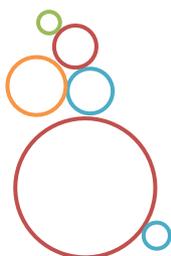


RIGHTS SHARE OFFER DOCUMENT



MANAGERS TO THE ISSUE



GOD FEARING

PLAIN LIVING

HIGH THINKING



GPH Ispat Limited, Crown Chamber, 325 Asadgonj, Chittagong-4000.
Phone: 880-31-631460 (PABX), 2854997; Fax: 880-31-610995
Email: info@gphispat.com.bd, Web: www.gphispat.com.bd

RIGHTS SHARE OFFER DOCUMENT

Date: February 09, 2016

Rights Offer of **187,110,000** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.14.00** each including a **premium of Tk.4.00** per share, totaling **Tk.2,619,540,000** offered on the basis of **03[R]:02**, i.e. 03 (three) Right Shares for every 02 (two) existing shares held on the record date.

RECORD DATE FOR ENTITLEMENT OF RIGHTS OFFER

Record Date	March 08, 2016	
Date of Subscription	Opens on April 17, 2016	Closes on May 12, 2016
Within Banking Hours Both Days Inclusive		

MANAGERS TO THE ISSUE



BANCO FINANCE AND INVESTMENT LIMITED

Baitul View Tower (11th Floor),
56/1, Purana Paltan, Dhaka-1000
Phone: 7125703, 7124438, 7125910; Fax: 880-2-7125634
E-mail: banco.bd@gmail.com; Website: www.bfilbd.org



LANKABANGLA INVESTMENTS LIMITED

Eunoos Trade Center, Level - 21,
52-53, Dilkusha C/A, Dhaka - 1000, Bangladesh
Phone: +88 02 711 35 85, 956 12 38; Fax: +88 02 711 57 56;
e-mail: info@lankabangla-investments.com;
Website: www.lankabangla-investments.com

FULLY UNDERWRITTEN BY

Banco Finance And Investment Limited Baitul View Tower (11th floor), 56/1 Purana Paltan, Dhaka-1000	Lankabangla Investments Limited Eunoos Trade Center, Level - 21, 52-53, Dilkusha C/A, Dhaka - 1000
BetaOne Investments Limited Green Delta AIMS Tower (Level - 4) 51-52, Mohakhali C/A, Dhaka-1212	Alpha Capital Management Limited National Scout Bhaban (5th floor), 70/1, Inner Circular Road, Dhaka-1000
AFC Capital Limited Tanaka Tower (2nd floor), 42/1/Gha, Segun Bagicha, Dhaka-1000	Prime Bank Investment Limited Peoples Insurance Bhaban, (11th floor), 36, Dilkusha, Dhaka-1000
ICB Capital Management Limited BDBL Bhaban (Level-16) 8, Razuk Avenue, Dhaka-1000	

CREDIT RATING STATUS

	Rating Year	Long Term	Short Term
Entity Rating	2015	AA3	ST-2
Date of Rating	22 September 2015		
Rating Assigned By: Credit Rating Agency of Bangladesh Ltd (CRAB)			

BANKERS TO THE ISSUE

BRAC Bank Limited 1, Gulshan Avenue, Gulshan-1, Dhaka-1212	Eastern Bank Ltd. 10 Dilkusha C/A, Jiban Bima Bhaban, Dhaka-1000
Bank Asia Limited Rangs Tower (2nd to 6th Floor), 68, Purana Paltan, Dhaka-1000	Prime Bank Limited Adamjee Court Annex Building-2, 119-120, Motijheel C/A, Dhaka-1000
Investment Corporation of Bangladesh (ICB) 8, DIT Avenue (Level 14-17), Dhaka-1000	



GPH Ispat Limited

Crown Chamber, 325 Asadgonj, Chittagong-4000.
Phone: 880-31-631460 (PABX), 2854997
Fax: 880-31-610995,
Email: info@gphispat.com.bd, Web: www.gphispat.com.bd

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

TABLE OF CONTENTS

Reference	Particulars	Page Number
Rule-8(a)	Date of the rights share offer document	Cover Page
Rule-8(b)	Amount of rights share, divided into number of shares, per value and the issue price of each share, and number of right offered for each existing share.	Cover Page
Additional	Definition and Elaboration of the abbreviated words.	V
	Corporate Information	1
Rule – 8 (c)	Highlight of the rights offer, risk factors, and management plans for reduction of such risks	2-4
	Highlight of the rights offer [History of the Company, Corporate Status and Background, Nature of Business, The Rights Issue and Issue Price]	2
	Risk Factor and Management Perception About the Risks	3-4
Rule – 8 (d)	Date and Time of Opening and Closing of Subscription	5
Rule – 8 (e)	Purposes of raising fund through rights share, specifying clearly the heads and amount of the fund utilization, and identifying various proposed projects with heads and amount of expenditure for each projects, and also highlights of such projects	5
	Purpose of the raising fund through rights issue	5
Additional	Five years Information Regarding AGM Held and Dividend Declared	5
Rule – 8 (f)	Name of the products manufactured or to be manufactured or services rendered or to be rendered by the issuer together with capacity or proposed capacity of the existing and proposed projects vis-a-vis capacity utilized by the existing project during the last three years or such shorter period during which the issuer was in commercial operation.	5
	Existing Services Rendered by the Company	5
Additional	Equity Structure of the Company	6
	Financial Highlights of the Previous Years	6
Rule – 8 (g)	If the issue price of rights share is higher than the par value thereof, justification of the premium should be stated with reference to-	7-8
	Net Asset Value Per Share	7
	Average Market Price Per Share	8
Rule – 8 (h)	Cash flows statement, profit and loss account, balance sheet, changes in equity and notes to the accounts of the issuer	9-40
	Auditors' report to the shareholders of GPH Ispat limited	9
	Statements of Financial Position	10
	Statement of Comprehensive Income	11
	Statement of Changes in Equity	12
	Statement of Cash Flows	13
	Notes, Comprising a Summary of Significant Accounting Policies and Other Explanatory Information	14-40
Rule – 8 (i)	Summarized cash-flows statement, profit and loss account and balance sheet, and dividend declared and paid for each of the 5 (five) years immediately preceding the issue of rights share offer document or for such shorter period during which the issuer was in commercial operation.	41-43
	Auditors Report in pursuance of section 135(1) under Para 24(1) of part – II of the Third Schedule of Companies Act 1994 of GPH Ispat Limited	41-42
	Auditors' Certificate Of Compliances Of Conditions Of The Corporate Governance Guidelines to the shareholders [SEC/CMRRCD/2006-158/134/Admin/44 Dated 7august 2012]	43
Rule – 8 (j)	Length of time during which the issuer has carried on business	44
Rule – 8 (k)	Implementation schedule for completion of each segment of the project alongwith the proposed dates of trial and commercial operation of the proposed project	44
Rule – 8 (l)	Quantity of shares held by each director and persons who hold 5% or more of the paid-up share capital of the issuer on the date of the rights share offer document.	45
	Quantity of shares held by each director on the date of the rights share offer document.	45
	Composition of shareholding position of the company	45
	Beneficial owners holding shares 5% or Above	45
Rule – 8 (m)	Name, address, description and occupation of directors; managing director, managers and company secretary of the company	46
	Board of Directors	46
	Management & Executives	46
Rule – 8 (n)	Name of the public listed companies under common management	47

Rule – 8 (o)	Name and address of the underwriter(s) along with the number of shares underwritten by each underwriter, and also the name and address of issue manager, auditors, legal adviser and banker to the rights issue	47-48
	Classified Information and Underwriters	47
	Underwriters' Obligation	48
Rule – 8 (p)	Particulars along with the terms and conditions of the material contracts including vendors' agreement, underwriting agreement, issue management agreement, agreement with the banker to the issue and contract for acquisition of property, plant and equipment	49-51
	Terms and Condition of Right Issue [Basis of the Offer, Entitlement, Acceptance of Offer, Renunciation. General, Condition of Subscription, Payment of Share Price, Lock-in on Rights Share and Other]	49-50
	Material Contracts [Bankers to the Issue, Underwriters, Manager to the Issue, Vendor's agreement & Contract for Acquisition of property]	50-51
Rule – 8 (q)	Number of rights shares that the directors are going to subscribe, and in case they propose to make renunciation, the reasons and extent of such renunciation	51
	Directors' take-up in the Rights Offer	51
Rule – 8 (r)	Statement of actual utilization of fund raised by public offering of shares or rights shares, if any, prior to the proposed rights issue vis-a-vis plan thereof.	52
	Declaration regarding utilization of previous fund (IPO)	52
Rule – 8 (s)	Application form for depositing the subscription money with the bankers to the issue for the rights share, with the provision for renunciation of the rights offer	69-74
	Application Form-A, Bankers to the Issue	69-72
	Renunciation Form-B & C	73-74
Rule – 8 (t)	Declaration about the responsibility of the issue manager, the underwriter, the auditors and the directors in Forms-A, B, C, and D respectively	52-55
	Form-A & Form-B	52-53
	Form-C & Form-D	54-55
Rule – 8 (u)	A statement that a lock-in on the rights shares of the directors (including their renounced shares) for a period of three years from the date of closure of the rights share subscription shall be operative	56
	Statement of Lock-in on the Rights Shares	56
Rule – 8 (v)	A declaration that the rights shares to be issued in dematerialized form and that the subscribing shareholders have to apply with respective depository accounts	Cover Page
Rule – 8 (w)	Credit Rating Report of the Issuer	57-67



**DEFINITION AND ELABORATION OF THE ABBREVIATED
WORDS AND TECHNICAL TERMS USED IN THE RIGHTS OFFER DOCUMENT**

Acronym	Elaboration
Allotment	: Letter of Allotment for Shares
BB	: Bangladesh Bank
BSEC	: Bangladesh Securities and Exchange Commission
BO A/C	: Beneficial Owner Account or Depository Account
BFIL	: Banco Finance And Investment Limited
CDBL	: Central Depository Bangladesh Ltd.
Commission	: Bangladesh Securities and Exchange Commission
Companies Act	: Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	: Chittagong Stock Exchange Limited
DSE	: Dhaka Stock Exchange Limited
EPS	: Earnings Per Share
Issue	: Rights Issue
Issuer Company	: GPH Ispat Limited
Issue Managers	: Banco Finance & Investment Limited And Lankabangla Investments Limited
NAV	: Net Asset Value of the Company
Offering Price	: Price of the Securities of GPH Ispat Limited being Offered
Registered Office	: Head Office of the Company
RI	: Rights Issue
Rights Issue Rules	: Securities and Exchange Commission (Rights Issue) Rules, 2006
RJSC	: Registrar of Joint Stock Companies & Firms
ROD	: Rights Share Offer Document
Securities	: Shares of GPH Ispat Limited
Share Market	: Market of the Securities in Bangladesh
Sponsors	: The Sponsor Shareholders of GPH Ispat Limited
Stockholders	: Shareholders
Subscription	: Application Money
The Company	: GPH Ispat Limited





RIGHTS ISSUE OF SHARES

February 11, 2016

Dear Shareholder(s)

We are pleased to inform you that the shareholders of GPH Ispat Limited, in its Extra-ordinary General Meeting (EGM) held on September 30, 2015 approved to issue Rights Offer of 187,110,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk.14.00 each including a premium of Tk.4.00 per share, totaling Tk.2,619,540,000 offered on the basis of 03[R]:02, i.e. 03 (three) Right Shares for every 02 (two) existing shares held on the record date. The purposes of the Rights Issue are to enhancement of production capacity of MS Billet for 840,000 M. Ton (per annum) and MS Rod & Section Product for 640,000 M. Ton (per annum) which will be added to the existing capacity of 168,000 M. Ton MS Billet and 120,000 M. Ton MS Product.

Due to satisfactory operation, GPH Ispat Limited has been able to continue its growth in term of business activities and services through efficient utilization of investible funds and human resources by the management under the direction of the Board of Directors as well as patronization and active participation of all our valued shareholders and customers. GPH Ispat Limited has earned a Net Operating Income of Tk.242,026,740/- for the period from 01 May 2014 to 31st January, 2015. The Board of Directors of your Company consider that GPH Ispat Ltd's prospects for upcoming years are very prospective and the funds to be raised by the Rights Issue will enable the Company to achieve sustainable growth and to maximize the wealth of Company.

The Board believes that the offer terms are attractive and hope, you would come forward with your full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Bangladesh Securities and Exchange Commission is enclosed for your kind information and evaluation.

On behalf of the Board of Directors,

Sd/-

Mohammed Jahangir Alam
Managing Director

CORPORATE INFORMATION



GPH Ispat Limited

Crown Chamber, 325 Asadgonj, Chittagong-4000.
Phone: 880-31-631460 (PABX), 2854997
Fax: 880-31-610995,
Email: info@gphispat.com.bd, Web: www.gphispat.com.bd

Company Milestones

Stock Summary & Financial Information

Authorized Capital	Tk.	2,500.00 Million	As per Audited Financial Statements for the period ended 31 January 2015
Paid up Capital	Tk.	1,247.40 Million	
Total Shareholders' Equity	Tk.	1,994.79 Million	
Total Assets	Tk.	6,474.48 Million	
Total Operating Profit	Tk.	242.03 Million	
Net Cash Generated from Operating activities	Tk.	34.72 Million	
No. of Employees		687 Persons	

Corporate History

Incorporation of the Company	CH-5853 of 2006	May 17, 2006
Commencement of Business		21 August 2008
Conversion to Public Ltd. Company		18 December 2009
BOI Registration		20060607-C
TIN Certificate		875829530252
VAT Registration		24241012302
Trade License		180048
Import Registration Certificate		BA-0165484
Export Registration Certificate		RA-0088918
Head Office		Crown Chamber, 325 Asadgonj, Chittagong-4000.
Factory		Masjiddah, Kumira, Sitakunda, Chittagong.
Dhaka Office		Hamid Tower (3rd Floor), 24 Gulshan C/A, Circle-2, Dhaka-1212

Board of Directors

Chairman	Mr. Md. Alamgir Kabir
Managing Director	Mr. Mohammed Jahangir Alam
Director & Additional Managing Director	Mr. Md. Almas Shimul
Director	Mr. Md. Abdur Rouf
	Mr. Md. Ashrafuzzaman
	Mr. Md. Abdul Ahad
	Mr. Md. Azizul Hoque
Independent Director	Professor Dr. Mohammad Saleh Jahur
	Mr. Md. Velayet Hossain

Corporate Officials

Company Secretary	Mr. Arafat Kamal, FCA
Chief Financial Officer	Mr. Kamrul Islam, FCA
Head of Internal Audit	Mr. Atiqur Rahman

Others Information

Statutory Auditors	Syful Shamsul Alam & Co. Chartered Accountants
Advisor	Mr. Sidhartha Barua, FCA

History of the Company



GPH Ispat Limited is one of the leaders of Bangladesh in manufacturing steel, promises a super strong future and economy with its world class products. Not only structural bar, but GPH Ispat Ltd is also one of the producers of low & medium carbon and low alloy steel billets in Bangladesh, the main Ingredients of manufacturing graded steel bar. As GPH is ensuring the highest quality products in Bangladesh as per various international and national standards, GPH steel billets and bars are being exported to other countries after nourishing national demand. The introduction of GPH Ispat Ltd has all the potentials to take Bangladesh quite a few steps forward to a stronger, brighter tomorrow.

Vision

"To enrich the steel sector of Bangladesh as a beacon of light for others and to help the country in upcoming infrastructural development with upgraded technologies."

Mission

"To provide customers with excellent services and products resulting in constant improvement and innovation at the highest level of quality."

Corporate Status and Background

GPH Ispat Limited is one of the leading integrated steel manufacturing companies in Bangladesh engaged in manufacturing of M. S. Billet & M. S. Rod. The Company was incorporated in Bangladesh on 17 May 2006 as a Private Company limited by shares under the Companies Act 1994. The principal activities of the Company are 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. The Company subsequently converted into a Public Limited Company.

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, Chittagong, and its factory is situated at Masjiddah, Kumira, Sitakunda, Chittagong.

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 Rights Issue

GPH Ispat Limited plans to increase paid-up capital through issuance of Rights Shares. The Board of Directors of GPH Ispat Limited in its 40th meeting held on August 08, 2015, recommended for issuance of Rights Share on the basis of 03[R]:02, i.e. 03 (three) right shares for every 02 (two) existing share held on the record date for entitlement (subject to the approval of BSEC). The Rights offer is issuance of **187,110,000** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.14.00** each including a premium of **Tk.4.00** per share, totaling **Tk.2,619,540,000** offered on the basis of 03[R]:02, i.e. 03 (three) Right Shares for every 02 (two) existing shares held on the record date.



Issue Price

The Issue Price for the rights share of the Company is Tk.10.00 each at an issue price of Tk.14.00 each including a premium of Tk.4.00 per share, totaling **Tk.2,619,540,000/-** offered on the basis of 03[R]:02, i.e. 03 (three) Right Shares for every 02 (two) existing shares held on the record date (subject to the approval of BSEC).

RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT THE RISKS [see rule-8(c)]

Risk is always associated with investments and investing in the company involves inherent risk factors. There are a number of factors, both specific to GPH Ispat Limited and of a general nature, which may affect the future operating and financial performance of the Company and the value of an investment. Some of these factors can be mitigated by the use of safeguards and appropriate managerial action. However, many are outside the control of the Company and cannot be mitigated. The objective of risk management system of the Company is to identify measure and manage risks in order to ensure the company's asset quality and protect between of our stakeholders.

The information given below does not assert to be exhaustive. Additional risks or uncertainties are presently not known to the company or that are currently deemed immaterial may also have a material adverse effect on the Company's business, financial condition and operating results. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

Prior to accepting their Entitlements, Applicants should carefully consider the following risk factors, as well as the other information contained in this right offer documents.

INTEREST RATE RISK

Interest rate risk is the risk that Company faces due to unfavorable movement in the interest rates. Changes in the Government's monetary policy, along with increased demand for loans/investments trend to increase the interest rates. Such rises in interest rates mostly affect Companies having floating rate loans or Companies investing in debt securities.

Management Perception

In order to manage this risk and overcome it, the Company shall exercise good management in its cash flows, coupled with continued strength in sales and marketing. GPH is very careful in forecasting the prices of International steels and manage its costs in an effective manner, so as to ensure that the debt repayments are met on schedule, even if the interest rates were to rise.

EXCHANGE RATE RISK

Exchange rate risk occurs due to changes in exchange rates. As the Company import equipments/raw materials from abroad and earns revenue in local currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company.

Management Perception

Appropriate and responsible hedging mechanisms were applied by GPH in the past in case of significant taka devaluation in order to keep the cost minimum and same will be followed in future. However, if the price of the US dollar appreciates too sharply against the BDT, this will be a nationwide phenomena experienced by the whole industry. In such a scenario, there will be a market adjustment to end product prices.

INDUSTRY RISK

Profitability may reduce

The Company is operating in a highly competitive industry with low profit & highly sensitive to the market. Moreover the Company faces competition from a number of private sector mills those are found to be very aggressive in the market. Inability of offering competitive products will hinder the Company's growth potential.

Management Perception

The Company has successfully accessed the market till date and is working on offering new and better quality products at competitive terms. Moreover the group's track records of last 3 (three) years for operating in the low profit and highly market sensitive environment establishes its capability.

New Entrants may enhance competition

New entrants of similar/higher scale may push the Company in a competitive scenario.

Management Perception

Implementation of similar project generally have a lead time of 3 (three) years and before the earliest entrant the Company will be able to consolidate its both financial as well as market position. Furthermore, with the track record of GPH and its market reputation it will be very difficult for new comers to make inroads into the quality steels market. Moreover, Steel is a higher capital-intensive industry and therefore, barriers to entry are high. Hence, first-mover's advantage is big and GPH, with its past experience and performance, will enjoy this advantage.

MARKET AND TECHNOLOGY- RELATED RISK

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.

Management Perception

The company is aware of technological changes and has adopted new technology according to its needs. Furthermore, routine and proper maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

POTENTIAL OR EXISTING GOVERNMENT REGULATIONS

The Company operates under Company's Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

Management Perception

Since the Company Operates in Steel sector, the Government regulations are mostly investment- friendly. However, unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected. As it is an emerging sector, it is highly expected that the Government will not frustrate the growth of the industry with adverse policy measures.

POTENTIAL CHANGES IN THE GLOBAL OR NATIONAL POLICIES

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to changes in policy in the international market might hamper the production and profitability. Furthermore, the performance of the company would also be hampered due to unavoidable circumstances both in Bangladesh and worldwide like political turmoil. Since the risk involved with the potential changes in global or national policies is a macro factor, it is beyond the capability of GPH to control.

Management Perception

The management of GPH Ispat Limited is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and timely to safeguard its interest. Strong brand equity of the company in the local market and deep and profound knowledge of the sponsors will always endeavor to withstand the unexpected changes or any such potential threats. Nevertheless, political stability and a congenial business environment is definitely the best situation in which GPH will achieve its maximum potential. Political turmoil and disturbance are bad for the economy as a whole and also for the company. On the other hand, Government has special attention for the growth of the industry as it is related to infrastructure development of the country.

HISTORY OF NON-OPERATION, IF ANY

Is there any history for the Company to become non-operative from its commercial operation?

Management Perception

GPH Ispat Limited was incorporated in Bangladesh as a Private Limited Company with limited liability as on May 17, 2006 under the Companies Act 1994 and started commercial operation on August 21, 2008 and it has no history of non operation till now. The Company is an Independent entity which is operated by its Memorandum & Articles of Association and within the jurisdiction applicable laws Implemented by the Government. Besides, the Company's financial strength is satisfactory. So, the chance of becoming non-operative for the Company is low.

OPERATIONAL RISK

Non-availability of materials/equipments/services may affect the smooth operational activities of the Company. On the other hand, the equipments may face operational and mechanical failure due to natural disaster, terrorist attack, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception

The company is equipped with power backup and security system, which reduce operational risk. Besides, the equipments have Insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine security check and proper maintenance of the equipment also reduce/eliminate the operational risk.

DATE & TIME OF OPENING AND CLOSING OF SUBSCRIPTION [see rule-8(d)]

Subscription opens for the rights shares offer on **April 17, 2016** and subscription closes for the rights shares offer on **May 12, 2016**.

PURPOSE OF RAISING FUND THROUGH RIGHTS ISSUE [see rule-8(e)]

The objective of behind the issuance of Rights Share is to enhancement of production capacity of MS Billet by 840,000 M. Ton (per annum) for enhancement of total capacity to 1,008,000 M. Ton (per annum) and MS Rod and Section Product by 640,000 M. Ton (per annum) for enhancement of total capacity to 760,000 M. Ton (per annum) It is to be noted that, the present annual production capacity of MS Billet is 168,000 M. Ton and MS Rod is 120,000 M. Ton.

Sd/-
Mohammed Jahangir Alam
Managing Director

Sd/-
Kamrul Islam, FCA
Chief Financial Officer

**5 (FIVE) YEARS INFORMATION REGARDING
AGM HELD AND DIVIDEND DECLARED BY THE COMPANY**

Financial Year	AGM Title	Date of AGM Held and Dividend Declared	Rate of Dividend	
			Stock	Cash
2013-2014	8 th AGM	November 10, 2014	5%	15%
2012-2013	7 th AGM	November 09, 2013	10%	15%
2011-2012	6 th AGM	November 13, 2012	20%	10%
2010-2011	5 th AGM	August 18, 2011	40%	-
2009-2010	4 th AGM	December 31, 2010	-	-

EXISTING PRODUCTS MANUFACTURED BY THE COMPANY [see rule-8(f)]

GPH Ispat Ltd one of the leaders of Bangladesh in manufacturing steel, promises a super strong future and economy with its world class products. Not only structural bar but GPH Ispat Ltd is also one of the producers of low & medium carbon and low alloy Steel Billets in Bangladesh, the main Ingredients of manufacturing graded Steel Bar. The introduction of GPH Ispat Ltd has all the potentials to take Bangladesh quite a few steps forward to a stronger, brighter tomorrow.

The Existing Products manufactured by the Company is as under:

1. MS Billet
2. MS Rod



EQUITY STRUCTURE OF THE COMPANY

Sl. No.	Particulars	January 31, 2015 Taka
A	Paid-up Capital	1,247,400,000
	Share Premium	388,000,000
	Tax Holiday Reserve	13,554,021
	Retained earnings	345,840,494
	Total Shareholders' Equity	1,994,794,515
B	Total Number of Shares	124,740,000
C	Equity Based Value per share	15.99

FINANCIAL HIGHLIGHTS OF THE PREVIOUS YEARS

Particulars	(Amount in BDT)					
	January 31, 2015	April 30, 2014	April 30, 2013	April 30, 2012	April 30, 2011	April 30, 2010
Share Capital	1,247,400,000	1,188,000,000	1,080,000,000	900,000,000	500,000,000	500,000,000
Share premium	388,000,000	388,000,000	388,000,000	388,000,000	-	-
Tax holiday reserve	13,554,021	13,554,021	112,354,364	159,472,583	103,729,009	49,446,718
Retained earnings	345,840,494	341,413,754	233,760,361	209,559,941	8,015,768	79,387,934
Total Equity	1,994,794,515	1,930,967,775	1,814,114,725	1,657,032,524	611,744,777	628,834,652
Net Profit after Tax	242,026,740	278,853,050	250,124,897	257,287,747	182,910,124	110,249,598
Number of Shares	124,740,000	118,800,000	108,000,000	90,000,000	50,000,000	50,000,000
Face Value	10.00	10.00	10.00	10.00	10.00	10.00
NAV Per Share	15.99	16.25	16.80	18.41	12.23	12.58
EPS	1.94	2.35	2.32	3.53	3.66	2.20
Dividend	Cash: N/A	Cash: 15%	Cash: 15%	Cash: 10%	Cash: Nil	Cash: Nil
	Stock: N/A	Stock: 5%	Stock: 10%	Stock: 20%	Stock: 40%	Stock: Nil
Cash flow from Operating activities	34,715,023	329,018,097	1,126,845,036	14,680,800	(534,471,810)	128,233,281
Net Operating Cash Flow per Share (NOCFPS)	0.28	2.77	10.43	0.16	(10.69)	2.56

* As per Audited Financial Statements

IF THE ISSUE PRICE OF RIGHTS SHARE IS HIGHER THAN THE PAR VALUE THEREOF, JUSTIFICATION OF THE PREMIUM SHOULD BE STATED WITH REFERENCE TO- [see rule-8(g)]

The rights issue price at Tk.10.00 each per share is justified as per the guidelines of the Bangladesh Securities and Exchange Commission (BSEC) as given in the table below:

Valuation Methods		Offer Price (Taka)
Method (i)	Net Asset Value per Share	15.99
Method (ii)	Historical Earnings Based Value per Share	28.72
Method (iii)	Average Market Price per Share	43.10

Method (i): Net Assets Value per share

Particulars		As on January 31, 2015 Amount (BDT)
A	Non-Current Assets:	
	Property, Plant & Equipment	1,626,316,386
	Intangible Assets	652,500
	Investments	182,957,785
	Total Non-Current Assets	1,809,926,671
	Current Assets	
	Short term investment	220,715,641
	Advance, Deposits & Pre-payments	393,062,193
	Inventories	2,843,526,277
	Trade Receivables	1,094,086,865
	Cash and Cash Equivalents	113,162,693
Total Current Assets	4,664,553,669	
Total Assets	6,474,480,340	
B	Non-Current Liabilities	
	Long Term Loan	78,647,158
	Finance lease obligations	32,843,173
	Deferred Tax Liability	114,673,561
	Total Non-Current Liabilities	226,163,892
	Current Liabilities	
	Current Portion of Long Term Loan	63,096,655
	Current portion of finance lease obligations	24,038,233
	Short term borrowings	3,438,930,640
	Creditors & Accruals	646,308,319
	Provision for Tax	81,148,086
Total Current Liabilities	4,253,521,933	
Total Liabilities	4,479,685,825	
C=(A-B)	Net Asset	1,994,794,515
D	Total Number of Ordinary Share Outstanding	124,740,000
E=(C/D)	Net Asset Value (NAV) Per Share	15.99

NAV is also equivalent to the Equity Based Value per share which is depicted below:

Sl. No.	Particulars	As on January 31, 2015 Amount (BDT)
A	Share Capital	1,247,400,000
	Share premium	388,000,000
	Tax holiday reserve	13,554,021
	Retained earnings	345,840,494
	Total Shareholders' Equity	1,994,794,515
B	Total Number of Shares	124,740,000
C	Equity Based Value per share	15.99

Method (ii): Historical Earnings Based Value per Share

Year	No. of Share	Net Profit after tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
31 January, 15	124,740,000	242,026,740	0.2303	55,749,188.51
30 April, 14	118,800,000	278,853,050	0.2194	61,173,214.06
30 April, 13	108,000,000	250,124,897	0.1994	49,882,721.27
30 April, 12	90,000,000	257,287,747	0.1662	42,759,347.84
30 April, 11	50,000,000	182,910,124	0.0923	16,887,960.63
30 April, 10	50,000,000	110,249,598	0.0923	10,179,266.35
	541,540,000	1,321,452,156	1.0000	236,631,698.66
Total Number of Share				124,740,000
Weighted Average Earnings per Share				1.8970
Present Market PE (As per DSE Review November 30, 2015)				15.14
Historical Earnings Based Value per Share (1.8970 x 15.14)				28.72

(Considering Taka 10.00 per share)

Method (iii): Average Market Price per Share

(Amount in BDT)

Date	Market Performance	
	Face Value	Price
Market price per shares as on 31 December 2015	10.00	41.10
Market price per shares as on 30 November 2015	10.00	38.80
Market price per shares as on 29 October 2015	10.00	39.00
Market price per shares as on 30 September 2015	10.00	44.30
Market price per shares as on 31 August 2015	10.00	44.90
Market price per shares as on 30 July 2015	10.00	50.50
Average Market Price per Share	10.00	43.10

(Source: DSE Monthly Review, Considering Taka 10.00 per share)

**CASH FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT, BALANCE SHEET, CHANGES IN EQUITY AND NOTES TO
THE ACCOUNTS OF THE ISSUER [see rule-8(h)]**

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
GPH ISPAT LIMITED**

We have audited the accompanying financial statements of GPH Ispat Limited, which comprise of the statement of financial position as at 31 January 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the period from 1 May 2014 to 31 January 2015, and a summary of significant accounting policies and other explanatory information. Comparative information for the period ended 31 January 2014 are unaudited.

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 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the 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 Financial Reporting Standards (BFRS), give a true and fair view of the financial position of the company as at 31 January 2015 and of its financial performance and cash flows for the period from 1 May 2014 to 31 January 2015 and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

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

Dated: Chittagong,
05 May, 2015

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

GPH ISPAT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2015

Particulars	Note (s)	31 January 2015 Taka	30 April 2014 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,626,316,386	1,653,993,556
Intangible asset	5	652,500	720,000
Investments	6	182,957,785	176,717,739
Total non-current assets		1,809,926,671	1,831,431,295
Current assets			
Short term investment	7	220,715,641	198,694,898
Advances, deposits and prepayments	8	393,062,193	255,000,648
Inventories	9	2,843,526,277	2,488,344,541
Trade receivables	10	1,094,086,865	1,029,049,013
Cash and cash equivalents	11	113,162,693	43,958,982
Total current assets		4,664,553,669	4,015,048,082
Total Assets		6,474,480,340	5,846,479,377
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,247,400,000	1,188,000,000
Share premium		388,000,000	388,000,000
Tax holiday reserve		13,554,021	13,554,021
Retained earnings		345,840,494	341,413,754
		1,994,794,515	1,930,967,775
Liabilities			
Non-current liabilities			
Long term loan	13	78,647,158	126,356,058
Finance lease obligations	14	32,843,173	50,498,231
Deferred tax liability	17.02	114,673,561	103,251,169
Total non-current liabilities		226,163,892	280,105,458
Current liabilities			
Current portion of long term loan	13	63,096,655	53,977,759
Current portion of finance lease obligations	14	24,038,233	21,732,892
Short term borrowings	15	3,438,930,640	3,100,852,139
Creditors and accruals	16	646,308,319	367,374,612
Provision for tax	17.01	81,148,086	91,468,742
Total current liabilities		4,253,521,933	3,635,406,144
Total liabilities		4,479,685,825	3,915,511,602
TOTAL EQUITY AND LIABILITIES		6,474,480,340	5,846,479,377
NET ASSET VALUE PER SHARE	24	15.99	16.25

The annexed notes 1 to 34 form an integral part of these financial statements.

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

As per our annexed report of same date.

Dated: Chittagong,
05 May, 2015

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

GPH ISPAT LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 31 JANUARY 2015

Particulars	Note (s)	01 May 2014 to 31 January 2015 Taka	01 May 2013 to 31 January 2014 Taka
Revenue	18	4,010,042,579	3,792,032,494
Cost of sales	19	(3,304,409,894)	(3,046,259,996)
Gross Profit		705,632,685	745,772,498
Administrative expenses	20	(66,014,511)	(63,393,241)
Selling and distribution expenses	21	(60,676,643)	(55,030,730)
Profit from operating activities		578,941,531	627,348,527
Financial expenses	22	(255,589,108)	(302,851,211)
Non-operating income	23	19,604,893	19,530,509
Profit/(Loss) on Investment	6	6,182,546	-
Profit before WPPF		349,139,862	344,027,825
Contribution to WPPF		(17,456,993)	(17,201,391)
Profit before Income Tax		331,682,869	326,826,434
Income tax expenses			
-Current	17.01.02	(78,233,737)	(67,191,286)
-Deferred	17.02	(11,422,392)	(16,797,821)
Profit after tax		242,026,740	242,837,327
Other comprehensive income			
Items that will never be reclassified to profit or loss		-	-
Items that are or may be reclassified to profit or loss		-	-
Total comprehensive income		242,026,740	242,837,327
Earning Per Share (Basic)	25	1.94	2.04
Restated Earning Per Share (Basic)	25		1.95

The annexed notes 1 to 34 form an integral part of these financial statements.

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

As per our annexed report of same date.

Dated: Chittagong,
05 May, 2015

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

GPH ISPAT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JANUARY 2015

(Amount in Taka)

	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earnings	Total Equity
Balance as on 01 May 2013	1,080,000,000	112,354,364	388,000,000	233,760,361	1,814,114,725
Dividend (Stock)	108,000,000	-	-	(108,000,000)	-
Dividend (Cash)	-	(108,000,000)	-	(54,000,000)	(162,000,000)
Tax holiday reserve	-	9,377,106	-	(9,377,106)	-
Unrealized gain on shares	-	-	-	18,071,729	18,071,729
Net profit after tax	-	-	-	242,837,327	242,837,327
Balance as at 31 January 2014	1,188,000,000	13,731,470	388,000,000	323,292,311	1,913,023,781
Balance as on 01 May 2014	1,188,000,000	13,554,021	388,000,000	341,413,754	1,930,967,775
Dividend (Stock)	59,400,000	-	-	(59,400,000)	-
Dividend (Cash)	-	-	-	(178,200,000)	(178,200,000)
Net profit after tax	-	-	-	242,026,740	242,026,740
Balance as at 31 January 2015	1,247,400,000	13,554,021	388,000,000	345,840,494	1,994,794,515

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

GPH ISPAT LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JANUARY 2015

Particulars	01 May 2014 to 31 January 2015 Taka	01 May 2013 to 31 January 2014 Taka
Cash Flows from Operating Activities		
Collection from sales and other income	3,942,268,677	3,698,749,296
Cash payments to suppliers, employees and others	(3,579,373,750)	(3,681,847,251)
Income tax paid	(88,554,393)	(43,786,142)
Interest paid (net)	(239,625,511)	(283,491,036)
Net cash generated from/(used in) operating activities	34,715,023	(310,375,133)
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(53,013,145)	(69,360,372)
Investment in shares	(57,500)	(136,704,829)
Dividend received against investment in shares	3,641,296	170,334
Short term investments	(22,020,743)	-
Net cash used in investing activities	(71,450,092)	(205,894,867)
Cash Flows from Financing Activities		
(Repayment) / Receipt of long term loans	(47,708,900)	8,067,570
(Repayment) / Receipt of finance lease obligation	(15,349,717)	8,776,302
Dividend paid	(178,200,000)	(162,000,000)
(Repayment) / Receipt of short term borrowings	347,197,397	677,095,510
Net cash generated from financing activities	105,938,780	531,939,382
Net increase in Cash and Cash Equivalents	69,203,711	15,669,382
Opening Cash and Cash Equivalents	43,958,982	205,785,767
Closing Cash and Cash Equivalents	113,162,693	221,455,149

Period for statement of financial position and statement of profit or loss and other comprehensive income has been presented as per the requirement of BAS 34: Interim Financial Reporting. So opening cash and cash equivalents balances of current period do not match with the prior period's closing balances.

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

GPH ISPAT LIMITED
Notes to the financial statements
For the period ended 31 January 2015

1.00 THE 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. 1,000,000,000 to Tk. 2,500,000,000.

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, Chittagong, 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 PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.01 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.

2.02 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 31 January 2015
- b) A statement of profit or loss and other comprehensive income for the period ended 31 January 2015
- c) A statement of changes in equity for the period ended 31 January 2015
- d) A statement of cash flows for the period ended 31 January 2015
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 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.

2.04 Authorization for issue

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

2.05 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

2.06 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.

2.07 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.

2.08 Applicable financial reporting standards

BAS 1 Presentation of Financial Statements

BAS 2 Inventories

BAS 7 Statement 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 Costs

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 Instrument : Disclosures

BFRS 13 Fair Value Measurement

2.09 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	Intangible asset
Note 9	Inventories
Note 10	Trade Receivables
Note 16	Creditors and accruals (Defined benefit obligation)
Note 17	Deferred tax liabilities
Note 17	Provision for tax
Note 32	Contingent liabilities

2.10 Change in accounting estimates

From 1 May 2014, depreciation is charged on addition from the month (date of service) of acquisition/addition and no depreciation is charged in the month of disposal. Previously full year's depreciation was charged on addition irrespective of the date of acquisition/addition and no depreciation was charged in the year of disposal.

2.11 Reporting period

These financial statements cover the period from 1 May 2014 to 31 January 2015.

3.00 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 period and were also consistent with those used in earlier periods.

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.

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of financial statements for the period ended 31 January 2015 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 April 2014.

3.02 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.

3.03 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 equipment	Rate
Land and Land Development	-
Plant and Machinery	10%
Factory Building	5%
Furniture, Fixture and Decoration	10%
Computer and Accessories	20%
Motor Vehicle	10%
Logistic Vehicle	7.5%
Electrical and Gas Line Installation	5%
Lab Equipment	10%
Office Equipment	20%

Depreciation is charged on addition from the month (date of service) of acquisition/addition and no depreciation is charged in the month of disposal.

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.

3.04 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.

3.05 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 recognized at fair value 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 in active market at the reporting date.

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

3.07 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	Average cost/Net realizable value
Finished goods	At cost/Net realizable value
Goods in transit	At cost
Stores and spares	Average cost

3.08 Financial assets

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 include Short Term Investments; Trade and Other Receivable; Advances, Deposits and Prepayments; Loan to Related Companies and Cash and Bank balances etc.

3.08.01 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.

3.08.02 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.

3.08.03 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.

3.09 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.

3.09.01 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

3.10.01 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.

3.10.02 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 Taxation

3.13.01 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.

3.13.02 Current tax

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

3.13.03 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".

3.13.04 Tax holiday reserve

Tax holiday reserve is made according to the requirement of section 46B of Income Tax Ordinance 1984 which requires companies to keep 40% of tax exempted income as tax holiday reserve.

3.14 Revenue

In compliance with the requirements of BAS 18 : Revenue from the sale of goods (MS Rod) 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.

3.15 Employee benefits

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

3.15.01 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.

3.15.02 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 Five (5) years	Nil amounts.
Above Five (5) years but below Ten (10) years	Half (0.5) times of last month basic salary x year(s) of service(s)
Above Ten (10) years but below Fifteen (15) years	One (1) times of last month basic salary x year(s) of service(s)
Above Fifteen (15) years	One and half(1.5) times of last month basic salary x year(s) of service(s)

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

3.15.03 Workers' profit participation and welfare funds

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

3.16 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.

3.16.01 Basis of earnings

This represents profit for the period attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, the net profit after tax for the period has been considered as fully attributable to the ordinary shareholders.

3.16.02 Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

3.16.03 Diluted earnings per share

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

3.16.04 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.

3.17 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.

3.18 Events after 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.

3.19 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 period's financial statements.

4.00 Property, plant and equipment - at cost model

Amount in Taka

	Land & Land development	Plant and Machinery	Factory Building	Furniture, Fixture & Decoration	Computer & Accessories	Motor Vehicles	Logistic Vehicles	Gas, Electric Line Installation	Lab Equipment	Office Equipment	Total
Property, plant and equipment at cost											
Balance as on 1 May 2013	239,187,255	802,484,415	607,627,247	10,380,747	6,133,022	47,931,418	129,449,350	165,873,192	22,490,518	3,085,709	2,034,642,873
Addition during the period	10,820,752	58,321,093	2,264,052	1,316,265	804,050	8,561,075	27,247,000	2,402,150	-	2,818,960	114,555,397
Balance as at 30 April 2014	250,008,007	860,805,508	609,891,299	11,697,012	6,937,072	56,492,493	156,696,350	168,275,342	22,490,518	5,904,669	2,149,198,270
Balance as on 1 May 2014	250,008,007	860,805,508	609,891,299	11,697,012	6,937,072	56,492,493	156,696,350	168,275,342	22,490,518	5,904,669	2,149,198,270
Addition during the period	1,679,160	26,316,642	16,363,037	1,064,566	500,100	-	6,450,000	-	-	639,640	53,013,145
Balance as at 31 January 2015	251,687,167	887,122,150	626,254,336	12,761,578	7,437,172	56,492,493	163,146,350	168,275,342	22,490,518	6,544,309	2,202,211,415
Accumulated depreciation											
Balance as on 1 May 2013	-	212,994,691	85,927,316	2,810,396	2,345,636	11,194,909	27,102,538	27,057,731	7,695,477	1,648,971	378,777,665
Charged for the year the period	-	64,781,082	26,198,199	888,662	918,287	4,529,758	9,719,536	7,060,881	1,479,504	851,140	116,427,049
Balance at 30 April 2014	-	277,775,773	112,125,515	3,699,058	3,263,923	15,724,667	36,822,074	34,118,612	9,174,981	2,500,111	495,204,714
Balance as on 1 May 2014	-	277,775,773	112,125,515	3,699,058	3,263,923	15,724,667	36,822,074	34,118,612	9,174,981	2,500,111	495,204,714
<i>Depreciation Rate</i>	-	0.10	0.05	0.10	0.20	0.10	0.075	0.05	0.10	0.20	-
Charged for the year the period	-	44,054,052	18,974,561	636,956	590,572	3,057,587	6,783,241	5,030,877	998,665	563,804	80,690,315
Balance as at 31 January 2015	-	321,829,825	131,100,076	4,336,014	3,854,495	18,782,254	43,605,315	39,149,489	10,173,646	3,063,915	575,895,029
Carrying amount											
As at 30 April, 2014	250,008,007	583,029,735	497,765,784	7,997,954	3,673,149	40,767,826	119,874,276	134,156,730	13,315,537	3,404,558	1,653,993,556
As at 31 January, 2015	251,687,167	565,292,325	495,154,260	8,425,564	3,582,677	37,710,239	119,541,035	129,125,853	12,316,872	3,480,394	1,626,316,386

4.01 Depreciation allocated to:

	Note	01.05.2014 to 31.01.2015	01.05.2013 to 31.01.2014
Direct expenses (90%)	19.02	72,621,284	76,002,288
Administrative expenses (5%)	20.00	4,034,516	4,222,349
Selling and distribution expenses (5%)	21.00	4,034,516	4,222,349
		80,690,316	84,446,986

	Note(s)	31 January 2015 Taka	30 April 2014 Taka
5.00 Intangible asset			
Software			
At Cost			
Opening balance		900,000	900,000
Addition during the period		-	-
Closing balance		<u>900,000</u>	<u>900,000</u>
Accumulated amortization			
Opening balance		180,000	90,000
Addition during the period		67,500	90,000
Closing balance		<u>247,500</u>	<u>180,000</u>
Written down value		<u>652,500</u>	<u>720,000</u>
6.00 Investments			
Investment in private equity	6.01	1,000,000	1,000,000
Investment in quoted shares - at fair value	6.03	181,957,785	175,717,739
		<u>182,957,785</u>	<u>176,717,739</u>
6.01 Investment in private equity			
GPH Steels Limited		1,000,000	1,000,000
		<u>1,000,000</u>	<u>1,000,000</u>
6.02			
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.			
6.03 Investment in quoted shares - at fair value			
Opening balance		175,717,739	40,167,956
Investment made during the period		57,500	136,704,829
Unrealized gain/(loss) during the period		6,182,546	(1,155,046)
		<u>181,957,785</u>	<u>175,717,739</u>

Details of investment in quoted shares

Particulars	Number of shares	31 January 2015		30 April 2014
		Fair value	Gain/(Loss)	Fair value
AB Bank Limited	120,394	3,431,229	108,355	3,322,874
Bank Asia Limited	877,250	15,445,650	(865,150)	16,310,800
Brac Bank Limited	9,200	362,480	145,590	159,390
City Bank Limited	600,000	12,660,000	1,440,000	11,220,000
DESCO Limited	11,818	891,731	200,378	691,353
Eastern Bank Limited	740,000	21,084,000	1,472,000	19,612,000
Envoy Textiles Limited	777,238	42,989,804	8,091,818	34,897,986
Meghna Cement	82,400	9,838,560	(354,320)	10,192,880
Mercantile Bank Limited	12,096	160,861	(17,339)	178,200
National Bank Limited	9,350	109,395	(2,805)	112,200
One Bank Limited	1,345,489	20,443,786	2,225,475	18,218,311
Peoples Insurance	303,400	6,007,320	(1,790,060)	7,797,380
Prime Bank Limited	279,185	5,259,615	(1,128,829)	6,388,444
Pubali Bank Limited	420,000	9,912,000	(2,646,000)	12,558,000
Rupali Bank Limited	14,724	817,182	(79,098)	896,280
Southeast Bank Limited	483,000	9,454,200	(1,075,200)	10,529,400
Square Pharmaceuticals Limited	88,512	22,366,982	708,469	21,658,513
United Airways Limited	89,258	722,990	(250,738)	973,728
	<u>6,263,314</u>	<u>181,957,785</u>	<u>6,182,546</u>	<u>175,717,739</u>

6.04 Investments in quoted shares are carried at fair value as on 31 January 2015. Net gain/(loss) thereon has been charged to Statement of Profit or Loss and Other Comprehensive Income.

	Note(s)	31 January 2015 Taka	30 April 2014 Taka
7.00 Short term investment			
<u>Name of the banks</u>	<u>Rate of Interest (%)</u>		
AB Bank Ltd	9	48,034,027	41,633,951
NCC Bank Ltd	8.25 - 8.50	5,992,938	4,486,443
Premier Bank Ltd	8.50 - 9.50	3,293,688	-
Southeast Bank Ltd	8.75 - 9.00	476,969	446,416
Standard Chartered Bank	7	154,926,574	147,071,898
State Bank of India	9.25 - 10.00	1,890,626	932,257
Trust Bank Ltd	8.25 - 8.75	2,150,637	4,123,933
United Commercial Bank Ltd.	8.75	3,950,182	-
		220,715,641	198,694,898
8.00 Advances, deposits and prepayments			
Advances	8.01	372,482,361	235,132,225
Deposits	8.02	18,919,030	18,426,534
Prepayments	8.03	1,660,802	1,441,889
		393,062,193	255,000,648
8.01 Advances			
For Income tax	8.01.01	138,352,843	126,801,677
For VAT current account		56,250	4,000,646
For LC		168,915,323	58,761,239
For Other supply		59,616,542	40,889,588
For Raw material supply		727,917	783,128
For Employees		4,813,486	3,895,947
		372,482,361	235,132,225
8.01.01 Advance Income Tax			
Opening balance		126,801,677	62,779,078
Addition during the period		100,105,559	107,808,740
Paid/adjusted during the period		(88,554,393)	(43,786,141)
		138,352,843	126,801,677
8.02 Deposits			
Bangladesh Power Development Board		9,000,000	9,000,000
Bakhrabad Gas Systems Limited		2,490,793	2,490,793
Security to shipping lines		7,081,237	6,588,741
Lease deposit		347,000	347,000
		18,919,030	18,426,534
8.03 Prepayments			
Insurance premium		1,660,802	1,441,889
		1,660,802	1,441,889
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.			
9.00 Inventories			
Finished goods	9.01	2,373,023,156	1,726,300,250
Raw materials	9.02	229,675,488	511,018,406
Chemicals	9.03	63,092,811	118,777,836
Spares and other materials	9.04	177,734,822	132,248,049
		2,843,526,277	2,488,344,541
9.01 Finished Goods			
M. S. Rod		1,560,412,996	1,424,103,300
M. S. Billet		812,610,160	302,196,950
		2,373,023,156	1,726,300,250
9.02 Raw Materials			
Melting Scrap		183,061,954	454,208,846
Sponge Iron		46,613,534	56,809,560
		229,675,488	511,018,406

31 January 2015

Taka

30 April 2014

Taka

<u>Name of the Banks</u>	<u>Branch</u>	<u>A/C Type</u>		
Mutual Trust Bank Limited	Khatungonj	SND	2,953	4,453
National Bank Limited	Anderkilla	Current	511,818	1,009,113
NCC Bank Limited	Khatungonj	Current	21,062	230,216
NRB Commercial Bank Limited	Agrabad	Current	5,000	-
One Bank Limited	Khatungonj	Current	332,140	221,838
Premier Bank Limited	O.R.Nizam Road	Current	17,028	57,487
Prime Bank Limited	Khatungonj	Current	15,750	511,484
Prime Bank Limited	O.R.Nizam Road	Current	69,886	10,225
Shahjalal Islami Bank Limited	Khatungonj	Current	13,317	9,188
Sonali Bank Limited	Khatungonj	Current	3,702	11,517
Southeast Bank Limited	Khatungonj	Current	1,314,128	10,371
Standard Bank Limited	Khatungonj	Current	15,747	2,416,643
State Bank of India	Agrabad	Current	1,551	8,539
The City Bank Limited	Khatungonj	Current	29,807	10,036
Trust Bank Limited	CDA Avenue	Current	489,311	41,564
United Commercial Bank Limited	Khatungonj	Current	1,295,385	8,613
United Commercial Bank Limited	Gulshan	Current	2,032,571	6,331,918
Union Bank Limited	Khatungonj	Current	11,105	4,885
Uttara Bank Limited	Khatungonj	Current	9,262	9,784
Sub-total			11,900,580	12,868,250
AB Bank Limited	Khatungonj	SND	479,131	479,131
AB Bank Limited	Khatungonj	GBP	15,000	15,000
AB Bank Limited	Khatungonj	USD	49,748	49,748
Southeast Bank Limited	Agrabad	SND	552,681	557,138
Standard Chartered Bank Limited	Agrabad	SND	524,111	515,355
Standard Chartered Bank Limited	Agrabad	SND	1,142,573	-
Sub-total			2,763,244	1,616,372
Total			14,663,824	14,484,622
11.03 FDR Account				
<u>Name of the banks</u>	<u>Purpose</u>	<u>Rate of Interest (%)</u>		
Dutch Bangla Bank Ltd.	L/C Margin	7.00	3,904,630	-
Islami Bank Bangladesh Ltd.	L/C Margin	6.00	27,193,608	-
Jamuna Bank Ltd	L/C Margin	8.75	2,505,411	2,348,928
Premier Bank Ltd	L/C Margin	8.50 - 9.50	1,697,963	1,591,460
Southeast Bank Ltd	L/C Margin	8.75 - 9.00	5,267,948	-
The City Bank Ltd.	L/C Margin	8.25	5,378,144	-
Trust Bank Ltd	L/C Margin	8.25 - 8.75	51,749,136	24,542,359
			97,696,840	28,482,747
12.00 Share capital				
Authorized				
250,000,000 Ordinary Shares of Tk 10 each			2,500,000,000	2,500,000,000
Issued, subscribed and paid-up				
<u>Paid-up in cash</u>				
57,645,600 Ordinary Shares of Tk 10 each			576,456,000	576,456,000
<u>For consideration other than cash</u>				
12,354,400 Ordinary Shares of Tk 10 each as exchange of land			123,544,000	123,544,000
54,740,000 Ordinary Shares of Tk 10 each as Bonus Share			547,400,000	488,000,000
124,740,000 Ordinary Shares of Tk 10 each			1,247,400,000	1,188,000,000

12.01	Position of share holding	31 January 2015		30 April 2014	
		Position of share holding (%)	Taka	Position of share holding (%)	Taka
	Shareholders				
	Mr. Mohammed Jahangir Alam	36.39	454,100,000	37.20	442,000,000
	Mr. Md. Abdur Rouf	3.89	48,510,000	3.89	46,200,000
	Mr. Md. Alamgir Kabir	5.61	70,016,000	6.22	73,920,000
	Mr. Md. Almas Shimul	10.83	135,036,000	14.00	166,320,000
	Mr. Md. Ashrafuzzaman	3.89	48,510,000	3.89	46,200,000
	Mr. Md. Salahuddin Roman	2.81	35,000,000	3.89	46,200,000
	Mr. Md. Abdul Ahad	3.11	38,808,000	3.11	36,960,000
	Mr. Md. Azizul Haque	2.33	29,106,000	2.33	27,720,000
	Mr. Md. Iqbal Hussain	1.12	14,000,000	1.56	18,480,000
	General Shareholders	30.01	374,314,000	23.91	284,000,000
	TOTAL	100	1,247,400,000	100	1,188,000,000

12.02	Classification of shares by holding		
Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 500	2,015	283,721	0.23%
500-5,000	4,442	4,444,002	3.56%
5,001-10,000	199	1,456,917	1.17%
10,001-20,000	98	1,405,026	1.13%
20,001-30,000	52	1,269,242	1.02%
30,001-40,000	17	584,499	0.47%
40,001-50,000	8	363,000	0.29%
50,001-100,000	31	2,249,326	1.80%
100,001-1,000,000	42	11,728,986	9.40%
Above 1,000,000	15	100,955,281	80.93%
	6,919	124,740,000	100.00%

31 January 2015	30 April 2014
Taka	Taka

13.00	Long term loan AB Bank Ltd	141,743,813	180,333,817
		141,743,813	180,333,817
13.01	Ageing of long term loan		
	Due within one year	63,096,655	53,977,759
	Due after one year	78,647,158	126,356,058
		141,743,813	180,333,817

13.02 Terms of Long term loan facility

AB Bank Ltd

Security:

Pari-Passu registered mortgage of industrial land measuring 284.38 decimal (Tk 42,657,000), charge by the way of hypothecation with RJSC on entire Floating assets, personal guarantee of all the sponsor director were kept as security for Loan facilities from AB Bank Limited, Khatungonj Branch, Chittagong.

Rate of Interest:

Interest rate is ranging from 13.00% - 15.00% per annum and will be calculated on quarterly basis.

		31 January 2015 Taka	30 April 2014 Taka
14.00	Finance lease obligations		
	Due within one year	24,038,233	21,732,892
	Due after one year	32,843,173	50,498,231
		<u>56,881,406</u>	<u>72,231,123</u>
14.01	Pubali Bank Limited		
		<u>Current portion</u>	<u>Long term portion</u>
	Lease Financing Scheme # 16	338,669	-
	Lease Financing Scheme # 17	3,044,925	-
	Lease Financing Scheme # 18	811,958	-
	Lease Financing Scheme # 19	1,442,553	-
	Lease Financing Scheme # 20	1,063,031	94,667
	Lease Financing Scheme # 21	1,818,736	1,372,167
	Lease Financing Scheme # 22	427,661	508,817
	Lease Financing Scheme # 23	3,160,681	4,405,578
	Lease Financing Scheme # 25	1,592,407	3,308,726
	Lease Financing Scheme # 26	4,824,997	18,302,098
	Lease Financing Scheme # 27	1,151,407	4,851,120
		<u>19,677,025</u>	<u>32,843,173</u>

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

- i) Principal amount of finance: Tk 89,164,430 - Repaid till 31 January 2015: Tk 36,644,232.
- ii) Repayment Term is 4 - 5 years
- iii) Security :
 - a) Post dated cheques
 - b) Ownership of Lease Assets
 - c) Corporate guarantee from personal guarantee of Directors

14.02 Prime Bank Limited		<u>Current portion</u>	<u>Long term portion</u>
	Lease # 1030800004	3,928,523	-
	Lease # 1029800004	228,253	-
	Lease # 1031100006	204,432	-
		<u>4,361,208</u>	<u>-</u>

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

- i) Principal amount of finance: Tk 13,885,980 - Repaid till 31 January 2015: Tk 9,524,772.
- ii) Repayment Term is 5 years
- iii) Security :
 - a) Post dated cheques
 - b) Ownership of Lease Assets
 - c) Personal guarantee of Directors

	Note(s)	31 January 2015 Taka	30 April 2014 Taka
15.00	Short term borrowings		
	Loan against Trust Receipt (LTR)	15.01 310,835,833	583,647,729
	Time loan	15.02 2,558,028,785	2,121,352,691
	Bank overdraft and cash credit	15.03 570,066,022	395,851,719
		3,438,930,640	3,100,852,139
15.01	Loan against Trust Receipt (LTR)		
	AB Bank Limited	14,181,265	2,628,711
	Dutch Bangla Bank Limited	67,971,360	-
	Islami Bank Limited	-	189,788,141
	Pubali Bank Limited	45,766,058	155,203,339
	Trust Bank Limited	182,917,150	233,927,074
	United Commercial Bank Limited	-	2,100,464
		310,835,833	583,647,729
15.02	Time loan		
	AB Bank Limited	570,949,921	554,287,353
	One Bank Limited	262,924,362	133,936,277
	Premier Bank Limited	389,556,761	199,095,652
	Standard Chartered Bank	649,642,940	550,112,946
	Trust Bank Limited	446,911,167	683,920,463
	United Commercial Bank Limited	238,043,634	-
		2,558,028,785	2,121,352,691
15.03	Bank overdraft and cash credit		
	AB Bank Limited	(2,212,529)	11,300,370
	Janata Bank Limited	(234,299)	12,724,850
	Premier Bank Limited	193,670,552	198,930,291
	Pubali Bank Limited	(15,890)	66,226,488
	Standard Chartered Bank	72,288,732	24,304,681
	State Bank of India	144,372,550	-
	Trust Bank Limited	47,230,096	5,208,552
	United Commercial Bank Limited	114,966,810	77,156,487
		570,066,022	395,851,719
15.04	Terms of Short term borrowings		
	(a) Security		
	i) Post dated cheques		
	ii) Personal guarantee of all the sponsor directors		
	iii) Pari-passu mortgage of land		
	iv) Pari-passu 1st charge on floating assets		
	(b) Rate of Interest:		
	Interest rate is ranging from 12.00% - 15.00% per annum and will be calculated on quarterly basis.		
16.00	Creditors and accruals		
	For Revenue Expenses	16.01 41,230,329	39,383,629
	For Other Finance	16.02 7,456,033	4,676,359
	For Supplies	33,457,449	16,512,344
	GPH Power Generation Ltd	513,325,319	241,251,049
	Advance Against Sales	33,632,196	36,368,245
	Workers' Profit Participation Fund	16.03 17,206,993	29,182,986
		646,308,319	367,374,612

	Note(s)	31 January 2015 Taka	30 April 2014 Taka
16.01 Revenue Expenses			
Salary Payable		11,182,000	10,090,000
Audit Fee Payable		200,000	200,000
Utility Bill Payable		22,548,000	23,800,000
Provident Fund	16.01.01	1,149,576	528,404
Defined benefit obligations (Gratuity)	16.01.02	5,800,753	4,415,225
Directors' Remuneration Payable		350,000	350,000
		41,230,329	39,383,629
16.01.01 Provident Fund			
Opening Balance		528,404	1,105,693
Add: Addition during the year		3,325,846	3,805,340
		3,854,250	4,911,033
Less: Paid during the year		(2,704,674)	(4,382,629)
Closing balance		1,149,576	528,404
16.01.02 Defined Benefit Obligation (Gratuity)			
Opening Balance		4,415,225	2,829,707
Add: Provision made during the year		1,385,528	1,585,518
		5,800,753	4,415,225
Less: Paid during the year		-	-
Closing balance		5,800,753	4,415,225
16.02 Other Finance			
AIT Payable		412,663	843,324
VAT Deducted at Source		4,403,679	2,308,065
Unpaid Refund Warrant		453,670	453,670
Unpaid Dividend		2,186,021	1,071,300
		7,456,033	4,676,359
16.03 Workers' Profit Participation Fund			
Opening Balance		29,182,986	17,601,149
Add: Addition during the year @ 5%		17,456,993	21,581,837
		46,639,979	39,182,986
Less: Paid during the year		(29,432,986)	(10,000,000)
Closing balance		17,206,993	29,182,986
17.00 Income Tax			
Provision for income tax	17.01	81,148,086	91,468,742
Deferred tax liabilities	17.02	114,673,561	103,251,169
		195,821,647	194,719,911
17.01 Provision for Current Tax			
Opening Balance		91,468,742	45,832,090
Add: Provision made during the period		78,233,737	89,422,793
		169,702,479	135,254,883
Less: Paid/adjusted during the period	8.01.01	(88,554,393)	(43,786,141)
Closing balance		81,148,086	91,468,742

17.01.01 Year wise income tax assessment status is as follows:

Accounting Year	Assessment Year	Opening balance	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 yet to be completed

31 January 2015
Taka

17.01.02 Provision for income tax during the year

Profit before tax	331,682,869
Less: Items for separate consideration	
Dividend Income	3,641,296
Other Non-operating income	15,963,597
Unrealized Profit on Investment	6,182,546
	25,787,439
	305,895,430
Add: Other Inadmissible Allowances	
Accounting Depreciation	80,690,316
Amortization	67,500
Gratuity	1,385,528
	82,143,344
	388,038,774
Less: Tax depreciation u/s 29 (1) (viii) of the ITO, 1984	(121,389,408)
Less: 50% of Export Sales Income - as per Para: 28 of 6th Schedule (Part: A) of ITO 1984	(774,859)
Taxable income from operation	265,874,507
Tax on Other Non-operating income	4,389,989
Tax on Dividend income	728,259
Tax on Operational income	73,115,489
Tax on Total Taxable income	78,233,737

17.02 Deferred tax liability

	Carrying amount	Tax base	Temporary difference
a) As at 31 January 2015	Taka	Taka	Taka
Property, plant and equipment	1,626,316,386	1,206,001,548	420,314,838
Intangible asset	652,500	-	652,500
Provision for gratuity	(5,800,753)	-	(5,800,753)
Net taxable temporary difference	1,621,168,133	1,206,001,548	415,166,585
Applicable tax rate			0.275
			114,170,811
Investment in quoted shares	181,957,785	176,930,285	5,027,500
Applicable tax rate for capital gain from quoted shares			0.10
			502,750
Deferred tax liability			114,673,561
As at 30 April 2014			103,251,169
Increase/(Decrease) in deferred tax liability			11,422,392

	Note(s)	01 May 2014 to 31 January 2015 Taka	01 May 2013 to 31 January 2014 Taka
18.00 Revenue			
Local		3,992,062,637	3,837,492,734
Export		23,632,875	-
Sales of Ovel		50,653,630	-
Gross Proceeds from Sales		4,066,349,142	3,837,492,734
Value added tax (VAT)		(56,306,563)	(45,460,240)
		4,010,042,579	3,792,032,494
19.00 Cost of sales			
Opening Finished goods			
M.S. Rod		1,424,103,300	1,536,002,875
M.S. Billet		302,196,950	97,886,340
		1,726,300,250	1,633,889,215
Add: Cost of Production	19.01	3,951,132,800	3,180,366,512
		5,677,433,050	4,814,255,727
Less: Closing Finished goods			
M.S. Rod	9.01	1,560,412,996	1,178,979,391
M.S. Billet	9.01	812,610,160	589,016,340
		2,373,023,156	1,767,995,731
		3,304,409,894	3,046,259,996
19.01 Cost of Production			
Opening Stock of:			
Raw Material		511,018,406	161,963,617
Chemical		118,777,836	22,383,030
Spare and Other		132,248,049	102,034,822
		762,044,291	286,381,469
Add: Purchase			
Raw Material		2,629,600,016	2,646,779,363
Chemical		139,126,422	118,298,949
Spare and Other		109,533,386	126,589,780
		2,878,259,824	2,891,668,092
Less: Closing Stock of			
Raw Material	9.02	229,675,488	451,013,064
Chemical	9.03	63,092,811	18,361,758
Spare and Other materials	9.04	177,734,822	119,724,396
		470,503,121	589,099,218
Raw and Other Materials Consumed		3,169,800,994	2,588,950,343
Add: Factory overhead	19.02	781,331,806	591,416,169
Cost of Production		3,951,132,800	3,180,366,512
19.02 Factory overhead			
Salaries, Wages and Allowances		86,232,208	80,581,162
Overtime		5,524,981	5,702,889
Bonus		3,866,978	1,715,442
Electricity Bill		520,452,838	347,153,156
Gas Bill		23,919,206	18,428,855
Daily Labour Bill		14,071,309	12,472,556
Carriage Inward		348,097	1,068,565
Fuel, Oil and Lubricant		17,191,998	16,016,037
Depreciation	4.01	72,621,284	76,002,288
Repair and Maintenance		5,100,615	6,350,671
Testing Expenses		145,064	105,350
Oxygen and LP Gas Charges		15,640,319	10,992,173
Loading and Unloading Expenses		478,871	1,840,798
Factory House Rent		-	82,133

	Note(s)	01 May 2014 to 31 January 2015 Taka	01 May 2013 to 31 January 2014 Taka
Factory Canteen		5,114,756	2,171,136
Vehicle Fuel and Maintenance		8,448,325	8,005,929
Land Rent		180,000	180,000
Medical Expenses		187,192	298,610
Internet Expenses		33,716	23,821
Insurance		1,774,049	2,224,598
		781,331,806	591,416,169
20.00 Administrative expenses			
Directors' Remuneration	31.00	7,845,000	7,060,000
Salary and Allowances		27,891,736	26,001,034
Entertainment		533,170	801,758
Office Maintenance		425,808	221,265
Mobile, Telephone and Internet Charges		1,442,883	1,019,677
Office Rent		2,394,000	2,432,250
Newspaper and Periodicals		8,671	10,789
Postage and Stamps		152,138	107,710
Stationery and Printing Charges		920,449	837,130
Vehicle Expenses		1,507,822	1,624,935
Travelling and Conveyance		2,156,867	5,506,609
Audit Fee		261,500	11,500
Fees and Renewal		4,451,975	323,205
Legal and Professional Fee		10,000	12,963
Bonus		6,164,775	2,921,110
Misc. Expenses		338,300	5,577,347
Electricity and Other Utility Expenses		1,017,734	1,022,455
Training Fee		49,100	230,724
Board Meeting Expense		165,000	238,085
Depreciation	4.01	4,034,516	4,222,349
Amortization of Software	5.00	67,500	67,500
Recruitment Expenses		38,674	63,670
Share Management Expenses		1,595,894	1,642,442
BIS Certificate Expenses		400,914	149,556
AGM Expenses		448,705	984,728
Software & Data Connectivity Expenses		260,000	-
Rent, Rate & Taxes		220,000	-
Dress & Uniform		1,211,380	302,450
		66,014,511	63,393,241
21.00 Selling and distribution expenses			
Advertisement Expenses		15,752,271	25,167,912
Carriage Outward		25,296,715	13,920,769
Travelling and Conveyance		1,696,990	1,103,261
Commission on Sales		4,338,000	-
Promotional Expenses		7,550,346	9,491,536
Depreciation	4.01	4,034,516	4,222,349
Warehouse Rent		880,000	960,000
Marketing Collection Expenses		334,629	-
Export Expenses		472,483	-
Sales LC Expenses		165,843	164,903
Sales Discount		154,850	-
		60,676,643	55,030,730

	01 May 2014 to 31 January 2015 Taka	01 May 2013 to 31 January 2014 Taka
22.00 Financial expenses		
Finance Costs	254,685,624	309,536,869
Bank Charge	1,887,299	1,825,838
Loan Processing Fee	5,690,740	7,715,127
Exchange Gain	(6,674,555)	(16,226,623)
	<u>255,589,108</u>	<u>302,851,211</u>
23.00 Non-operating income		
Interest Earned from FDR	15,963,597	19,360,175
Dividend Income	3,641,296	170,334
	<u>19,604,893</u>	<u>19,530,509</u>
24.00 Net Assets Value per share	<u>15.99</u>	<u>16.25</u>
The Composition of Net Assets Value (NAV) per share is given below :		
a) Net Assets Value	1,994,794,515	1,930,967,775
b) Number of Ordinary Shares at the year end	124,740,000	118,800,000
25.00 Earnings per share (EPS)		
The composition of Earnings per share (EPS) is given below :		
a) Earnings attributed to ordinary shareholders during the period	242,026,740	242,837,327
b) Number of ordinary shares at the period end	124,740,000	118,800,000
c) Weighted average number of outstanding ordinary shares during the period	124,740,000	118,800,000
Basic EPS	<u>1.94</u>	<u>2.04</u>
Restated EPS*		<u>1.95</u>
*EPS for the period 1 May 2013 to 31 January 2014 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of BAS 33.		
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.		
26.00 Operating cash flow per share	<u>0.28</u>	<u>(2.61)</u>
The composition of operating cash inflow/outflow value per share is given below:		
a) Operating cash inflow/(outflow) during the period	34,715,023	(310,375,133)
b) Number of ordinary shares at the period end	124,740,000	118,800,000
27.00 Auditors' remuneration		
Audit Fee - Statutory	200,000	-
	<u>200,000</u>	<u>-</u>
28.00 Number of employees	31 January 2015 Persons	30 April 2014 Persons
Employees drawing salary above Tk 3,000 per month	687	680
Employees drawing salary Tk 3,000 or below per month	-	-
	<u>687</u>	<u>680</u>

	Note(s)	01 May 2014 to 31 January 2015 M. Ton	01 May 2013 to 31 January 2014 M. Ton
29.00 Capacity and production			
Production Capacity (In M. Ton)	29.01	216,000	216,000
Actual Production (In M. Ton)	29.02	159,934	120,649
Capacity Utilization (%)		74.04	55.86
29.01 Production Capacity (In M. Ton)			
MS Billet		126,000	126,000
MS Rod		90,000	90,000
		216,000	216,000
29.02 Actual Production (In M. Ton)			
MS Billet		86,645	62,650
MS Rod		73,289	57,999
		159,934	120,649

30.00 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 BAS-24: Related Party Disclosures.

Sl. No	Name of the Party	Relation	Nature of Transactions	Outstanding as on 31 January 2015	Outstanding as on 30 April 2014
1	GPH Power Generation Ltd	Common Directorship	Supply of power at a flat rate	(513,325,319)	(241,251,049)
2	Jahangir and Other Ltd	Common Directorship	Head office rent	(129,682)	165,867
				01 May 2014 to 31 January 2015 Taka	01 May 2013 to 31 January 2014 Taka

31.00 Directors' Remuneration

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

Name	31 January 2015 Taka	30 April 2014 Taka
Mr. Mohammed Jahangir Alam - Managing Director	3,150,000	3,150,000
Mr. Md. Almas Shimul - Director	3,150,000	3,150,000
Mr. Md. Ashrafuzzaman - Director	1,545,000	760,000
	7,845,000	7,060,000

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

	Note(s)	31 January 2015 Taka	30 April 2014 Taka
32.00 Contingent liabilities			
Bank guarantee	32.01	6,537,200	5,831,200
L/C liabilities	32.02	1,492,547,924	1,034,564,807
		1,499,085,124	1,040,396,007

Contingent liabilities at the reporting date are as follows:

32.01 Bank guarantee		535,500	1,108,500
AB Bank Limited		4,445,700	3,872,700
Southeast Bank Limited		1,556,000	850,000
State Bank of India		6,537,200	5,831,200

	Note(s)	31 January 2015 Taka	30 April 2014 Taka
32.02	L/C liabilities		
	AB Bank Limited	701,788,605	273,906,071
	Dutch Bangla Bank Limited	154,914,131	-
	Premier Bank Limited	-	31,200,000
	Pubali Bank Limited	-	30,420,000
	NCC Bank Limited	108,920,000	-
	Southeast Bank Limited	117,711,400	-
	Standard Chartered Bank Limited	15,717,044	62,334,293
	The City Bank Limited	105,691,300	-
	Trust Bank Limited	261,406,815	632,927,443
	United Commercial Bank Limited	26,398,629	3,777,000
		1,492,547,924	1,034,564,807

32.03 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 31 January 2015.

33.00 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.

	Note(s)
a) Credit risk	33.01
b) Liquidity risk	33.02
c) Market risk	33.03

33.01 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:

	<u>Amount in Taka</u> <u>31 January 2015</u>	<u>Amount in Taka</u> <u>30 April 2014</u>
Trade receivable-Local customer	1,094,086,865	1,029,049,013
Advance, deposit and prepayments	393,062,193	255,000,648
Cash and bank balance	113,162,693	43,958,982
	<u>1,600,311,751</u>	<u>1,328,008,643</u>

	<u>Amount in Taka</u> <u>31 January 2015</u>	<u>Amount in Taka</u> <u>30 April 2014</u>
b) Ageing of receivables		
Dues up to 6 months	1,035,871,701	941,005,611
Dues over 6 months	58,215,164	88,043,402
	<u>1,094,086,865</u>	<u>1,029,049,013</u>

c) Credit exposure by credit rating

As on 31 January 2015			
Credit rating	Amount	(%)	
Trade receivable	1,094,086,865	68.37%	
Advance, deposit and prepayments	393,062,193	24.56%	
Cash and bank balances			
Cash in hand	802,029	0.05%	
<u>Cash at bank</u>	<u>112,360,664</u>	<u>7.02%</u>	
AB Bank Limited	1,997,548	0.12%	
Agrani Bank Limited	56,576	0.00%	
Bangladesh Development Bank Limited	5,000	0.00%	
Bank Alfalah Limited	8,043	0.00%	
Bank Asia Limited	16,140	0.00%	
Basic Bank Limited	31,903	0.00%	
Brac Bank Limited	12,980	0.00%	
Dhaka Bank Limited	9,590	0.00%	
Dutch Bangla Bank Limited	4,670,706	0.29%	
Eastern Bank Limited	10,786	0.00%	
Exim Bank Limited	861,881	0.05%	
First Security Islami Bank Limited	12,438	0.00%	
HSBC	30,382	0.00%	
IFIC Bank Limited	4,457	0.00%	
Islami Bank Bangladesh Limited	28,865,840	1.80%	
Jamuna Bank Limited	2,517,019	0.16%	
Janata Bank Limited	212,119	0.01%	
Mercantile Bank Limited	17,703	0.00%	
Mutual Trust Bank Limited	518,427	0.03%	
National Bank Limited	511,818	0.03%	
NCC Bank Limited	21,062	0.00%	
NRB Commercial Bank Limited	5,000	0.00%	
One Bank Limited	332,140	0.02%	
Premier Bank Limited	1,714,991	0.11%	
Prime Bank Limited	85,636	0.01%	
Standard Chartered Bank Limited	1,666,684	0.10%	
Shahjalal Islami Bank Limited	13,317	0.00%	
Sonal Bank Limited	3,702	0.00%	
Southeast Bank Limited	7,134,757	0.45%	
Standard Bank Limited	15,747	0.00%	
State Bank of India	1,551	0.00%	
The City Bank Limited	5,407,951	0.34%	
Trust Bank Limited	52,238,447	3.26%	
United Commercial Bank Limited	3,327,956	0.21%	
Union Bank Limited	11,105	0.00%	
Uttara Bank Limited	9,262	0.00%	

33.02 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 period	Nominal interest rate	Contractual cash flows Taka	Within 6 months or less Taka	Within 6-12 months Taka
Creditors and accruals	646,308,319	July 2015	N/A	646,308,319	646,308,319	-
Short term borrowings	3,438,930,640	July 2015	12.00 ~ 15.00%	3,438,930,640	3,438,930,640	-
Current portion of finance lease obligations	24,038,233	January 2016	12.50 ~ 17.50%	24,038,233	12,019,117	12,019,116
Current portion of long term loan	63,096,655	January 2016	13.00%	63,096,655	31,548,328	31,548,327
	<u>4,172,373,847</u>			<u>4,172,373,847</u>	<u>4,128,806,404</u>	<u>43,567,443</u>

33.03 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 period end:

	31 January 2015	30 April 2014
Exchange rate of US Dollar	77.80	78.00

(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 31 January, the interest rate risk profile of the company's interest bearing financial instruments was:

	Carrying amount 31 January 2015
Fixed rate instrument	
Financial asset	318,412,481
Financial liability	3,637,555,859
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.

33.04 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:

	<u>Carrying amount</u> <u>(Taka)</u>	<u>Fair value</u> <u>(Taka)</u>
Assets carried at fair value through profit and loss	181,957,785	181,957,785
Held to maturity assets		
FDR with banks	318,412,481	318,412,481
Loans on Receivables		
Trade Receivables	1,094,086,865	1,094,086,865
Security deposit	18,919,030	18,919,030
Cash and bank balances	113,162,693	113,162,693
Available for sale financial assets	Nil	Nil
Liabilities carried at fair value through profit and loss	Nil	Nil
Liabilities carried at amortized cost		
Accounts and other payables	Nil	Nil
Short term bank borrowing	3,438,930,640	*N/A
Current portion of long term borrowing	63,096,655	*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.

34.00 General

- 34.01 Wherever considered necessary, previous period's figures & phrases have been re-arranged to conform to this period's presentation.
- 34.02 Bracket figure denotes negative.

SUMMARIZED CASH-FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT AND BALANCE SHEET, AND DIVIDEND DECLARED AND PAID FOR EACH OF THE 5 (FIVE) YEARS IMMEDIATELY PRECEDING THE ISSUE OF RIGHTS SHARE OFFER DOCUMENT OR FOR SUCH SHORTER PERIOD DURING WHICH THE ISSUER WAS IN COMMERCIAL OPERATION [see rule-8(i)]

Auditors Report in pursuance of section 135(1) under Para 24(1) of part – II of the Third Schedule of Companies Act 1994.

We, as the auditors of the above company, having examined the Financial Statements of GPH Ispat Limited for the period ended on 31 January 2015 and also for the year ended 30 April 2013 and 2014 and the figures extracted from the Financial Statements for the remaining years ended 30 April 2012, 2011 and 2010, which were audited by Hoda Vasi Chowdhury & Co., Chartered Accountants, in pursuance of Section 135 (1) under para 24 (1) of part II of the schedule III of the Companies Act 1994, report that:

The company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on 17 May 2006 under the Companies Act 1994 as a private company limited by shares. The company, subsequently, was converted into a public limited company on 18 December 2009 under the Companies Act 1994 and became listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited during April 2012.

1. The Statements of Financial Position & Operating Result of GPH ISPAT LIMITED are as follows

A. Statement of Financial Position

	1/31/2015 Taka	4/30/2014 Taka	4/30/2013 Taka	4/30/2012 Taka	4/30/2011 Taka	4/30/2010 Taka
ASSETS						
Non-current assets						
Property, plant and equipment	1,626,316,386	1,653,993,556	1,655,865,208	1,170,043,551	1,110,647,506	1,044,019,480
Capital work in progress	-	-	-	471,738,276	301,488,186	-
Intangible asset	652,500	720,000	810,000	-	-	-
Investments	182,957,785	176,717,739	40,167,956	27,745,270	14,887,032	2,009,360
Total non-current assets	1,809,926,671	1,831,431,295	1,696,843,164	1,669,527,097	1,427,022,724	1,046,028,840
Current assets						
Short term investment	220,715,641	-	-	-	-	-
Advances, deposits and prepayments	393,062,193	255,000,648	305,519,433	490,326,452	449,451,790	211,769,773
Inventories	2,843,526,277	2,488,344,541	1,920,270,684	2,152,511,414	1,591,242,389	861,211,826
Trade receivables	1,094,086,865	1,029,049,013	778,858,786	714,892,582	462,647,365	298,485,583
Cash and cash equivalents	113,162,693	242,653,880	205,785,767	172,380,655	63,947,648	35,910,762
Total current assets	4,664,553,669	4,015,048,082	3,210,434,670	3,530,111,103	2,567,289,192	1,407,377,943
TOTAL ASSETS	6,474,480,340	5,846,479,377	4,907,277,834	5,199,638,200	3,994,311,916	2,453,406,783
EQUITY AND LIABILITIES						
Equity						
Share capital	1,247,400,000	1,188,000,000	1,080,000,000	900,000,000	500,000,000	500,000,000
Share premium	388,000,000	388,000,000	388,000,000	388,000,000	-	-
Tax holiday reserve	13,554,021	13,554,021	112,354,364	159,472,583	103,729,009	49,446,718
Retained earnings	345,840,494	341,413,754	233,760,361	209,559,941	8,015,768	79,387,934
	1,994,794,515	1,930,967,775	1,814,114,725	1,657,032,524	611,744,777	628,834,652
Non-current liabilities						
Long term portion of Term Loan	78,647,158	126,356,058	146,795,759	983,615,470	805,477,668	651,220,752
Long term portion of Lease Liabilities	32,843,173	50,498,231	41,642,977	51,902,334	54,546,064	24,059,928
Provision for Deferred Tax	114,673,561	103,251,169	61,472,103	18,708,205	-	-
Total non-current liabilities	226,163,892	280,105,458	249,910,839	1,054,226,009	860,023,732	675,280,680
Current liabilities						
Current portion of long term loan	63,096,655	53,977,759	38,471,440	134,185,014	120,312,595	105,187,880
Current portion of finance lease obligations	24,038,233	21,732,892	19,713,535	24,497,701	17,465,991	8,318,316
Short term borrowings	3,438,930,640	3,100,852,139	2,655,646,109	2,146,319,332	2,115,349,096	994,491,263
Creditors and accruals	646,308,319	367,374,612	83,589,096	149,794,188	38,734,303	38,935,208
Provision for tax	81,148,086	91,468,742	45,832,090	33,583,432	30,681,422	2,358,784
Proposed Dividend	-	-	-	-	200,000,000	-
	4,253,521,933	3,635,406,144	2,843,252,270	2,488,379,667	2,522,543,407	1,149,291,451
Total Liabilities	4,479,685,825	3,915,511,602	3,093,163,109	3,542,605,676	3,382,567,139	1,824,572,131
TOTAL EQUITY & LIABILITIES	6,474,480,340	5,846,479,377	4,907,277,834	5,199,638,200	3,994,311,916	2,453,406,783

Chittagong, 12 May 2015

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

B. Statement of Operating Result

	01 May 2014 to 31 January 2015 Taka	01 May 2013 to 30 April 2014 Taka	01 May 2012 to 30 April 2013 Taka	01 May 2011 to 30 April 2012 Taka	01 May 2010 to 30 April 2011 Taka	01 May 2009 to 30 April 2010 Taka
Net Turnover	4,010,042,579	4,687,216,381	5,387,428,105	4,386,316,699	3,688,519,184	3,223,787,065
Cost of Sales	(3,304,409,894)	(3,819,621,077)	(4,521,129,044)	(3,572,803,464)	(3,044,732,767)	(2,817,640,942)
Gross Profit	705,632,685	867,595,304	866,299,061	813,513,235	643,786,417	406,146,123
Administrative Expenses	(66,014,511)	(77,956,232)	(70,422,608)	(74,388,621)	(50,935,771)	(27,350,949)
Selling & Distribution Expenses	(60,676,643)	(77,973,999)	(77,297,245)	(66,684,848)	(66,399,399)	(53,078,588)
Profit from operating activities	578,941,531	711,665,073	718,579,208	672,439,766	526,451,247	325,716,586
Financial Expenses	(255,589,108)	(329,037,017)	(385,172,618)	(377,826,138)	(307,777,860)	(218,555,336)
Profit before Amortization	323,352,423	382,628,056	333,406,590	294,613,628	218,673,387	107,161,249
Amortization of Preliminary Expenses	-	-	-	-	-	(199,715)
Profit before non-operating income	323,352,423	382,628,056	333,406,590	294,613,628	218,673,387	106,961,534
Non-operating income	19,604,893	50,163,736	23,616,399	23,301,493	3,121,013	4,468,362
Profit/(Loss) on Investment	6,182,546	(1,155,046)	-	-	-	-
Profit before WPPF	349,139,862	431,636,746	357,022,989	317,915,121	221,794,400	111,429,896
Contribution to WPPF @ 5% after charging WPPF	(17,456,993)	(21,581,837)	(17,851,149)	(15,895,756)	(10,561,638)	-
Profit before Tax & Reserve	331,682,869	410,054,909	339,171,840	302,019,365	211,232,762	111,429,896
Income tax expenses						
Current	(78,233,737)	(89,422,793)	(46,283,045)	(37,969,548)	(16,376,503)	(1,180,298)
Deferred	(11,422,392)	(41,779,066)	(42,763,898)	(6,762,070)	(11,946,135)	-
Profit after Tax	242,026,740	278,853,050	250,124,897	257,287,747	182,910,124	110,249,598
Tax Holiday Reserves	-	(9,199,657)	(42,881,781)	(55,743,574)	(54,282,291)	(42,784,614)
Profit after Tax & Reserve	242,026,740	269,653,393	207,243,116	201,544,173	128,627,833	67,464,985
Unappropriated Profit, brought forward	-	-	-	-	79,387,935	11,922,950
Profit available for appropriation	242,026,741	269,653,393	207,243,117	201,544,174	208,015,768	79,387,935
2. Dividend declared:						
Cash dividend - %	None	15%	15%	10%	None	None
Stock dividend (Bonus share) - %	None	5%	10%	20%	40%	None
3. Subsidiary company						
The company has no subsidiary company.						

Chittagong, 12 May 2015

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

**AUDITORS' CERTIFICATE OF COMPLIANCES OF CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES
TO THE SHAREHOLDERS** [SEC Notification No. SEC/CMRRCD/2006-158/134/admin/44 dated 7 August 2012]

**Certificate on Compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities
and Exchange Commission to the Shareholders of GPH Ispat Limited**

We have examined the compliance with Corporate Governance by **GPH Ispat Limited** (the Company) for the year ended 30th April, 2014 as stipulated in Notification No: SEC/CMRRCD/2006-158/134/admin/44 dated 7th August 2012 and as amended by Notification No: SEC/CMRRCD/2006-158/147/admin/48 dated July 21, 2013 of Bangladesh Securities and Exchange Commission.

The compliance of conditions of Corporate Governance Guidelines is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring Compliance of the conditions of Corporate Governance Guidelines, It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned notification.

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

Dated, Chittagong
23rd August, 2014

Sd/-
M. A. Mallik & CO.
Chartered Accountants.

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [see rule-8(j)]

GPH Ispat Limited is one of the leading integrated steel manufacturing companies in Bangladesh engaged in manufacturing of MS Billet and MS Rod. The Company was incorporated in Bangladesh on May 17, 2006 as a Private Company Limited by shares under the Companies Act 1994. The principle activities of the Company are 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 August 21, 2008.

IMPLEMENTATION SCHEDULE FOR COMPLETION OF EACH SEGMENT OF THE PROJECT ALONGWITH THE PROPOSED DATES OF TRIAL AND COMMERCIAL OPERATION OF THE PROPOSED PROJECT [see rule-8(k)]

The proceeds received from right issue will be implemented in the following manner:

Purpose	Total Price (BDT in Million)	Implementation Period
Business expansion: enhancement of production capacity of MS Billet for 840,000 MT and MS Rod and Section product for 640,000 MT per annum	12,501.70	Within 24 months after receiving the Fund
Rights Issue Expenses	19.54	Within 30 days after receiving the Fund
Total:	12,521.24	

Break-down of Business Expansion:

Particulars	Amount in BDT	Source of Fund	
		Right Issue	Financial Institution
Land & Building/Civil Works	2,564.60	2,300.00	264.60
Plant & Machinery	7,805.10	-	7,805.10
Erection & Installation of Machinery	730.00	300.00	430.00
Electrical sub-station installation	1,027.00	-	1,027.00
Furniture, fixture & office equipment	50.00	-	50.00
Motor Vehicle	50.00	-	50.00
Logistic Vehicle	150.00	-	150.00
Computer & Accessories	25.00	-	25.00
Pre-operating expenses	100.00	-	100.00
	12,501.70	2,600.00	9,901.70
Right Issue Expenses	19.54	19.54	-
Total:	12,521.24	2,619.54	9,901.70

A) Land & Building/Civil Works

Land Developemnt	100.00
Pre-fab steel factory building(23,000 square metre)	974.60
Machinery foundation, brick wall, drain etc(32,000 cubic metre)	1,490.00
Total:	2,564.60

B) Plant & Machinery

Particulars	Invoice price (EURO)	Invoice price (BDT)	Duty, Insurance & other costs	Total Cost (BDT)
Electric Arc Furnace with Raw material handling system	19.50	1,673.10	71.11	1,744.21
Ladle Furnace	3.00	257.40	10.94	268.34
Continuous Casting machine	7.50	643.50	27.35	670.85
Rolling Mill	21.50	1,844.70	78.40	1,923.10
Dedusting Equipment(Fume Exhaust system)	5.30	454.74	19.33	474.07
Refractories, ladle, Tundish etc	2.00	171.60	7.29	178.89
Roll Shop Equipment	2.60	223.08	9.48	232.56
Crane	5.60	480.48	20.42	500.90
Water treatment plant & compressor	3.70	317.46	13.49	330.95
Static Var Control	2.40	205.92	8.75	214.67
Mobile equipment	3.50	300.30	12.76	313.06
Air seperation plant	8.16	700.13	29.76	729.88
Lab Equipment	2.00	171.60	7.29	178.89
Weigh Bridge	0.50	42.90	1.82	44.72
	87.26	7,486.91	318.19	7,805.10

Sd/-
Mohammed Jahangir Alam
 Managing Director

Sd/-
Kamrul Islam, FCA
 Chief Financial Officer

QUANTITY OF SHARES HELD BY EACH DIRECTOR AND PERSONS WHO HOLD 5% OR MORE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT [see rule-8(l)]

Quantity of shares held by each director on the date of the rights share offer document

As on December 21, 2015

Name of the Directors	Position	Number of Shares	Percentage (%)
Mr. Md. Alamgir Kabir	Chairman	6,001,600	4.81
Mr. Mohammed Jahangir Alam	Managing Director	37,410,000	29.99
Mr. Md. Abdur Rouf	Director	3,742,200	3.00
Mr. Md. Almas Shimul	Director	13,503,600	10.83
Mr. Md. Asrafuzzaman	Director	3,742,200	3.00
Mr. Md. Abdul Ahad	Director	2,993,760	2.40
Mr. Md. Azizul Hoque	Director	2,494,800	2.00
Professor Dr. Mohammad Saleh Jahur	Independent Director	-	-
Mr. Md. Velayet Hossain	Independent Director	-	-
Total		69,888,160	56.03

Composition of Shareholding Position of the Company

As on December 21, 2015

Particulars	No. of Shares Held	Total Amount of Shares	% of Total Shares
Sponsors & Directors	69,888,160	698,881,600	56.03
General Public	35,993,982	359,939,820	28.85
Institutions	18,857,858	188,578,580	15.12
Government	-	-	-
Total	124,740,000	1,247,400,000	100%

Beneficial Owners Holding Shares 5% or Above

As on December 21, 2015

Name	Position	No. of Shares Held	Percentage (%)
Mr. Mohammed Jahangir Alam	Managing Director	37,410,000	29.99
Mr. Md. Almas Shimul	Director	13,503,600	10.83
Ms. Sadman Syka Sefa	General Shareholder	9,000,000	7.22
Total		59,913,600	48.04

Sd/-
Mohammed Jahangir Alam
Managing Director

Sd/-
Arafat Kamal, FCA
Company Secretary

NAME, ADDRESS, DESCRIPTION AND OCCUPATION OF DIRECTORS; MANAGING DIRECTOR, MANAGERS AND COMPANY SECRETARY OF THE COMPANY [see rule-8(m)]

Board of Directors

Name	Age	Position	Qualification	Date of Becoming Director for the first time	Address
Mr. Md. Alamgir Kabir	49	Chairman	MBA	On the incorporation date	Crown Chamber, 325 Asadgonj, Chittagong.
Mr. Mohammed Jahangir Alam	53	Managing Director	Graduate	On the incorporation date	Crown Chamber, 325 Asadgonj, Chittagong.
Mr. Md. Abdur Rouf	61	Director	Self Education	On the incorporation date	Crown Chamber, 325 Asadgonj, Chittagong.
Mr. Md. Almas Shimul	47	Director & Additional Managing Director	B. A	On the incorporation date	Crown Chamber, 325 Asadgonj, Chittagong.
Mr. Md. Ashrafuzzaman	45	Director	Graduate	On the incorporation date	Crown Chamber, 325 Asadgonj, Chittagong.
Mr. Md. Abdul Ahad	38	Director	Graduate	February 18, 2012	10/1 Nawab Yousuf Road, Nayabazar, Dhaka.
Mr. Md. Azizul Haque	38	Director	Graduate	June 14, 2012	Crown Chamber, 325 Asadgonj, Chittagong.
Professor Dr. Mohammad Saleh Jahur	49	Independent Director	Ph. D. in Finance	June 14, 2012	Apartment #6E Sanmar Spring Valley Zakir Hossain Road, (Opposite of Holly Crescent Hospital) Khulshi, Chittagong.
Mr. Md. Velayet Hossain	70	Independent Director	M. Com (DU)	March 13, 2013	Mela Nibas, 1459 Hill View Road, East Nasirabad, Chittagong.

Management & Executives

Name	Designation	Education Qualification	Address
Mr. Mohammed Jahangir Alam	Managing Director	Graduate	Crown Chamber, 325 Asadgonj, Chittagong.
Mr. Md. Almas Shimul	Additional Managing Director	B.A	Crown Chamber, 325 Asadgonj, Chittagong.
Mr. Md. Ashrafuzzaman	Director Marketing	Graduate	Hamid Tower, 24 Gulshan C/A, Circle-2, Dhaka-1212.
Mr. Abu Bakar Siddique, FCMA	Executive Director	Fellow Cost Accountant, M. Com	Crown Chamber, 325 Asadgonj, Chittagong.
Mr. Kamrul Islam, FCA	Chief Financial Officer	Fellow Chartered Accountant, M. Com	Crown Chamber, 325 Asadgonj, Chittagong.
Engr. A S M Shumon	GM-Project	M. Sc in Mechanical, Ph. D	Crown Chamber, 325 Asadgonj, Chittagong.
Engr. Mahmudul Hossain	GM-Factory (Current Charge)	B. Sc (Electrical)	Mosjidda, Kumira, Sitakunda, Chittagong
Mr. Arafat Kamal, FCA	Company Secretary	Fellow Chartered Accountant, M. Com	Crown Chamber, 325 Asadgonj, Chittagong.
Engr. Fazle Rabbi	DGM	B. Sc (Mechanical)	Mosjidda, Kumira, Sitakunda, Chittagong

NAME OF THE PUBLIC LISTED COMPANIES UNDER COMMON MANAGEMENT [see rule-8(n)]

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the common Management of GPH Ispat Limited. However, the following Directors are involve with the other Listed Companies:

Name of Directors	Position with GPH	Entities where they have Interest	Position with other Organization
Mr. Mohammed Jahangir Alam	Managing Director	M. I. Cement Factory Limited	Director & Chairman
		Premier Cement Mills Limited	Director
		Asia Insurance Limited	Director
Mr. Md. Alamgir Kabir	Chairman	M. I. Cement Factory Limited	Director
		Premier Cement Mills Limited	Director
Mr. Md. Almas Shimul	Director & Additional Managing Director	M. I. Cement Factory Limited	Director

NAME AND ADDRESS OF THE UNDERWRITER(S) ALONG WITH THE NUMBER OF SHARES UNDERWRITTEN BY EACH UNDERWRITER, AND ALSO THE NAME AND ADDRESS OF ISSUE MANAGER, AUDITORS, LEGAL ADVISER AND BANKER TO THE RIGHTS ISSUE [see rule-8(o)]

Classified Information & Underwriters

ISSUE MANAGERS	 Banco Finance And Investment Limited Baitul View Tower (11th Floor), 56/1, Purana Paltan, Dhaka-1000		
	 LankaBangla Investments Limited Eunoos Trade Center, Level - 21, 52-53, Dilkusha C/A, Dhaka - 1000		
AUDITOR	Syful Shamsul Alam & Co. Chartered Accountants		
BANKERS' TO THE ISSUE	BRAC Bank Limited		
	Eastern Bank Ltd.		
	Bank Asia Limited		
	Prime Bank Limited		
	Investment Corporation of Bangladesh (ICB)		
COMPLIANCE OFFICER OF MANAGERS TO THE ISSUE	Mohammad Nuruzzaman Deputy Manager	Tanvir Ul Alam Assistant Manager	Iftekhar Alam Head of Primary Market Operations
COMPANY'S COMPLIANCE OFFICER	Arafat Kamal, FCA Company Secretary		
LEGAL ADVISOR	Mr. Sidhartha Barua, FCA		

GPH Ispat Limited is going to offer rights share of 187,110,000 Ordinary Shares of Tk.10.00 each at an issue price of Tk.14.00 each including a premium of Tk.4.00 per share, totaling Tk.2,619,540,000 offered on the basis of 03[R]:02, i.e. 03 (three) Right Shares for every 02 (two) existing shares held. As per Securities and Exchange Commission's guideline, the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্কেট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, 1996 to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ **0.10%** on the underwritten amount and there will be no additional commission for take-up unsubscribe portion of shares if any.

Name of Underwriters	No. of Shares to be Underwritten	Offer price (BDT)	Total Amount of Underwritten (BDT)	% of Total Underwritten
Banco Finance And Investment Limited Baitul View Tower (11th floor), 56/1 Purana Paltan, Dhaka-1000	52,110,000	14.00	729,540,000	27.85
Lankabangla Investments Limited Eunoos Trade Center, Level - 21, 52-53, Dilkusha C/A, Dhaka - 1000	37,500,000	14.00	525,000,000	20.04
BetaOne Investments Limited Green Delta AIMS Tower (Level – 4) 51-52, Mohakhali C/A, Dhaka-1212	30,000,000	14.00	420,000,000	16.03
AFC Capital Limited Tanaka Tower (2 nd floor), 42/1/Gha, Segun Bagicha , Dhaka-1000	18,750,000	14.00	262,500,000	10.02
Alpha Capital Management Limited National Scout Bhaban (5th floor), 70/1, Inner Circular Road, Dhaka-1000	18,750,000	14.00	262,500,000	10.02
Prime Bank Investment Limited Peoples Insurance Bhaban, (11 th floor), 36, Dilkusha, Dhaka-1000	15,000,000	14.00	210,000,000	8.02
ICB Capital Management Limited BDBL Bhaban (Level-16) 8, Razuk Avenue, Dhaka-1000	15,000,000	14.00	210,000,000	8.02
Total	187,110,000		2,619,540,000	100%

**Underwriters’
Obligation**

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten)** days of the closure of subscription call upon the underwriters **(for full unsubscribed amount)** in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Company Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Company Draft has been encashed and the Company’s account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen)** days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.

PARTICULARS ALONG WITH THE TERMS AND CONDITIONS OF THE MATERIAL CONTRACTS INCLUDING VENDORS' AGREEMENT, UNDERWRITING AGREEMENT, ISSUE MANAGEMENT AGREEMENT, AGREEMENT WITH THE BANKER TO THE ISSUE AND CONTRACT FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT
[see rule-8(p)]

Terms and Conditions of the Rights Issue

Basis of the Offer

The Company records its share register of members on **March 08, 2016** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk.10.00 each at an issue price of Tk.14.00 each including a premium of Tk.4.00 per share, in the ratio of 03[R]:02, i.e. 03 (three) Right Shares for every 02 (two) existing shares held on the record date.

Entitlement

As a shareholder of the Company on the record date on **March 08, 2016** the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

Acceptance of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **May 12, 2016**.

Renunciation

A shareholder may renounce all or part of the shares he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

General

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

Condition of Subscription

Rights Offer of **187,110,000** Ordinary Shares of Tk.10.00 each at an issue price of Tk.14.00 each including a premium of Tk.4.00 per share, totaling **Tk.2,619,540,000** offered on the basis of **03[R]:02**, i.e. 03 (three) Right Shares for every 02 (two) existing shares held by the Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on **March 08, 2016**.

Payment of Share Price

Payments for the full value of Shares applied for shall be made with designated Branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "**GPH Ispat Limited**" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a Company in the same town to which the application form has been submitted. It is to be noted that all transactions above Tk.1.00 lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

SUBSCRIPTION STATUS	
Opens on	Closes on
April 17, 2016	May 12, 2016
Within Banking Hours Both Days Inclusive	

Any changes or extension regarding subscription period will be notified through national dailies.

Lock-in on Rights Share

The Rights Shares of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

Others

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by **May 12, 2016** or by such later date as may be notified through national dailies to that effect.

Material Contracts

Bankers to the Issue

BRAC Bank Limited, Eastern Bank Ltd., The City Bank Limited, Prime Bank Limited and Investment Corporation of Bangladesh (ICB) has accorded their consent to act as the Banker to the Issue and will collect the subscriptions money of the Rights Offer in cash/cheque/pay order/draft etc. through their designated branches as mentioned.

Significant clauses of Bankers to the Issue agreement are as follows:

- ✓ The Company shall issue 187,110,000 Rights shares of Tk.10.00 each at an issue price of Tk.14.00 each including a premium of Tk.4.00 per share, totaling Tk.2,619,540,000 in accordance with the consent of the Bangladesh Securities & Exchange Commission (BSEC) and relevant Securities and Exchange Commission (Rights Issue) Rules, 2006.
- ✓ The company shall pay commission to the Bank at the rate of 0.10% of the amount of subscription money to be collected.
- ✓ The company shall comply with any other formalities required under law of regulatory bodies for raising fund publicly.

The rights issue subscriptions money collected from the shareholders by the Bankers to the issue will be remitted to the Company's A/C No. **1101202234082002** with **BRAC Bank Limited, Agrabad Branch**.

Underwriters

Name of Underwriters
Banco Finance And Investment Limited Baitul View Tower (11th floor), 56/1 Purana Paltan, Dhaka-1000
LankaBangla Investments Limited Eunoos Trade Center, Level - 21, 52-53, Dilkusha C/A, Dhaka - 1000
BetaOne Investments Limited Green Delta AIMS Tower (Level - 4) 51-52, Mohakhali C/A, Dhaka-1212
AFC Capital Limited Tanaka Tower (2 nd floor), 42/1/Gha, Segun Bagicha, Dhaka-1000
Alpha Capital Management Limited National Scout Bhaban (5th floor), 70/1, Inner Circular Road, Dhaka-1000
Prime Bank Investment Limited Peoples Insurance Bhaban, (11 th floor), 36, Dilkusha, Dhaka-1000
ICB Capital Management Limited BDBL Bhaban (Level-16) 8, Razuk Avenue, Dhaka-1000

Significant clauses of underwriting agreement are as follows:

- ✓ The Company shall issue 187,110,000 Rights shares of Tk.10.00 each at an issue price of Tk.14.00 each including a premium of Tk.4.00 per share in accordance with the approval of the Bangladesh Securities and Exchange Commission and the provisions of this Agreement.
- ✓ Company shall within 10 (ten) days of the closure of subscription call upon the underwriter to take-up the unsubscribed shares.
- ✓ Underwriter should pay for in cash in full for such unsubscribed shares within 15 (fifteen) days after being called upon to do so.
- ✓ The Company Shall pay to the Underwriter an underwriting commission at the rate of **0.10% (zero point Ten percent)** of the value at issue price of the shares hereby agreed to be underwritten by the Underwriter.
- ✓ The Company shall comply with any other formalities required under the laws/rules of the land.

Managers to the Issue

Banco Finance & Investment Limited And Lankabangla Investments Limited are appointed as Managers to the Issue of the rights issue of the Company. Accordingly, an agreement was made between the Issue Managers and the Company. The Company will pay lump-sum issue management fee 0.15% (after deducting all necessary tax and VAT) and 0.08% (excluding VAT) only on total amount to be raised to the Managers to the Issue respectively.

Vendor's Agreement

GPH Ispat Limited has not entered into any vendor's agreement except normal course of business.

Contract for Acquisition of Property

The acquisition of Property, Plant and Equipment of GPH Ispat Ltd for the period from May 1, 2014 to January 31, 2015 is as under:

Particulars	Amount (Tk.)
Land & Land Development	1,679,160
Plant and Machinery	26,316,642
Factory Building	16,363,037
Furniture Fixture & Decoration	1,064,566
Computer and Accessories	500,100
Logistics Vehicles	6,450,000
Office Equipment	639,640
Total	53,013,145

No major acquisition of Property, Plant and Equipment took place after 31st January, 2015 to till date.

NUMBER OF RIGHTS SHARES THAT THE DIRECTORS ARE GOING TO SUBSCRIBE, AND IN CASE THEY PROPOSE TO MAKE RENUNCIATION, THE REASONS AND EXTENT OF SUCH RENUNCIATION [see rule-8(q)]

Directors' Take-Up In The Rights Offer

Directors are expected to exercise in full their portion of Rights Offer [Rule-8(q)] is as under:

Name of Director	Status	No. of Share Held	Take-Up in the Rights Offer
Mr. Md. Alamgir Kabir	Chairman	6,001,600	9,002,400
Mr. Mohammed Jahangir Alam	Managing Director	37,410,000	56,115,000
Mr. Md. Abdur Rouf	Director	3,742,200	5,613,300
Mr. Md. Almas Shimul	Director & Additional Managing Director	13,503,600	20,255,400
Mr. Md. Ashrafuzzaman	Director	3,742,200	5,613,300
Mr. Md. Abdul Ahad	Director	2,993,760	4,490,640
Mr. Md. Azizul Hoque	Director	2,494,800	3,742,200
Professor Dr. Mohammad Saleh Jahur	Independent Director	-	-
Mr. Md. Velayet Hossain	Independent Director	-	-

STATEMENT OF ACTUAL UTILIZATION OF FUND RAISED BY PUBLIC OFFERING OF SHARES OR RIGHTS SHARES, IF ANY, PRIOR TO THE PROPOSED RIGHTS ISSUE VIS-A-VIS PLAN THEREOF [see rule-8(r)]

Declaration Regarding Utilization of Previous Fund (IPO)

GPH Ispat ltd went to IPO in the year 2012 by issuing 20,000,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00 per share including a premium of Tk. 20.00 per share totaling Tk. 600,000,000 (Sixty Crore) with the objective to meet the Loan Repayment. The Company has fully utilized the entire Fund for meeting the said purpose. The statement of fund utilization is given below:

Sl. No.	Description	Taka
	Receipt of Fund:	
1	From IPO	200,000,000
2	Premium	400,000,000
	Total	600,000,000
	Utilization of Fund:	
	Loan repayment:	
01	a) United Commercial Bank Ltd. Khatungonj Branch	345,000,000
	b) Janata Bank ltd, Khatungonj Branch	243,000,000
02	Payment of Tax @ 3% on Share Premium	12,000,000
	Total	600,000,000

FORM – A [see rule 5 and rule 8(t)]

DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE ISSUE MANAGERS IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF GPH ISPAT LIMITED

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

Place: Dhaka
Dated: May 12, 2015

For
(Name of Managers to the Issue)
Banco Finance And Investment Limited
Lankabangla Investments Limited
Sd/-
(Managing Director/Chief Executive Officer)

**DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE UNDERWRITER(S)
IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF GPH ISPAT LIMITED**

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Place: Dhaka

Dated: May 25, 2015

For
(Name of Underwriters)

AFC Capital Limited
BetaOne Investments Limited
Prime Bank Investment Limited
ICB Capital Management Limited
Alpha Capital Management Limited
LankaBangla Investments Limited
Banco Finance And Investment Limited

Sd/-
(Managing Director/Chief Executive Officer)

FORM- C
SECURITIES AND EXCHANGE COMMISSION (RIGHT ISSUE) RULES, 2006
[see rule 8(h) and 8 (t)]

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying Financial Statements for the period of nine month ended on 31 January 2015 of **GPH Ispat Limited** in accordance with the Bangladesh Standards of Auditing (BSA) and we state that we have obtained all the information and explanations which we have required, and after due verification thereof, we report that, in our opinion:

- a) These financial statements have been drawn up in accordance with the requirements of the Securities Exchange Rules, 1987, as amended, the Companies Act, 1994 and other applicable laws and regulations;
- b) These Financial Statements which are in agreement with the books of account of the Issuer Company give a true and fair view of the financial position as at 31 January 2015 and of the its performance and cash flows for the period then ended;
- c) Proper books of account have been kept by the Issuer Company as required by the relevant laws; and
- d) The expenditure incurred was for the purpose of the Issuer Company's business.

We also certify that the above Issuer Company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Right Issue) Rules, 2006, and that the Company has duly paid off the following amounts of the declared dividend mentioned against respective year:

Financial Year	Date of Dividend Declaration	Rate		Declared Dividend	
		Cash	Stock	Total Amount	Total Paid/Allotted
2013-2014	November 10, 2014	15%	5%	237,600,000	236,459,629
2012-2013	November 09, 2013	15%	10%	270,000,000	269,471,100
2011-2012	November 13, 2012	10%	20%	270,000,000	269,483,250
2010-2011	August 18, 2011	-	40%	200,000,000	200,000,000
2009-10	No dividend was declared				

Chittagong,
12 May 2015

Sd/-
Syful Shamsul Alam & Co.
Chartered Accountants

DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL RESPONSIBILITY IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF GPH ISPAT LIMITED

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006. We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-
Md. Alamgir Kabir
Chairman

Sd/-
Mohammed Jahangir Alam
Managing Director

Sd/-
Md. Almas Shimul
Director & Additional MD

Sd/-
Md. Abdur Rouf
Director

Sd/-
Md. Ashrafuzzaman
Director

Sd/-
Mr. Md. Abdul Ahad
Director

Sd/-
Mr. Md. Azizul Haque
Director

Sd/-
Professor Dr. Mohammad Saleh Jahur
Independent Director

Sd/-
Mr. Md. Velayet Hossain
Independent Director

A STATEMENT THAT A LOCK-IN ON THE RIGHTS SHARES OF THE DIRECTORS (INCLUDING THEIR RENOUNCED SHARES) FOR A PERIOD OF THREE YEARS FROM THE DATE OF CLOSURE OF THE RIGHTS SHARE SUBSCRIPTION SHALL BE OPERATIVE [see rule 8(u)]

Statement of Lock-In on the Rights Shares

The Rights Shares of **Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription.** In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

Name of Director	Status	No. of Share Held	Lock in portion of Rights Share	Date of Subscription Close	Expiry Date of Lock-in
Mr. Md. Alamgir Kabir	Chairman	6,001,600	9,002,400	May 12, 2016	3 Years from the date of subscription close
Mr. Mohammed Jahangir Alam	Managing Director	37,410,000	56,115,000	May 12, 2016	3 Years from the date of subscription close
Mr. Md. Abdur Rouf	Director	3,742,200	5,613,300	May 12, 2016	3 Years from the date of subscription close
Mr. Md. Almas Shimul	Director & Additional Managing Director	13,503,600	20,255,400	May 12, 2016	3 Years from the date of subscription close
Mr. Md. Ashrafuzzaman	Director	3,742,200	5,613,300	May 12, 2016	3 Years from the date of subscription close
Mr. Md. Abdul Ahad	Director	2,993,760	4,490,640	May 12, 2016	3 Years from the date of subscription close
Mr. Md. Azizul Hoque	Director	2,494,800	3,742,200	May 12, 2016	3 Years from the date of subscription close
Ms. Sadman Syka Sefa	General Shareholder	9,000,000	13,500,000	May 12, 2016	3 Years from the date of subscription close

**Credit Rating Report (Surveillance)
GPH Ispat Ltd.**

Particulars	Ratings	Remarks
GPH Ispat Limited	AA ₃	Entity
BDT 153.9 million Long Term Outstanding (LTO)	AA ₃ (Lr)	
BDT 510.0 million aggregate Cash Credit and Overdraft Limit*	AA ₃ (Lr)	Please see Appendix-1
BDT 2,100.0 million Short Term Funded Limit	ST-2	for details
BDT 8,760.0 million Short Term Non Funded Limit	ST-2	
Outlook	Stable	

*Lr – Loan Rating, ST – Short Term; *Due to its revolving nature CRAB views Cash Credit/Overdraft as long-term facility.
(Refer to Appendix-3 for rating history)*

Date of Rating: 22 September 2015

Validity: The entity rating is valid up to 24 September 2016 and the loan ratings are valid up to limit expiry date of respective credit facilities or 24 September 2016 whichever is earlier.

Rating Based on: Audited financial statements up to 30 April 2015, bank liability position as on 31 August 2015, and other relevant quantitative & qualitative information up to the date of rating declaration.

Auditor: Syful Shamsul Alam & Co.

Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

Analysts:

Mohammed Nazrul Islam Bhuiyan

nazrul@crab.com.bd

Mir Arif Billah

mab@crab.com.bd

Financial Highlights

(Mil. BDT)	--Year ended April 30--		
	2015	2014	2013
Net Sales	5,988.4	4,687.2	5,387.4
EBITDA	823.8	855.6	840.9
EBITDA Margin (%)	13.8	18.3	15.6
Net Profit Margin (%)	4.9	5.9	4.6
Return on Avg. Asset (%)	4.9	5.2	4.9
Quick Ratio (x)	0.6	0.4	0.5
Operating Cycle (Days)	233	282	216
Debt to Equity (x)	1.6	1.6	1.5
Borrowed Fund to EBITDA (x)	4.3	3.9	3.5
Cash Flow from Operation	(79.7)	(43.0)	665.8
Free Cash Flow	(136.6)	(157.5)	63.5
EBIT/Financial Expenses (x)	2.1	2.2	1.9

Source: The Company and CRAB Analysis

PROFILE

GPH Ispat Limited (hereinafter referred to as "GPH" or "the Company") is an integrated steel manufacturing company engaged in manufacturing of MS Billet & MS Rod. The Company was incorporated as a private limited company in 2006 and commenced its commercial production in August 2008. GPH became listed with DSE and CSE in 2012. The factory of the Company is located at Kumira, Sitakunda of Chittagong on around 09 acres land area. At present, annual production installed capacity of MS Billet and MS Rod of the Company is 168,000 MT and 120,000 MT respectively. In 2014-15, capacity utilization was 81.2% for MS Rod and 66.6% for MS Billet.

RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has reaffirmed the entity rating of GPH Ispat Limited to AA₃ (Pronounced as Double A Three) and assigned AA₃ (Lr) ratings to BDT 153.9 million long term outstanding and BDT 510.0 million aggregate Cash Credit and Overdraft limit in the long term. CRAB has also reaffirmed ST-3 rating to BDT 2,100.0 million aggregate fund based limit and BDT 8,760.0 million aggregate non fund based limit of the Company in the short term.

The assigned ratings favourably consider the experience of the key promoters and top-level management in related business, size of the operation with sound growth of sales, improvement in capacity utilization, balanced production facility of MS Billet & MS Rod. The ratings also take into consideration the group support in term of internal fund generation capability, customer base, contemporary manufacturing and lab facilities.

The ratings however are constrained by high working capital intensity, volatility in the raw material price in the local market as well as international market, decline in profitability position at the bottom line. The ratings also take into account the highly competitive nature of the steel industry and downtrend of the country's real estate industry.

GPH reported BDT 5,988.4 million sales in FY2015 with 27.8% growth. However, in FY2014 the Company reported 13% negative growth due to decreased price per unit and lower level of capacity utilization. Cost of goods sold as percentage of net sales increased to 84.9% in FY2015 due to increased raw materials expenses, which affected the Company's profitability ratios. The Company has reported slightly improved liquidity position in FY2015, as reflected in 211 days cash conversion cycle decreased from 260 days in FY2014. The improvement is supported by GPH's reduced inventory processing period and receivable collection period.

GPH's capital structure remains debt dominated as reflected in 1.6x debt to equity ratio since last two years. Though the equity base increased due to accumulated retained earnings, the capital structure was retained as total borrowed fund also increased at the same time. Moreover, the borrowed fund was reported 4.3x times to EBITDA revealing deteriorated leverage position of the Company in FY2015 (FY2014: 3.9x) due to reduced EBITDA and increased borrowed fund.

However, the Company managed to control the coverage position that remained at the similar level of 2.1x times in FY2015; which was adequate to cover Company's present debt obligations.

■ KEY RATING DRIVERS

MAJOR CHANGES IN THE SURVEILLANCE CREDIT RATING

- Revenue of the Company increased by 27.8% but profitability margin decreased due to increased CoGS (84.9% of Net Sales).
- Capacity utilization of MS Billet production increased to 66.6% from 49.7% and MS Rod production increased to 81.2% from 64.4% in last year.
- Though total borrowed fund outstanding increased to BDT 3,540.5 million in FY2015 from BDT 3,353.2 million in FY2014, debt to equity remained same in both years.
- Cash flow from operation remained negative.
- Planning to increase annual production capacity of MS Billet by 840,000 MT and MS Rod by 640,000 MT; i.e. total annual capacity will be 1,008,000 MT for MS Billet and 760,000 MT for MS Rod.

The Company proposed 03 (three) Right Shares for every 02 (two) Ordinary Shares at an issue price of BDT 14.0 (including a share premium of BDT 4.0) on paid up capital subject to approval of the shareholders in EGM to be held on 30 September FY2015 and the regulatory authorities.

RATING POSITIVES

- Experience of the promoters supports the Company to capture substantial market share.
- Strong Management Information System allows the management to track the business trend against the industry scenario.
- Good feedback from external borrowers reveals Company's ability to honour its due obligation in a legitimate way.
- Controlled administrative expense and financial expense have helped the Company to offset the effect of the increased CoGS.

RATING CHALLENGES

- Cost of goods sold as percentage of net sales increased to 84.9% in FY2015 due to increased raw materials expenses, which affected the Company's profitability ratios.

The borrowed fund was reported 4.3x times to EBITDA revealing deteriorated leverage position of the Company in FY2015 (FY2014: 3.9x) due to reduced EBITDA and increased borrowed fund.

■ BACKGROUND

GPH Ispat Limited, main concern of GPH Group, was incorporated as a private limited company in FY2006. The Company started its commercial operation in August 2008 with an annual production capacity of 84,000 MT MS Billet and 120,000 MT MS Rod of different diameter ranges from 8 mm to 32 mm. The factory of the Company is located at Kumira, Sitakunda of Chittagong on the east side of Dhaka-Chittagong highway. The plant is consisting of three units: steel melting, steel re-rolling, and captive power plant. GPH Ispat Limited converted into public limited company in December 2009 and got listed with DSE and CSE during April 2012.

GPH manufactures and trades all kinds of structural bar (60 grade, TMT 500W etc.) as well as other metallic or allied material of low & medium carbon and low alloy steel billets (main ingredient of manufacturing graded steel bar) and marketing thereof. At present, annual production installed capacity of MS Billet and MS Rod of the Company is 168,000 MT and 120,000 MT respectively. In 2014–15, capacity utilization was 81.2% for MS Rod and 66.6% for MS Billet. GPH ensures quality products as per various national and international standards and steel billets already exported to Sri Lanka and the Company hopes to start export steel billets and bars to some other countries very soon. GPH is planning to increase annual production capacity of MS Billet for 840,000 MT and MS Rod for 640,000 MT; i.e. total annual capacity will be 1,008,000 MT of MS Billet and 760,000 MT of MS Rod.

The corporate office of GPH Ispat Limited is located at Crown Chamber, 325 Asadgonj, Chittagong and Dhaka office is located at Hamid Tower (3rd Floor), 24 Gulshan C/A, Gulshan–2, Dhaka.

Table 1

Company at a Glance	
Particulars	Details
Name of the Company	: GPH Ispat Limited
Year of Incorporation	: 17 May 2006 as a Privet Limited Company
Commercial Operation	: 21 August 2008
Converted to Public Limited	: 18 December 2009
Listed in DSE & CSE	: April 2012
Factory Location	: Masjiddah, Kumira, Sitakunda, Chittagong, Bangladesh
Corporate Office	: Crown Chamber, 325 Asadgonj, Chittagong, Bangladesh
Dhaka Office	: Hamid Tower (3 rd Floor), 24 Gulshan C/A, Gulshan–2, Dhaka–1212
Factory Location	: Masjiddah, Kumira, Sitakunda, Chittagong, Bangladesh
Industrial Group	: Steel
Products	: MS Billet & MS Rod
Chairman	: Mr. Md. Alamgir Kabir
Managing Director	: Mr. Mohammed Jahangir Alam
Authorised Capital	: BDT 2,500.0 million (As on 30 April 2015)
Paid-up Capital	: BDT 1,247.4 million (As on 30 April 2015)
Annual Production Capacity	: MS Billet: 168,000 MT, MS Rod:120,000 MT
Utilization in FY 2015	: MS Billet: 66.6%, MS Rod:81.2%
Net Sales in FY 2015	: BDT 5,988.4 million
Net Profit after Tax in FY 2015	: BDT 292.5 million
Export Sales in FY 2015	: BDT 43.9 million (MS Billet: BDT 19.0 million, MS Rod: BDT 24.9 million)
Auditor	: Syful Shamsul Alam & Co.
Website	: www.gphispat.com.bd

Source: The Company

Group Profile and Financial Highlights

GPH Group has positioned itself as a leading business conglomerate by establishing different large manufacturing business especially in steel and cement sector as well as power generation, stock brokerage, construction, logistic & transport, trading and others sectors. The group was promoted by Mohammed Jahangir Alam along with his brothers and nephews with their dedication and commitment. Since 1987, Jahangir & Others, the first concern of GPH Group started its business of trading as a proprietorship concern and incorporated as private limited company in 2003. Jahangir & others Limited has engaged in trading of CI Sheet, GP Sheet, MS Rod, MS Angle, MS Plate, MS Channel, Cement, Bitumen etc. The promoters have shown their best expertise in cement industry by establishing M.I. Cement Factory Limited joint venture with Mollah Salt Group and Premier Cement Mills Limited joint venture with T K Group. In steels, they have gained experience and expertise by running a hand-rolling mill, Indo Steels Re-Rolling Industries Limited from the year of 2000. Later the promoters established GPH Ispat Limited, the flagship company of GPH Group for greater perspective in steel manufacturing sector which started its production in 2008.

Table 2: Group Concerns

Name of the concern	Year of Establish/ Incorporation	Nature of Business	Relationship with GPH
Jahangir & Others Ltd.	2003	Trading	Common Directorship
M.I. Cement Factory Ltd.	1994	Cement Manufacturing	Common Directorship
Steel & Cement Corporation	1995	Trading	Common Directorship
National Cement Mills Limited	1996	Cement Manufacturing	Common Directorship
Salahuddin Trading Co.	1998	Trading	Common Directorship
A Ahad Corporation	1998	Trading	Common Directorship
Premier Cement Ltd.	2001	Cement Manufacturing	Common Directorship
Premier Power Generation Ltd.	2001	Power Generation	Common Directorship
Chittagong Capital Ltd.	2005	Brokerage House	Common Directorship
GPH Power Generation Ltd.	2006	Power Generation	Common Directorship
Crown Power Generation Ltd.	2006	Power Generation	Common Directorship
Crown Polymer Bagging Ltd.	2006	Bag Manufacturing	Common Directorship
Crown Mariners Ltd	2009	Ship Building	Common Directorship
Crown Transportation & Logistics Ltd.	2011	Logistic & Transport	Common Directorship
Crown Cement Concrete and Building Products Ltd.	2011	Ready Mix Concrete	Common Directorship

Source: The Company

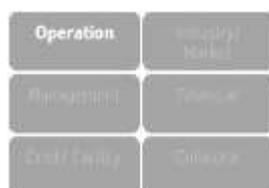
Table 3: Financial Highlights of the Group

Amount in BDT million

Name of the concern	Reporting Period	Revenue	Net Profit	Total Assets (TA)	Total Liabilities (TL)	TL/TA
GPH Ispat Ltd.	30-Apr-14	4,687.2	278.9	5,846.5	3,915.5	0.7
Jahangir & Others Ltd.	30-Jun-14	1,684.2	44.1	1,613.8	1,360.3	0.8
M.I. Cement Factory Ltd.	30-Jun-14	7,990.6	674.4	11,347.0	5,671.6	0.5
Steel & Cement Corporation	30-Jun-14	3,679.6	46.9	1,152.7	926.6	0.8
National Cement Mills Ltd.	30-Jun-14	720.4	18.0	2,020.7	1,408.5	0.7
Salahuddin Trading Co.	30-Jun-14	6,440.0	151.3	2,026.6	1,415.3	0.7
A Ahad Corporation	30-Jun-14	2,698.9	39.1	448.5	332.1	0.7
Premier Cement Ltd.	30-Jun-14	6,819.2	498.3	8,403.3	5,313.8	0.6
Premier Power Generation Ltd.	30-Jun-14	96.7	53.8	128.3	3.5	0.03
Chittagong Capital Ltd.	30-Jun-14	23.1	4.3	78.7	29.5	0.4
GPH Power Generation Ltd.	30-Sep-14	354.4	214.4	1,167.9	338.5	0.3
Crown Power Generation Ltd.	31-Dec-14	25.6	(2.5)	161.4	183.0	1.1
Crown Polymer Bagging Ltd.	30-Sep-14	285.6	6.6	665.2	611.2	0.9
Crown Mariners Ltd.	30-Apr-14	460.5	187.0	968.5	567.0	0.6
Crown Transportation & Logistics Ltd.	31-Mar-14	272.1	(33.4)	302.3	437.0	1.4
Total		36,612.4	2,098.3	36,786.4	23,058.8	0.6

Source: Management of the Company

■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE



GPH Ispat Limited produces MS Billet form Steel Scrap & MS Rod from MS Billet and marketing thereof. Major clientele are the Contractor, Property Developers, Export Processing Zone, Road and Bridge Construction Company etc. after nourishing internal demand, GPH steel billets and bars are exported to other countries. Currently, annual production installed capacity of MS Billet and MS Rod of the Company is 168,000 MT and 120,000 MT respectively. In 2014-15, capacity utilization was 81.2% for MS Rod and 66.6% for MS Billet.

Table 4

Details of Production and Sales of GPH Ispat Limited

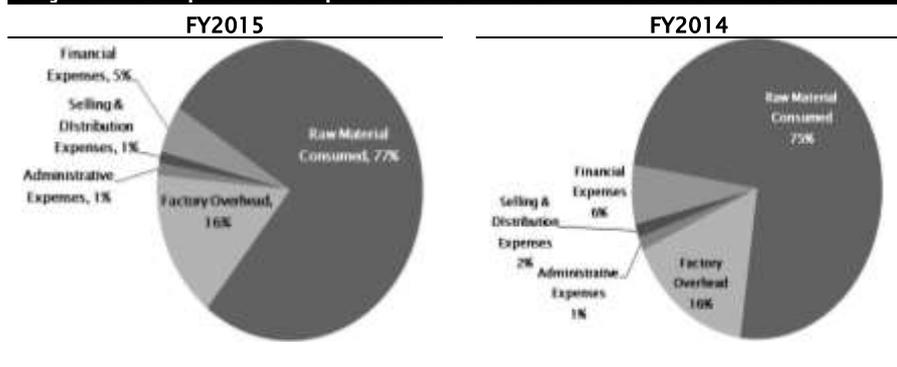
(Mil. BDT)	--Year ended April 30--		
	2015	2014	2013
Installed Capacity (MT)			
MS Billet	168,000	168,000	168,000
MS Rod	120,000	120,000	120,000
Production (MT)			
MS Billet	111,946	83,533	87,265
MS Rod	97,428	77,332	84,062
Capacity Utilization			
MS Billet	66.6%	49.7%	51.9%
MS Rod	81.2%	64.4%	70.1%
Sales (MT)			
MS Billet	5,567	-	3,120
MS Rod	98,938	77,008	80,599

Source: The Company

The capacity utilization has been increasing over the years except FY2014 due to political turmoil and unrest. Domestic market remained as the core revenue source although the Company earned 0.7% of its revenue from export of MS Billets and MS Rod in the year 2014-15.

Figure 2

Major Cost Components Compare to Total Cost of GPH in FY2015 and FY2014



The main raw material of GPH is Melting Scrap and the second largest raw material is Sponge Iron. These two items cover more than 91% of raw material consumption. These raw materials are sourced from local market through ship breaking yard as well as from foreign market. GPH has its own (a separated company, GPH Power Generation Ltd.) captive power plant of 12 MW and it also gets 15 MW electricity from national grid, which is sufficient for its present capacity.

GPH is planning to increase its annual production capacity of MS Billet by 840,000 MT and MS Rod by 640,000 MT; i.e. total annual capacity will be 1,008,000 MT for MS Billet and 760,000 MT for MS Rod. For this purpose, the Company proposed 03 (three) Right Shares for every 02 (two) Ordinary Shares at an issue price of BDT 14.0 (including a share premium of BDT 4.0) on paid up capital subject to approval of the shareholders in EGM to be held on 30 September FY2015 and the regulatory authorities.

Operation	Industry/Market
Management	Financial
Credit Facility	Capital

Bangladesh has more than 400 steel, re-rolling and auto re-rolling mills with a combined annual production capacity of 80 lakh tons, against the total demand of 40 lakh tons (market value of BDT 200 billion). The government projects account for nearly 40% of total steel consumption.

Bangladesh is one of the lowest consumers of steel products in the world. Per capita steel consumption in Bangladesh now stands at only 25 kilograms (which is below of world average of 217 kg), while it is 55 Kilograms in India, 324 kilograms in developed nations. A number of companies of the sector, including BSRM, GPH, RSRM, Rahim Steel and Bashundhara Steel, are producing the raw material billet locally. The local demand for billet is 4.0 million metric tons annually while 1.5 million MT billet are imported to meet the country's demand. At present, three big steelmakers BSRM, Abul Khair Steel and KSRM are supply more than 50% of the country's annual need for 35-40 lakh tons of steel. The smaller mills in Bangladesh are facing challenges such as price fall in international steel market and a decline in domestic demand for construction materials, which are forcing them out of the market. Over capacity of the steel industry also indicates enormous export potential, though the option is yet to explore following some bottlenecks in the export process. Since steel demand is derived from other sectors like construction buildings, roads, consumer durables and infrastructure, its fortune is dependent on the growth of these user industries. However, Initiation of Padma Bridge construction, acceleration of Government's big infrastructure projects under Annual Development Program (ADP) and revival of the local real-estate industry will undoubtedly boost-up the steel consumption locally.

Operation	Industry/Market
Management	Financial
Credit Facility	Capital

Steel industry is mostly capital intensive but manual engagement is also an integral part of the process, mostly in production and sales & marketing. The Board is overall responsible for total functioning and operations of the Company. Under reporting to the Board, a team of dedicated employees carries out day-to-day operations of the Company. A group of senior executives aid the Managing Director to perform decision making of the Company. There are three functional departments in GPH, are Accounts & Finance, Sales & Marketing and Production, which are led experienced professionals in relevant area and they reports directly to the Managing Director, who later reports time-to-time to the Board with summary reports on the performance of the Company.

The authorized capital of the Company is BDT 2,500.0 million divided into 250 million ordinary shares of BDT 10.0 each and paid up capital was BDT 1,247.4 million up to 30 April 2015.

Table 5

Composition of Share Holding Position as of 30 April 2015			
Name of Shareholders	Position	No of Shares	% of Shares
Mr. Mohammed Jahangir Alam	Managing Director	37,410,000	29.99
Mr. Md. Alamgir Kabir	Chairman	7,001,600	5.61
Mr. Md. Almas Shimul	Additional MD	13,503,600	10.83
Mr. Mohammed Abdur Rouf	Director	4,851,000	3.89
Mr. Md. Ashrafuzzaman	Director	4,851,000	3.89
Mr. Md. Abdul Ahad	Director	3,880,800	3.11
Mr. Md. Azizul Hoque	Director	2,910,600	2.33
General Shareholders	Shareholders	50,331,400	40.35
Total		124,740,000	100.0

Source: The Company

Management Risk for GPH Ispat Limited is low as a team professional management exists with experience in related industries. *Mr. Mohammed Jahangir Alam*, Managing Director is holding the major portion of shares (~30.0%). Mr. Md. Alamgir Kabir was appointed Chairman of the Board, who holds 5.6% of the shares. General shareholders hold 40.3% shares. Md. Almas Shimul, Director is holding the second highest shares of the Company viz. 10.8%.

GPH has almost 684 employees mostly in factory. The production manager and other technical staff also have long experience of working in related field. The size of the sales and marketing force has been enhanced during the last one year to cope up with the increase in sales. The Factory Office sends production reports, stock reports and quality control reports to the Head Office on daily basis which helps the management to take effective business decisions. There is also computerized record keeping practice in the Company through strong MIS system.

GPH reported BDT 5,988.4 million sales in FY2015 with 27.8% growth. However, in FY2014 the Company reported 13% negative growth due to decreased price per unit and lower level of capacity utilization. Cost of goods sold as percentage of net sales increased to 84.9% in FY2015 due to increased raw materials expenses, which affected the Company's profitability ratios.



Table 6

Cost Component as % of Revenue				
Particulars	FY2015	%	FY2014	%
Net Revenue	5,988.4	100%	4,687.2	100%
CoGS as % of Net Revenue	5,086.5	84.9%	3,819.6	81.5%
Administrative & Selling Expenses	170.2	2.8%	155.9	3.3%
Financial Expenses	334.1	5.6%	329.0	7.0%
Net Profit	292.5	4.9%	278.9	5.9%

The Company has reported slightly improved liquidity position in FY2015, as reflected in 211 days cash conversion cycle decreased from 260 days in FY2014. The improvement is supported by GPH's reduced inventory processing period and receivable collection period.

GPH's capital structure remains debt dominated as reflected in 1.6x debt to equity ratio since last two years. Though the equity base increased due to accumulated retained earnings, the capital structure was retained as total borrowed fund also increased at the same time. Moreover, the borrowed fund was reported 4.3x times to EBITDA revealing deteriorated leverage position of the Company in FY2015 (FY2014: 3.9x) due to reduced EBITDA and increased borrowed fund.

However, the Company managed to control the coverage position that remained at the similar level of 2.1x times in FY2015; which was adequate to cover Company's present debt obligations.



GPH Ispat Limited has banking relation with 15 commercial banks having total short-term limit facilities of BDT 11,370.0 million and BDT 153.9 million long term outstanding as of 31 August 2015. As per information received from these banks, it is found that the dealings of the Company is at satisfactory level considering timely regular payment and no reschedule & default history with these Banks. Details bank liability position of the Company is given in appendix -1.

[End of the Report

APPENDIX – 1 : CREDIT FACILITIES OF GPH ISPAT LIMITED

Details of Credit Facilities of as of 31 August 2015 (Mil. BDT)

		Funded/Non				
Loan Type	Funded	Bank	Nature of Facility	Limit	Outstanding	Limit Expiry
Long Term	Funded	AB Bank Ltd	Term Loan	200.0	72.0	1-Oct-16
			Term Loan	147.7	35.1	16-May-17
			Term Loan	100.0	3.4	5-Dec-19
		Pubali Bank Ltd	Lease Finance	87.3	41.5	case to case
		Prime Bank Ltd	Lease Finance	13.5	1.9	31-Oct-15
Total Long Term				548.5	153.9	
Revolving	Funded	AB Bank Ltd	Overdraft	60.0	-	31-Aug-16
		Trust Bank Ltd	Overdraft	100.0	92.0	31-Oct-15
		SCB	Overdraft	100.0	98.9	30-Sep-15
		State Bank of India	Cash Credit	(150.0)	149.6	30-Nov-15
		UCBL	Cash Credit (Hypo)	(100.0)	81.1	30-Apr-16
		Bank Asia Ltd	Overdraft	50.0	45.7	4-May-16
		Premier Bank Ltd	Overdraft	200.0	199.0	31-Dec-15
Total Cash Credit & Overdraft				510.0	666.3	
Short Term	Funded	AB Bank Ltd	LTR	800.0	20.5	31-Aug-16
			RTL	(700.0)	641.1	31-Aug-16
			RTL (Duty)	100.0	50.5	31-Aug-16
		Trust Bank Ltd	LTR	900.0	290.1	31-Oct-15
			Time Loan	(700.0)	610.0	31-Oct-15
			SDB Time	300.0	59.5	1-Sep-15
		SCB	STL	(150.0)	122.1	30-Sep-15
			LATR	(200.0)	-	30-Sep-15
			Time Loan	(600.0)	329.8	30-Sep-15
		One Bank Ltd	LTR/Time Loan	(510.0)	204.5	15-Oct-15
		Pubali Bank Ltd	LTR	(950.0)	1.7	30-Jun-16
		NCC Bank Ltd	LTR/Time Loan	(250.0)	-	30-Nov-15
		UCBL	LTR	(550.0)	-	30-Apr-16
			Time Loan	(450.0)	148.3	30-Apr-16
		Mercantile Bank Ltd	LTR/Time Loan	(400.0)	-	30-Jun-16
		DBBL	LTR/STL	(300.0)	265.4	31-May-16
		The City Bank Ltd	LTR/STL/OD	(500.0)	487.4	30-Nov-15
		Bank Asia Ltd	LTR	(50.0)	-	4-May-16
			DL	(300.0)	286.3	4-May-16
			TR/TL	(50.0)	-	31-Dec-15
Premier Bank Ltd	Time Loan (STL)	(200.0)	199.5	31-Dec-15		
Total Short Term Funded				2,100.0	3,716.6	
Short Term	Non Funded	AB Bank Ltd	Rev. L/C	1,200.0	703.6	31-Aug-16
			Rev. L/C (Machinery)	(150.0)	-	31-Aug-16
			BG	20.0	0.5	31-Aug-16
		Trust Bank Ltd	L/C	1,200.0	-	31-Oct-15
		SCB	L/C	950.0	84.6	30-Sep-15
			Acceptance	(600.0)	215.9	30-Sep-15
			Shipping Guarantees	(300.0)	6.3	30-Sep-15
		One Bank Ltd	L/C	540.0	-	15-Oct-15
		Pubali Bank Ltd	L/C	1,000.0	275.6	30-Jun-16
		State Bank of India	L/C	150.0	-	30-Nov-15
		NCC Bank Ltd	L/C	300.0	-	30-Nov-15
		UCBL	L/C	600.0	-	30-Apr-16
		Mercantile Bank Ltd	L/C	500.0	-	30-Jun-16
		DBBL	L/C	500.0	-	31-May-16
		The City Bank Ltd	L/C	1,000.0	-	30-Nov-15
		Bank Asia Ltd	L/C	500.0	-	4-May-16
		Premier Bank Ltd	L/C	300.0	-	31-Dec-15
Total Short Term Non Funded				8,760.0	1,286.5	

Source: The Company

APPENDIX – 2: FINANCIAL HIGHLIGHTS OF GPH ISPAT LIMITED

Financial Highlights

		--Year ended April 30--			
		2015	2014	2013	2012
		(Mil. BDT)			
Earnings & Stability	Net Sales	5,988.4	4,687.2	5,387.4	4,386.3
	Sales Growth (%)	27.8%	-13.0%	22.8%	18.9%
	CoGS as % of Sales	84.9%	81.5%	83.9%	81.5%
	EBITDA	823.8	855.6	840.9	758.0
	EBITDA Growth (%)	-3.7%	1.8%	10.9%	26.7%
	EBITDA Margin (%)	13.8%	18.3%	15.6%	17.3%
	Net Profit after tax	292.5	278.9	250.1	254.2
	Net profit after tax growth (%)	4.9%	11.5%	-1.6%	39.0%
Profitability	Gross Profit Margin	15.1%	18.5%	16.1%	18.5%
	Operating Profit Margin	12.2%	15.2%	13.3%	15.3%
	Net Profit Margin	4.9%	5.9%	4.6%	5.8%
	Return on Average Asset	4.9%	5.2%	4.9%	5.5%
	Return on Average Equity	14.0%	14.3%	14.1%	22.1%
Liquidity	Current Ratio (x)	1.3	1.1	1.1	1.1
	Quick Ratio (x)	0.6	0.4	0.5	0.4
	Inventory +AR to TA	54.1%	60.2%	55.0%	55.1%
	Net Working Capital to TA	63.2%	56.7%	58.6%	61.0%
	Inventory Turnover Ratio (x)	2.1	1.7	2.2	1.9
	Average Inventory Processing Period (Days)	171	211	165	192
	Receivable Turnover Ratio (x)	5.9	5.2	7.2	7.4
	Average Receivable Collection Period (Days)	62	71	51	49
	Payable Turnover Ratio (x)	17.2	16.9	38.7	37.9
	Average Payable Payment Period (Days)	22	22	10	10
	Operating Cycle (Days)	233	282	216	241
	Cash Conversion Cycle (Days)	211	260	206	231
Leverage & Capital Structure	Equity Capital	2147.8	2034.2	1875.6	1675.7
	Total Borrowed Fund	3540.5	3353.4	2902.3	3340.5
	Total Long Term Debt	531.4	176.9	188.4	333.9
	EBITDA	823.8	855.6	840.9	758.0
	Fund Flow from Operation (FFO)	401.0	395.4	366.6	332.4
	Cash Flow from Operation (CFO)	-79.7	-43.0	665.8	-396.1
	Retained Cash Flow (RCF)	-79.7	-43.0	665.8	-396.1
	Free Cash Flow (FCF)	-136.6	-157.5	63.5	-533.6
	Debt to Equity (x)	1.6	1.6	1.5	2.0
	Borrowed Fund/EBITDA (x)	4.3	3.9	3.5	4.4
	FFO/Debt	11.3%	11.8%	12.6%	10.0%
CFO/Debt	-2.3%	-1.3%	22.9%	-11.9%	
RCF/Debt	-2.3%	-1.3%	22.9%	-11.9%	
FCF/Debt	-3.9%	-4.7%	2.2%	-16.0%	
Coverage	EBIT to Interest expense (x)	2.1	2.2	1.9	1.8
	FCF to Interest expense (x)	-0.4	-0.5	0.2	-1.4
	(EBITDA-CAPEX) to Interest expense (x)	2.3	2.3	0.6	1.6

Note: Figures are based on Audited Financial Statements

APPENDIX – 3: RATING HISTORY OF GPH ISPAT LIMITED

Particulars	Ratings-2014
GPH Ispat Limited	AA ₃
BDT 230.5 Million Long-term Outstanding	AA ₃ (Lr)
BDT 1,160.0 Million Cash Credit Equivalent Limit	AA ₃ (Lr)
BDT 2,150.0 Million Short-term Funded Limit	ST-2
BDT 6,550.0 Million Short-term Non-funded Limit	ST-2
Outlook	Stable

Particulars	Ratings-2013
GPH Ispat Limited	AA ₃
BDT 233.7 Million Long-term Outstanding	AA ₃ (Lr)
BDT 1,030.0 Million Cash Credit Equivalent Limit	AA ₃ (Lr)
BDT 1,800.0 Million Short-term Funded Limit	ST-2
BDT 6,920.0 Million Short-term Non-funded Limit	ST-2
Outlook	Stable

Particulars	Ratings-2012
GPH Ispat Limited	AA ₃
BDT 323.6 Million Long-term Outstanding	AA ₃ (Lr)
BDT 260.0 Million Cash Credit Limits	AA ₃ (Lr)
BDT 1,720.0 Million Short-term Funded Limits	ST-2
BDT 6,470.0 Million Short-term Non-funded Limits	ST-2
Outlook	Stable

Particulars	Ratings-2011
GPH Ispat Ltd.	A ₁
BDT 1,047.2 Million Long-Term Outstanding	A ₁ (Lr)
BDT 200.0 Million Cash Credit Limits	A ₁ (Lr)
BDT 2,704.1 Million Short-Term Fund Limits	ST-2
BDT 2,940.0 Million Short-Term Non-Fund Limits	ST-2

Particulars	Ratings-2010
GPH Ispat Ltd.	A ₂
BDT 386.68 Million Long-Term Outstanding	A ₂ (Lr)
BDT 150.00 Million Cash Credit Limit	A ₂ (Lr)
BDT 2,240.06 Million Short-Term Fund Limits	ST-2
BDT 2,447.56 Million Short-Term Non-Fund Limits	ST-2

CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

RATINGS	DEFINITION
AAA Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
AA₁, AA₂, AA₃* Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
A₁, A₂, A₃ Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
BBB₁, BBB₂, BBB₃ Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
BB₁, BB₂, BB₃ Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
B₁, B₂, B₃ Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC₁, CCC₂, CCC₃ Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
CC Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

**Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS

(All loans/facilities with original maturity exceeding one year)

RATINGS	DEFINITION
AAA (Lr) (Triple A) Highest Safety	Loans/facilities rated AAA (Lr) are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
AA (Lr)* (Double A) High Safety	Loans/facilities rated AA (Lr) are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
A (Lr) Adequate Safety	Loans/facilities rated A (Lr) are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
BBB (Lr) (Triple B) Moderate Safety	Loans/facilities rated BBB (Lr) are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
BB (Lr) (Double B) Inadequate Safety	Loans/facilities rated BB (Lr) are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
B (Lr) High Risk	Loans/facilities rated B (Lr) are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
CCC (Lr) Very High Risk	Loans/facilities rated CCC (Lr) are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favorable circumstances continue.
CC (Lr) Extremely High Risk	Loans/facilities rated CC (Lr) are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
C (Lr) Near to Default	Loans/facilities rated C (Lr) are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
D (Lr) Default	Loans/facilities rated D (Lr) are in default or are expected to default on scheduled payment dates.

**Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS

(All loans/facilities with original maturity within one year)

RATINGS	DEFINITION
ST-1 Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
ST-2 High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
ST-3 Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
ST-4 Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
ST-5 Inadequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
ST-6 Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

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GPH Ispat Limited

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Folio/BO Account No :
Name :
Address :

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the Board of Directors in its meeting recommended to issue **187,110,000** Ordinary Shares as rights shares of **Tk.10.00** each at an issue price of Tk.14.00 each including a premium of Tk.4.00 per share on the basis of **03[R]:02** i.e. 03 (three) Right Shares for every 02 (two) existing shares held, which was approved by the Shareholders in the Extra-Ordinary General Meeting (EGM) held on September 30, 2015. As a registered Shareholder as on **March 08, 2016** (Record date for entitlement), you are entitled to subscribe your rights share.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ Tk.10.00 each at an issue price of **Tk.14.00** each including a premium of Tk.4.00 per share and to be deposited with any of the Branches of Bankers to the Issue during Companying hours from **April 17, 2016** to **May 12, 2016** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque, must be payable to "**GPH Ispat Limited**" and must be drawn on a Company in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above **Tk.1.00** lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application **Form-A** and/or Renunciation **Form-B** and **Form-C** with necessary payments have not been received by **May 12, 2016** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-

Mohammed Jahangir Alam
Managing Director

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ
জেনে ও বুঝে বিনিয়োগ করুন।”

Application Form-A



GPH Ispat Limited

Crown Chamber, 325 Asadgonj, Chittagong-4000.
Phone: 880-31-631460 (PABX), 2854997
Fax: 880-31-610995,
Email: info@gphispat.com.bd, Web: www.gphispat.com.bd

Rights Offer of **187,110,000** Ordinary Shares of Tk.10.00 each at an issue price of **Tk.14.00** each including a premium of Tk.4.00 per share, totaling **Tk.2,619,540,000** offered on the basis of **03[R]:02**, i.e. 03 (three) Right Shares for every 02 (two) existing shares held on the record date. **March 08, 2016**.

SUBSCRIPTION STATUS	
Opens on	Closes on
April 17, 2016	May 12, 2016
Within Banking Hours Both Days Inclusive	

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director
GPH Ispat Limited
Crown Chamber
325 Asadgonj, Chittagong-4000

Dated:/...../2016

Application Sl. No. #
(Bank's Seal)

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ **Tk.14.00** each (including a premium of Tk.4.00) per share in cash or by Draft/Pay order/Cheque on.....dated.....drawn on Bank..... Branch.

Holder's Folio/BO Account No.	No. of Shares held at the close of business on March 08, 2016	No. of Shares offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

- Name (in block letters) : _____
Address : _____ **Signature**
- Name (in block letters) : _____
Address : _____ **Signature**

BO Account No.

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received with thanks Tk.....(Taka.....) only from Mr./Ms.....Folio/BO Account No.....for.....no.(s) of rights shares of **GPH Ispat Limited** in Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer
Date:

BANKERS TO THE ISSUE OF RIGHTS ISSUE OF GPH ISPAT LIMITED

List of Bankers To The Issue of Rights Issue

BRAC Bank Limited			
Region	Sl. No.	Branch	Address
Dhaka	1	Asad Gate Branch	1 no. Asad Gate, Dhaka 1207
	2	Bashundhara Branch	Holding-193, Block-B, Safwan Road, Basundhara R/A, Dhaka
	3	Donia Branch	342 Donia, Biswa Road, Dhaka-1236
	4	Eskaton Branch	Shahnaz Tower, 9, New Eskaton Road, Dhaka
	5	Manda Branch	Holding # 96, Monkha Bazar, North Manda, Dhaka
	6	Mirpur Branch	Plot No 3, Road No 3, Block-A, Sector-11, Mirpur, Dhaka
	7	Narayanganj Branch	147 B B Road, Narayanganj 1400
	8	Nawabpur Branch	172 Nawabpur Road (1st Floor), Dhaka
	9	Rampura Branch	455/1 West Rampura, Dhaka-1219
	10	Shyamoli Branch	19-20, Ring Road, Shyamoli, Dhaka
	11	Uttara Branch	Holse No 1, Road No 15, Sector No 3, Uttara, Dhaka
Chittagong	12	Agrabad Branch	Progoti House, 1070 Sheikh Mujib Road, Agrabad, Chittagong
	13	CDA Avenue Branch	Hosna Kalam complex, CDA Avenue, East Nasirabad, Chittagong
	14	Halisohor Branch	House-12, Road-1, Halishar Housing Estate, Chittagong
	15	Kazirdeuri Branch	18 S S Khalid Road, Kazir Deori, Khulshi, Chittagong
	16	Momin Road Branch	02, Momin Road, Jamal Khan, Chittagong
Rajshahi	17	Bogra Branch	Sheikh Mansion, 368/405, Rangpur Road, Barogola, Bogra
	18	Rajshahi Branch	House # F-695, Kumarpara, P.O-Ghoramara, Rajshahi
Khulna	19	Jessore Branch	1 Hatkhola (M.K) Road, Jessore-7400
	20	Khulna Branch	"The Daily Probaho Bhaban", KDA Avenue, Khulna
Barisal	21	Barisal Branch	F. Rahman Market, 79, Sadar Road, Barisal- 8200
Sylhet	22	Zindabazar Branch	New Golden City Complex, East Zindabazar, Sylhet.

Investment Corporation of Bangladesh			
Region	Sl. No.	Branch	Address
Dhaka	1	Head Office	NSc Tower (12 th – 13 th Floors), 62/3 Purana Paltan, Dhaka-1000
	2	Local Office	Kashfia Plaza, 35/C, Nayapaltan, VIP Road, Dhaka-1000
Chittagong	3	Chittagong Branch	Delwar Bhaban (3 rd Floor), 104, Agrabad Commercial Area, Chittagong
Rajshahi	4	Rajshahi Branch	Dr. Gaffar Plaza (2 nd Floor), Main Road, Shaheb Bazar, Rajshahi-6100
	5	Bogra Branch	Afsar Ali Complex, Rajabazar, Barogola, Bogra
Khulna	6	Khulna Branch	Shilpa Bank Bhaban, 25-26, K.D.A. Commercial Area, Khulna
Barisal	7	Barisal Branch	87/88, Hemahyet Uddin Road, Barisal
Sylhet	8	Sylhet Branch	Anondo Tower, Jail road, Sylhet

Bank Asia Limited			
Region	Sl. No.	Branch	Address
Dhaka	1	Principal Office Branch	111-113, Motijheel C/A, Dhaka - 1000.
	2	MCB Dilkusha Branch	4 Dilkusha C/A, Dhaka-1000
	3	Gulshan Branch	Bay's Galleria, 57 Gulshan Avenue, Dhaka - 1212.
	4	Scotia Branch	32, Kazi Nazrul Islam Avenue, Kawran Bazar
	5	MCB Banani Branch	A. R. Tower, 24 Kamal Ataturk Road, Banani, Dhaka - 1213
	6	North South Road Branch	89 Shaheed Syed Nazrul Islam Shoroni, North South Road, Dhaka-1000
	7	Dhanmondi Branch	Meher Plaza, House # 13/A (2nd Floor), Road # 5, Dhaka
	8	Mirpur Branch	Nishi Plaza, Plot No: 1, Avenue: 4, Section: 6, Block: C, Pallabi, Mirpur, Dhaka-1216.
	9	Shantinagar Branch	Treasure Island, 2-43, Siddeshwari Circular Road, Dhaka-1217
Chittagong	10	MCB Sk. Mujib Road Branch	1269/b Sk. Mujib Road, Agrabad C/A, Chittagong
	11	CDA Avenue Branch	665 CDA Avenue, East Nasirabad, Chittagong
Sylhet	12	Sylhet Main Branch	60 Niloy, Dargah Gate, Sylhet
Rajshahi	13	Rajshahi Branch	Ahmed Plaza, Alu Patti, Rajshahi
	14	Bogra Branch	Jamil Shopping Centre, Barogola, Bogra
Khulna	15	Khulna Branch	Al-Mashah Complex, 44, Mojid Sarani, KDA Avenue, Shib Bari Mor, Khulna

Prime Bank Limited			
Region	Sl. No.	Branch	Address
Dhaka	1	Motijheel Branch	Adamjee Court Annex Building -2, 119-120, Motijheel C/A, Dhaka-1000
	2	SBC Tower Branch	Sadharan Bima Tower (Ground Floor) 37/A, Dilkusha C/A, Dhaka
	3	Moulvi Bazar Branch	77/4, Moulvi Bazar, Dhaka-1100
	4	Baridhara Branch	Concord I-K Tower, Plot# 02, Block# CEN(A) North Avenue, Gulshan-2 Dhaka-1212
	5	Elephant Road Branch	Ananta Plaza, 136, Elephant Road, Dhaka-1205
	6	Mouchak Branch	Manhattan Tower (1st Floor), 83, Siddheswari Circular Road, Malibagh, Dhaka-1217
	7	Banasree Branch	Arcadia, Plot No.-14, Block No.-C, Main Road, Banasree, Dhaka
	8	Ring Road Branch	Baitul Aman Tower (1st Floor), Holding No: 840-841, Uttar Adabor, Dhaka
	9	Dhanmondi Branch	Momtaz Plaza (1st floor), House No # 7, Road No # 4, Dhanmondi R/A, Dhaka
	10	Uttara Branch	Siaam Tower, Plot # 15, Sector # 03, Uttara Model Town, Dhaka
	11	New Eskaton Branch	133, New Eskaton Road, Dhaka - 1000
	12	Ibrahimpur Branch	Sumona Sahadat Center, 80, Ibrahimpur, Kafrul, Dhaka-1206
	13	Panthapath Branch	Firoz Tower, 152/3-B, Green Road, Panthapath, Dhaka-1205
	14	Tejgaon Branch	Shanta Western Tower, Level-02, 186, Bir Uttam Mir Shawkat Sarak, Dhaka-1208
	15	Pragati Sarani Branch	Facilities Tower, Kha-199/2, Maddhya Badda, Dhaka
	16	Asad Gate Branch	Family World Tower, 2/6, Sir Sayed Road, Ward # 42, Mohammadpur, Dhaka
	17	IBB Mirpur Branch	Mamoni Tower, 1244, East Monipur, Begum Rokeya Sarani, Mirpur, Dhaka-1216
	18	Pallabi Branch	Setaras Dream(1st Floor), Holding No: 1/11 & 1/12, Pallabi, Mirpur, Dhaka
	19	Tongi Branch	Sena Kalyan Commercial Complex (1st Floor), Plot # 9, Block #F, Tongi, Gazipur
	20	Ganakbari Branch	Somsheer Plaza, Balibhadra Bazar Bus Stand, Dhamsona, Ganakbari, Savar, Dhaka-1340
	21	Wari Branch	Tanin Roseate (1st floor), 43 Ranking Street, Wari, Dhaka
	22	Savar Branch	KK Plaza (1st floor), Holding # A-91, Word # 5, Savar Bazar Road, Savar, Dhaka
	23	Joydevpur Chowrasta Branch	Shapla Mansion, Joydevpur Chowrasta, Chandana Dhaka-Tangail Road, Gazipur
	24	Narayanganj Branch	Modern Model Complex, 56, S.M. Maleh Road, Narayanganj-1400
	25	Shimrail Branch	Holding # 96, Shimrail Morr, Chittagong Road Chowrasta, Shanarpar, Siddirgonj, Narayanganj
	26	Sonargaon SME Branch	Madina Tower (1st Floor), Habibpur, Sonargaon, Narayanganj
	27	Tangail Branch	Holding No: 414-417, Main Road, Tangail
	28	Madhabdi Branch	Plot # 17, Madhabdi Bazar, Narsingdi-1604
Chittagong	29	Comilla Branch	Holding No: 10/8, Ward#12, Chatpatty (Gangagonj), Kotowali, Comilla
	30	Jubilee Road Branch	Pedrollo Plaza, 5, Jubilee Road, Chittagong -4000
	31	IBB O.R. Nizam Road	O.R. Nizam Road, 739/804 CDA Avenue, Bagmoniram, Chittagong
	32	Laldighi East Branch	8, Laldighi East, Chittagong
	33	Cox's Bazar Branch	Hajera Shopping Center, Holding # 256, Main Road, Cox's Bazar
Rajshahi	34	Bogra Branch	331/364, Rangpur Road, Borogola, Bogra-5800
	35	Rajshahi Branch	138/144, Shaheb Bazar, Rajshahi-6100
	36	Pabna Branch	423/1, Sonapatti Road, Pabna
Khulna	37	Jessore Branch	47, Netaji Subhas Chandra Road, Jessore town, Jessore-7400
	38	Khulna Branch	7, Old Jessore Road, Khulna -9100
	39	Daulatpur Branch	Akankha Tower 454, Khan-A-Sabur Road, Daulatpur, Khulna
	40	Satkhira Branch	Islam Plaza, Abul Kashem Road, Satkhira
Barisal	41	Barisal Branch	37, Hemayet Uddin Road, Barisal - 8200
Sylhet	42	IBB Amberkhana	Nabiba Complex, Amberkhana Airport Road, Sylhet-3100
	43	Subidbazar Branch	Corner View (1st floor, west side), Plot No: 488(SA),2155(RS), Sylhet
	44	Court Road Br, Moulvibazar	Court Road, Moulvi Bazar -3200
Rangpur	45	Dinajpur Branch	Mazeda Plaza (1st Floor), 518/473 Ganashtala, Jail Road, Dinajpur
	46	Rangpur Branch	Shah-Amanat Super Market (1st Floor), 268 Station Road, Jahaj Companier More, Rangpur

Eastern Bank Limited			
Region	Sl. No.	Branch	Address
Dhaka	1	Motijheel Branch	88 Motijheel C/A, Dhaka
	2	Shyamoli Branch	Plot 16-A/5, Ring Road, Block F, Mohammadpur Housing Estate, Dhaka
	3	Bashundhara Branch	Plot 15, Block A, Bashundhara R/A, Dhaka 1219
	4	Moghbazar Branch	Shafi Complex, 1/A West Moghbazar, New Circular Road, Ramna, Dhaka.
	5	Narayanganj Branch	Islam Plaza, 64 BB Road, Narayanganj
	6	Banasree Branch	Plot: C-10, Block: C, Eastern Housing Banasree Project, Main Road Rampura, Dhaka.
	7	Savar Branch	E/3, Tala Bagh, Thana Road, Savar, Dhaka
	8	Uttara Garib-E-Newaz Branch	15 Garib-E-Newaz Avenue, Sector 11, Uttara Model Town, Uttara, Dhaka
	9	Mymensing SME Branch	Hamida Market, 45 Choto Bazaar, Kotwaly, Mymensingh.
Chittagong	10	Jubilee Road Branch	Mannan Bhaban, 156 Nur Ahmed Sarak, Jubilee Road Chittagong.
	11	O. R. Nizam Road Branch	Avenue Centre, 787 CDA Avenue, Chittagong
	12	Chandgaon Branch	House 16, Road 1, Block A, Chittagong 4000
	13	Panchlaish Branch	14 Panchlaish R/A, Chittagong.
	14	Halishahar Branch	House-1, Road-1, Block-L, Halishahar Housing Estate Halishahar, Chittagong.
	15	Sirajuddowla Road Branch	94, Siraj-Ud-Doula Road, Dewan Bazaar, Chandanpura, Chittagong
Sylhet	16	Moulvi Bazar Branch	1st Floor, 26 Sylhet Trunk Road, Moulvi Bazar
	17	Upashahar Branch	Gas Bhaban, Mehedi Bagh, Sylhet.
	18	Chouhatta Branch	Firoz Centre, 891/Ka Chouhatta, Sylhet
Rajshahi	19	Bogra Branch	1020/1092, Satani Mega Centre, Sherpur Road Bogra 5800
	20	Rajshahi Branch	Ground Floor, Doinik Barta Complex, Alupotti, Natore Road, Rajshahi 6000
Khulna	21	Khulna Branch	Taymun Centre & Properties, 181 Khan-A-Sabur Road ShibBari Mor, Khulna.
	22	Jessore Branch	1st Floor, 25/A R N Road, Jessore.

শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ
জেনে ও বুঝে বিনিয়োগ করুন।

Renunciation Form-B



GPH Ispat Limited

Crown Chamber, 325 Asadgonj, Chittagong-4000.
Phone: 880-31-631460 (PABX), 2854997
Fax: 880-31-610995,
Email: info@gphispac.com.bd, Web: www.gphispac.com.bd

Rights Offer of **187,110,000** Ordinary Shares of Tk.10.00 each at an issue price of **Tk.14.00** each including a premium of Tk.4.00 per share, totaling **Tk.2,619,540,000** offered on the basis of **03[R]:02**, i.e. 03 (three) Right Shares for every 02 (two) existing shares held on the record date. **March 08, 2016**.

SUBSCRIPTION STATUS	
Opens on	Closes on
April 17, 2016	May 12, 2016
Within Banking Hours Both Days Inclusive	

FORM OF RENUNCIATION

(যার বিপক্ষে শেয়ার আছে তার জন্য প্রযোজ্য)

The Managing Director
GPH Ispat Limited
Crown Chamber
325 Asadgonj, Chittagong-4000

Dated:/...../2016

Application Sl. No. #
(Bank's Seal)

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in application by renouncee(s) and apply for allotment in his/her/their name(s).

Holder's Folio/BO Account No. <small>(যার বিপক্ষে শেয়ার আছে তার জন্য প্রযোজ্য)</small>	No. of Shares held at the close of business on March 08, 2016	No. of Shares offered	No. of Shares Renounced	Value of Shares Renounced

Yours faithfully,

- Name (in block letters) : _____
Address : _____ Signature
- Name (in block letters) : _____
Address : _____ Signature

Name(s) of Renouncee(s) <small>(যার বিপক্ষে শেয়ার আছে তার জন্য প্রযোজ্য)</small>		BO A/C No.
1	Name: _____	_____
2	Name: _____	_____

N.B. Use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.



GPH Ispat Limited

Crown Chamber, 325 Asadgonj, Chittagong-4000.
Phone: 880-31-631460 (PABX), 2854997
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Email: info@gphispat.com.bd, Web: www.gphispat.com.bd

APPLICATION BY RENOUNCEE(S)

(যার বিপক্ষে শেয়ার যাবে তার জন্য প্রযোজ্য)

The Managing Director
GPH Ispat Limited
Crown Chamber
325 Asadgonj, Chittagong-4000.

Dated:/...../2016

Application Sl. No. # (Bank's Seal)
--

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of Tk. being the value ofShare @ **Tk.14.00** each (including a premium of Tk.4.00) per share.

Yours faithfully,

<table border="1"> <tr> <td style="text-align: center;">1</td> <td>Signature:</td> </tr> <tr> <td colspan="2">Name (in block letters):</td> </tr> <tr> <td colspan="2">S/O. D/O. W/O.:</td> </tr> <tr> <td colspan="2">Address:</td> </tr> <tr> <td style="text-align: center;">BO No.</td> <td></td> </tr> </table>	1	Signature:	Name (in block letters):		S/O. D/O. W/O.:		Address:		BO No.		<table border="1"> <tr> <td style="text-align: center;">2</td> <td>Signature:</td> </tr> <tr> <td colspan="2">Name (in block letters):</td> </tr> <tr> <td colspan="2">S/O. D/O. W/O.:</td> </tr> <tr> <td colspan="2">Address:</td> </tr> <tr> <td style="text-align: center;">BO No.</td> <td></td> </tr> </table>	2	Signature:	Name (in block letters):		S/O. D/O. W/O.:		Address:		BO No.	
1	Signature:																				
Name (in block letters):																					
S/O. D/O. W/O.:																					
Address:																					
BO No.																					
2	Signature:																				
Name (in block letters):																					
S/O. D/O. W/O.:																					
Address:																					
BO No.																					

(যার বিপক্ষে শেয়ার যাবে তার জন্য প্রযোজ্য)

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

Signature of the Renouncer(s): (যার বিপক্ষে শেয়ার যাবে তার জন্য প্রযোজ্য)	<table border="1"> <tr> <td style="width: 50%; text-align: center;">1</td> <td style="width: 50%; text-align: center;">2</td> </tr> </table>	1	2
1	2		

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s). Incomplete or incorrectly filled application form may be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

(যার বিপক্ষে শেয়ার যাবে তার জন্য প্রযোজ্য)

Received with thanks Tk.....(Taka.....) only from Mr./Ms.....Folio/BO Account No.....for.....no.(s) of rights shares of **GPH Ispat Limited** in Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer
Date: