock		4,603,614	2,816,235
			46,886,100	**24,799,492**
15.03	**Store Material Consumption**			
	Break up is given below:			
	Opening Stock		22,441,808	22,425,125
	Add: Purchase		42,927,140	15,197,677
			65,368,948	37,622,802
	Less: Closing Stock		43,386,944	22,441,808
			21,982,004	**15,180,993**

Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

Note No.	Particulars	Notes	30 June 2017	30 June 2016
15.04	**Factory Overheads:**			
	Break up is given below:			
	Salary & Wages		60,313,008	44,696,135
	Carriage Inward, Loading & Unloading Exp		495,319	535,160
	Electricity Charges		17,481,980	15,793,412
	Gas & Generator Expenses		10,162,066	7,181,758
	Entertainment Expenses		406,321	432,929
	Phone Bill		98,800	71,000
	Medical Expenses		82,921	486,734
	Land Development Tax		-	14,075
	Miscellaneous. Expenses		73,452	55,577
	Business Promotion Expenses		507,883	127,656
	Internet Expenses		-	6,000
	Food and Loadging		-	42,582
	Photocopy, Printing & Stamp expenses		3,126	7,146
	Repairs & Maintenance		1,960,629	1,110,205
	Fuel & CNG Expenses		-	71,760
	Traveling & Conveyance		104,720	214,047
	Management Exp.		-	769,911
	Picnic Expenses		202,993	192,802
	Ifter Expenses		206,540	56,160
	Depreciation		6,444,114	4,674,418
			98,543,872	**76,539,467**
16.00	**Administrative, Selling & Distribution Expenses:**			
	Break up is given below:			
	Administrative Expenses	16.01	8,303,478	7,045,871
	Selling & Distribution Expenses	16.02	5,803,284	2,937,070
			14,106,762	**9,982,941**
16.01	**Administrative Expenses:**			
	Break up is given below:			
	Salary and Allowances		5,430,451	4,137,664
	Business Promotion Expenses		491,109	556,232
	License, Registration & Renewals		318,207	61,880
	Fuel & CNG Exp		289,206	278,661
	Audit Fees		123,500	125,000
	Annual Fee		-	66,000
	Travell & Conveyance		34,666	96,085
	Consultency fees		-	50,000
	CDBL Charged		-	56,000
	Municipal Tax		-	64,854
	Miscellaneous. Expenses		-	85,463
	Legal & Professional Fees		-	90,700
	Office Rent		-	168,245
	Utility & others Maintenance		512,046	405,571
	Visa & Work permit Exp		-	103,900
	Printing & Stationery		380,297	295,421
	Postage, Courier & Stamp		90,528	3,197
	Telephone & Internet Expenses		73,110	11,050
	Depreciation		560,358	389,948
			8,303,478	**7,045,871**

Anwar Galvanizing Limited

Notes to the Financial Statement

As at 30 June 2017

Note No.	Particulars	Notes	30 June 2017	30 June 2016
16.02	**Selling & Distribution Expenses:**			
	Break up is given below:			
	Promotion & Advertisement		865,493	215,475
	Carriage Outward		1,982,126	1,589,816
	Sales Incentive		1,683,639	849,025
	Staff Salary (Marketing)		915,454	
	Transportation Exp		-	74,892
	TA, DA & others		356,572	207,862
			5,803,284	**2,937,070**
17.00	**Financial Expenses:**			
	Break up is given below:			
	Bank Charges & Commission		72,908	53,070
	Credit Rating Report Fees		40,000	-
	Interest Expenses		734,253	609,308
			847,161	**662,378**
18.00	**Earning Per Share(EPS):**			
	Profit Attributable to the ordinery shareholders		15,050,119	9,605,186
	Weighted average number of ordinery shares		13,200,000	13,200,000
	Basic Earning Per Share		**1.14**	**0.73**
19.00	**Collection from Turnover and Others:**			
	Break up is given below:			
	Opening Balance of Trade Receivables		7,779,350	2,946,064
	Add: Sales		249,107,204	182,258,220
			256,886,554	**185,204,284**
	Less: Closing Debtors		8,040,183	7,779,350
	Total Collection from Trade Receivables		**248,846,371**	**177,424,934**
	Collection from Other Income		434,441	310,177
	Advance Collection from Customers		5,970,716	18,671,046
			255,251,528	**196,406,157**
20.00	**Payment for Cost & Expenses :**			
	Break up is given below:			
	Payments to Suppliers & Others		149,957,152	103,786,697
	Tax Paid		6,119,008	3,522,117
	Paid to Employee		65,743,459	48,833,799
	Payment of Interest		847,161	662,378
	Total Cash payment & Expenses		**222,666,780**	**156,804,991**

21. Director of the Company:

a) Number of Director:

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

b) Salary & Remuneration of the management team:

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

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

22. General

a. The Company has no aggregate amount of contract for capital expenditure to be executed and not provided for in the accounts.

b. There is no Guarantee issued by the management on behalf of Director of the company.

c. Auditors are paid only statutory audit fees approved by the share holders in the last AGM.

d. There was no foreign exchange remitted to relevant share holders during the year under audit.

e. No amount of money was expended by the company for compensating any member of the board for special service.

23. ADDITIONAL DISCLOSURE AS PER SEC :

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

a)	Claim against the company not acknowledge as debt as on 30.06.2017	NIL
b)	Uncalled liability on partly paid up shares	NIL
c)	Arrears of first cumulative dividends on preference shares together with the period for which the dividend are in arrears.	NIL
d)	The aggregate amount of contracts for capital expenditure remaining to be executed and not provided for.	NIL
e)	Other sums for which the company is continently liable as on 30/06/2017 except letter of credit open in the normal course of have the same amount of contingent asset. business, again we have the same amount of contingent asset.	NIL
f)	The general nature of any credit facilities available to the company under any contract and not taken up at date of Statement of Financial Position.	NIL
g)	Aggregate amount due by directors and officers of the company or associated undertakings:	

Director NIL

Associated Undertaking NIL

Officers NIL

h) Securities and Exchange Rules, 1987[Para5(a), (iii) of part-1]

The advances against goods, services and expenses considered good by the management and no collateral security is held against the advances. NIL

i) Mode of disposal of machinery and equipment. NIL

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

1. Para-3 (i) (b) Commission paid to selling agents. NIL

2. Para-3 (i) (c) Brokerage and discount on sales other then the usual trade discount. NIL

3. Para-3d (i) (ii) The value of the raw materials consumed and quantities thereof:

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

4. Para-3,(ii)

i) Number of employees drawing salary above Tk. 3,000 per Month 488 Nos

ii) Number of employees drawing salary below Tk. 3,000 per month NIL

5. Para - 8 (b)

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

6. Para - 8 (c)

Value of all imported raw materials, spare parts and components consumed during the financial year and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption are as under:

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

7. Para- 8(d)

(i) Number of Non - Resident shareholder NIL

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

8. Para - 8 (e)

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

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

25. Related Party Transactions:

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

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

26. Unpaid Divdend:

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

27. Events after the reporting period:

a) Proposed Dividend:

The Board of Directors of Anwar Galvanizing Ltd. at it's 141st Meeting held on 25.10.2017 proposed 10% Stock Dividend for all shareholders for the year 2016-2017. This dividend is subject to approval by the shareholders in the Annual General Meeting (AGM).

b) Approval of Financial Statements:

These financial statements were authorized for issue in accordance with a resolution of the company's Board of directors on 25.10.2017.

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

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

Anwar Galvanizing Limited

Schedule of Property, plant and equipment as at 30th June 2017

Annexure-I

Sl No.	Assets Category	COST				Rate	Depreciation				Written down value as on 30 June 2017	Written down value as on 30 June 2016
		As on 01 July 2016	Addition during the year	Sales/ Adjustment	As on 30 June 2017	%	As on 01 July 2016	Charged during the year	Sales / Adjustment	As on 30 June 2017		
1	Land &Land Development	9,500,758	-	-	9,500,758		-	-	-	-	9,500,758	9,500,758
2	Building & Construction	63,429,253	861,597	-	64,290,850		32,786,110	1,814,178	-	34,600,288	29,690,562	30,643,143
3	Plant, Machinery & Equipment	134,693,429	26,203,362	-	160,896,791		60,825,739	4,790,519	-	65,616,258	95,280,533	73,867,690
4	Head Office Equipment:	1,351,013	869,434	-	2,220,447		847,143	75,584	-	922,727	1,297,720	503,870
5	Furniture (Office)	2,311,098	203,423	-	2,514,521		1,511,198	97,093	-	1,608,291	906,230	799,900
6	Vehicles / Motor Car	1,256,000	1,657,470	-	2,913,470		251,200	200,960	-	452,160	2,461,310	1,004,800
7	Sundry Assets	1,421,220	-	-	1,421,220		1,159,866	26,138	-	1,186,004	235,216	261,354
	Total Taka	**213,962,771**	**29,795,286**	-	**243,758,057**		**97,381,256**	**7,004,472**	-	**104,385,728**	**139,372,329**	**116,581,515**

Allocation of Depreciation :

Charge to Production	6,444,114
Charge to Administration	560,358
	7,004,472

PLAIN TEE
0.5 inch- 4 inch



REDUCER TEE
0.75"X 0.5" - 2"X 1.5"



PLAIN ELBOW 90°
0.5 inch- 4 inch



REDUCER ELBOW
0.75"X 0.5" - 2"X 1.5"



PLAIN CROSS
0.5 inch- 2 inch



UNION
0.5 inch- 4 inch



PLUG
0.5 inch- 2 inch



HEX NIPPLE
0.5 inch- 3 inch



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.

REDUCER SOCKET
0.75"X 0.5" - 2"X 1.5"



PLAIN SOCKET
0.5 inch- 4 inch



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.P.a in the case of water and up to .0.7M.P.a in the case of steam. air. gas and oil at the temp of 100° C.
Our product is manufactured from specified grade raw materials.

BUET CERTIFIED

STANDARDS FOLLOWED: BS, DIN, JIS, IS, ASTM

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

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

Revenue Stamp of Tk. 20.00

PROXY FORM

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 **23rd Annual General Meeting** of the company to be held on 25th January, 2018 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 ..... 2018.

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 **23rd Annual General Meeting** of the Company to be held on 25th January, 2018 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.


আনোয়ার গ্যালভানাইজিং লিমিটেড
২২-তম বার্ষিক সাধারণ সভা








আনোয়ার গ্যালভানাইজিং লিমিটেড





AG™

ANWAR GALVANIZING LTD

(a concern of Anwar Group of Industries)