

**Hoda Vasi
Chowdhury & Co**

To
The Managing Director
GPH Ispat Limited
Crown Chamber
325, Asadgonj
Chittagong, Bangladesh.

Audited Financial Statements
of
GPH Ispat Limited
For the year ended 30 June 2018

Hoda Vasi Chowdhury & Co

Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS OF GPH ISPAT LIMITED

We have audited the accompanying financial statements of **GPH ISPAT LIMITED**, which comprises the Statement of Financial Position as at 30 June 2018 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and 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 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.

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 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.

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standards (BAS) & Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2018 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state 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 **GPH ISPAT LIMITED** so far as it appeared from our examination of those books;
- (iii) the Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the Company's business.

Chattogram, 07 NOV 2018

Hoda Vasi Chowdhury & Co
Chartered Accountants
Hoda

**GPH ISPAT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note(s)	30 June 2018 Taka	30 June 2017 Taka
ASSETS			
NON CURRENT ASSETS			
		14,093,479,693	4,746,153,926
Property, Plant and Equipment	4	2,433,275,880	1,645,280,683
Capital Work-in-Progress	5	11,285,676,865	2,735,692,870
Intangible Asset	6	1,164,431	999,000
Investment	7	373,362,517	364,181,373
CURRENT ASSETS			
		8,600,764,720	8,120,052,898
Short Term Investment	8	1,886,025,036	2,443,736,696
Advances, Deposits and Prepayments	9	1,993,941,113	1,110,464,916
Inventories	10	2,862,785,186	2,454,596,463
Trade Receivables	11	1,633,664,201	1,799,922,366
Cash and Cash Equivalents	12	224,349,184	311,332,457
TOTAL ASSETS		22,694,244,413	12,866,206,824
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
		5,528,937,420	5,035,603,612
Share Capital	13	3,274,425,000	3,118,500,000
Share Premium		1,136,440,000	1,136,440,000
Unrealized Gain/ (Loss) on tradeable securities		22,350,684	16,679,301
Retained Earnings		1,095,721,736	763,984,311
NON CURRENT LIABILITIES			
		8,588,537,548	1,948,609,409
Long Term Loan	14	8,359,030,241	1,720,967,205
Finance Lease Obligations	15	75,413,042	101,164,102
Deferred Tax Liability	18	154,094,265	126,478,102
CURRENT LIABILITIES AND PROVISIONS			
		8,576,769,445	5,881,993,803
Current Portion of Long Term Loan	14	280,862,291	60,340,400
Current Portion of Finance Lease Obligations	15	25,931,192	22,001,232
Short Term Borrowings	16	7,254,491,296	4,971,423,126
Creditors and Accruals	17	841,587,359	644,846,114
Provision for Tax	18	173,897,307	183,382,931
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		22,694,244,413	12,866,206,824
NET ASSET VALUE PER SHARE	25	16.89	16.15
CONTINGENT LIABILITIES AND COMMITMENTS	35		

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 27.10.18
and were signed on its behalf by:


Company Secretary


Director

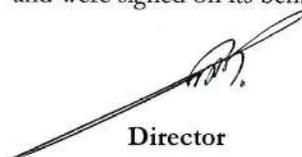

Managing Director

GPH ISPAT LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

	Note(s)	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
		Taka	Taka
Gross Revenue	19	9,923,406,006	7,955,715,990
Value Added Tax		(109,304,886)	(116,149,952)
Net Revenue		9,814,101,120	7,839,566,038
Cost of Sales	20	(8,211,556,579)	(6,465,845,702)
Gross Profit		1,602,544,541	1,373,720,336
Operating Expenses			
Administrative Expenses	21	(150,634,386)	(127,880,015)
Selling and Distribution Expenses	22	(175,643,139)	(151,075,061)
		(326,277,525)	(278,955,076)
Operating Profit		1,276,267,016	1,094,765,260
Financial Expenses	23	(566,614,721)	(493,780,124)
Non-Operating Income	24	173,405,115	200,927,742
		(393,209,606)	(292,852,382)
Profit before Distribution of WPP & WF		883,057,410	801,912,878
Contribution to WPP & WF		(44,152,871)	(40,095,644)
Profit before Tax & Reserve		838,904,539	761,817,234
Income Tax (expense)/ benefits			
Current	18.1	(167,700,951)	(179,191,873)
Deferred	18.2	(27,616,163)	(11,322,000)
		(195,317,114)	(190,513,873)
Profit after Tax		643,587,425	571,303,361
Other comprehensive income			
Unrealized Gain/(Loss)	7.2	5,671,383	19,432,608
Total comprehensive income		649,258,808	590,735,969
Basic Earning Per Share	26	1.97	1.83

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 27.10.18
and were signed on its behalf by:


Company Secretary


Director


Managing Director

GPH ISPAT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Amount in Taka				
	Share Capital	Share Premium	Unrealized Gain/ (Loss)	Retained Earnings	Total Equity
Balance as on 01 July 2017	3,118,500,000	1,136,440,000	16,679,301	763,984,311	5,035,603,612
Dividend (Stock)	155,925,000	-	-	(155,925,000)	-
Dividend (Cash)	-	-	-	(155,925,000)	(155,925,000)
Share Capital issued	-	-	-	-	-
Share Premium	-	-	-	-	-
Unrealized Gain/(Loss)	-	-	5,671,383	-	5,671,383
Net profit (after tax and reserve)	-	-	-	643,587,425	643,587,425
Balance as at 30 June 2018	3,274,425,000	1,136,440,000	22,350,684	1,095,721,736	5,528,937,420
Balance as on 01 July 2016	3,118,500,000	1,136,440,000	(2,753,307)	566,900,950	4,819,087,643
Dividend (Stock)	-	-	-	-	-
Dividend (Cash)	-	-	-	(374,220,000)	(374,220,000)
Share Capital issued	-	-	-	-	-
Share Premium	-	-	-	-	-
Unrealized Gain/(Loss)	-	-	19,432,608	-	19,432,608
Net profit (after tax and reserve)	-	-	-	571,303,361	571,303,361
Balance as at 30 June 2017	3,118,500,000	1,136,440,000	16,679,301	763,984,311	5,035,603,612


Company Secretary


Director


Managing Director

Hoda Vasi
Chowdhury & Co

**GPH ISPAT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
	Taka	Taka
CASH FLOW FROM OPERATING ACTIVITIES		
Collection from sales and other income	10,414,845,077	7,354,589,695
Cash Payments to suppliers, employees and expenses	(10,049,360,937)	(6,161,551,617)
Net cash inflow / (outflow) from Operating Activities	365,484,140	1,193,038,078
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, plant and equipment	(900,465,843)	(208,983,129)
Sale proceeds of property, plant and equipment	530,000	1,045,000
Capital work-in-progress	(8,549,983,995)	(2,480,732,946)
Investment	(9,181,144)	(50,616,835)
Intangible Asset	(360,475)	-
Dividend Income from Investment into Shares	1,420,077	2,997,990
Short Term Investment	557,711,660	(2,134,942,203)
Net cash inflow / (outflow) from Investing Activities	(8,900,329,720)	(4,871,232,123)
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Loan	2,283,068,170	717,208,612
Long Term Loan	6,858,584,927	1,410,620,919
Lease Obligation	(21,821,100)	90,339,103
Cash Dividend Paid	(132,749,484)	(373,303,873)
Finance Costs	(539,220,206)	(486,690,991)
Net cash inflow / (outflow) from Financing Activities	8,447,862,307	1,358,173,770
Net increase in cash & cash equivalents	(86,983,273)	(2,320,020,275)
Cash and cash equivalents at the beginning	311,332,457	2,631,352,732
Cash and cash equivalents at the end	224,349,184	311,332,457
OPERATING CASH FLOW PER SHARE	1.12	3.83

M/S


Company Secretary


Director


Managing Director

GPH ISPAT LIMITED
Notes to the financial statements
For the year ended 30 June 2018

BACKGROUND AND INFORMATION

1 Formation and Legal Status

GPH Ispat Limited (hereinafter referred to as “GPH” or “the company”) was incorporated in Bangladesh as a Private Limited company on 17 May 2006 under the Companies Act 1994. The company, subsequently, was converted into a Public Limited company on 18 December 2009 along with the subdivision of face value of shares from Tk. 100 to Tk. 10 each and enhancement of Authorized Capital from Tk. 2,500,000,000 to Tk 10,000,000,000.

GPH became listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited during April 2012. The registered office and principal place of business of the company is located at Crown Chamber, 325 Asadgonj, Chattogram, Bangladesh.

1.2 Nature of Business

The principal activities of the company are setting up plants for manufacturing and trading of iron products and steel materials of all kinds or other metallic or allied materials and marketing thereof. The commercial production of the factory commenced on 21 August 2008.

2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Statement of Compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) respectively.

2.2 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of BAS 1 - “Presentation of Financial Statements”. The financial statements comprise of:

- a) A statement of financial position as at 30 June 2018
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2018
- c) A statement of changes in equity for the year ended 30 June 2018
- d) A statement of cash flows for the year ended 30 June 2018
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.3 Basis of Measurement

The Financial Statements have been prepared on going concern basis under the historical cost convention except investment in quoted shares which are measured at fair value.



2.4 Authorization for Issue

The Financial Statements have been authorized for issue by the Board of Directors on 27.10.18.

2.5 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations in addition to the Companies Act 1994:

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- The Value Added Tax Act, 1991
- The Value Added Tax Rules, 1991
- The Customs Act, 1969
- Bangladesh Labour Law, 2006
- The Securities and Exchange Ordinance, 1969
- The Securities and Exchange Rules, 1987
- Securities and Exchange Commission Act, 1993

2.6 Functional and presentation currency

These financial statements are prepared in Bangladesh Taka (Taka/Tk.), which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

2.7 Going concern

The company has adequate resources to continue its operation for foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the Financial Statements. The current revenue generations and resources of the company provide sufficient fund to meet the present requirements of its existing business and operations.

2.8 Applicable Financial Reporting Standards

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statements of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
BAS 17	Leases
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Cost
BAS 24	Related Party Disclosures
BAS 32	Financial Instruments: Presentation
BAS 33	Earnings Per Share
BAS 34	Interim Financial Reporting
BAS 36	Impairment of Assets
BAS 37	Provisions, Contingent Liabilities and Contingent Assets
BAS 38	Intangible Assets
BAS 39	Financial Instruments: Recognition and Measurement
BFRS 7	Financial Instruments: Disclosures
BFRS 13	Fair Value Measurement



2.9 Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with BAS and BFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note 4	Property, Plant and Equipment
Note 5	Capital Work-in-Progress
Note 6	Intangible Assets
Note 10	Inventories
Note 11	Trade Receivables
Note 17	Creditors and Accruals (Defined benefit obligation)
Note 18	Provision for Tax
Note 18	Deferred Tax Liabilities
Note 35	Contingent Liabilities and Commitments

2.10 Reporting Period

The financial statements of the company consistently cover one financial year from 01 July 2017 to 30 June 2018 for all reported periods.

3 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 "Presentation 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 "Presentation of Financial Statements". The recommendations of BAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

3.1 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of financial statements for the year ended 30 June 2018 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2017.

3.2 Property, Plant and Equipment

Recognition and Measurement

Property, Plant and Equipment are accounted for according to BAS 16 "Property, Plant and Equipment" at historical cost less cumulative depreciation except land & land development and the capital work-in-progress (when arises) is stated at cost.

Measurement Subsequent to Initial Recognition

The company uses cost model for measurement subsequent to initial recognition. Cost includes expenditures that are directly attributable to the acquisition of an asset. The cost of self-constructed / installed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.



Subsequent Costs

The cost of replacing part of an item of Property, plant and equipment is recognized in the carrying amount of the item, if it is probable that the future benefit 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.

Depreciation

The depreciable amount is allocated on a systematic basis over the asset's useful life.

Depreciation is provided on a diminishing balance method at the annual rate(s) shown below:

Item of Property, Plant and Equipment	Depreciation Rate (%)
Land and Land Development	-
Plant and Machinery	10
Factory Building	5
Furniture, Fixture and Decoration	10
Computer and Accessories	20
Motor Vehicles	10
Logistic Vehicles	7.5
Electric and Gas Line Installation	5
Lab Equipment	10
Office Equipment	20

Depreciation is charged on the month (from date of capitalization) when the assets are available for use and ceased from the (date of disposal / deletion) deletion month of the assets.

Total depreciation is distributed as under:

Category	Rate (%)
Direct Expenses	90
Administrative Expenses	5
Selling and Distribution Expenses	5

Disposal

An asset is removed from the statement of financial position on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. The gain or loss on disposal is the difference between the proceeds and the carrying amount and is recognized in the statement of profit or loss and other comprehensive income.

3.3 Capital Work-in-Progress

Capital work-in-progress is stated at cost.

3.4 Leasehold Assets

Assets held under finance leases are recognized as assets of the company at their fair value at the date of acquisition or, if lower, at the present value of the minimum lease payments. The corresponding liability is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance costs and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are recognized in the statement of profit or loss and other comprehensive income.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

3.5 Investments

- i. Investment in unquoted shares are initially recognized at cost. After initial recognition these are carried at cost less impairment losses, if any.
- ii. Investment in quoted shares are classified under at Fair Value of Other Comprehensive Income (FVOCI) through profit or loss. Changes in fair value are recognized in the statement of profit or loss and other comprehensive income. Fair values of investment in quoted shares are determined by reference to their quoted closing price less cost to sell in active market at the reporting date.



3.6 Intangible Assets

Recognition

Intangible assets are recognized when:

- it is probable that the future economic benefits that are attributable to the asset will flow to the entity and
- The cost of the asset can be measured reliably.

Measurement Subsequent to Initial Recognition

Intangible assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Subsequent Costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

Amortization

The amortizable amount is allocated on a systematic basis over the asset's useful life.

Intangible asset is comprised of software which is amortized on a straight line method at 10% p.a.

Full year's amortization is charged on the assets acquired during the year irrespective of the date of acquisition and no amortization is charged in the year of disposal/deletion. Total amortization is allocated to administration expenses.

3.7 Inventories

Nature of Inventories

Inventories comprise raw materials (melting scrap), chemicals, consumable stores, fuel and lubricants and finished goods (MS Rods/Billets) etc.

Valuation of Inventories

Inventories are measured at cost or net realizable value whichever is lower. Cost of inventories includes:

- Costs of purchase (including taxes, transport, and handling) net of trade discounts received.
- Other costs incurred in bringing the inventories to their present location and condition.

Basis of valuation are as follows:

Category	Basis of valuation
Raw Materials	Raw materials are valued at cost or net realizable value whichever is lower
Finished Goods	Finished goods are valued at cost or net realizable value whichever is lower
Goods in Transit	At cost
Stores and Spares	Based on weighted average method

3.8 Financial Assets – Available for Sale

The company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the company becomes a party to the contractual provisions of the instrument.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in



a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held to maturity, loans and receivables and available-for sale financial assets.

At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the company's documented risk management or investment table transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss. Investment in equity securities and debt securities are classified under at fair value through profit or loss.

Financial assets include Short Term Investments; Trade and Other Receivable; Advances, Deposits and Prepayments and Cash and Bank balances etc.

Held to Maturity

In accordance with BAS 39 "Financial Instruments: Recognition and Measurement" Available-for-Sale Financial Assets are recognised initially at fair value plus transaction costs that are directly attributable to acquisition of the Financial Asset. After initial recognition, these are measured without any deduction for transaction costs that may incur on sale.

Gain or loss arising from change in the fair value on Available-for-sale Financial Assets is recognised in Other Comprehensive Income.

3.8.1 Trade Receivables

Trade receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

3.8.2 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit and loss.

3.8.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value.

3.9 Financial Liabilities

The company recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise Trade payables and accruals, long term loans etc.

3.9.1 Trade Payables and Accruals

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.



3.10 Impairment

3.10.1 Financial Assets

Financial assets not carried at fair value through profit or loss, loans and receivables are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

3.10.2 Non-Financial Assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the asset is estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3.11 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with BAS 7 and the cash flow from operating activities has been presented under direct method.

3.12 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in the statement of financial position when the company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized but disclosed, unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized but disclosed where an inflow of economic benefits is probable. When the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

3.13 Transactions in Foreign Currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling on the date of transactions. Monetary assets and liabilities, if any, denominated in foreign currencies at the reporting date are translated at the applicable rates of exchange ruling at that date and the related exchange differences are recognized as gain or loss in the statement of profit or loss and other comprehensive income.

3.14 Taxation

3.14.1 Tax Holiday

The company had been enjoying tax holiday for a period of five years from 01 August 2008 vide National Board of Revenue's circular ref. 11(10) ANU - 1/2009 dated 30.03.2009. The benefit was, from 01 August 2008 to 31 July 2010 (first two years) @ 100%, from 01 August 2010 to 31 July 2012 (Third and Fourth Year) @ 50%, from 01 August 2012 to 31 July 2013 (Fifth year) @ 25%. This tax holiday has now expired.

3.14.2 Current Tax

Provision for taxation is calculated on the basis of applicable corporate tax rate for publicly traded company as per ITO 1984.

3.14.3 Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying

values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the statement of financial position date. The impact of changes on the account in deferred tax assets and liabilities has also been recognized in the profit and loss account as per BAS-12 "Income taxes".

3.15 Revenue

In compliance with the requirements of BAS 18 : Revenue from the sale of goods (MS Rod, MS Billet, Cut Pieces and Miss Roll/Ovel) is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Specific policies regarding the recognition of revenue are as follows:

- When the invoices are raised and products are dispatched to the customers;
- Interest income is accrued on a time basis by reference to the principal outstanding at the effective interest rate applicable.

3.16 Employee Benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

3.16.1 Defined Contribution Plan

The company maintains a recognized provident fund @ 5% of basic pay (Equally contributed by employee and employer) for all eligible permanent employees.

3.16.2 Defined Benefit Plan

The company maintains an unfunded gratuity scheme, provision in respect of which is made annually for the employees. Gratuity payable at the end of each year is determined on the basis of following rules and regulations of the company.

Service Length	Payment Basis
Less than 5 (Five) years	Nil amounts
After completion of 5 (Five) years but upto 10 (Ten) years	Half times of last month basic salary X years of services
Above 10 (Ten) years but upto 15 (Fifteen) years	One times of last month basic salary X years of services
Above 15 (Fifteen) years	One and half times of last month basic salary X years of services

Six months continued service in the year of leaving or retirement will be trialed as one year for the purpose of calculation of gratuity.

3.16.3 Workers' Profit Participation and Welfare Funds

The company contributed 5% of net profit to the aforementioned fund in accordance with the requirement of Section 234 (Kha), Chapter 15 of Labour Law 2006.

3.17 Earnings Per Share

The company calculates Earnings per share (EPS) in accordance with BAS 33 "Earnings per share" which has been shown on the face of Statement of profit or loss and other Comprehensive Income and the computation of EPS is stated in note 25 of the financial statements.

3.17.1 Basis of Earnings

This represents profit for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, non-controlling interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.



3.17.2 Basic Earnings Per Share

This has been calculated by dividing total attributable profit by the total number of ordinary shares outstanding during the year.

3.17.3 Diluted Earnings Per Share

Diluted earnings per share is required to be calculated for the year when there is scope for dilution exists.

3.17.4 Re-stated Earnings Per Share

Issue of bonus share in any year requires re-stating the EPS of the prior year. In such a case, the EPS calculation for those and any prior financial statements presented are based on the new number of shares.

3.18 Share Capital

Paid up capital represents the total amount contributed by the shareholders and bonus shares issued by the company to the ordinary 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 are fully entitled to any residual proceeds of liquidation.

3.19 Measurement of Fair Values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data.

If the inputs used to measure the fair value of an asset or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, Plant and Equipment

The fair value of items of property, plant and equipment has been determined based on the depreciated replacement cost method and net realizable value method as applicable.

Equity and Debt Securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under 'Level 1' of the fair value hierarchy.

3.20 Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.21 Comparative Information and Re-arrangement thereof

In accordance with the provisions of BAS-1: Presentation of Financial Statements, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

3.22 Re-arrangement

Comparative figures rearranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the Profit or Loss and other Comprehensive Income as reported in the financial statement.



30 June 2018 Taka	30 June 2017 Taka
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4 PROPERTY, PLANT AND EQUIPMENT

Details of Property, Plant & Equipment and Depreciation as on 30 June 2018 are shown in the notes 4.1 & 4.2

A. Cost

Opening Balance as on 01 July 2017	2,469,440,171	2,262,083,342
Addition during the year	900,465,843	208,983,129
Disposal during the year	(958,000)	(1,626,300)
Total Cost as on 30 June 2018	3,368,948,014	2,469,440,171

B. Accumulated Depreciation

Opening Balance as on 01 July 2017	824,159,488	724,237,789
Depreciation for the year	112,042,984	100,945,724
Disposal during the year	(530,338)	(1,024,025)
Total Depreciation as on 30 June 2018	935,672,134	824,159,488

Written Down Value (WDV) as on 30 June 2018 (A-B)	2,433,275,880	1,645,280,683
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4.1 Operating Property, Plant & Equipment at Cost less Accumulated Depreciation - note 4.2

Amount in Taka

Particulars	Cost				Dep. Rate	Depreciation				Written Down Value at 30 June 2018 (Taka)
	Opening Balance as on 01 July 2017	Addition during the year	Deletion/Adjustment during the year	Closing Balance as on 30 June 2018		Depreciation as on 01 July 2017	Charged during the year	Disposed during the year	Depreciation as on 30 June 2018	
Land & Land Development	263,940,902	72,189,943	-	336,130,845	-	-	-	-	-	336,130,845
Plant and Machinery	917,559,310	604,564,454	-	1,522,123,764	10%	52,221,329	-	505,096,069	-	1,017,027,695
Factory Building	657,533,326	186,950,207	-	844,483,533	5%	24,340,681	-	215,174,824	-	629,308,709
Furniture, Fixture & Decoration	19,007,315	1,455,638	-	20,462,953	10%	1,335,204	-	7,960,162	-	12,502,791
Computer & Accessories	10,459,089	1,937,675	-	12,396,764	20%	1,111,452	-	7,183,289	-	5,213,475
Motor Vehicle	89,074,697	29,564,986	958,000	117,681,683	10%	7,872,778	530,338	34,408,023	-	83,273,660
Logistic Vehicles	290,317,720	2,390,000	-	292,707,720	7.5%	16,704,037	-	85,297,095	-	207,410,625
Electric & Gas Line Installation	191,584,716	-	-	191,584,716	5%	6,858,939	-	61,264,876	-	130,319,840
Lab Equipment	22,490,518	-	-	22,490,518	10%	952,727	-	13,915,977	-	8,574,541
Office Equipment	7,472,578	1,412,940	-	8,885,518	20%	645,837	-	5,371,819	-	3,513,699
As on 30 June 2018	2,469,440,171	900,465,843	958,000	3,368,948,014		112,042,984	530,338	935,672,134		2,433,275,880
As on 30 June 2017	2,262,083,342	208,983,129	1,626,300	2,469,440,171		100,945,724	1,024,025	824,159,488		1,645,280,683

4.2 Allocation of Depreciation:

Direct Expenses (90%) - note 20.2
 Administrative Expenses (5%) - note 21
 Selling & Distribution Expenses (5%) - note 22

01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Taka	Taka
100,838,686	90,851,152
5,602,149	5,047,286
5,602,149	5,047,286
112,042,984	100,945,724



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	30 June 2018	30 June 2017
	Taka	Taka
5 CAPITAL WORK-IN-PROGRESS		
Opening balance	2,735,692,870	254,959,924
Expenses incurred during the year	8,549,983,995	2,480,732,946
	<u>11,285,676,865</u>	<u>2,735,692,870</u>
Capital work-in-progress includes all the costs of the new projects of MS Billet plant (840,000 M. Ton per annum) and MS Rod plant (640,000 M. Ton per annum) which is under construction.		
6 INTANGIBLE ASSETS		
SOFTWARE		
At Cost		
Opening balance	1,620,000	1,620,000
Addition during the year	360,475	-
Closing balance	<u>1,980,475</u>	<u>1,620,000</u>
Accumulated Amortization		
Opening balance	621,000	459,000
Addition during the year - note 21	195,044	162,000
Closing balance	<u>816,044</u>	<u>621,000</u>
Written Down Value	<u>1,164,431</u>	<u>999,000</u>
7 INVESTMENT		
Investment in Un-quoted equity-at cost - note 7.1	1,000,000	1,000,000
Investment in Quoted Shares - at fair value - note 7.2	81,220,359	107,620,897
Loan to Arbee Textiles Limited	291,142,158	255,560,476
	<u>373,362,517</u>	<u>364,181,373</u>
7.1 Investment in Un-quoted Equity-at cost		
GPH Steels Limited	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
GPH Ispat Limited has acquired 10% equity in GPH Steels Limited i.e. 100,000 ordinary shares of Tk. 10 each. GPH Steels Limited has yet not started its commercial operation till the date of Statement of Financial Position.		
7.2 Investment in Quoted Shares - at fair value		
Opening balance	107,620,897	88,188,289
Investment made during the year	-	-
Sales during the year - note 7.3	(32,071,921)	-
Gain/(loss) during the year - note 7.3	5,671,383	19,432,608
	<u>81,220,359</u>	<u>107,620,897</u>





7.3 Details of investment in quoted (tradeable securities) shares - note 7.2

Particulars	Number of Shares (Present Qty)	Number of Shares (Sales Qty)	30 June 2018		Gain/ (Loss)	30 June 2017 Fair Value
			Fair Value	Sales Value		
Bank Asia Limited	633,327	109,042	11,233,764	2,488,322	2,271,105	11,450,981
Eastern Bank Limited	23,641	92,909	779,778	4,127,561	951,603	3,955,736
Envoy Textile Limited	909,088	-	31,344,354	-	(1,440,857)	32,785,211
Meghna Cement Limited	73,585	-	7,340,078	-	(139,322)	7,479,400
One Bank Limited	-	120,018	-	2,738,793	203,317	2,535,476
Peoples Insurance Co. Limited	303,400	-	5,714,190	-	(816,313)	6,530,503
Pubali Bank Limited	476,280	-	11,248,329	-	83,623	11,164,706
Square Pharmaceuticals Limited	46,497	71,250	13,559,866	22,717,245	4,558,227	31,718,884
	2,465,818	393,219	81,220,359	32,071,921	5,671,383	107,620,897

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	30 June 2018	30 June 2017
	Taka	Taka
8 SHORT TERM INVESTMENTS		
<u>Name of the banks</u>		
AB Bank Ltd	60,278,358	56,632,787
Dutch Bangla Bank Ltd	4,836,608	-
Mercantile Bank Ltd	-	4,212,809
Midland Bank Ltd	144,969	63,318
One Bank Ltd	26,015,439	2,789,435
Pubali Bank Ltd	11,387,372	16,773,325
Southeast Bank Ltd	1,578,134,217	2,183,370,176
Standard Chartered Bank	174,216,331	170,904,368
State Bank of India	2,240,090	2,187,094
The City Bank Ltd	19,647,191	2,284,662
United Commercial Bank Ltd	9,124,461	4,518,722
	1,886,025,036	2,443,736,696
9 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - note 9.1	1,938,266,162	1,087,407,053
Deposits - note 9.2	54,028,647	20,606,820
Prepayments - note 9.3	1,646,304	2,451,043
	1,993,941,113	1,110,464,916
9.1 Advances - note 9		
Income Tax - note 9.1.1	459,239,289	442,015,510
VAT Current Account	3,262,290	2,510,569
Advance against Land	300,000,000	-
LC	766,508,975	222,319,910
Other Supply	405,635,899	418,753,556
Raw Material Supply	1,545,806	-
Employees	2,073,903	1,807,508
	1,938,266,162	1,087,407,053
9.1.1 Income Tax - note 9.1		
Opening Balance	442,015,510	394,317,240
Addition during the year	194,410,354	154,538,221
Paid/adjustment during the year	(177,186,575)	(106,839,951)
	459,239,289	442,015,510
9.2 Deposits - note 9		
Bangladesh Power Development Board	33,000,000	9,000,000
Karnaphuli Gas Distribution Company Limited	3,298,346	3,077,332
Security to Shipping Lines	17,730,301	8,529,488
	54,028,647	20,606,820
9.3 Prepayments - note 9		
Insurance Premium	841,074	840,583
Bangladesh Standards and Testing Institution	805,230	1,610,460
	1,646,304	2,451,043

The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in kind or in cash and that no provision against those are required at this stage.



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	30 June 2018 Taka	30 June 2017 Taka
10 INVENTORIES		
Finished goods - note 10.1	1,494,878,743	1,190,489,766
Raw materials - note 10.2	1,023,133,141	1,045,328,690
Spares and other materials - note 10.3	344,773,302	218,778,007
	<u>2,862,785,186</u>	<u>2,454,596,463</u>
10.1 Finished Goods - note 20		
M. S. Rod	1,259,881,852	921,234,173
M. S. Billet	234,996,891	269,255,593
	<u>1,494,878,743</u>	<u>1,190,489,766</u>
10.2 Raw Materials - note 20.1		
Melting Scrap	792,522,669	976,021,076
Sponge Iron	185,150,629	40,430,550
Ferro Alloy	39,085,001	19,335,436
Quartz Powder	3,601,450	6,080,394
Pet Coke	2,773,392	3,461,234
	<u>1,023,133,141</u>	<u>1,045,328,690</u>
10.3 Spares and Other Materials - note 20.1		
Refractory Bricks	116,686,715	56,090,700
Spares and Consumables	211,010,006	155,829,395
Rolls	2,616,117	6,414,780
Graphite Electrode	13,724,904	-
Copper Mould Tube	735,560	443,132
	<u>344,773,302</u>	<u>218,778,007</u>
11 TRADE RECEIVABLES	<u>1,633,664,201</u>	<u>1,799,922,366</u>
Receivables against sale of M.S. Rod, M. S. Billet, Cut pieces and Ovel		
a) Trade Receivables represent receivable from 677 parties as on 30 June 2018 (637 Parties as on 30 June 2017).		
b) Receivables are unsecured but considered good and recoverable		
c) Ageing of trade receivables		
Up to 6 months	1,558,307,976	1,712,937,571
Over 6 months	75,356,225	86,984,795
	<u>1,633,664,201</u>	<u>1,799,922,366</u>



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12 CASH AND CASH EQUIVALENTS

Cash in hand - note 12.1
Cash at bank - note 12.2
FDR Account - note 12.3

12.1 Cash In hand - note 12

Dhaka office petty cash
Factory petty cash
Minimill Petty Cash

12.2 Cash at Bank - note 12

<u>Name of the Banks</u>	<u>Branch</u>	<u>A/C Type</u>		
AB Bank Limited	Gulshan	Current	9,395	13,105
AB Bank Limited	Sitakunda	Current	89,230	199,704
Agrani Bank Limited	Asadgonj	Current	27,535	28,152
Agrani Bank Limited	Principal	Current	11,955	-
Al-Arafah Islami Bank Limited	Jubilee Road	Current	252,952	-
Al-Arafah Islami Bank Limited	Khatungonj	Current	25,842	127,735
Bangladesh Development Bank Ltd	Khatungonj	Current	3,301	3,301
Bank Al Falah Limited	Agrabad	Current	17,592	18,743
Bank Asia Limited	Anderkilla	Current	24,814	30,015
Bank Asia Limited	Banani	Current	681,184	-
BASIC Bank Limited	Asadgonj	Current	4,481,873	35,844
BRAC Bank Limited	Agrabad	Current	25,872	13,992
Dhaka Bank Limited	Khatungonj	Current	51,026,910	17,597
Dutch Bangla Bank Limited	Khatungonj	Current	37,033	16,986
Dutch Bangla Bank Limited	Agrabad	Current	113,501	48,894
Eastern Bank Limited	Agrabad	Current	10,528	34,984
EXIM Bank Limited	Khatungonj	Current	25,628	115,109
First Security Islami Bank Limited	Khatungonj	Current	3,943	244,210
HSBC	Agrabad	Current	2,970	12,265
IFIC Bank Limited	Khatungonj	Current	9,937	12,481
Islami Bank Bangladesh Limited	Khatungonj	Current	31,577	558,796
Jamuna Bank Limited	Khatungonj	Current	762,555	14,040
Janata Bank Limited	Khatungonj	Current	23,013	16,710
Mercantile Bank Limited	Khatungonj	Current	-	14,506
Meghna Bank Limited	Agrabad	Current	67,426	33,649
Midland Bank Limited	Agrabad	Current	2,210	12,274
Modhumoti Bank Limited	Agrabad	Current	1,086,005	-
Mutual Trust Bank Limited	Khatungonj	Current	2,205,391	44,920
National Bank Limited	Anderkilla	Current	26,762	13,576
National Bank Limited	Jubilee Road	Current	7,865	8,440
NCC Bank Limited	Khatungonj	Current	620,866	12,527
NRB Commercial Bank Limited	Agrabad	Current	9,360	4,860
One Bank Limited	Khatungonj	Current	220,004	27,415
Premier Bank Limited	O.R Nizam Road	Current	17,168	111,583
Prime Bank Limited	Khatungonj	Current	24,920	16,996
Prime Bank Limited	O.R Nizam Road	Current	16,759	7,484
Shahajalal Islami Bank Limited	Khatungonj	Current	25,069	10,055
Social Islami Bank Limited	Khatungonj	Current	112,744	108,472
Sonali Bank Limited	Khatungonj	Current	273,437	1,371,054
South Bangla Agricultural Bank Limited	Agrabad	Current	335	1,525

30 June 2018	30 June 2017
Taka	Taka
1,298,946	1,540,950
72,056,854	246,670,335
150,993,384	63,121,172
224,349,184	311,332,457
599,698	1,397,471
194,248	141,777
505,000	1,702
1,298,946	1,540,950



Hoda Vasi Chowdhury & Co

30 June 2018	30 June 2017
Taka	Taka

Name of the Banks	Branch	A/C Type		
Southeast Bank Limited	Khatungonj	Current	528,579	29,350
Standard Bank Limited	Khatungonj	Current	13,703	14,565
State Bank of India	Agrabad	Current	71,579	254,822
The City Bank Limited	Khatungonj	Current	1,204,177	616,597
Trust Bank Limited	Ashulia	Current	23,054	-
Trust Bank Limited	CDA Avenue	Current	209,608	8,391
United Commercial Bank Limited	Khatungonj	Current	724,077	9,719
United Commercial Bank Limited	Gulshan	Current	826,126	142,387
United Commercial Bank Limited	Khatungonj	Escrow	1,910,264	-
Union Bank Limited	Khatungonj	Current	25,853	83,605
Uttara Bank Limited	Khatungonj	Current	525,915	262,983
Sub-total			68,478,396	4,784,418
AB Bank Limited	Khatungonj	SND	529,110	524,856
AB Bank Limited	Khatungonj	GBP	15,000	15,000
AB Bank Limited	Khatungonj	USD	49,748	49,748
AB Bank Limited	Khatungonj	SND	-	22
Mutual Trust Bank Limited	Khatungonj	SND	4,478	4,478
Southeast Bank Limited	Khatungonj	SND	1,535,213	240,366,672
Standard Chartered Bank Limited	Agrabad	SND	920,165	925,141
Standard Chartered Bank Limited	Agrabad	SND	524,744	-
Sub-total			3,578,458	241,885,917
Total			72,056,854	246,670,335

12.3 FDR Account - note 12

Name of the banks		
Dutch Bangla Bank Limited	17,468,858	-
Southeast Bank Limited	26,297,552	14,220,688
Trust Bank Limited	31,801,852	21,497,746
United Commercial Bank Ltd	75,425,122	27,402,738
Total	150,993,384	63,121,172

13 SHARE CAPITAL

Authorized			
1,000,000,000	Ordinary Shares of Tk 10 each	10,000,000,000	10,000,000,000
Issued, subscribed and paid-up			
	Paid-up in cash		
57,645,600	Ordinary Shares of Tk 10 each	576,456,000	576,456,000
	For consideration other than cash		
12,354,400	Ordinary Shares of Tk 10 each as exchange of land	123,544,000	123,544,000
70,000,000		700,000,000	700,000,000
70,332,500	Ordinary Shares of Tk 10 each as Bonus Share	703,325,000	547,400,000
187,110,000	Ordinary Shares of Tk 10 each as Rights Share	1,871,100,000	1,871,100,000
327,442,500	Ordinary Shares of Tk 10 each	3,274,425,000	3,118,500,000



13.1 Position of share holding

Shareholders	30 June 2018		30 June 2017	
	Position of share holding (%)	Taka	Position of share holding (%)	Taka
Mr. Mohammed Jahangir Alam	29.99	982,012,500	29.99	935,250,000
Mr. Md. Abdur Rouf	3.00	98,232,750	3.00	93,555,000
Mr. Md. Alamgir Kabir	4.81	157,542,000	4.81	150,040,000
Mr. Md. Almas Shimul	10.83	354,469,500	10.83	337,590,000
Mr. Md. Ashrafuzzaman	3.00	98,232,750	3.00	93,555,000
Mr. Md. Abdul Ahad	2.40	78,586,200	2.40	74,844,000
Mr. Md. Azizul Haque Raju	2.00	65,488,500	2.00	62,370,000
General Shareholders	43.97	1,439,860,800	43.97	1,371,296,000
	100.00	3,274,425,000	100.00	3,118,500,000

13.2 The distribution schedule showing the number of shareholders and their shareholding percentage as on 30 June 2018 is as follows:

Class by number of shares	30 June 2018			30 June 2017
	No. of Holders	No. of Shares	(%) of Holdings	(%) of Holdings
Less than 500	1,963	314,326	0.10	0.11
500-5,000	5,000	8,302,470	2.54	3.55
5,001-10,000	683	4,728,484	1.45	2.00
10,001-20,000	455	6,257,040	1.91	2.09
20,001-30,000	177	4,261,772	1.30	1.46
30,001-40,000	65	2,237,858	0.68	0.82
40,001-50,000	34	1,522,174	0.46	0.96
50,001-100,000	99	6,649,268	2.03	2.97
100,001-1,000,000	105	25,221,125	7.70	7.79
Above 1,000,000	34	267,947,983	81.83	78.25
	8,615	327,442,500	100.00	100.00

	30 June 2018 Taka	30 June 2017 Taka
Term Loan - note 14.1	4,229,136,712	1,781,307,605
Syndication Term Loan - note 14.2	4,410,755,820	-
	8,639,892,532	1,781,307,605

14 LONG TERM LOAN

Term Loan - note 14.1
Syndication Term Loan - note 14.2

14.1 Term Loan - note 14

Agrani Bank Ltd	503,868,152	-
Eastern Bank Ltd	35,275,689	-
NCC Bank Ltd	201,098,093	-
Pubali Bank Ltd	651,648,133	222,390,134
State Bank of India	42,354,529	26,656,826
United Commercial Bank Ltd	2,221,070,496	1,297,260,645
Loan from Directors - note 14.5	573,821,620	235,000,000
	4,229,136,712	1,781,307,605

14.2 Syndication Term Loan - note 14

AB Bank Ltd	91,679,637	-
Basic Bank Ltd	258,996,473	-
Jamuna Bank Ltd	93,308,906	-
Mercantile Bank Ltd	93,383,653	-
Midland Bank Ltd	93,311,467	-
One Bank Ltd	91,975,118	-
Pubali Bank Ltd	180,295,371	-
Southeast Bank Ltd	69,983,600	-
The City Bank Ltd	69,983,600	-
United Commercial Bank Ltd	186,623,888	-
ODDO BHF Aktiengesellschaft, Germany	3,181,214,107	-
	4,410,755,820	-

30 June 2018 Taka	30 June 2017 Taka
280,862,291	60,340,400
8,359,030,241	1,720,967,205
8,639,892,532	1,781,307,605

14.3 Aging of Long Term Loan

Due within one year	280,862,291	60,340,400
Due after one year	8,359,030,241	1,720,967,205
	8,639,892,532	1,781,307,605

14.4 Terms of Long Term Loan Facility

Agrani Bank Ltd.

Security:

Post dated Cheques, Personal Guarantee of all Directors, Charge created with RJSC, Charge document and Corporate Guarantee of the Group.

Rate of Interest:

Interest Rate is 9.00% per annum and will be calculated on quarterly basis.

Eastern Bank Ltd.

Security:

Post dated Cheques, Personal Guarantee of all Directors, Charge created with RJSC, Charge document and Corporate Guarantee of the Group.

Rate of Interest:

Interest Rate is 12.50% per annum and will be calculated on quarterly basis.

NCC Bank Ltd.

Security:

Post dated Cheques, Personal Guarantee of all Directors, Charge created with RJSC, Charge document and Corporate Guarantee of the Group.

Rate of Interest:

Interest Rate is 12.00% per annum and will be calculated on quarterly basis.

Pubali Bank Ltd

Security:

Post dated cheques, Personal Guarantee of all Directors, Charge document and Corporate Guarantee of the Group.

Rate of Interest:

Interest rate is 11.00% per annum and will be calculated on quarterly basis.

State Bank of India

Security:

First Priority Fixed Floating Hypothecation Charge on the assets acquired out of bank finance to be created with RJSC and the vehicle will also be registered in the name of GPH Ispat Ltd. and hypothecated in favor of the bank with BRTA, Personal Guarantee of all Directors and Corporate Guarantee of Jahangir & Others Ltd.

Rate of Interest:

Interest rate is 9.00% per annum and will be calculated on quarterly basis.

United Commercial Bank Ltd.

Security:

Corporate Guarantee of GPH Power Generation Ltd. and personal Guarantee of all sponsor director of GPH Ispat Ltd.

Rate of Interest:

Interest rate is 11.50% per annum and will be calculated on quarterly basis.

Syndication Term Loan

Name of the Bank

AB Bank Ltd

Basic Bank Ltd

Jamuna Bank Ltd

Mercantile Bank Ltd

Midland Bank Ltd

One Bank Ltd

Pubali Bank Ltd

Southeast Bank Ltd

The City Bank Ltd

United Commercial Bank Ltd

ODDO BHF Aktiengesellschaft, Germany (Under ECA loan Adoption Agreement)



Security:

Registered Mortgage Deed on 2,700 decimal land, post dated Cheque, Personal Guarantee of all Directors and Corporate Guarantee of the Group, Security Sharing Agreement and Fixed Floating assests.

Rate of Interest:

Interest rate is 11.00% per annum and will be calculated on quarterly basis.

Rate of Interest (ODDO BHF Aktiengesellschaft, Germany)

Interest rate is 2.05% + 6 months LIBOR per annum and will be calculated on quarterly basis.

14.5 Loan From Directors

Mohammed Jahangir Alam
Md. Almas Shimul

30 June 2018 Taka	30 June 2017 Taka
273,525,125	95,000,000
300,296,495	140,000,000
573,821,620	235,000,000

15 FINANCE LEASE OBLIGATIONS

Due within one year
Due after one year

25,931,192	22,001,232
75,413,042	101,164,102
101,344,234	123,165,334

15.1 Pubali Bank Limited

Lease Financing Scheme # 26
Lease Financing Scheme # 27
Lease Financing Scheme # 29

Current Portion	Long term portion
3,200,503	-
1,245,432	-
807,302	1,600,650
5,253,237	1,600,650

The Company has three separate lease agreements with Pubali Bank Ltd all of which are under Capital lease with following particulars:

- i) Principal amount of finance: Tk. 35,599,300 - Repaid till 30 June 2018: Tk. 28,745,413.
- ii) Repayment Term is 4.5 years

Security :

- i) Post dated cheques
- ii) Joint ownership of Lease Assets
- iii) Charge documents
- iv) Personal Guarantee of all Directors

15.2 United Commercial Bank Ltd

HP # 160800002
HP # 163080001
HP # 163140001

Current Portion	Long term Portion
555,772	1,121,126
689,277	1,121,081
513,679	832,639
1,758,728	3,074,846

The Company has three separate lease agreements with United Commercial Bank Ltd all of which are under Capital lease with following particulars:

- i) Principal amount of finance: Tk. 7,187,000 - Repaid till 30 June 2018: Tk. 2,353,426.
- ii) Repayment Term is 4 years

Security :

- i) Post dated cheques
- ii) Joint ownership of Lease Assets
- iii) Comprehensive insurance with SRCC
- iv) Personal Guarantee of all Directors



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15.3 Industrial and Infrastructure Development Finance Company Ltd

LF # 22442/2017

Current Portion	Long term Portion
18,919,227	70,737,546
18,919,227	70,737,546

- i) Principal amount of finance: Tk. 100,000,000 - Repaid till 30 June 2018: Tk 10,343,227.
ii) Repayment Term is 4.5 years

Security :

- i) Post dated cheques
ii) Joint ownership of Lease Assets
iii) Personal Guarantee of Directors

16 SHORT TERM BORROWINGS

Loan against Trust Receipt (LTR) - note 16.1

Time Loan - note 16.2

Bank Overdraft and Cash Credit - note 16.3

30 June 2018	30 June 2017
Taka	Taka
647,847,786	643,996,032
4,687,467,034	3,048,758,217
1,919,176,476	1,278,668,877
7,254,491,296	4,971,423,126

16.1 Loan against Trust Receipt (LTR) - note 16

AB Bank Ltd

Islami Bank Bangladesh Ltd

Mercantile Bank Ltd

Pubali Bank Ltd

Trust Bank Ltd

25,446,924	28,885,277
431,158,083	343,694,652
71,116,290	-
1,024,426	-
119,102,063	271,416,103
647,847,786	643,996,032

16.2 Time Loan - note 16

AB Bank Ltd

Bank Asia Ltd

Basic Bank Ltd

Dutch Bangla Bank Ltd

Eastern Bank Ltd

Meghna Bank Ltd

Mercantile Bank Ltd

Midland Bank Ltd

One Bank Ltd

Standard Chartered Bank

The City Bank Ltd

Trust Bank Ltd

United Commercial Bank Ltd

Non Funded Liabilities

342,674,168	-
198,109,218	214,428,057
51,377,834	26,042,569
220,172,131	288,343,052
255,015,052	-
87,321,031	-
96,565,367	-
174,700,346	-
435,777,439	505,212,575
636,168,076	793,696,149
570,935,011	547,505,795
431,027,971	318,577,468
410,964,433	354,952,552
776,658,957	-
4,687,467,034	3,048,758,217



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16.3 Bank Overdraft and Cash Credit - note 16

	30 June 2018	30 June 2017
	Taka	Taka
AB Bank Ltd	22,173,226	28,773,194
Bank Asia Ltd	50,790,664	32,641,871
Basic Bank Ltd	43,779,501	38,267,880
Eastern Bank Ltd	45,513,397	-
Meghna Bank Ltd	51,273,537	46,671,852
Mercantile Bank Ltd	124,022,889	130,067,248
Midland Bank Ltd	153,875,463	127,835,948
Modhumoti Bank Ltd	379,964,889	110,294,451
Premier Bank Ltd	306,739,914	705,729
Standard Chartered Bank	145,997,110	97,744,895
State Bank of India	510,396,698	507,834,890
The City Bank Ltd	34,288,353	24,864,589
Trust Bank Ltd	34,892,664	86,895,671
United Commercial Bank Ltd	15,468,171	46,070,659
	<u>1,919,176,476</u>	<u>1,278,668,877</u>

16.4 Terms of Short Term Borrowings

Security:

- Post dated cheques
- Personal guarantee of all the sponsor directors
- Pari-passu mortgage of land
- Pari-passu 1st charge on floating assets

Rate of Interest:

Interest rate is ranging from 9.00% - 14.00% per annum and will be calculated on quarterly basis.

17 CREDITORS AND ACCRUALS

Revenue Expenses - note 17.1	85,310,887	75,909,094
Other Finance - note 17.2	35,575,385	8,084,911
Supplies	98,848,784	46,107,557
GPH Power Generation Ltd.	292,099,522	464,111,462
Advance Against Sales	267,824,174	10,537,446
Workers' Profit Participation & Welfare Fund - note 17.3	61,928,607	40,095,644
	<u>841,587,359</u>	<u>644,846,114</u>



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	30 June 2018 Taka	30 June 2017 Taka
17.1 Revenue Expenses - note 17		
Salary Payable	21,606,700	17,362,000
Audit Fee Payable	270,000	270,000
Utility Bill Payable	30,580,000	30,535,000
Provident Fund - note 17.1.1	852,502	664,817
Defined benefit obligations (Gratuity) - note 17.1.2	31,176,685	26,402,277
Directors' Remuneration Payable	825,000	675,000
	85,310,887	75,909,094
17.1.1 Provident Fund - note 17.1		
Opening Balance	664,817	1,134,137
Add: Addition during the year	7,439,164	5,867,688
	8,103,981	7,001,825
Less: Paid during the year	(7,251,479)	(6,337,008)
Closing balance	852,502	664,817
17.1.2 Defined Benefit Obligation (Gratuity) - note 17.1		
Opening Balance	26,402,277	18,224,137
Add: Provision made during the year	5,179,208	9,056,575
	31,581,485	27,280,712
Less: Paid during the year	(404,800)	(878,435)
Closing balance	31,176,685	26,402,277
17.2 Other finance - note 17		
AIT Payable	3,695,594	1,473,749
VAT Deducted at Source	4,971,363	2,878,250
Unpaid Refund Warrant	453,670	453,670
Unpaid Dividend	26,454,758	3,279,242
	35,575,385	8,084,911
17.3 Workers' Profit Participation & Welfare Fund - note 17		
Opening Balance	40,095,644	25,628,176
Add: Addition during the year @ 5%	44,152,871	40,095,644
	84,248,515	65,723,820
Less: Paid during the year	(22,319,908)	(25,628,176)
Closing balance	61,928,607	40,095,644
18 PROVISION FOR INCOME TAX		
Provision for Income Tax - note 18.1	173,897,307	183,382,931
Deferred Tax Liabilities - note 18.2	154,094,265	126,478,102
	327,991,572	309,861,033
18.1 Provision for Current Tax - note 18		
Opening Balance	183,382,931	111,031,009
Add: Provision made during the year - note 18.1.2	167,700,951	179,191,873
	351,083,882	290,222,882
Less: Adjusted during the year - note 18.1.1	(177,186,575)	(106,839,951)
Closing balance	173,897,307	183,382,931



18.1.1 Year wise income tax assessment status is as follows:

Accounting Year	Assessment Year	Provided during the year	Adjusted during the year	Balance	Remarks
Prior to 2009-2010		-	-	-	Assessment completed
2010-2011	2011-2012	18,735,287	-	18,735,287	Assessment completed
2011-2012	2012-2013	37,969,548	(23,121,403)	33,583,432	Assessment completed
2012-2013	2013-2014	46,283,045	(34,034,387)	45,832,090	Assessment completed
2013-2014	2014-2015	89,422,793	(43,786,141)	91,468,742	Assessment completed
2014-2015	2015-2016	89,002,983	(88,554,393)	91,917,332	Assessment in Appeal (First)
2015-2016	2016-2017	108,336,506	(89,222,829)	111,031,009	Assessment in Appeal (First)
2016-2017	2017-2018	179,191,873	(106,839,951)	183,382,931	Return submitted
2017-2018	2018-2019	167,700,951	(177,186,575)	173,897,307	Return to be submitted

01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Taka	Taka

18.1.2 Provision for Income Tax during the year - note 18.1

Profit before tax	838,904,539	761,817,234
Items for separate consideration		
Dividend Income	(1,775,096)	(3,747,488)
Other Non-operating income	(171,630,019)	(197,180,254)
	(173,405,115)	(200,927,742)
	665,499,424	560,889,492
Add: Other Inadmissible Allowances		
Accounting Depreciation	112,042,984	100,945,724
Amortization	195,044	162,000
Gratuity	4,774,408	8,178,140
	117,012,436	109,285,864
	782,511,860	670,175,356
Tax depreciation u/s 29 (1) (viii) of the ITO,	(282,021,375)	(151,763,617)
	500,490,485	518,411,739
50% of Export Sales Income - as per Para: 28 of 6th Schedule (Part: A) of ITO 1984	(2,736,779)	(1,822,493)
Taxable Income from Operation	497,753,706	516,589,246
Tax on Other Non-Operating Income	42,907,505	49,295,064
Tax on Dividend Income	355,019	749,498
Tax on Operational Income	124,438,427	129,147,311
Tax on Total Taxable Income	167,700,951	179,191,873

18.2 Deferred Tax Liability - note 18

a) As at 30 June 2018

	Carrying amount	Tax base	Temporary difference
	Taka	Taka	Taka
Property, Plant and Equipment	2,097,145,035	1,450,755,719	646,389,316
Intangible Asset	1,164,431	-	1,164,431
Provision for Gratuity	(31,176,685)	-	(31,176,685)
Net Taxable Temporary Difference	2,067,132,781	1,450,755,719	616,377,062
Applicable Tax Rate			25%
Deferred Tax Liability			154,094,265
As at 01 July 2017			126,478,102
Increase/(Decrease) in Deferred Tax Liability			27,616,163

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	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
	Taka	Taka
19 REVENUE		
Local Sales		
M.S. Rod	9,744,261,210	7,844,921,699
M.S. Billet	-	110,400
Cut Pieces	6,925,850	9,741,750
Miss Roll and Ovel	63,692,720	45,005,001
	<u>9,814,879,780</u>	<u>7,899,778,850</u>
Export Sales		
M.S. Rod	108,526,226	55,937,140
	<u>108,526,226</u>	<u>55,937,140</u>
Total Gross Revenue	<u>9,923,406,006</u>	<u>7,955,715,990</u>
20 COST OF GOODS SOLD		
Opening Finished Goods		
M.S. Rod	921,234,173	630,167,401
M.S. Billet	269,255,593	232,982,012
	<u>1,190,489,766</u>	<u>863,149,413</u>
Add: Cost of Production - note 20.1	8,515,945,556	6,793,186,055
	<u>9,706,435,322</u>	<u>7,656,335,468</u>
Less: Closing Finished Goods		
M.S. Rod - note 10.1	1,259,881,852	921,234,173
M.S. Billet - note 10.1	234,996,891	269,255,593
	<u>1,494,878,743</u>	<u>1,190,489,766</u>
	<u>8,211,556,579</u>	<u>6,465,845,702</u>
20.1 Cost of Production - note 20		
Opening Stock:		
Raw Material	1,045,328,690	2,051,325,205
Spare and Other	218,778,006	149,011,364
	<u>1,264,106,696</u>	<u>2,200,336,569</u>
Add: Purchase		
Raw Material	7,151,689,098	4,566,898,565
Spare and Other	348,911,823	243,951,284
	<u>7,500,600,921</u>	<u>4,810,849,849</u>
Less Closing Stock of		
Raw Material - note 10.2	1,023,133,141	1,045,328,690
Spare and other materials - note 10.3	344,773,302	218,778,006
	<u>1,367,906,443</u>	<u>1,264,106,696</u>
Raw and Other Materials Consumed	<u>7,396,801,174</u>	<u>5,747,079,722</u>
Add: Factory overhead - note 20.2	1,119,144,382	1,046,106,333
Cost of Production	<u>8,515,945,556</u>	<u>6,793,186,055</u>



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	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
	Taka	Taka
20.2 FACTORY OVERHEAD		
Salaries, Wages and Allowances	185,915,529	166,031,497
Overtime	18,995,040	15,241,673
Bonus	7,717,753	7,551,593
Electricity Bill	645,015,744	620,130,825
Gas Bill	38,562,587	33,209,909
Daily Labour Bill	22,944,894	20,844,344
Carriage Inward	4,867,778	4,583,931
Fuel, Oil and Lubricant	35,279,580	30,535,100
Depreciation - note 4.2	100,838,686	90,851,152
Repair and Maintenance	7,636,541	7,970,628
Testing Expenses	944,573	525,388
Oxygen and LP Gas Charges	17,529,539	13,411,542
Loading and Unloading Expenses	4,481,792	9,326,681
Factory Canteen	8,530,101	7,401,324
Staff Uniform	1,613,314	1,503,005
Vehicle Fuel and Maintenance	14,807,918	14,358,214
Medical Expenses	1,438,445	603,369
Internet Expenses	6,481	8,760
Insurance	2,018,087	2,017,398
	1,119,144,382	1,046,106,333

21 ADMINISTRATIVE EXPENSES

Directors' Remuneration	15,470,000	14,320,000
Salary and Allowances	83,442,767	63,461,163
Entertainment	2,799,838	2,926,761
Office Maintenance	2,129,308	2,054,904
Mobile, Telephone and Internet Charges	3,083,566	2,443,707
Office Rent	4,702,375	4,110,000
Newspaper and Periodicals	19,650	21,599
Postage and Stamps	305,727	236,317
Stationery and Printing Charges	2,542,775	1,966,802
Vehicle Expenses	5,711,725	4,823,699
Travelling and Conveyance	4,125,988	2,769,213
Audit Fee	345,000	345,000
Fees and Renewal	2,029,993	1,872,238
Legal and Professional Fee	603,000	262,500
Bonus	8,390,890	6,216,605
Miscellaneous Expenses	1,405,125	1,344,071
Electricity and Other Utility Expenses	1,668,442	1,848,136
Training Fee	286,959	209,440
Board Meeting Expense	305,650	350,536
Depreciation - note 4.2	5,602,149	5,047,286
Amortization of Software - note 6	195,044	162,000
Recruitment Expenses	121,008	133,620
Share Management Expenses	2,840,703	2,601,765
BIS Certificate Expenses	150,654	151,903



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	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
	Taka	Taka
General Meeting Expenses	563,299	664,194
Software & Data Connectivity Expenses	741,432	637,720
Rent, Rate & Taxes	95,100	233,898
BO Account Expenses	900	3,889
Right Share Issue Expenses	-	1,128,908
Group Insurance Premium	955,319	732,142
Corporate Social Responsibility	-	4,800,000
	150,634,386	127,880,015
22 SELLING AND DISTRIBUTION EXPENSES		
Advertisement Expenses	40,951,083	25,950,612
Carriage Outward	101,545,852	92,877,005
Travelling and Conveyance	7,361,003	5,665,047
Commission on Sales	9,321,000	9,291,000
Promotional Expenses	9,772,648	11,482,701
Depreciation - note 4.2	5,602,149	5,047,286
Marketing Collection Expenses	894,146	470,797
Export Expenses	42,600	119,469
Sales LC Expenses	59,000	93,659
Postage and Stamps	93,658	77,485
	175,643,139	151,075,061
23 FINANCIAL EXPENSES		
Finance Costs	520,612,847	480,035,454
Bank Charge	7,150,660	4,135,450
Loan Processing Fee	11,456,699	2,520,087
Exchange (Gain)/Loss	27,394,515	7,089,133
	566,614,721	493,780,124
24 NON OPERATING INCOME		
Interest Earned from FDR	125,684,447	136,442,348
Interest Income from SND Account	6,953,930	31,576,321
Interest Income from Arbee Textiles Ltd.	32,760,304	28,718,860
Dividend Income	1,775,096	3,747,488
Miscellaneous Income for Good Borrower Incentive	6,129,000	-
Gain/(Loss) on Disposal of Long Term Asset- note 24.1	102,338	442,725
	173,405,115	200,927,742
24.1 Gain/(Loss) on Disposal of Long Term Asset- note 24		
Sales Value	530,000	1,045,000
Add : Accumulated Depreciation	530,338	1,024,025
	1,060,338	2,069,025
Less : Purchase value	958,000	1,626,300
	102,338	442,725



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25 NET ASSETS VALUE PER SHARE

The computation of NAV Per Share is given below:

Total Assets	
Less: Liabilities	
Net Assets Value (NAV)	
Number of ordinary shares outstanding during the year	
Net Assets Value (NAV) Per Share	

30 June 2018	30 June 2017
Taka	Taka
22,694,244,413	12,866,206,824
17,165,306,993	7,830,603,212
5,528,937,420	5,035,603,612
327,442,500	311,850,000
16.89	16.15

26 EARNING PER SHARE (EPS)

The Composition of Earnings Per Share (EPS) is given below :

- a) Profit Attributed to Ordinary Shareholders during the year
b) Number of Ordinary Shares at the year end

643,587,425	571,303,361
327,442,500	311,850,000

Attributable Profit	
Number of Share Outstanding During the year	
Basic EPS*	

01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
Taka	Taka
643,587,425	571,303,361
327,442,500	311,850,000
1.97	1.83

*EPS for the year ended 30 June 2018 has been calculated based on the total number of ordinary shares in accordance with para 26, 27 of BAS 33.

DILUTED EPS

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

27 OPERATING CASH FLOW PER SHARE

The composition of operating cash inflow/outflow value per share is given below:

- a) Operating cash inflow/(outflow) during the year
b) Number of Ordinary Shares Outstanding during the year

365,484,140	1,193,038,078
327,442,500	311,850,000
1.12	3.83

28 NUMBER OF EMPLOYEES - Para 3 of Schedule XI, Part II

Employees drawing salary above Tk 3,000 per month	
Employees drawing salary below Tk 3,000 per month	

965	870
-	-
965	870

29 CAPACITY AND PRODUCTION

Production Capacity	
Actual Production *	
Capacity Utilization (%)	

Production Capacity (In M. Ton)

MS Billet	
MS Rod	

Actual Production (In M. Ton)

MS Billet	
MS Rod	

M. Ton 12 Months	M. Ton 12 Months
288,000	288,000
238,230	245,132
82.72	85.12
168,000	168,000
120,000	120,000
288,000	288,000
122,938	124,727
115,292	120,405
238,230	245,132

* In addition to above 51,755.11 M.T tradeable finished goods were purchased from third party manufacturers to meet the customers demand.



30 RELATED PARTY TRANSACTIONS

During the year the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosures.

Sl. No	Name of the Party	Relation	Nature of Transactions	Outstanding as on 30 June 2018	Outstanding as on 30 June 2017
1	GPH Power Generation Ltd	Common Directorship	Supply of power at a flat rate	(292,099,522)	(464,111,462)
2	Jahangir and Other Ltd	Common Directorship	Head office rent	(44,036)	(287,885)
3	GPH Steels Ltd	Common Directorship	Investment in equity shares	1,000,000	1,000,000
4	Asia Insurance Ltd	Common Directorship	Insurance policy against Letter of Credit	(98,041)	(305,793)
5	Arbee Textiles Ltd	Common Directorship	Payment against interest bearing loan	291,142,158	255,560,476
6	LIPD Industries Ltd	Common Directorship	Advance	185,500	185,500

31 DIRECTORS' REMUNERATION

Name	Designation	Monthly Remuneration	No. of Month	01 July 2017 to 30 June 2018	01 July 2016 to 30 June 2017
				Taka	Taka
Mr. Mohammed Jahangir Alam	Managing Director	350,000	12	4,200,000	4,200,000
Mr. Md. Almas Shimul	Director	625,000	12	7,500,000	7,225,000
Mr. Md. Ashrafuzzaman	Director	180,000	10	1,800,000	2,160,000
		230,000	2	460,000	
Mr. Md. Abdul Ahad	Director	105,000	10	1,050,000	735,000
		230,000	2	460,000	
Total				15,470,000	14,320,000

Managing Director and Mr. Md. Almas Shimul, Director are provided with transport facilities along with their remuneration.

32 ATTENDANCE STATUS OF BOARD MEETING OF DIRECTORS

During the year ended 30 June 2018, there were 4 (Four) Board meetings held. The attendance status of all the meetings are as follows:

Sl.	Name of the Directors	Position	Meeting held	Attendance
1	Mr. Md. Alamgir Kabir	Chairman	4	4
2	Mr. Mohammed Jahangir Alam	Managing Director	4	4
3	Mr. Md. Almas Shimul	Director	4	4
4	Mr. Md. Abdur Rouf	Director	4	3
5	Mr. Md. Ashrafuzzaman	Director	4	4
6	Mr. Md. Abdul Ahad	Director	4	3
7	Mr. Md. Azizul Haque	Director	4	4
8	Professor Dr. Mohammad Saleh Jahur	Independent Director	4	4
9	Mr. Velayet Hossain	Independent Director	4	4

33 AUDITOR'S REMUNERATION - Para 6 of Schedule XI, Part II - note 21

Statutory Audit Fee - Hoda Vasi Chowdhury & Co

	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

34 EVENT AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on 27.10.2018 recommended 10% stock dividend for the year ended 30 June 2018 which is subject to approval by the shareholders in the Annual General Meeting.



30 June 2018	30 June 2017
Taka	Taka
2,315,500	2,315,500
3,193,410,183	1,054,319,103
3,195,725,683	1,056,634,603

35 CONTINGENT LIABILITIES AND COMMITMENTS

35.1 Contingent Liabilities

Bank guarantee
L/C liabilities

Contingent liabilities at the reporting date are as follows:

35.1.1 Bank Guarantee

AB Bank Limited
Southeast Bank Limited
State Bank of India

535,500	535,500
1,000,000	1,000,000
780,000	780,000
2,315,500	2,315,500

35.1.2 L/C, LCA Liabilities

AB Bank Limited
Dutch Bangla Bank Limited
Mercantile Bank Limited
One Bank Limited
Pubali Bank Limited
Southeast Bank Limited
Standard Chartered Bank Limited
The City Bank Limited
Trust Bank Limited
United Commercial Bank Limited

127,455,984	195,682,312
311,683,736	-
207,267,749	73,478,017
238,179,168	-
137,645,812	171,664,251
270,589,885	43,092,143
79,797,332	5,721,194
230,263,176	38,943,375
513,682,461	375,391,988
1,076,844,880	150,345,823
3,193,410,183	1,054,319,103

There were no claims legal or otherwise, not acknowledged as debt, outstanding as of the end of the reporting period. There was no unprovided committed expenditure as at 30 June 2018.

36 FINANCIAL RISK MANAGEMENT

Bangladesh Financial Reporting Standard (BFRS) 7 - Financial Instruments: Disclosures - requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and its management of capital. The company has exposure to the following risks from its use of financial instruments.

36.1 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from distributors, institutional and export customers etc.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of steels (MS Rod and allied products).

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

a) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Trade Receivable-Local customer
Advance, Deposit and Prepayments
Cash and Cash Equivalents

30 June 2018	30 June 2017
Taka	Taka
1,633,664,201	1,799,922,366
1,993,941,113	1,110,464,916
224,349,184	311,332,457
3,851,954,498	3,221,719,739



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b) Ageing of Receivables

Dues up to 6 months	1,558,307,976	1,712,937,571
Dues over 6 months	75,356,225	86,984,795
	<u>1,633,664,201</u>	<u>1,799,922,366</u>

c) Credit Exposure by Credit Rating

	30 June 2018		
	Credit Rating	Amount	%
Trade Receivable	NR	1,633,664,201	42.41
Advance, Deposit and Prepayments	NR	1,993,941,113	51.76
Cash and Cash Equivalents:			
Cash in Hand	NR	1,298,946	0.03
Cash at Bank		223,050,238	5.79
AB Bank Limited	AA3	692,483	0.02
Agrani Bank Limited	AAA	39,490	0.00
Al-Arafah Islami Bank Limited	A1	278,794	0.01
Bangladesh Development Bank Ltd	AAA	3,301	0.00
Bank Al Falah Limited	AA2	17,592	0.00
Bank Asia Limited	A3	705,998	0.02
BASIC Bank Limited	AA2	4,481,873	0.12
BRAC Bank Limited	AA3	25,872	0.00
Dhaka Bank Limited	AA3	51,026,910	1.32
Dutch Bangla Bank Limited	AA2	17,619,392	0.46
Eastern Bank Limited	AA+	10,528	0.00
EXIM Bank Limited	AA	25,628	0.00
First Security Islami Bank Limited	A+	3,943	0.00
HSBC	AAA	2,970	0.00
IFIC Bank Limited	AA3	9,937	0.00
Islami Bank Bangladesh Limited	AA+	31,577	0.00
Jamuna Bank Limited	A1	762,555	0.02
Janata Bank Limited	AAA	23,013	0.00
Meghna Bank Limited	A	67,426	0.00
Midland Bank Limited	A	2,210	0.00
Modhumoti Bank Limited	A3	1,086,005	0.03
Mutual Trust Bank Limited	AA	2,209,869	0.06
National Bank Limited	AA2	34,627	0.00
NCC Bank Limited	A1	620,866	0.02
NRB Commercial Bank Limited	A	9,360	0.00
One Bank Limited	AA3	220,004	0.01
Premier Bank Limited	AA+	17,168	0.00
Prime Bank Limited	AA	41,679	0.00
Shahjalal Islami Bank Limited	AA3	25,069	0.00
Social Islami Bank Limited	AA	112,744	0.00
Sonali Bank Limited	AAA	273,437	0.01
South Bangla Agricultural Bank Limited	BBB1	335	0.00
Southeast Bank Limited	AA	28,361,344	0.74
Standard Bank Limited	A1	13,703	0.00
State Bank of India	AAA	71,579	0.00
Standard Chartered Bank Limited	AAA	1,444,909	0.04
The City Bank Limited	A1	1,204,177	0.03
Trust Bank Limited	A3	32,034,514	0.83
United Commercial Bank Limited	AA	78,885,589	2.05
Union Bank Limited	A+	25,853	0.00
Uttara Bank Limited	A1	525,915	0.01



36.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying Amount Taka	Maturity year	Nominal Interest Rate	Contractual Cash Flows Taka	Within 6 months or less Taka	Within 6-12 months Taka
Creditors and Accruals	841,587,359	December 2018	-	841,587,359	841,587,359	-
Short Term Borrowings	7,254,491,296	December 2018	9.00-14.00%	7,254,491,296	7,254,491,296	-
Current portion of Finance Lease Obligations	25,931,192	June 2019	13.00-16.50%	25,931,192	12,965,596	12,965,596
Current portion of Long Term Loan	280,862,291	June 2019	9.00-12.50%	280,862,291	140,431,146	140,431,145
	8,402,872,138			8,402,872,138	8,249,475,397	153,396,741

36.3 Market Risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments.

a) Currency risk

The company is exposed to currency risk on certain revenues and purchases such as melting scrap, chemical and acquisition of equipment. Majority of the company's foreign currency transactions are denominated in USD.

(i) Exposure to currency risk

The company does not have any foreign currency asset or liability at the year end for which an exchange gain/(loss) may arise at the time of settlement. Hence, it does not have a significant exposure to currency risk.

The following significant exchange rates are applied at the year end:

30 June 2018 Taka	30 June 2017 Taka
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Exchange Rate of US Dollar

83.75

79.05

(ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

There being no current risk exposure, sensitivity analysis has not been presented.

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Short term bank borrowings are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

(i) Profile

As at 30 June 2018, the interest rate risk profile of the company's interest bearing financial instruments was:



Hoda Vasi Chowdhury & Co

Carrying Amount
30 June 2018

Fixed Rate Instrument

Financial Asset	2,037,018,420
Financial Liability	15,995,728,062

Variable Rate Instrument

Financial Asset	Nil
Financial Liability	Nil

(ii) Cash flow sensitivity analysis for variable rate instruments

There being no variable rate instruments, sensitivity analysis has not presented.

36.4 Accounting Classification and Fair Value

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	Carrying amount Taka	Fair value Taka
Assets carried at fair value through profit and loss	81,220,359	81,220,359
Held to maturity assets		
FDR with Banks	2,037,018,420	2,037,018,420
Loans on Receivables		
Trade Receivables	1,633,664,201	1,633,664,201
Security Deposit	54,028,647	54,028,647
Cash and Cash Equivalents	224,349,184	224,349,184
Available for sale financial assets	Nil	Nil
Liabilities carried at fair value through profit and loss		
Liabilities carried at amortized cost		
Accounts and other payables	Nil	Nil
Short term bank borrowing	7,254,491,296	N/A
Current portion of long term borrowing	280,862,291	N/A

* As per the requirements of BFRS 7 (ref: Para 29), determination of fair value is not required for instruments for which fair value is not likely to be significantly different from the carrying amounts.

37 AUTHORISATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the company on 27.10.2018

38 GENERAL

38.1 Figures appearing in these accounts have been rounded off to the nearest taka.

38.2 Figure in bracket denotes negative.

These financial statements should be read in conjunction with the annexed notes and were approved by the Board of Directors on 27.10.2018 and were signed on its behalf by:


Company Secretary


Director

M/S


Managing Director