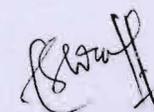


**GPH ISPAT LIMITED**  
**Statement of Financial Position (Un-Audited)**  
**As at 30 September 2019**

	<u>30 September 2019</u>	<u>30 June 2019</u>
	<u>Taka</u>	<u>Taka</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,946,950,929	2,975,385,321
Capital work-in-progress	21,412,015,570	19,760,860,267
Intangible assets	916,871	966,383
Investments	329,215,029	335,995,309
<b>Total non-current assets</b>	<b>24,689,098,399</b>	<b>23,073,207,280</b>
<b>Current assets</b>		
Short term investment	573,035,245	449,929,013
Advances, deposits and prepayments	2,538,739,567	2,390,463,101
Inventories	3,189,884,767	2,792,059,671
Trade and Other receivables	2,304,925,687	2,505,592,013
Cash and cash equivalents	171,495,430	281,773,961
<b>Total current assets</b>	<b>8,778,080,696</b>	<b>8,419,817,759</b>
<b>Total Assets</b>	<b>33,467,179,095</b>	<b>31,493,025,039</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	3,601,867,500	3,601,867,500
Share premium	1,136,440,000	1,136,440,000
Fair value reserve	(6,684,119)	96,161
Retained earnings	1,760,987,732	1,596,953,769
	<b>6,492,611,113</b>	<b>6,335,357,430</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Long term loan	18,004,592,720	16,676,430,826
Finance lease obligations	58,361,262	65,936,558
Defined Benefit Obligation - Gratuity	37,112,730	35,919,462
Deferred tax liability	176,289,074	174,152,167
<b>Total non-current liabilities</b>	<b>18,276,355,786</b>	<b>16,952,439,013</b>
<b>Current liabilities</b>		
Current portion of long term loan	239,591,931	215,522,700
Current portion of finance lease obligations	28,536,411	27,096,780
Short term borrowings	7,167,622,155	7,120,943,855
Creditors and accruals	956,335,455	587,163,924
Current tax liability	306,126,244	254,501,337
<b>Total current liabilities</b>	<b>8,698,212,196</b>	<b>8,205,228,596</b>
<b>Total liabilities</b>	<b>26,974,567,982</b>	<b>25,157,667,609</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>33,467,179,095</b>	<b>31,493,025,039</b>
<b>NET ASSET VALUE PER SHARE</b>	<b>18.03</b>	<b>17.59</b>
<b>NUMMER OF SHARES USED TO COMPUTE NAV</b>	<b>360,186,750</b>	<b>360,186,750</b>

  
 Company Secretary

  
 Chief Financial Officer

  
 Director

  
 Managing Director

  
 Chairman

**GPH ISPAT LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)**  
For the period from 01 July 2019 to 30 September 2019

	01 July 2019 to 30 September 2019 Taka	01 July 2018 to 30 September 2018 Taka
Revenue	2,634,071,012	2,611,993,174
Cost of goods sold	(2,162,292,269)	(2,158,534,282)
<b>Gross Profit</b>	<b>471,778,743</b>	<b>453,458,892</b>
Administrative expenses	(46,797,404)	(38,274,055)
Selling and distribution expenses	(50,999,760)	(46,590,775)
<b>Profit from operating activities</b>	<b>373,981,579</b>	<b>368,594,062</b>
Finance Cost	(165,330,472)	(169,195,055)
Finance income	20,425,559	46,111,350
<b>Profit before other income</b>	<b>229,076,666</b>	<b>245,510,357</b>
Other income	182,047	303,400
<b>Profit before income tax and distribution of WPPF and Welfare Fund</b>	<b>229,258,713</b>	<b>245,813,757</b>
Contribution to WPPF and Welfare Fund	(11,462,936)	(12,290,688)
<b>Profit before Income Tax</b>	<b>217,795,777</b>	<b>233,523,069</b>
Income tax expenses		
-Current	(51,624,907)	(54,126,460)
-Deferred	(2,136,907)	(3,776,941)
<b>Profit after tax</b>	<b>164,033,963</b>	<b>175,619,668</b>
<b>Other comprehensive income</b>		
Net change in fair value of investment in quoted shares	(6,780,280)	(2,695,178)
<b>Total other comprehensive income</b>	<b>(6,780,280)</b>	<b>(2,695,178)</b>
<b>Total comprehensive income</b>	<b>157,253,683</b>	<b>172,924,490</b>
<b>Earning Per Share (Basic)</b>	<b>0.46</b>	<b>0.49</b>
<b>Number of Shares used to compute EPS</b>	<b>360,186,750</b>	<b>360,186,750</b>

  
Company Secretary

  
Chief Financial Officer

  
Director

  
Managing Director

  
Chairman

**GPH ISPAT LIMITED**  
**Statement of Changes in Equity (Un-Audited)**  
**For the period ended 30 September 2019**

	Amount in Taka				
	Share Capital	Share Premium	Fair value reserve	Retained Earnings	Total Equity
Balance as on 01 July 2018	3,274,425,000	1,136,440,000	22,350,684	1,095,721,736	5,528,937,420
Change in fair value of investment in quoted shares	-	-	(2,695,178)	-	(2,695,178)
Net profit after tax	-	-	-	175,619,668	175,619,668
<b>Balance as at 30 September 2018</b>	<b>3,274,425,000</b>	<b>1,136,440,000</b>	<b>19,655,506</b>	<b>1,271,341,404</b>	<b>5,701,861,910</b>
Balance as on 01 July 2019	3,601,867,500	1,136,440,000	96,161	1,596,953,769	6,335,357,430
Change in fair value of investment in quoted shares	-	-	(6,780,280)	-	(6,780,280)
Net profit after tax	-	-	-	164,033,963	164,033,963
<b>Balance as at 30 September 2019</b>	<b>3,601,867,500</b>	<b>1,136,440,000</b>	<b>(6,684,119)</b>	<b>1,760,987,732</b>	<b>6,492,611,113</b>

  
 Company Secretary

  
 Chief Financial Officer

  
 Director

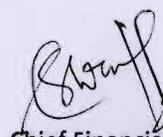
  
 Managing Director

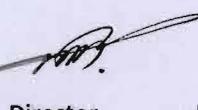
  
 Chairman

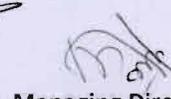
**GPH ISPAT LIMITED**  
**Statement of Cash Flows (Un-Audited)**  
**For the period ended 30 September 2019**

	01 July 2019 to 30 September 2019 Taka	01 July 2018 to 30 September 2018 Taka
<b>a. Operating activities</b>		
Receipts from customers against sales	3,131,615,238	2,266,651,030
Cash Paid to suppliers, operating and other expenses	(2,663,017,796)	(1,891,764,635)
Foreign currency exchange gain/(loss)	258,075	(1,884,040)
Income tax paid	(38,944,721)	(42,570,618)
<b>Net cash flows generated by operating activities</b>	<b>429,910,796</b>	<b>330,431,737</b>
<b>b. Investing activities</b>		
Acquisition of property, plant and equipment	(1,664,839,506)	(2,983,144,016)
Dividend received (net of tax)	145,639	242,720
Interest received from bank deposits and others	10,319,623	37,273,122
Other investments	(113,000,296)	1,591,198,966
<b>Net cash flows used in investing activities</b>	<b>(1,767,374,540)</b>	<b>(1,354,429,208)</b>
<b>c. Financing activities</b>		
Receipts from long term loans	1,352,231,125	1,947,297,148
Repayments of finance lease obligation	(6,135,665)	(5,278,846)
(Repayment) / Receipt of short term borrowings	46,678,300	(80,875,809)
Dividend paid	-	(5,864)
Interest and bank charges paid	(165,588,160)	(167,311,015)
<b>Net cash flows used in financing activities</b>	<b>1,227,185,600</b>	<b>1,693,825,614</b>
<b>d. Net increase in cash and cash equivalents (a+b+c)</b>	<b>(110,278,144)</b>	<b>669,828,143</b>
<b>e. Opening cash and cash equivalents</b>	<b>281,773,961</b>	<b>224,349,184</b>
<b>f. Effect of foreign exchange rate changes</b>	<b>(387)</b>	<b>-</b>
<b>g. Cash and cash equivalents at the end of the period (d+e+f)</b>	<b>171,495,430</b>	<b>894,177,327</b>
<b>Net operating cash flows per share</b>	<b>1.19</b>	<b>0.92</b>
Number of Shares used to compute NOCF	360,186,750	360,186,750

  
Company Secretary

  
Chief Financial Officer

  
Director

  
Managing Director

  
Chairman

**GPH ISPAT LIMITED**  
**Notes to the Financial Statements**  
**As at and for the period ended 30 September 2019**

**1.00 REPORTING ENTITY**

**1.01 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.

**1.02 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.

**2.00 Basis of Reporting**

This First Quarter financial report has been prepared based on Bangladesh Accounting Standards (BAS)-34: Interim Financial Reporting. This interim financial statement should be comprehend in conjunction with the published financial statements and last audited financial statements for the period ended on June 30, 2018, as they provide an update to previous reported information.

**3.00 Functional and Presentation Currency**

The financial statements are expressed in Bangladesh Taka (Taka/Tk.) which is both functional currency and reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

**4.00 Accounting policies**

The accounting policies and methods of computation used in preparation of financial statements for the period ended on September 30, 2019 are consistent with those policies and methods used in the annual financial statements, prepared and published financial statement and last audited financial statements for the year ended on June 30, 2019.

**5.00 Comparative Information and reclassification**

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified wherever considered necessary to conform to current periods presentation.

**6.00 Reconciliation of cash flows from operating activities**

Profit before income tax

01 July 2019 to 30 September 2019 Taka	01 July 2018 to 30 September 2018 Taka
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217,795,777                      233,523,069

**Adjustment for**

Depreciation charged

42,118,595                      41,924,350

Amortization charged

49,512                              49,512

Finance Cost

165,588,160                      167,311,015

Finance income

(20,425,559)                      (46,111,350)

Dividend Income (net of tax)

(145,639)                         (242,720)

**404,980,846                      396,453,876**

**(Increase)/decrease in Current Assets**

Advances, deposits and prepayments

(109,331,745)                      606,404,469

Inventories

(397,825,096)                      (322,055,779)

Trade and Other receivables

200,666,326                      (257,124,188)

**Increase/(decrease) in Current Assets**

Defined Benefit Obligation - Gratuity

1,193,268                              1,042,382

Creditors and accruals

369,171,918                      (51,718,405)

**468,855,517                      373,002,355**

Income tax paid

(38,944,721)                      (42,570,618)

**Net cash flows generated by operating activities**

**429,910,796                      330,431,737**



**7.00 Deferred tax liability**

Deferred tax liability has been calculated below at the applicable tax rate on the temporary difference between the carrying value and tax base.

	<u>30 September 2019</u>	<u>30 June 2019</u>
	Taka	Taka
Opening Balance	174,152,167	154,094,265
<b>Add: Provided/(adjusted) during the period</b>		
Taxable/(deductible) temporary difference of PPE (excluding land)	3,125,630	21,282,542
Intangible asset	(12,378)	(49,512)
Provision for Gratuity	(298,317)	(1,185,695)
Investment in quoted shares	(678,028)	10,567
	<b>2,136,907</b>	<b>20,057,902</b>
Closing Balance	<b>176,289,074</b>	<b>174,152,167</b>

**7.01 Reconciliation of deferred tax liabilities /(assets) are as follows :**

	Carrying amount	Tax base	Rate Applied	Temporary difference	Deferred tax liability /(asset)
<b>As on 30 September 2019</b>	Taka	Taka	(%)	Taka	Taka
Property, plant and equipment	2,124,419,139	1,380,397,138	25%	744,022,001	186,005,500
Intangible asset	916,871	-	25%	916,871	229,218
Provision for gratuity	(37,112,730)	-	25%	(37,112,730)	(9,278,183)
Investment in quoted shares	78,256,516	84,931,122	10%	(6,674,606)	(667,461)
					<b>176,289,074</b>
<b>As on 30 June 2019</b>	Taka	Taka	(%)	Taka	Taka
Property, plant and equipment	2,153,149,003	1,421,629,524	25%	731,519,479	182,879,870
Intangible asset	966,383	-	25%	966,383	241,596
Provision for gratuity	(35,919,462)	-	25%	(35,919,462)	(8,979,866)
Investment in quoted shares	85,036,796	84,931,122	10%	105,674	10,567
					<b>174,152,167</b>
				<b>01 July 2019</b>	<b>01 July 2018</b>
				to	to
				<b>30 September 2019</b>	<b>30 September 2018</b>
				Taka	Taka

**8.00 Earnings per share (EPS)**

**8.01 Basic Earnings per share**

The composition of Earnings per share (EPS) is given below :

Total earnings attributable to the ordinary shareholders	164,033,963	175,619,668
Number of ordinary shares outstanding during the period	360,186,750	327,442,500
Weighted average number of ordinary shares outstanding during the period	360,186,750	327,442,500
<b>Basic Earnings Per Share</b>	<b>0.46</b>	<b>0.54</b>
<b>Restated Earnings Per Share*</b>		<b>0.49</b>

\*EPS for the period 01 July 2019 to 30 September 2019 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of IAS 33.

**8.02 Sales**

Volume of sales has been increased but price of product has been decreased. On the otherhand, due to the effect of new VAT act

which was enacted from July, 2019 sales does not reach the projected level. Consequently, revenue does not increased in expected.

**8.03 Diluted EPS**

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

**9.00 Net Asset Value Per Share (NAV)**

	<u>30 September 2019</u>	<u>30 June 2019</u>
	Taka	Taka
Total Assets	33,467,179,095	31,493,025,039
Less: Liabilities	26,974,567,982	25,157,667,609
Net Asset Value (NAV)	6,492,611,113	6,335,357,430
Number of ordinary shares outstanding during the period	360,186,750	360,186,750
<b>Net Assets Value (NAV) per share</b>	<b>18.03</b>	<b>17.59</b>



01 July 2019 to 30 September 2019 Taka	01 July 2018 to 30 September 2018 Taka
429,910,796	330,431,737
360,186,750	360,186,750
<b>1.19</b>	<b>0.92</b>

#### 10.00 Net operating cash flow per share

Net operating cash flows (from statement of cash flows)  
Number of ordinary shares outstanding during the period  
Net operating cash flow per share

Collection against sales proceeds is much higher than payment against supplier and others compared to previous period, so operating cash flow per share is higher compared to previous period's balance.

#### 11.00 Related Party Transactions

During the period 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 IAS-24: Related Party Disclosures.

Sl. No	Name of the Party	Relation	Nature of Transactions	Outstanding as on 30 September 2019	Outstanding as on 30 June 2018
1	GPH Power Generation Ltd.	Common Directorship	Supply of power at a flat rate	(411,610,198)	(319,119,710)
2	Jahangir and Other Ltd.	Common Directorship	Head office rent	(382,550)	(377,550)
3	GPH Steels Ltd.	Investee	Investment in equity shares	1,000,000	1,000,000
4	Asia Insurance Ltd.	Common Directorship	Insurance Policy against Letter of Credit	(1,704,108)	(2,201,836)
5	Arbee Textiles Ltd.	Common Directorship	Payment against interest bearing loan	339,769,344	329,473,142
6	LIPD Industries Ltd.	Common Directorship	Advance	185,500	185,500
7	GPH Ship Builders Ltd.	Common Directorship	Advance	500,000	500,000

01 July 2019 to 30 September 2019 Taka	01 July 2018 to 30 September 2018 Taka
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#### 12.00 Key management personnel compensation

In accordance with para 17 of BAS 24 related party disclosure: during the period the amount of compensation paid to key management personnel including Board of Directors is as follows;

Short term employee benefits	14,189,380	12,653,330
Post Employment Benefits	526,611	580,266
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	<b>14,715,991</b>	<b>13,233,596</b>

#### 13.00 Directors' Remuneration

Details of directors' remuneration paid during the period are as follows:

Name	Designation		
Mr. Mohammed Jahangir Alam	Managing Director	1,050,000	1,050,000
Mr. Md. Almas Shimul	Director	1,875,000	1,875,000
Mr. Md. Ashrafuzzaman	Director	690,000	690,000
Mr. Md. Abdul Ahad	Director	690,000	690,000
		<b>4,305,000</b>	<b>4,305,000</b>

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

