

INFORMATION MEMORANDUM

for

Public Issue of 30,000,000 Ordinary Shares

of



Ananda Shipyard & Slipways Limited



MANAGER TO THE ISSUE

Prime Finance Capital Management Limited

63, Dilkusha C/A (3rd Floor), Dhaka-1000

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Elaboration of Abbreviated Terms

100 A1+LMC	Vessel class notation as per GL standard
A1 + LMC	Vessel class notation as per GL standard
ASSL	Ananda Shipyard & Slipways Limited
BIWTA	Bangladesh Inland Water Transport Authority
BIWTC	Bangladesh Inland Water Transport Corporation
BUET	Bangladesh University of Engineering and Technology
BWDB	Bangladesh Water Development Board
DWTs	Dead Weight Tonnage
EIIs	Eligible Institutional Investors
EOT	Electric Overhead Traveling (a type of crane)
IPO/Public Issue	Initial Public Offering
MIEB	Member of Institution of Engineers, Bangladesh
MNECIES	Member of North East Coast Institution of Engineers & Shipbuilding
MP Bulk vessel	Multi Purpose Bulk vessel
MPC vessel	Multi Purpose Cargo Vessel
MRINA	Royal Institution of Naval Architects

Milestones

Incorporation date	2nd June 1999
Introduction of Computer-aided automatic steel cutting machine	2004
“Century Golden Award” , Switzerland	2008
“World Maritime Day Award” ,Bangladesh Govt.	2008
Delivery of first seagoing vessels named “Stella Maris”	2008
Converted to Public Limited Company	20th December 2009
Delivery of seagoing vessels named “Stella Moon”	2010
Errction of 100 ton Granty Crane	December 2010
Construction of first air bag launching way	2008



Corporate Directory

Address	Head Office & Factory 10/1 (9th Floor), City Heart, 67 Naya Paltan, Dhaka-1000, Bangladesh Tel: 9352031-3, 9330609, 9331510, Fax: +880-2-8312681 E-Mail: info@anandashipyard.com Website: www.anandashipyard.com Shipyard Meghna Ghat, Sonargaon, Narayanganj Tel: 01929992122, 01929992190, 01714035450, 01711581934
Auditors	Rahman Mostafa Alam & Co. Chartered Accountant Paramount Heights (7th Floor-D2) 65/2/1, Purana Paltan, Dhaka-1000
Legal & Tax Advisor	Md. Zulfiquear Ali Tax & Company Consultant Shantinagar Plaza 125/A, New Kakrail Road (2nd Floor) Shantinagar Chowrasta, Dhaka-1000
Issue Manager	Prime Finance Capital Management Limited 63, Dilkusha C.A., (3 rd Floor) Dhaka-1000 Tel: 9563883
Company Secretary	Nandan Chandra Dey ACMA CFO & Company Secretary, Ananda Shipyard & Slipways Limited Tel: 9352031-3

Existing Capital Structure

Particulars	No. of Shares	Amount (BDT)
Authorized Capital	500,000,000	5,000,000,000
Paid up capital as on 30 September 2010 (as per audited accounts)	181,250,000	1,812,500,000
Additional capital raised after 30 September 2010	8,750,000	87,500,000
Paid up capital after capital raising	190,000,000	1,900,000,000

Summary of Proposed Public Issue of Shares

Sl.	Particulars	
1	Proposed IPO size (no. of shares)	30,000,000
2	Face Value	Tk. 10
3	IPO size at face value	Tk. 300,000,000
4	Ells quota	Tk. 60,000,000



Introduction about the Company

Ananda Shipyard and Slipways Limited (ASSL) was incorporated in 2 June 1999 as a private limited company. It was converted to public limited company on 20 December 2009 by a special resolution.

The objective of the company is primarily to carry out shipbuilding activities. It is a 100% export oriented industrial complex and also active in the field of manufacture of marine equipments and aids to navigation. It has generated the first ongoing ship export from Bangladesh in 2008 to Denmark.

ASSL, the largest shipyard in the private sector in Bangladesh, is the flagship in Ananda Group of nine companies has modernized and systemized its operations by enhancing facilities to produce 5 ships each 10,000 DWTs. Production area of ASSL is 80,000 sq. meter of which 20,000 sq. meters is covered. Shipbuilding halls are fitted with EOTs cranes and Slipways are aided by gantry cranes. Ananda Shipyard & Slipways Limited has introduced Computer-aided automatic steel cutting machine in Bangladesh in 2004. A workforce of more than 1,362 in various sections led by 96 qualified managers, executives and engineers produce modern quality vessels. The in house computer aided design office provides designs/drawings to the shipyard. Yard's annual production capacity is about 20,000 tones in terms of consumed steel. Further expansions are taking place currently to manufacture bigger ships. ASSL is currently erecting 100 ton gantry crane with its own technology and to increase the production capacity to 30,000 metric tons. The quality of the works has been certified by classification societies & inspection agencies. In terms of equipment, manpower & experience the shipyard now ranks among the top shipyards in Bangladesh.

Ananda Shipyard and slipways Ltd. has pioneered in construction of 100 A1+LMC coastal vessel, Aluminum survey and speed boat and different kind of sea vessels. Annada Shipyard was awarded "Century Golden Award" from Switzerland and "World Maritime Day" from Bangladesh Government Award in 2008.

In Bangladesh Ananda shipyard is pioneer in exporting seagoing vessels named "Stella Maris" in 2008 and "Stella Moon" in 2010 to Stella Shipping AS in Denmark.

Presently Ananda shipyard has an order booked from Germany for a total no of 10 seagoing vessels worth of more than US\$ 112.00 million. Out of these, 4 are 6,100 DWT MPC vessels from "Komrowski Maritim GmbH, Germany" and 6 of them are 5,500 DWT MP Bulk vessels from "Wessels Reederei GmbH, Germany".



Board of Directors

Board of Ananda Shipyard and Slipways Ltd. consists of three directors. A short profile about the directors is furnished below.

Dr. Abdullahel Bari

Chairman, Board of Directors

Dr. Abdullahel Bari has played an instrumental role in founding Ananda Shipyard and Slipways Ltd. and Ananda Builders Ltd. Dr. Bari obtained B. Sc (Engr.) in Naval Architect and Marine Engineering from BUET. He holds a PhD degree on Shipbuilding from University of New Castle upon Tyne in United Kingdom. He is also at the helm of Ananda Builders Ltd., Zerina Composite Textile Industries Ltd., Ananda International Ltd., Ananda Bag Mills Ltd. and Ananda Eldorado Ltd. Before founding Ananda Builders Ltd., Dr. Bari also played a key role in Bangladesh Inland Water Transport Corporation (BIWTC) as Chief of Marine Construction & Planning, Dhaka. For a short period, he was an Assistant Professor, Department of Naval Architecture & Marine Engineering (BUET) Dhaka.

He is the President of Association of Export Oriented Shipbuilding Industries of Bangladesh and Association of Naval Architect & Marine Engineers, Bangladesh. He is also Vice President of Bangladesh Society of Mechanical Engineers. He is a member of Institution of Engineers, Bangladesh (MIEB), Royal Institution of Naval Architects (MRINA) of UK, the North East Coast Institution of Engineers & Shipbuilding (MNECIES), the Netherlands and Chartered Engineer (C. Eng.) from the Engineering Council UK.

Under his stewardship, Ananda Shipyard and Slipways Ltd. has constructed first Aluminum Survey and Patrol boats, A1 + LMC quality Coastal Vessel. Under his supervision, computer-aided automatic steel cutting was introduced in Ananda Shipyard and Slipways Ltd.

He is a founding Chairman of Ananda Shipyard and Slipways Ltd, Zarina Composite Textile Industries Ltd, Ananda Bag Mills Ltd. and Ananda Builders Ltd. He visited many countries like USA, UK, France, Germany, Switzerland, Greece, Italy, Russia, Uzbekistan, Tajikistan, China, Japan, Singapore, Hong Kong, Taiwan, Indonesia, India, Canada, Malaysia etc.

Ms. Afruja Bari

Director & Managing Director

Mrs. Afruja Bari is a renowned and dynamic personality in the Shipbuilding industry of Bangladesh. Mrs. Bari Obtained B.A (Honors), MA, Dhaka University, Dhaka and certification of finance and accounting in New Castle Upon Tyne University, UK.



Mrs. Bari along with Dr. Abdullahel Bari played a key role in founding Ananda Shipyard & Slipways Ltd. and Ananda Builders Ltd. She has achieved “Small and Medium Entrepreneur Crest”, Samsung “Mobile Business Award”, bi weekly “Ananna” Top ten Awards in 2008. Under her management, Ananda Shipyard & Slipways Ltd. was awarded ‘World Maritime Award-2008’ and ‘Century International Quality Award-2008’ from Business Initiative Directions (BID) for highest customer satisfaction and continuation of quality in shipbuilding.

Under her leadership, Ananda Shipyard & Slipways Ltd. has secured the direct export order from Europe (Denmark) in 2005. She is the Managing Director of Ananda Shipyard and Slipways Ltd., Zerina Composite Textile Industries Ltd., Ananda Bag Mills Ltd. and Chairman of Ananda International Ltd.

She has visited USA, UK, France, Germany, Switzerland, China, Singapore, Canada, India, Malaysia etc.

Ms. Abdullah Zarina Zaffreen

Director

Ms Abdullah Zerina Zaffreen was appointed as Director in December 2009. She is also working at Ananda Shipyard and Slipways Ltd. as Director-Planning since December 2009.

Ms Abdullah Zerina Zaffreen obtained her B.Sc. in Computer Engineering and Technology with distinction of Summa Cum Laude from Oklahoma State University, USA.

Management & Staffs

Composition of Employee

Salary Range	Officer and Staff		Workers	Total Employee
	Factory	Head Office		
Below 3,000	16	8	247	271
Above 3,000	260	133	698	1,091
Total	276	141	945	1,362



Top Management

Name	Position	Educational Qualification	Date of Joining in the Company	Name(s) of organization(s) where worked during the last five years
Dr. Abdullahel Bari	Director (Design and Establishment)	BA, B.Sc. Engr. (In Naval Arch. & Marine Engr.) PhD in shipbuilding from the University of New Castle upon Tyne, UK	2 nd July 1999	<ul style="list-style-type: none"> o Ananda Builders Ltd. o Ananda Shipyard and Slipways Ltd.
Ms. Afruja Bari	Managing Director	BA (Hons.) MA, Dhaka University	2 nd July 1999	<ul style="list-style-type: none"> o Ananda Builders Ltd. o Ananda Shipyard and Slipways Ltd.
Ms. Abdullah Nahid Niger	Deputy Managing Director	B.Sc.(Comp. Science & Math), UW, Canada, Master's (Finance), UK	2 nd July 1999	<ul style="list-style-type: none"> o Ananda Shipyard and Slipways Ltd. o British Telecom - UK
Mr. Tariqul Islam	Executive Director	B.Sc. Engr. (Naval Arch & Marine), BUET	1 st October 2004	<ul style="list-style-type: none"> o Ananda Shipyard and Slipways Ltd. o A & P Tyne - UK
Ms. Abdullah Zarina Zaffreen	Director (Planning)	B.Sc. Engr. (Comp. Engr. & Tech), Summa Cum Laude, USA	2 nd July 1999	<ul style="list-style-type: none"> o Ananda Shipyard and Slipways Ltd.
Mr. Saiful Islam	Director (Technical)	M. Sc. Engr. (Mechanical), B. Sc. Engr. (Mechanical), BUET	2 July 1999	<ul style="list-style-type: none"> o Ananda Shipyard and Slipways Ltd.
Mr. Rashidur Rahman	Director (Architecture)	B.Arch (BUET), Post Graduate in Bauhaus, Germany	20 Dec 2009	<ul style="list-style-type: none"> o Dasein o Ananda Shipyard and Slipways Ltd.
Md. Shahidul Islam	Director (Plant and Machinery)	Marine Engineering	1 Aug 2010	<ul style="list-style-type: none"> o Damico, Italy o MSC Ship Management o HRC Shipping Lines o Ananda Shipyard and Slipways Ltd.
Md. Mahbubur Rahman	Director (Procurement)	COC-Class 1 (Motor), UK	26 May 2010	<ul style="list-style-type: none"> o Mitsuiosk Shipping Lines, Japan o Ananda Shipyard and Slipways Ltd.
Comdr. SM Moniruzzaman (Retd)	CEO (Shipyard)	B. Sc (Mechanical Engineer), ndc, psc	24 May 2010	<ul style="list-style-type: none"> o Bangladesh Navy o Ananda Shipyard and Slipways Ltd
Nandan Chandra Dey	CFO & Company Secretary	ACMA, MBA	14 Feb 2010	<ul style="list-style-type: none"> o Building Technology & Ideas Ltd. o Shah Cement Industries Ltd. o Ananda Shipyard and Slipways Ltd
Engr. Md. Rafique Hasan	DGM	B.Sc. Engr. (In Naval Arch. & Marine Engr.)	18 Jul 2001	<ul style="list-style-type: none"> o Ananda Shipyard and Slipways Ltd



Principal Products & Services

The principle product range has been upgraded from simple inland cargo Burges through deep sea trawlers and dredgers to maneuverable and power packed ocean going tractor tugs, cargo ships, tankers and vessels required for offshore industries.

The various types of vessels built by ASSL are as follows:

- ❖ Tug boats;
- ❖ Fast petrol craft;
- ❖ Ocean going ice class;
- ❖ Cargo ships;
- ❖ Tankers;
- ❖ Dredgers;
- ❖ Special purpose Vessels;
- ❖ Ferries/Passenger Vessels.

In addition to the above, ASSL can also manufacture offshore patrol vessels, container ships etc.

ASSL constructs and delivers ship for both domestic and foreign customers. Domestic customers include Chittagong Port Authority, Mongla Port Authority, Bangladesh Inland Water Transport Authority (BIWTA), Bangladesh Water Development Board (BWDB), Bangladesh Navy etc. On export front, ASSL supply vessels to Asia, Africa and Europe. ASSL construct ships to suit customer specific requirements. ASSL have experience in construction of ocean and inland vessels and have successfully delivered vessels.

Distribution of Products & Services

Ananda Shipyard & Slipways Ltd. participates in local and international tenders for building and supplying different types of vessels. In such causes, the company is selected for work based on technical qualification competitive prices offered by bidders. When successful, ASSL signs contract with buyers. In most orders from foreign buyers building contracts are signed after negotiation of price and other condition one-to-one basis. Vessels are delivered as per contracts.

Competitive Condition of Business

ASSL was incorporated with a view to producing and exporting ocean going and inland vessels at low price. The global developments in terms of overbooked shipyards in China and Vietnam escalating cost of energy and human resources are, working in favor of Bangladesh. Bangladesh has enormous prospect of becoming next destination of shipbuilding as a cost effective shipbuilding production hub for global buyers. Country's traditional experience in constructing inland water vessels, cost effective human resources, and government's keen interest to promote and support shipbuilding will be facilitating factors.

Shipbuilding is sophisticated engineering discipline which requires a complex matrix of processes and operations, demanding high levels of knowledge and skills. Ananda Shipyard and Slipways Ltd have vision to contribute further development and up gradation of quality of human resources to cope with global shipbuilding industries.



Shareholding Structure

Share holding of the Directors

SI	Name of the Directors	No of Shares	% Holding
1	Dr. Abdullahel Bari, Chairman	70,500,000	37.105
2	Ms. Afruja Bari, Director & Managing Director	70,500,000	37.105
3	Ms. Abdullah Zarina Zaffreen, Director	12,750,000	6.711
	Sub Total	153,750,000	80.921

Shareholders other than Directors who hold 5% or more shares

SI	Name of shareholders	No of Shares	% Holding
4	Ms. Abdullah Nahid Niger	10,000,000	5.263
5	Mrs. Abdullah Nazma Nowroz	10,000,000	5.263
	Sub Total	20,000,000	10.526

Other shareholdings

SI	Name of shareholders	No of Shares	% Holding
6	Institutional shareholders	3,339,375	1.758
7	Employees of Ananda Group	8,091,300	4.259
8	General shareholders	4,819,325	2.536
	Sub Total	16,250,000	8.553
	Grand Total	190,000,000	100%



Use of Proceeds & Estimated Fund Requirement

The company intends to use the net proceeds received from IPO (after adjusting for IPO expenses) to enhance and modernized the shipyard, fulfill working capital requirement and the balance amount for paying off loans respectively.

An estimated amount of Tk. 1,950,000,000 is needed to complete the above activities. Detail of estimated fund requirement is as follows:

Particulars	Taka
Capital Investment	1,394,569,500
Working Capital Requirement	250,000,000
Loan Repayment	305,430,500
Total expected fund requirement	1,950,000,000

Implementation Schedule

Enhancement and modernization of the shipyard (Capital Investment)

	Item of works	Total Cost (BDT)	Start	Finish
1	Plate Bending Machine	71,650,000	June,11	Dec,11
2	Profile Bending Machine	25,427,500	Janu,11	March,11
3	Jetty No. 1 Luffing crane	86,780,000	June,11	Dec,11
4	Outfit Shop	155,975,000	June,11	March,12
5	Carbon di-oxide (CO2) Plant	49,890,000	August,11	March,12
6	Oxygen (O2) Plant	22,662,500	August,11	March,12
7	Gantry crane + 2 Shelter Crane + other civil works of Fabrication Yard - 1	72,390,000	June,11	Dec,11
8	102m 70 Ton Crane on Slipways - 3	116,780,000	June,11	Dec,11
9	Shot Basting Machine	63,520,000	August,11	March,12
10	CNC Cutting machine (2 nos.)	72,150,000	Janu,11	June,11
11	Block Transporter (2 Nos)	43,803,000	December,11	March,12
12	Panel shop equipment	222,495,000	June,11	March,12
13	Machine Shop	124,780,000	June,11	March,12
14	Jetty & Luffing Crane (Jetty-2)	178,910,000	June,11	August,12
15	Forklift (4 nos)	9,891,000	Janu,11	March,11
16	Mobile crane (4 nos.)	24,727,500	Janu,11	March,11
17	Paint Shop	11,065,000	March,11	June,11
18	Pipe Shop	41,673,000	June,11	Dec,11
		1,394,569,500		



Fulfillment of working capital requirement

	Particulars	Total (BDT)	Estimated time period
	Working Capital	250,000,000	After listing of shares

Repayment of loan

	Particulars	Total (BDT)	Estimated time period
1	Repayment of loan	305,430,500	After listing of shares Hopefully on or after June 2011
		1,950,000,000	



Financial Highlights

Auditors' Report under Section- 135 (i) under Para 24 (1) of Part -II of the Third Schedule of the Companies Act 1994.

We have examined the Financial Statements of Ananda Shipyard and Slipways Ltd. for the period from July 01, 2010 to September 30, 2010 audited by us and year ended June 30, 2010, audited by M.A. Malek Siddiqui Wali & Co., Chartered Accountants & June 30, 2009, June 30, 2008, June 30, 2007 and June 30, 2006 audited by M.A Zaman & Co., Chartered Accountants in pursuance of Section 135 (i) under Para 24 (i) of Part -II of the Third Schedule of the Companies Act 1994. Accordingly we confirm that:

A. The Summarized Statement of Financial Position of the Company are as under:

	30.09.2010	30.06.2010	30.06.2009	30.06.2008	30.06.2007	30.06.2006
ASSETS						
Non-Current Assets	4,658,498,587	4,714,703,413	3,522,211,855	3,577,390,455	3,510,133,955	3,510,133,955
Property, Plant and Equipment	4,595,919,550	4,595,437,060	3,467,908,735	3,510,133,955	3,510,133,955	3,510,133,955
Capital Work in Progress	62,579,037	29,284,744	-	-	-	-
Deferred Expenditure	-	48,872,808	54,303,120	67,256,500	-	-
Deferred Tax Assets	-	41,108,801	-	-	-	-
Current Assets	5,245,060,597	4,727,321,183	3,922,211,976	2,170,229,401	815,613,979	284,771,253
Inventories	2,484,610,139	2,736,853,346	3,709,077,980	2,163,918,266	814,564,937	284,140,348
Related Party Current Account receivable	103,482,454	89,212,116	-	-	-	-
Receivable against Shipbuilding	2,475,457,001	1,667,775,698	-	-	-	-
Advance, Deposit & Prepayments	159,034,490	189,085,622	208,279,326	-	-	-
Cash in hand and at Bank	22,476,513	44,394,401	4,854,670	6,311,135	1,049,042	630,905
TOTAL ASSETS	9,903,559,184	9,442,024,596	7,444,423,830	5,747,619,856	4,325,747,934	3,794,905,208
EQUITY AND LIABILITIES						
Shareholders' Equity	4,608,928,216	4,675,966,304	3,413,659,748	3,404,822,356	3,404,822,356	3,404,822,356
Share Capital	1,812,500,000	1,812,500,000	10,000,000	10,000,000	10,000,000	10,000,000
Share Money Deposit	-	-	1,400,000,000	1,400,000,000	1,400,000,000	1,400,000,000
General Reserve	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Revaluation Reserve	585,941,438	590,621,434	-	-	-	-
Retained Earnings	210,486,778	272,844,870	3,659,748	(5,177,644)	(5,177,644)	(5,177,644)
Non-Current Liabilities	2,806,770,290	2,513,965,644	474,974,919	43,106,496	-	95,856,564
Long Term Loan	2,742,383,069	2,513,965,644	474,974,919	43,106,496	-	95,856,564
Deferred Tax Liabilities	64,387,221	-	-	-	-	-
Current Liabilities	2,487,860,678	2,252,092,648	3,555,789,162	2,299,691,004	920,925,578	294,226,288
Trade Payables	6,018,941	6,018,941	6,114,499	-	-	-
Related Party Current Account Payable	100,773,508	118,063,635	-	-	-	-
Current Portion of Long Term Loan	21,033,000	88,627,000	-	-	-	-
Short Term Loan	739,466,316	501,260,556	549,613,218	546,459,000	331,711,173	183,148,788
Liabilities for Expenses	114,488,862	64,982,466	-	-	-	-
Advance against Ship Building Contracts	1,506,080,050	1,473,140,050	3,000,061,445	1,753,232,004	589,214,405	111,077,500
TOTAL EQUITY AND LIABILITIES	9,903,559,184	9,442,024,596	7,444,423,830	5,747,619,856	4,325,747,934	3,794,905,208

B) The Summarized Statement of Operating Result of the company as follows:

	01.07.2010 to 30.09.2010	01.07.2009 to 30.06.2010	01.07.2008 to 30.06.2009	01.07.2007 to 30.06.2008	01.07.2006 to 30.06.2007	01.07.2005 to 30.06.2006
Income from Works and Services	807,681,303	1,703,550,473	426,795,779	-	-	2,942,435
Less : Cost of Goods Sold	633,477,922	1,311,353,717	330,124,829	-	-	2,676,785
Gross Profit	174,203,381	392,196,756	96,670,950	-	-	265,650
Less : Operating Expenses						
Administrative Expenses	31,632,808	82,385,161	7,891,876	-	-	88,550
Operating Profit before financial expenses	142,570,573	309,811,595	88,779,074	-	-	177,100
Less: Financial Expenses	35,510,939	29,208,052	79,941,681	-	-	-
Operating Profit	107,059,634	280,603,543	8,837,393	-	-	177,100
Add. Non-operating income	483,648	153,581	-	-	-	-
Net Profit before Tax	107,543,283	280,757,124	8,837,393	-	-	177,100
Income Tax Expenses	29,466,890	52,680,804	-	-	-	-
Net Profit after Tax	78,076,393	228,076,320	8,837,393	-	-	177,100

* EPS for the period ended as on September 30, 2010 stands Tk. 0.43. After annualizing, EPS stands as on June 30, 2011 is tk. 1.72 per share

** The face value of share of the Company has been denominated from Tk. 100 to Tk. 10 as on December 20, 2009. So, EPS would be considered as per new face value of share.



C) The Summarized Statement of Cash Flows of the company as follows:

	01.07.2010 to 30.09.2010	01.07.2009 to 30.06.2010	01.07.2008 to 30.06.2009	01.07.2007 to 30.06.2008	01.07.2006 to 30.06.2007	01.07.2005 to 30.06.2006
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from shipbuilding revenue	32,940,000	35,774,775	426,795,779	1,164,017,599	478,136,905	114,019,935
Payment to suppliers	(333,764,843)	(1,839,966,155)	(783,333,203)	(1,416,609,829)	(530,424,589)	(294,689,271)
Financial Expenses paid	(35,510,939)	(29,208,052)	(79,941,682)	-	-	-
Net Cash (used in)/generated by Operating Activities	(336,335,781)	(1,833,399,432)	(436,479,106)	(252,592,230)	(52,287,684)	(180,669,336)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Acquisition of Fixed Assets	(19,756,535)	(608,392,676)	-	-	-	-
Increase Capital Work in Progress	(33,294,293)	(29,284,744)	-	-	-	-
Net Cash (used in)/generated by Investing Activities	(53,050,828)	(637,677,420)	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:						
Increase in Short Term Loan from Bank	238,205,760	(48,352,662)	3,154,218	214,747,827	148,562,385	140,140,900
Decrease in Related party current account	(31,560,464)	28,851,519	-	-	-	-
Increase in Current Portion of Long term Loan	(67,594,000)	88,627,000	-	43,106,496	(95,856,564)	41,128,800
Increase in Share capital		402,500,000	-	-	-	-
Increase Long Term Loan	228,417,426	2,038,990,724	431,868,423	-	-	-
Net Cash (used in)/Generated from Financing Activities	367,468,721	2,510,616,582	435,022,641	257,854,323	52,705,821	181,269,700
Net (decrease)/increase in cash and cash equivalents	(21,917,888)	39,539,730	(1,456,465)	5,262,093	418,137	600,364
Cash and cash equivalent at the beginning of the period	44,394,401	4,854,670	6,311,135	1,049,042	630,905	30,541
Cash and cash equivalent at the end of the period	22,476,513	44,394,400	4,854,670	6,311,135	1,049,042	630,905

Additional Disclosure

D. Dividend Declared:

The company has not declared any dividend yet.

E. The company was incorporated on June 2, 1999 as a private Limited Company. Subsequently the company was converted into Public Limited Company on December 20, 2009.

F. Ananda Shipyard and Slipways Ltd. has no subsidiaries .

G. The company did not prepare any accounts for any period subsequent to September 30, 2010.

H. Figures relating to previous years have been rearranged whether considered necessary.

Dated: Dhaka
December 26, 2010

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



Determination of Offer Price

Method-1: Price based on Net Asset Value(NAV)

as on 30 Sept. 2010

A.	Share Capital	1,812,500,000
B.	General Reserve	2,000,000,000
C.	Revaluation Reserve	585,941,438
D.	Retained Earnings	210,486,778
E.	Total Shareholders Equity	4,608,928,216
F.	No. of Shares outstanding	181,250,000
G.	Net Asset Value per share at current cost	25.43

As per note no. 30 of audited accounts for the three months ended 30 September 2010, The company further raised 8,750,000 shares at Tk. 40 (including Tk. 30 as premium) totaling Tk. 350,000,000. Therefore the NAV per share stands as follows:

A.	Share Capital	1,900,000,000
B.	Share premium	262,500,000.00
C.	General Reserve	2,000,000,000
D.	Retained Earnings	210,486,778
E.	Total Shareholders Equity	4,372,986,778
F.	No. of Shares outstanding	190,000,000
G.	Net Asset Value per share excluding revaluation reserve	23.02

Method-2: Price based on Current EPS

A.	Net Profit after tax for 3 months period ended on 30.09.2010	78,076,393
B.	Number of shares outstanding	190,000,000
C.	Earnings Per Share (3 months)	0.41
D.	Earnings Per Share (Annualized)	1.64
E.	P/E multiple of DSE * (12 months average)	27.47
F.	Earning based value per share	45.16

* Average Price Earning(P/E) Multiple taken from DSE monthly review Dec. 2009 to Nov. 2010



Method-3: Price based on similar shares

A.	Book Value per Share	23.02
B.	P/BV multiple of similar shares*	6.90
C.	Price based on similar shares	158.70

*Detail calculation of P/BV multiple is as under:

Sl #	Company Name	BV/Share	market price (12 months average)	P/BV Multiple
1	Singer BD	481.68	4,568.91	9.49
2	S Alam Cold	111.13	784.70	7.06
3	Rangpur Foundry	17.21	131.41	7.64
4	Quasem Drycell	26.04	88.57	3.40
5	Olympic Industries	152.63	2,203.42	14.44
6	Navana CNG	21.07	228.59	10.85
7	National Tubes	289.12	1,663.79	5.75
8	National Polymer	372.84	1,029.53	2.76
9	Monno Stfflers	363.82	1,637.10	4.50
10	Monno Jutex	1936.85	3,282.03	1.69
11	Golden Son	18.64	84.19	4.52
12	BD Thai	566.23	1,161.58	2.05
13	BD Lamps	424.27	2,348.10	5.53
14	Atlas Bangladesh	41.95	472.54	11.26
15	Aftab Automobiles	27.88	347.95	12.48
Average P/BV Multiple				6.90

Data Source: DSE monthly review-November 2010 & DSE price data

Summary of expected Price based on different methods

Sl #	Method	Offer Price
1	Price based on Net Asset Value excluding revaluation reserve	23.02
2	Price based on current EPS	45.16
3	Price based on similar stocks	158.70
Average price based on different method		75.62
Discounted expected price		65.00



Auditors' Report
To
The Shareholders of Ananda Shipyard and Slipways Ltd.

We have audited the accompanying financial statements of **Ananda Shipyard and Slipways Ltd.**, which comprise the statement of financial position as at September 30, 2010, and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the three months period from July 1, 2010 to September 30, 2010 and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company'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.

Opinion:

In our opinion, the financial statements presents fairly, all material respects, the financial position of **Ananda Shipyard and Slipways Ltd.** as at September 30, 2010 and its financial performance and its cash flows for the period then ended in accordance with the Bangladesh Financial Reporting Standards and comply with the applicable sections of the Companies Act 1994, Securities & exchange Rule, 1987 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of these books ;
- c) the statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts and returns ; and
- d) the expenditure incurred was for the purpose of the company's business.

Dated: Dhaka
December 23, 2010

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountant



ANANDA SHIPYARD AND SLIPWAYS LTD.
Statement of Financial Position
As at September 30, 2010

	Notes	30.09.2010 Taka	30.06.2010 Taka
ASSETS			
Non-Current Assets			
		4,658,498,587	4,714,703,413
Property, Plant and Equipment	3	4,595,919,550	4,595,437,060
Capital Work in Progress	4	62,579,037	29,284,744
Deferred Expenditure	5	-	48,872,808
Deferred Tax Assets	6	-	41,108,801
Current Assets			
		5,245,060,597	4,727,321,183
Inventories	7	2,484,610,139	2,736,853,346
Related Party Current Account receivable	8	103,482,454	89,212,116
Receivable against Shipbuilding	9	2,475,457,001	1,667,775,698
Advance, Deposit & Prepayments	10	159,034,490	189,085,622
Cash in hand and at Bank	11	22,476,513	44,394,401
TOTAL ASSETS		9,903,559,184	9,442,024,596
EQUITY AND LIABILITIES			
Shareholders' Equity			
		4,608,928,216	4,675,966,303
Share Capital	12	1,812,500,000	1,812,500,000
General Reserve		2,000,000,000	2,000,000,000
Revaluation Reserve	13	585,941,438	590,621,434
Retained Earnings	14	210,486,778	272,844,869
Non-Current Liabilities			
		2,806,770,290	2,513,965,643
Long Term Loan	15	2,742,383,069	2,513,965,643
Deferred Tax Liabilities	16	64,387,221	-
Current Liabilities			
		2,487,860,678	2,252,092,650
Trade Payables	17	6,018,941	6,018,941
Related Party Current Account payable	18	100,773,508	118,063,635
Current Portion of Long Term Loan	19	21,033,000	88,627,000
Short Term Loan	20	739,466,316	501,260,556
Liabilities for Expenses	21	114,488,862	64,982,467
Advance against Ship Building Contracts	22	1,506,080,050	1,473,140,050
TOTAL EQUITY AND LIABILITIES		9,903,559,184	9,442,024,596
Net Assets Value per share		25.43	25.80

The Annexed notes 1 to 32 form an integral part of these financial statements.

Sd/-

Ms. Afruja Bari

Managing Director

Sd/-

Ms. Abdullah Zarina Zaffreen

Director

Sd/-

Mr. Nandan Chandra Dey

CFO & Company Secretary

Signed in terms of our separate report of even date

Dated : Dhaka

December 23, 2010

Sd/-

Rahman Mostafa Alam & Co.

Chartered Accountants



ANANDA SHIPYARD AND SLIPWAYS LTD.

Statement of Comprehensive Income

For the 3 months period ended September 30, 2010

	Notes	01.07.10 to 30.09.10 Taka	01.07.09 to 30.09.09 Taka
Income from Works and Services	23	807,681,303	416,943,925
Less : Cost of Goods Sold	24	633,477,922	329,546,513
Gross Profit		174,203,382	87,397,412
Less : Operating Expenses			
Administrative Expenses	25	31,632,808	9,808,904
Operating Profit before financial expenses		142,570,574	77,588,508
Less: Financial Expenses	26	35,510,939	18,729,987
Operating Profit		107,059,635	58,858,521
Add: Non-operating income	27	483,648	-
Net Profit before Tax		107,543,283	58,858,521
Less: Income Tax Expenses			
Current tax		20,212,540	11,035,973
Deferred tax	16	9,254,350	-
Net Profit after Tax		78,076,393	47,822,548
Weighted average number of shares		181,250,000	1,000,000
Basic Earning per Share (EPS)	28	0.43	47.82

The Annexed notes 1 to 32 form an integral part of these financial statements.

Sd/-

Ms. Afruja Bari
Managing Director

Sd/-

Ms. Abdullah Zerina Zaffreen
Director

Sd/-

Mr. Nandan Chandra Dey
CFO & Company Secretary

Signed in terms of our separate of even date

Dated : Dhaka
December 23, 2010

Sd/-

Rahman Mostafa Alam & Co.
Chartered Accountants



ANANDA SHIPYARD AND SLIPWAYS LTD.

Statement of Cash Flows

For the 3 months period ended September 30, 2010

	01.07.10 to 30.09.10	01.07.09 to 30.09.09
	Taka	Taka
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from shipbuilding revenue	32,940,000	-
Cash paid to suppliers	(333,764,843)	(257,798,918)
Financial Expenses paid	(35,510,939)	(18,729,987)
Net Cash used in Operating Activities	(336,335,781)	(276,528,905)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(19,756,535)	(5,972,538)
Increase in Capital Work in Progress	(33,294,293)	-
Net Cash used in Investing Activities	(53,050,828)	(5,972,538)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Short Term Loan	238,205,760	242,759,396
Increase in related party current account receivable	(14,270,338)	24,993,362
Decrease in related party current account payable	(17,290,127)	-
Decrease in Current Portion of Long term Loan	(67,594,000)	-
Proceeds from Long Term Loan	228,417,426	15,678,286
Net Cash flow from Financing Activities	367,468,721	283,431,044
Net (decrease) / increase in cash and cash equivalents	(21,917,888)	929,601
Cash and cash equivalent at the beginning of the period	44,394,401	4,854,670
Cash and cash equivalent at the end of the period	22,476,513	5,784,271

Sd/-

Ms. Afruja Bari
Managing Director

Sd/-

Ms. Abdullah Zarina Zaffreen
Director

Sd/-

Mr. Nandan Chandra Dey
CFO & Company Secretary



ANANDA SHIPYARD AND SLIPWAYS LTD.
Statement of Changes in Equity

For the 3 months period ended September 30, 2009

Particulars	Share	Share Money Deposits	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2009	10,000,000	1,400,000,000	2,000,000,000	-	3,659,748	3,413,659,748
Net profit after tax during the period	-	-	-	-	47,822,548	47,822,548
Balance as on September 30, 2009	10,000,000	1,400,000,000	2,000,000,000	-	51,482,296	3,461,482,296

For the 3 months period ended September 30, 2010

Particulars	Share Capital	Share Money Deposit	General Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2010	1,812,500,000	-	2,000,000,000	590,621,434	272,844,870	4,675,966,304
Adjustment for Deferred Tax Assets	-	-	-	-	(41,108,801)	(41,108,801)
Adjustment for Revaluation	-	-	-	7,249,661	(7,249,661)	-
Amortization of deferred expenditure	-	-	-	-	(48,872,808)	(48,872,808)
Adjustment for Deferred Tax Liabilities	-	-	-	(11,645,432)	(43,553,030)	(55,198,462)
Restated opening Balance	1,812,500,000	-	2,000,000,000	586,225,663	132,060,570	4,530,786,233
Net profit after tax during the period	-	-	-	-	78,076,393	78,076,393
Revaluation reserve adjustment	-	-	-	(284,225)	349,815	65,590
Balance as on September 30, 2010	1,812,500,000	-	2,000,000,000	585,941,438	210,486,778	4,608,928,216

Sd/-

Ms. Afruja Bari

Managing Director

Sd/-

Ms. Abdullah Zarina Zaffreen

Director

Sd/-

Mr. Nandan Chandra Dey

CFO & Company Secretary



Ananda Shipyard and Slipways Limited

Notes to the Financial Statements

As at and for the three months period ended September 30, 2010

1.0 Corporate history of the reporting entity

1.01 Company Profile

Ananda Shipyard and Slipways Limited (the "Company") was incorporated in Bangladesh on 2 June, 1999 with the Registrar of Joint Stock Companies and firms as a Private Limited Company under the Companies Act, 1994. Subsequently it was converted into a Public Limited Company on 20 December, 2009 by Special Resolution. The split of BDT 100 per share to BDT 10 per share was consolidated on 20 October 2009 through Special resolution. The authorized capital of the company is increased to BDT 5,000,000,000 divided 500,000,000 ordinary shares from BDT 50,000,000 divided into 5,000,000 shares of Tk. 10 each on 20 December 2009.

1.02 Registered Office and Principal Place of Business

The registered office of the Company is located at 10/1 City Heart (9th Floor) 67 Naya Paltan, Dhaka-1000 and the shipyard is located at Meghna Ghat, Sonargaon, Narayanganj.

1.03 Principal Activities and Nature of Business

The principal activities and operations of the company are to manufacture / assemble of ocean going and specialized vessels and export those to overseas market.

2.00 Significant accounting policies and basis of preparation of the financial Statements

2.01 Corporate financial statements and reporting

Components of financial statements

According to BAS-1- "presentation of financial statements" the complete set of financial statements include the following components:

- a. Statement of Financial Position as at September 30, 2010.
- b. Statement of Comprehensive Income for the period ended September 30, 2010.
- c. Statement of Changes in Equity for the period ended September 30, 2010.
- d. Statement of Cash Flows for the period ended September 30, 2010.
- e. Accounting policies and explanatory notes for the period ended September 30, 2010.

This is prepared under the historical cost convention (Except property, plant and equipment) in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws, rules and regulations and the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) as well as those standards, disclosures recommended by BASs and as applicable to this Company.

The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures who approved and authorized for issue of this financial statements.



The preparation of the financial statements in conformity with the Bangladesh Financial Reporting Standards (BFRSs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at the date of the reporting period. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

2.02 Principal accounting policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Preparation of financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Preparation of financial Statements". The recommendation of BAS-1 relating the format of financial statements was also taken into full consideration for fair presentation.

2.03 Fundamental accounting concepts/ assumption

The financial statements have been prepared based on going concern, consistency concept, accrual concept and such other convention as required by BAS-1 for fair presentation of financial statements.

2.04 Going concern

The company has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.05 Regulatory and legal compliance

The company complies with requirements of the following regulatory and legal authorities:

- a) The Companies Act, 1994;
- b) The Securities and Exchange Rules, 1987;
- c) The Securities and Exchange Ordinance, 1969;
- d) The Securities and Exchange Commission Act, 1993;
- e) The Securities and Exchange (Public Issue) Rules, 2006;
- f) Income Tax Ordinance 1984 and Income Tax Rules;
- g) The Value Added Tax Act 1991 and Rules;

2.06 Reporting period

The period of the financial statements covers from July 01, 2010 to September 30, 2010.

2.07 Functional and presentational (reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.



2.08 Property, plant and equipment

2.08.01 Recognition and measurement

Property, Plant and Equipment are stated at their cost less accumulated depreciation in accordance with BAS 16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction and include purchase price and other directly attributable cost of bringing the asset to working conditions for its intended use but do not include any capitalized borrowing cost. No depreciation has been charged on freehold land.

Expenditure on repairs and maintenance of property, Plant & Equipment is treated as expense when incurred. Subsequent expenditure on property, Plant and Equipment is only recognized when the expenditure improves the condition of the asset beyond its originally assessed standard of performance.

2.08.02 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the items if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day- to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

2.08.03 Depreciation of Property, plant and equipment

Depreciation has been charged on addition from the date of acquisition & revaluation date and no depreciation is provided on retirement/disposal of assets. Depreciation was computed using straight line method. The costs an accumulated depreciation of depreciable assets retired or otherwise disposed of are eliminated from the assets and accumulated depreciation.

The depreciation rates applicable to the principal categories are:

Land & land development	Nil
Building & other construction	1%
Plant & Machinery	2.5%
Furniture & Fixtures	10%
Office equipment	10%
Motor vehicles	10%

Depreciation has been charged to Statement of Comprehensive Income consistently.

2.08.04 Revaluation of Property, plant and equipment

Basis of revaluation

Land and land development: The land valuation has been done taking the location, size, industrial importance and the facilities available in and around into account. A local enquiry about the value of such land normally being purchased and sold in the locality has also been conducted.

Buildings and other civil construction: The buildings are valued on the basis of present construction costs of the PWD and other Government works. The nature of structure, quality of construction, finishing works, fittings and fixtures has also been taken into consideration.



Plant and Machinery: The value of Plant and Machinery are considered through price escalation on the basis of professional judgment to ascertain the fair market value. The nature of transmission and distribution plants with year of installation, useful lives and present market value of such assets are also considered.

Vehicles: The value of the Vehicles was considered with year of acquisition, model, and registration no. and estimated useful life for each vehicle. The market values of the vehicles are determined considering price escalation on the basis of professional judgment.

Effective date of revaluation:

30 June 2010

Valuer:

SF Ahmed & Co. Chartered Accountants

2.08.05 Retirements and disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use, whichever comes earlier. Gains or losses arising from the retirement or disposal of an item of Property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the same, and are recognized net within 'other income' in the Statement of Comprehensive Income.

2.08.06 Impairment of assets

An asset is impaired if its recoverable amount is below the value currently shown on the statement of financial position. Recoverable amount is taken as the higher of:

- a) Fair value less cost to sell (net selling price), and
- b) Value in use

At each statement of financial position, the company reviews all assets to look for any indication that an asset may be impaired as per BAS 36. Based on such review management considers that no indication of impairment for any assets existed on the statement of financial position date.

2.09 Amortization of Deferred Expenditure

Deferred expenditure which was carrying forwarded from previous year, now write off fully from opening balance of retained earnings as per Board Meeting no. 178 dated September 20, 2010.

2.10 Capital work in progress

Property, plant and equipment that are being under construction / acquisition is accounted for as capital work in progress until construction/acquisition is complete and measured at cost.

2.11 Inventories

Inventories comprise raw materials, plate and profiles, stores & spares, and stores-in-transit. They are stated at the lower of cost and net realizable value in accordance with BAS 2 "Inventories" after making due allowance for any obsolete or slow moving item. The costs of inventories are assigned by using weighted average cost formula. Net realizable value of work in Process is determined after deducting the estimated cost of completion and estimated costs necessary to make the sale from estimated selling price.



2.12 Cash and Cash equivalent

Cash in hand and cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was insignificant risk of changes in value of the same.

2.13 Statement of Cash Flows

Statement of cash flows is prepared in accordance with BAS-7 "Cash Flow Statement" and the cash flows from the operating activities have been presented under direct method.

Cash flows from operating activities shows negative balance as the total work completion (revenue) is Tk 807,681,303 where as the company receive Tk 32,940,000. The remaining portion of the receivable will be collected in later quarters.

2.14 Share Capital

Share capital represents Paid up capital of the company which is contributed by the shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.15 Revaluation reserve

When an assets carrying amount is increased as result of a revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus / reserve as per BAS-16: Property, Plant and Equipment. The company revalued the assets of land and land development, Building and other construction, Plant and Machinery and Motor Vehicles during the year June 30, 2010 which is absolutely owned by the company and the increase amount transfer to revolution reserve. The tax effects on revaluation gain are measured and recognized in the financial statement as per BAS-12: Income Taxes.

2.16 Provisions

In accordance with the guidelines as prescribed by BAS-37: Provisions, contingent liabilities and contingent assets, provisions are recognized in the following situations:

- a) when the company has an obligation (legal or constructive) as a result a result of past events;
- b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) reliable estimates can be made of the amount of the obligation.

2.17 Taxation

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Comprehensive Income.



2.17.01 Current tax

Income tax expense is recognized in Comprehensive Income Statement. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The company qualifies as a "Public Limited Company"; hence the applicable tax rate is 37.50%. However, companies deriving income from export are entitled to exemption of 50% on such income. Since the company is export oriented, 50% of trading income will not be subject to tax under paragraph 28 of part A of Income Tax Ordinance 1984. The provision made has been calculated on the above basis, which is adequate.

2.17.02 Deferred Tax

Deferred Tax is recognized on difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and are accounted for using balance sheet liability method. Deferred Tax liabilities are generally recognized for all taxable temporary differences and Deferred Tax assets are recognized to the extent that it is probable that the profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit. Considering the practices generally followed in Bangladesh the Company have been reserved deferred tax assets or deferred tax liabilities in accordance with BAS-12 "Income Tax".

2.18 Borrowing costs

Interest on loan is treated in line with the requirement of BAS 23 "Borrowing Cost". Interest on loan for ongoing projects is shown under project in progress as interest during construction (IDC) and project to date IDC is capitalized after completion of the project. Interest on loan for completed project is charged in the income statement as expenses in the year in which it is expired.

2.19 Foreign currency transaction

Transactions in foreign currencies are translated into Bangladesh taka at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into Bangladesh taka at the rate of exchange ruling the statement of financial position date. Gains or losses resulting from foreign currency transactions are taken to the Statement of Comprehensive Income complying with BAS-21.

2.20 Revenue recognition

Company traditionally recognizes revenues from shipbuilding contracts using the percentage-of-completion method as per BAS-11 "Construction and Service Contracts". Revenue is recognized on the basis of percentage of actual cost incurred thereon as against the total estimated cost of the shipbuilding contract under execution. The estimates of costs are revised periodically by the management. The effect of such changes to estimates is recognized in the period in which such changes are determined. The estimated cost of each shipbuilding contract is determined based on management's estimate of the cost expected to be incurred till the final completion of



the project and includes cost of materials, services, finance cost and other related overheads. Recognition of revenue relating to agreements entered into with the buyers, which are subject to fulfillment of obligations / conditions imposed by statutory authorities is postponed till such obligations are discharged;

Other incomes are recognized in accordance with BAS 18 "Revenue". Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest rate applicable.

2.20.01 Construction business

When recognizing the results obtained from the construction business, the Company follows the criteria established by BAS 11. In accordance with BAS 11, paragraph 22 when the results from a construction contract may be reliably estimated, ordinary income and associated costs from the contract concerned must be recorded in the income statement as such, making reference to the percentage of completion.

Of the methods established by BAS 11, paragraph 30 to determine the percentage of completion of a contract, the Company normally follows the policy of examining the completed work (paragraph 30b). This method may be used since all contracts generally include:

- a definition of each project unit that must be executed to complete the whole project;
- measurement of each of these project units; and
- the price at which each unit is certified.

In order to put this method into practice at the end of each month, a measurement of completed units is measured for each project. The resulting total is the amount of the construction work performed at the contractual price that should be recognized as project revenue from the inception. The difference with respect to the corresponding figure a month earlier gives the production for the month, which is the figure that is recorded as income.

Construction work costs are recognized for accounting purposes on an accruals basis, and the expenses actually incurred in the execution of the project units completed and those that, although they may be incurred in the future, have to be allocated to the project units now completed, are recognized as expense.

As is indicated in BAS 11, paragraph 29, the application of this income recognition method is combined with the preparation of a budget made for each construction work contract by the project unit. This budget is used as a key management tool in order to maintain detailed monitoring, project unit by project unit, of fluctuations between actual and budgeted figures.

In those exceptional cases in which it is not possible to estimate the margin for the entire contract, the total costs incurred are recognized and the income is deemed to be sales that are reasonably ensured with respect to the completed work (BAS 11, p. 32).



2.20.02 Recognition of changes to the main contract

During performance of construction work unforeseen events not envisaged in the primary contract may occur that increase the volume of work to be performed. These changes to the contract initially entered into require the customer's technical approval and subsequent financial approval. This approval permits, from that moment, the issuance of certificates for and collection on this additional work. The policy followed by Ananda Group in this respect is in line with the matters indicated in BAS 11, paragraph 14, and the income for this additional work is not recognized until approval is reasonably ensured by the customer (paragraph 13(a) and the amount that is likely to be accepted by the customer may be measured with sufficient reliability (paragraph 13(b)).

However, the costs associated with these project units are recognized when they arise regardless of the degree of customer approval of the work.

2.21 Earnings per share

The company presents basic Earnings per Share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

No dilution EPS have been made during the period since there are no potential shares which will be converted to ordinary shares.

2.22 Events after the reporting period

In compliance with the requirements of BAS-10 " Events after the reporting period, post statement of financial position events that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

2.23 Segmental reporting

No segment reporting is applicable for the company as required by BAS 14: segment reporting as the company operates in a single industry segment and within a single geographical segment.

2.24 Related party disclosure

As per BAS 24 parties are considered to be related if one the parties have the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

For related party balance, 13% interest has been charged on outstanding balance.

2.25 Financial assets & liabilities

Financial assets and liabilities are recognized on the statement of financial position date when the entity has become a party to a contractual provision of the instrument.



2.26 General

- I. Figures shown in the accounts have been rounded off to the nearest Taka.
- II. Comparative figures and account titles in the financial statements have been re-arranged/ re-classified where necessary, to conform to changes in presentation in the current year.
- III. All shares have been fully called and paid up.
- IV. There was no preference share issued by the company.
- V. The company has not incurred any expenditure in foreign currency against royalties and technical fees.
- VI. No foreign exchange remitted to the relevant shareholders during the year.
- VII. No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- VIII. No brokerage was paid against sales during the year.
- IX. There was no bank guarantee issued by the company on behalf of directors.



	30.09.2010	30.06.2010
	Taka	Taka
3 Property, plant and equipment		
A Cost / revaluation		
Opening balance	4,709,148,064	3,510,133,955
Add : revaluation of property, plant and equipment	-	590,621,434
Add : Addition made during the period	19,756,535	608,392,675
Total cost / revaluation	4,728,904,599	4,709,148,064
B Accumulated depreciation		
Opening balance	113,711,005	42,225,221
Add : Charge during the period	19,274,045	71,485,784
Total accumulated depreciation	132,985,050	113,711,005
C Written down value (A-B)	4,595,919,550	4,595,437,060

The details break up shown in Annexure - A

4 Capital work in progress		
Opening balance	29,284,744	-
Add: Addition made during the period	33,294,293	29,284,744
Less: Adjustment made during the period	-	-
Closing balance	62,579,037	29,284,744
5 Deferred expenditure		
Opening balance	48,872,808	54,303,120
Less: Amortize during the period	48,872,808	5,430,312
Closing balance	-	48,872,808

Deferred expenditure has been written off during the period as per decision of the Board Meeting No. 178 Dated September 20, 2010 from the opening balance of retained earnings (Note - 14).

6 Deferred tax assets		
Opening balance	41,108,801	-
Add: Provision made during the year	-	41,108,801
Less: Prior year adjustment	41,108,801	-
Closing balance	-	41,108,801

Deferred tax assets has been adjusted due to errors occur in the previous year financial statements which is now duly rectified from the opening balance of retained earnings (Note - 14).

7 Inventories		
Raw material	2,484,610,139	2,736,853,346
Total Inventories	2,484,610,139	2,736,853,346

Details of Inventories are given below

	as on 30.09.2010		as on 30.06.2010	
	Quantity	Taka	Quantity	Taka
Plate	7,411 pieces	465,572,599	8,163 Pieces	512,838,576
Pipe	3,465 Meter	744,692,947	3,817 Meter	820,295,849
Profile	1,127 Pieces	96,565,954	1,241 Pieces	106,369,546
Paint	5,098 Ltr	2,129,498	5,616 Pieces	2,345,690
Consumables		695,598,631		766,217,368
Inventory of 5500 DWT project		125,927,840		138,712,317
Inventory of 6100 DWT project		354,122,670		390,074,000
		2,484,610,139		2,736,853,346

Inventories are valued at lower of cost and net realizable value. Net realizable value is based on estimated selling price incurred to make the sale.



	30.09.2010	30.06.2010
	Taka	Taka
8 Related party current account receivable		
Ananda Builders Ltd.	77,201,533	78,064,875
Ananda Bag Mills Ltd	15,703,460	3,081,941
Ananda Dry Dock & Shipyard Ltd.	1,484,000	-
Ananda El-Dorado Ltd.	9,093,461	8,065,300
	103,482,454	89,212,116
The details break up shown in Note 32.		
9 Receivable against Shipbuilding		
Komrowski Maritim GmbH	1,004,096,811	800,367,023
Wessels Reederei GmbH	1,164,805,935	867,408,675
Bangladesh Inland Water Transport Authority (BIWTA)	183,258,800	-
Bangladesh Navy	123,295,455	-
	2,475,457,001	1,667,775,698
9.1 Aging of Accounts Receivable are given below		
Below six months	1,228,644,066	833,887,849
Above six months	1,246,812,935	833,887,849
	2,475,457,001	1,667,775,698
9.2 Accounts Receivables indicates total revenue recognized under BAS- 11 Construction Contracts for 4 (four) export projects and each from BIWTA and Bangladesh Navy. The receivable will be adjusted against advance against shipbuilding contracts after completion and handover the projects. All receivable are considers good.		
10 Advance, Deposit & Prepayment		
Bank Guarantee and Bank Guarantee Margin	101,332,634	151,438,299
Advance against Salary	151,500	88,500
Advance against Subcontractors	699,000	187,770
Advance Income Tax	111,731	111,731
Prime Finance and Investment Ltd.	100,000	100,000
Office Rent	605,150	802,987
Security Deposit	96,500	-
Interest receivable on related party account	3,751,239	-
Advance to Suppliers	52,186,736	36,356,334
	159,034,490	189,085,622
? All the advances deposits amount are considered good and recoverable.		
? Advance due from staffs are regularly been realize through their salaries.		
? There is no amount due from directors or officers of the company under any agreement.		
? Advance to supplier and sub contractor due mainly to advance given to supplier of consumable, raw materials and others.		
11 Cash in hand and at Bank		
Cash in Hand	2,142,693	6,840,077
Cash at Bank (Local Currency)		
AB Bank A/C-761917-000	332,793	3,143,644
Basic Bank A/C-6994 /1535	8,625	15,328,402
City Bank a/c-39874	2,375	2,605
Dhaka Bank Ltd. A/C # 2855	476	4,317,389
Eastern Bank Ltd # 20000	6,395	6,395
HSBC 001-029370-011	5,598	5,598
Islami Bank Bangladesh Ltd. A/C # 691	181,318	1,502,440
Islami Bank Bangladesh Ltd. CD-1566	-	1,115
Janata Bank Ltd. -CD-33060281	4,373,771	10,512,283



	30.09.2010	30.06.2010
	Taka	Taka
Janata Bank Ltd. -STD-36002082	190,248	190,248
Mercantile Bank CD-11100001665	6,776	6,776
NCC Bank Ltd. CD-00310210013432	2,000	2,000
One Bank	11,710	17,000
Premier Bank A/C -1015	598,005	640,386
Prime Bank # 12931	5,000	5,000
Southeast Bank Ltd. a/c# 4344	160,253	160,253
Social Investment Bank Ltd.# 51352	1,000	1,000
Sonali Bank Ltd-A/C-22723	47,534	47,534
Standard Bank # 1367	3,100	3,100
Standard Chartered# 19201	6,749	8,129
Cash at Bank(Foreign Currency)		
AB Bank Ltd ERQ - 761917-045	483,192	100,327
Islami Bank Bangladesh Ltd. FC-AD-ERQ-A/C 3200	105,167	167
Islami Bank Bangladesh Ltd. Euro A/C-003	14	14
Islami Bank Bangladesh Ltd. FC Held A/C 3202	450,595	1,134,087
Islami Bank Bangladesh Ltd.FC Held Euro A/C (IBBL)	4	4
SEBL Retention # 15200000089	33	418,428
Fixed Deposit Receipts		
Janata Bank Ltd.	13,351,090	-
Total Cash at Bank	20,333,820	37,554,324
Total Cash in hand and at Bank	22,476,513	44,394,401

12 Share Capital

Authorized Share Capital

500,000,000 ordinary Share @ Tk. 10 each

5,000,000,000	5,000,000,000
5,000,000,000	5,000,000,000

Issued, Subscribed and paid-up capital

181,250,000 ordinary shares of Tk. 10 each

1,812,500,000	1,812,500,000
1,812,500,000	1,812,500,000

Percentage of Share Holding position of different share holders are as follows :

Name of Shareholders	No. of Share holding	% of holding	Taka	Taka
Dr. Abdullahel Bari	70,500,000	38.90%	705,000,000	705,000,000
Mrs. Afruja Bari	70,500,000	38.90%	705,000,000	705,000,000
Ms. Abdullah Zerina Zaffreen	12,750,000	7.03%	127,500,000	127,500,000
Md. Reshidur Rahman	2,750,000	1.52%	27,500,000	27,500,000
Ms. Abdullah Nahid Nigar	10,000,000	5.52%	100,000,000	100,000,000
Md. Tariqul Islam	2,750,000	1.52%	27,500,000	27,500,000
Ms. Abdullah Nazma Nowroz	10,000,000	5.52%	100,000,000	100,000,000
Ms. Fahmida Bulbul	1,000,000	0.55%	10,000,000	10,000,000
Mr. Abdullah Muheel Momit Aurko	1,000,000	0.55%	10,000,000	10,000,000
Total	181,250,000	100%	1,812,500,000	1,812,500,000

**Classification of shareholders by holding**

Range of holding in number of shares	No. of shareholders	No. of shares	Taka	% of share holding
Less than 500 shares				
500 to 5,000 shares	-	-	-	-
5001 to 10,000 shares	-	-	-	-
10,001 to 20,000 shares	-	-	-	-
20,001 to 30,000 shares	-	-	-	-
30,001 to 40,000 shares	-	-	-	-
40,001 to 50,000 shares	-	-	-	-
50,001 to 100,000 shares	-	-	-	-
100,001 to 1,000,000 shares	2	2,000,000	20,000,000	1.10
1,000,001 and above shares	7	179,250,000	1,792,500,000	98.90
Total	9	181,250,000	1,812,500,000	100

	30.09.2010	30.06.2010
	Taka	Taka
13 Revaluation Reserve		
Opening Balance	590,621,434	-
Add: Adjustment for Revaluation	7,249,661	-
Less: Adjustment for Deferred Tax Liabilities	11,645,432	-
Restated opening Balance	586,225,663	-
Add: Addition made during the period	-	590,621,434
Less: Revaluation reserve adjustment	284,225	-
Closing Balance	585,941,438	590,621,434

Opening balance of revaluation reserve has been restated for current period's presentation since an error occurred in the previous period for revaluation loss of motor vehicle in the financial statements which is now duly rectified and adjusted from the opening balance of retained earnings (Note - 14).

14 Retained Earnings		
Opening Balance	272,844,869	3,659,748
Less: Adjustment for Deferred Tax Assets	41,108,801	-
Less: Adjustment for Revaluation	7,249,661	-
Less: Amortization of deferred expenditure	48,872,808	-
Less: Adjustment for Deferred Tax Liabilities	43,553,030	-
Restated opening Balance	132,060,570	3,659,748
Add: provision for deferred tax assets	-	41,108,801
Add: Net profit after tax during the period	78,076,393	228,076,320
Add: Revaluation reserve adjustment	349,815	-
Closing Balance	210,486,778	272,844,869

Opening balance of retained earnings has been restated for current year presentation due to error occurred in previous period for revaluation loss of motor vehicle, revaluation reserve of other assets, deferred tax assets and deferred expenditure in the financial statements which is now duly rectified and adjusted.

15 Long term Loan		
Islami Bank - HPSM	1,953,499,673	1,829,625,258
Bangladesh Industrial Finance Company Ltd.	35,149,000	23,382,333
Prime Finance & Investment Ltd	87,078,132	69,191,898
Fareast Finance & Investment Ltd.	96,127,000	76,710,000
Dhaka Bank Car Loan	-	4,015,772
Janata Bank Term Loan	553,410,357	505,135,618
IDLC Finance Ltd.	17,118,908	5,904,765
	2,742,383,069	2,513,965,643

**Islami Bank Bangladesh Ltd. - Funded & Non Funded Loan**

Loan was taken from Islami Bank Bangladesh Ltd. of BDT 5,885.00 million which segregated as Funded BDT 3,675.00 million and Non- Funded BDT 2,210.00.(2,575.00 million cancelled ships)

Prime Finance & Investment Limited - Term Loan

The term loan against security under personal guarantee and mortgage of apartment were sanctioned by Prime Finance & Investment Limited (Dhaka Office) for 60 months with a revolving limit of Tk. 100,000,000 (One hundred million which will be paid at Tk. 2,378,995 per month. The interest rate is subject to change from time to time. Such loan is secured against project finance security.

Fareast Finance & Investment Limited:

The term loan against security of personal guarantee, mortgage of 2 acre land and Zerina Composite were sanctioned by Fareast Finance & Investment Limited for 66 months with a revolving limit of Tk. 100,000,000 (One hundred million).

Bangladesh Industrial Finance Company Limited- Lease Loan:

The term loan were sanctioned by Bangladesh Industrial Finance Company Limited for 36 months including 06 months Moratorium of Tk. 40,000,000 (Four crore) which will be paid at Tk. 5,16,667 per month as interest and Tk. 16,16,796 as monthly installment. It was secured by personal guarantee of Directors, Corporate guarantee of Ananda El-Dorada Ltd. and Zerina Composite Textile Industries Ltd.

IDLC Finance Limited - Lease agreement:

A lease was sanctioned by IDLC Finance Limited (Corporate head office) for 3 years from Dec 25,2009 to Nov 25, 2011 with an executed amount of Tk. 36,000,000(Thirty Six Million) and that will payable 25 th day of every month with installment and interest of Tk. 1,724,220.

	30.09.2010	30.06.2010
	Taka	Taka
16 Deferred Tax Liabilities		
Opening balance	-	-
Add: Prior year adjustment	-	-
Adjustment from revaluation reserve (note-13)	11,645,432	
Adjustment from retained earnings (note-14)	43,553,030	
	55,198,462	
Add: Provision made during the period	9,254,350	-
Less: Adjustment of Deferred tax	(65,590)	
Closing balance	64,387,221	-

Deferred tax liabilities are arrived as follows

	Carrying Amount on the Balance Sheet Date	Tax Base	Taxable / (deductible) temporary difference
	Taka	Taka	Taka
As at 30.09.10			
Property, plant and equipment (excluding land and land development)	3,588,578,851	3,306,939,494	281,639,357
Revaluation of building and plant and machinery	61,759,155	-	61,759,155
Taxable temporary differences			343,398,512
Applicable Tax Rate			18.75%
Deferred tax liabilities as on 30.09.2010			64,387,221

Deferred tax expenses and deferred tax liability for 2009-2010 has been restated due to rectification of an error in the classification. This has an impact in increase in deferred tax liabilities.



	30.09.2010	30.06.2010
	Taka	Taka
17 Trade and other payables		
Trading suppliers	6,018,941	6,018,941
	6,018,941	6,018,941
18 Related party current account payable		
Ananda International Ltd.	11,914,030	11,937,980
Ananda Shipping Lines	4,730,266	4,499,187
Zerina Composite Textile Industries Ltd.	84,129,212	101,626,468
	100,773,508	118,063,635
The Details break up shown in note-32		
19 Current portion of Long term Loan		
IDLC Finance Ltd.	5,175,000	20,700,000
Prime Finance & Investment Ltd	7,134,000	28,536,000
Bangladesh Industrial Finance Company Ltd.	4,851,000	16,101,000
Fareast Finance & Investment Ltd.	3,873,000	23,290,000
	21,033,000	88,627,000
Note : The installments, which will fall due during the period from October 1, 2010 to September 30 , 2011 are transferred from long term loan to current portion of long term loan. This amount will be payable in the next financial year. This is as per requirement of Para 66(c) of BAS -1, "Presentation of Financial Statements".		
20 Short Term Loan		
AB Bank -Term Loan	229,808,592	66,464,415
Islami Bank - MTR	6,134,733	6,572,733
Islami Bank - MPI & MIB	264,151,831	285,228,154
Janata Bank CC(Hypo)	239,371,160	142,995,254
	739,466,316	501,260,556
21 Liabilities for Expenses		
Salary & Wages Payable	12,991,777	12,088,167
Audit Fees Payable	150,000	-
Other Liabilities	22,462,367	213,496
Interest payable on related party account	3,653,040	-
Tax deducted at source from salary	2,321,153	-
Provision for current Tax	72,910,525	52,680,804
	114,488,862	64,982,467
22 Advance against Ship Building Contracts		
Komrowski Maritim GmbH	1,148,601,376	1,148,601,376
Wessels Reederei GmbH	324,538,674	324,538,674
BIWTA	32,940,000	-
	1,506,080,050	1,473,140,050



	01.07.10 to 30.09.10	01.07.09 to 30.09.09
	Taka	Taka
23 Income from works and services		
Export Sales		
Hull No 226/42	43,656,383	128,046,043
Hull No 226/43	160,073,405	88,806,126
Hull No 226/35	115,654,490	118,236,038
Hull No 226/39	181,742,770	81,855,718
	501,127,048	416,943,925
Local Sales		
Hull No. 226/61,62,63	183,258,800	-
Hull No 226/64	123,295,455	-
	306,554,255	-
Total Income from works and services	807,681,303	416,943,925
24 Cost of Goods Sold		
Opening Materials	2,736,853,346	3,709,077,980
Purchase of Materials	278,967,400	218,624,374
Raw Material Available for Consumption	3,015,820,746	3,927,702,354
Less: Closing Materials	2,484,610,139	3,677,536,000
Raw Materials Used	531,210,607	250,166,354
Add: Direct Expenses (Note-24.1)	23,295,939	14,258,860
Add: Interest on MPI and MIB	7,486,497	33,942,534
Add: Shipyard Overhead (Note-24.2)	78,393,547	33,689,655
Less: Scrap Sales	(6,908,669)	(2,510,891)
Total Cost of Goods Sold	633,477,922	329,546,513
24.1 Direct Expenses		
Direct Labor/Wages	23,295,939	14,258,860
	23,295,939	14,258,860
24.2 Shipyard Overhead		
Carriage Inwards	466,900	277,000
Electricity & Power	2,707,165	1,928,639
Design & Drawing	46,710,359	50,000
Repairs & Maintenance	370,769	188,074
Printing and Stationary	763,002	267,058
Uniform	5,220	-
Canteen Expenses	3,326,190	2,570,186
Security expenses	-	4,400
Construction	742,644	-
Certification & Testing expenses	6,907,929	-
Inspection & Survey	120,855	-
Utility bill	549,014	198,891
Entertainment	150,250	112,264
Medical Expenses	21,967	45,304
Store & Spare	98,974	10,000,000
Shipyard expenses	-	140,990
House Rent	15,000	-
Depreciation	15,437,309	17,906,849
	78,393,547	33,689,655



	01.07.10 to 30.09.10	01.07.09 to 30.09.09
	Taka	Taka
25 Administrative Expenses		
Director Remuneration	5,503,647	1,050,000
Salary	9,496,102	2,146,335
Bonus	436,823	-
Printing & Stationary	582,552	251,910
Insurance	812,690	636,446
Consultancy fees	708,680	50,105
Business promotion	815,032	622,312
Medical Expenses	-	143,364
License Renewal & Registration	543,726	32,730
Legal expenses	297,800	277,500
Postage & Telegram	38,164	66,028
Office Rent	457,026	-
Audit Fee	150,000	-
Utility Bill	791,396	56,930
Repair & Maintenance of Car	756,922	536,966
Traveling & Conveyance	1,534,868	1,432,023
Miscellaneous Exp.	397,680	59,960
Office Maintenance	1,007,713	121,911
Donation & Gift	716,000	717,760
Entertainment	332,743	52,156
Shipyards Program	68,145	196,890
VAT	209,625	-
Security Services	38,537	-
Valuation Expenses	267,500	-
Trade Fair	1,832,701	-
Depreciation Expenses	3,836,735	-
Amortization of Deferred expenses	-	1,357,578
	31,632,808	9,808,904
26 Financial Expenses		
Bank Charges	344,993	238,890
Bank Interest(Notes 26.1)	35,165,946	18,491,097
	35,510,939	18,729,987
26.1 Details break up of Bank interest		
Interest on Term loan	19,331,766	15,650,477
Interest on Overdraft	5,273,489	1,044,190
Interest on MTR	-	1,560,000
Interest on working capital	10,560,691	236,430
	35,165,946	18,491,097
27 Non operating income		
Exchange Gain/Loss	385,450	-
Interest income for inter company loan	3,751,239	-
Interest expenses for inter company loan	(3,653,040)	-
	483,649	-



	01.07.10 to 30.09.10 Taka	01.07.09 to 30.09.09 Taka
28 Earning Per Share (EPS):		
Basic Earning Per Share		
The computation of EPS is given below:		
(a) Earning attributable to the ordinary shareholders (Net Profit after income tax)	78,076,393	47,822,548
(b) Weighted average number of ordinary shares outstanding during the year	181,250,000	1,000,000
(c) Basic EPS	0.43	47.82
	30.09.2010 Taka	30.06.2010 Taka
29 Contingent Liabilities		
Letter of margin (Note: 29.1)	888,664,000	856,114,000
Bank Guarantee (Note: 29.2)	2,036,445,000	1,985,383,000
Total Contingent Liabilities	2,925,109,000	2,841,497,000
29.1 Letter of margin		
AB Bank	404,735,000	372,185,000
Islami Bank	483,929,000	483,929,000
	888,664,000	856,114,000
29.2 Bank Guarantee		
AB Bank	356,942,000	356,943,000
Islami Bank	1,399,019,000	1,411,419,000
Janata Bank	280,484,000	217,021,000
	2,036,445,000	1,985,383,000

30 Events after the reporting period

i) The company raises 8,750,000 shares at Tk. 40 (including Tk. 30 as premium) BDT 350,000,000 from pre Initial Public Offering (IPO) after consent from Security Exchange Commission (SEC). The Letter of Allotment has been filed to Register of Joint Stock Companies and Firms on 21 December, 2010.

ii) As per Bangladesh Bank FE Circular No. 23 dated November 21, 2010 the company will receive @ 5% cash incentive on net FOB value in case of export of Ships from November 25, 2009. However, cash incentive does not accounted for in the financial statements as on September 30, 2010 since the permission is granted by the Bangladesh Bank after the reporting period and the above incentive will be accounted for in the subsequent reporting period.

iii) Except the facts stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in the financial statements or notes there to.



31 Disclosure as per requirement of Schedule XI, Para II of Company Act

A. Employee Position as per Schedule XI, Para II, Note 5 of Para 3 (As on 30 September 2010)

Salary Range	Officer and Staff		Workers	Total Employee
	Factory	Head Office		
Below 3,000	16	8	247	271
Above 3,000	260	133	698	1,091
Total	276	141	945	1,362

B. Payment to Directors as per requirement of Schedule XI, Para II, Para 4

Name of the Director	Position	01.07.10 to 30.09.10	01.07.09 to 30.09.09
		Taka	Taka
Dr. Abdullahel Bari	Chairman	2,230,728	450,000
Mrs. Afruja Bari	Managing Director	2,324,064	375,000
Mrs. Abdullah Zarina Zaffreen	Director	948,855	225,000
		5,503,647	1,050,000

C. Plant Capacity and Capacity Utilization as per requirement of Schedule XI, Part II, Para 7

Details of Capacity has given below

Particulars	Installed Capacity (Annual)	Actual Production (1 July '10 to 30 September '10)
Steel Works per year	20,000 Ton	4,000 Ton

D. Disclosure as per requirement Schedule XI, Part II, Para 8
Value of Raw Materials, Spare Parts and Packing Materials

Particulars	Local Purchase	Import Purchase	Total Purchase	Consumption
Raw Materials	29,536,406	249,430,994	278,967,400	531,210,607
	29,536,406	249,430,994	278,967,400	531,210,607



32 Disclosure on Related Party Transaction as per BAS 24 "Related Party Transaction"

The Company in normal course of business had transactions with other entities that fall within the definition of "Related Party" as contained BAS - 24.

The significant related party transaction during the period were as follows :

Name of the Organization	Nature of Relationship	Nature of Transaction	Opening Balance as on 01.07.2010	Debit	Credit	Outstanding Balance as on 30.09.2010
			Taka	Taka	Taka	Taka
	2 (two) Common Directors	Loan purpose	78,064,875	9,500	872,842	77,201,533
Ananda Bag Mills Ltd.	2 (two) Common Directors	Loan purpose	3,081,941	14,606,971	1,985,452	15,703,460
Ananda International Ltd.	2 (two) Common Directors	Loan purpose	(11,937,980)	23,950	-	(11,914,030)
Ananda Shipping Lines Ltd	2 (two) Common Directors	Loan purpose	(4,499,187)	548,921	780,000	(4,730,266)
Zerina Composite Textile Industries Ltd.	2 (two) Common Directors	Loan purpose	(101,626,468)	30,951,754	13,454,498	(84,129,212)
Ananda Dry Dock & Shipyard Ltd.	2 (two) Common Directors	Loan purpose	-	1,484,000	-	1,484,000
Ananda El-Dorado Ltd.	2 (two) Common Directors	Loan purpose	8,065,300	1,028,161	-	9,093,461
			(28,851,519)	48,653,257	17,092,792	2,708,946



**Property, Plant and Equipment
As at September 30, 2010**

Annexure - A

Property Plant and Equipment at cost

Particulars	Cost				Rate %	Accumulated Depreciation			Written Down Value
	As on 1 July 2010	Addition during the period	Revaluation During the period	As on 30 September 2010		As on 1 July 2010	Charged during the period	As on 30 September 2010	As on 30 September 2010
Land & Land Development	415,748,238	1,139,600	-	416,887,838	0.0%	-	-	-	416,887,838
Building & Other Construction	1,422,676,558	2,303,011	-	1,424,979,569	1.0%	25,693,990	3,562,449	29,256,439	1,395,723,130
Plant & Machinery	2,232,259,476	667,000	-	2,232,926,476	2.5%	80,639,562	13,955,790	94,595,353	2,138,331,123
Furniture & Fixture	8,241,022	53,924	-	8,294,946	10.0%	1,642,579	207,374	1,849,953	6,444,993
Office Equipment	10,486,222	4,172,000	-	14,658,222	10.0%	1,508,002	366,456	1,874,458	12,783,764
Motor Vehicle	29,115,114	11,421,000	-	40,536,114	10.0%	4,226,870	1,013,403	5,240,273	35,295,842
Sub-total	4,118,526,630	19,756,535	-	4,138,283,165		113,711,005	19,105,471	132,816,476	4,005,466,689

Revaluation Surplus of Property Plant and Equipment

Particulars	Cost				Rate %	Accumulated Depreciation			Written Down Value
	As on 1 July 2010	Addition during the period	Revaluation During the period	As on 30 September 2010		As on 1 July 2009	Charged during the period	As on 30 September 2010	As on 30 September 2010
Land & Land Development	535,762,125	-	-	535,762,125	0.0%	-	-	-	535,762,125
Building & Other Construction	10,231,021	-	-	10,231,021	1.0%	-	25,578	25,578	10,205,443
Plant & Machinery	51,877,949	-	-	51,877,949	2.5%	-	324,237	324,237	51,553,712
Furniture & Fixture	-	-	-	-	10.0%	-	-	-	-
Office Equipment	-	-	-	-	10.0%	-	-	-	-
Motor Vehicle	(7,249,661)	-	-	(7,249,661)	10.0%	-	(181,242)	(181,242)	(7,068,419)
Sub-Total	590,621,434	-	-	590,621,434		-	168,573	168,573	590,452,861
Balance at September 30, 2010	4,709,148,065	19,756,535	-	4,728,904,600	-	113,711,005	19,274,045	132,985,049	4,595,919,550
Balance at June 30, 2010	3,510,133,955	608,392,675	590,621,434	4,709,148,065	-	42,225,221	71,485,784	113,711,005	4,595,437,060

Depreciation allocated between Head Office and Shipyard

Administrative overhead	3,836,735
Shipyard Overhead	15,437,309
	<u>19,274,045</u>