

**Hoda Vasi
Chowdhury & Co**

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

Audited Financial Statements

of

GPH Ispat Limited

For the year ended 30 June 2022

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITORS' REPORT to the Shareholders of GPH ISPAT LIMITED

Opinion

We have audited the accompanying financial statements of **GPH ISPAT LIMITED** (the Company), which comprise the Statement of Financial Position as at 30 June 2022, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, together with the notes numbering 01 to 43 annexed thereto.

In our opinion and to the best of our information and according to explanations given to us, the accompanying Financial Statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2022 and of its financial performance and cash flows for the period from 1 July 2021 to 30 June 2022 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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SL. No.	Key Audit Matters	How our audit addressed the key audit matter
1	<p>Revenue Recognition (Refer to note 22)</p> <p>Revenue of TK. 47,959,934,807 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of GPH ISPAT LIMITED for the year ended 30 June 2022. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>As described in the accounting policy 3.15 to the financial statements, the company recognizes revenue upon rendering services to the customers/clients as per IFRS 15 – Revenue from Contract with Customers.</p>	<p>In light of the fact that the high degree of complexity we assessed the Company’s processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this area, our audit approach included testing of the controls and the substantive audit procedure, including: -</p> <ul style="list-style-type: none"> ➤ We evaluated the Company’s accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 – Revenue from Contracts with Customers. ➤ We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customers’ invoices and receipts of payment on a sample basis. ➤ We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices. In addition, we confirmed certain customers’ receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers. ➤ Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct recording periods.
2	<p>Inventories (Refer to note 11)</p> <p>Inventories represent about 33.32% of the total revenue of the Company; inventories are thus a material item to the financial statements. Please refer to note 11 to the financial statements.</p> <p>As described in the accounting policy note 3.07 to the financial statements,</p>	<p>We verified the appropriateness of management control applied in calculating the value of the inventory provision by:</p> <ul style="list-style-type: none"> ➤ Tested the operating effectiveness of key controls over inventories; including observing the process of management’s year-end inventory count.

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	<p>inventories are valued at the lower of the cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required.</p> <p>Due to the value and volume of inventories being held by the Company at the reporting date and complexities involved in the accounting and presentation thereof, inventories have been considered as a key audit matter.</p>	<ul style="list-style-type: none"> ➤ Verified a sample of inventory items to ensure that costs have been appropriately recorded. ➤ Tested on a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. ➤ Assessed whether appropriate provision have been recognized for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. ➤ Performed cut-off tests to determine that the purchase and sales of the inventories have been considered in the correct accounting period. ➤ Reviewed the historical accuracy of inventory provision and the level of write downs.
3	<p>Property Plant and Equipment (Refer to note 04)</p> <p>The company has a large number of Property, Plant and Equipment items. In view of availability of latest machinery due to improved technology, the obsolescence & impairment may be noticed in existing machineries.</p> <p>Management has concluded that there is no impairment in respect of all assets. This conclusion required significant management judgment. Hence, we considered this to be key audit matter.</p>	<p>Our audit procedure in this area included, among others;</p> <ul style="list-style-type: none"> ➤ Assessing the consistency of methodologies use for depreciating the assets; ➤ Checking on a sample basis, the accuracy and relevance of the accounting of PPE by management; and ➤ For selected samples, performing physical observation to assess management's determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost. ➤ Examining management's periodic review of Property, Plant and Equipment for determination of impairment and obsolescence.

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SL. No.	Key Audit Matters	How our audit addressed the key audit matter
4	<p>Measurement of Deferred Tax (Refer to note 17)</p> <p>The Company recognizes deferred taxes relating to Property, Plant and equipment, Investment in associates and employee benefits (Gratuity), which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. Hence, we considered this to be a key audit matter.</p>	<p>Our audit procedure in this area included, among others.</p> <ul style="list-style-type: none"> ➤ Assessing the design, implementation and operating effectiveness of key controls in respect of the company and the process of recognition of deferred taxes. ➤ Using our own tax specialist to evaluate the tax bases and Company tax strategy. ➤ Assessing the accuracy and completeness of deferred tax, and ➤ Evaluating the adequacy of the financial statements disclosure, including disclosures of assumption, judgements and sensitivities. We involved tax specialist to assess key assumptions, control recognition and measurement of deferred tax liabilities (Assets).
5	<p>Trade Receivables (Refer to note 12)</p> <p>Trade receivable is a key audit matter in the audit due to quantum of the trade receivable balance, realization nature of long outstanding invoices and management judgement at the time of impairment test.</p>	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none"> ➤ Obtained trade receivable balance confirmation; ➤ Analyzed the ageing of trade receivable; ➤ Obtained a list of long outstanding receivable and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusion. ➤ Reviewed subsequent status of receivables.

Other Matter

The financial statements of GPH Ispat Limited for the year ended 30 June 2021, were audited by Hussain Farhad & Co who expressed an unmodified opinion on those statements on 08 November 2021

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Reporting on other Information

Other information consists of the information included in the Company's 30 June 2022 year ended Annual Report other than the financial statements and our auditor's report thereon. We obtained the Director's Report, Management Discussion and Analysis, Financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that we have nothing to report in this respect.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We communicate with those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We determine those matters, from the matters communicated with those charged with governance that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 1987, we also report the following:

- i) 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;
- ii) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books and;
- iii) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.
- iv) the expenditure incurred was for the purposes of the company's business.

Chattogram, 07 NOV 2022

For and on behalf of

Hoda Vasi Chowdhury & Co
Chartered Accountants



Showkat Hossain, FCA
Senior Partner
Enrollment No: 0137
DVC: 2211070137AS992221

GPH ISPAT LIMITED
Statement of Financial Position
As at 30 June 2022

	Note(s)	30 June 2022 Taka	30 June 2021 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	31,015,518,304	32,003,543,122
Right of Use Assets	5	148,898,625	155,662,783
Capital work-in-progress	6	3,241,016,198	1,497,760,003
Intangible assets	7	2,167,899	1,500,954
Investments	8	171,998,290	162,549,188
Total non-current assets		34,579,599,316	33,821,016,050
Current assets			
Short term investment	9	2,224,065,981	1,424,525,049
Advances, deposits and prepayments	10	6,192,398,719	4,850,622,616
Inventories	11	15,979,789,926	10,065,165,355
Trade and Other receivables	12	5,466,050,256	3,367,753,798
Cash and cash equivalents	13	444,842,678	130,184,066
Total current assets		30,307,147,560	19,838,250,884
Total Assets		64,886,746,876	53,659,266,934
EQUITY AND LIABILITIES			
Equity			
Share capital	14	4,368,164,800	3,971,058,910
Share premium		1,136,440,000	1,136,440,000
Revaluation Reserve		3,850,132,682	3,916,698,157
Retained earnings		3,221,570,157	2,832,720,460
		12,576,307,639	11,856,917,527
Liabilities			
Non-current liabilities			
Long term loan	15	20,648,351,119	21,577,930,176
Finance lease obligations	5	109,707,227	120,081,209
Defined Benefit Obligation - Gratuity	16	65,079,334	50,517,125
Deferred tax liability	17	1,234,261,441	682,592,026
		22,057,399,121	22,431,120,536
Current liabilities			
Current portion of long term loan	15	3,275,776,093	2,283,792,410
Current portion of finance lease obligations	5	41,019,367	33,245,616
Short term borrowings	18	23,882,391,653	14,940,744,433
Creditors and accruals	19	2,329,816,135	1,760,281,610
Unclaimed Dividend	20	3,182,912	4,954,063
Current tax liability	21	720,853,956	348,210,739
Total current liabilities		30,253,040,116	19,371,228,871
Total liabilities		52,310,439,237	41,802,349,407
TOTAL EQUITY AND LIABILITIES		64,886,746,876	53,659,266,934
NET ASSET VALUE PER SHARE	29	28.79	29.86

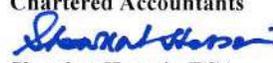
*These financial statements should be read in conjunction with the annexed notes: 1 to 43
and were approved by the Board of Directors on: October 30, 2022
and were signed on its behalf by:*


Company Secretary


Director


Managing Director

Chattogram, 07 NOV 2022

For and on behalf of
Hoda Vasi Chowdhury & Co
Chartered Accountants

Showkat Hossain FCA
Senior Partner
Enrollment No : 0137
DVC : 2211070137AS992221

GPH ISPAT LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note(s)	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
		Taka	Taka
Gross Revenue	22.00	47,959,934,807	28,949,127,644
Value Added Tax		(1,132,409,850)	(782,665,572)
Net Revenue		46,827,524,957	28,166,462,072
Cost of goods sold	23.00	(40,478,446,890)	(23,965,153,963)
Gross Profit		6,349,078,067	4,201,308,109
Administrative expenses	24.00	(355,960,816)	(278,933,980)
Selling and distribution expenses	25.00	(1,047,512,874)	(703,992,620)
Profit from operating activities		4,945,604,377	3,218,381,509
Finance Cost	26.00	(2,160,878,575)	(1,107,221,206)
Finance income	27.00	112,396,730	90,849,217
Profit before other income		2,897,122,532	2,202,009,520
Other income	28.00	32,669,960	22,923,203
Net change in fair value of investment in quoted shares	8.00	(1,845,975)	9,037,892
Profit before Income Tax and distribution of WPPF and Welfare Fund		2,927,946,517	2,233,970,615
Contribution to WPPF and Welfare Fund	19.03	(146,397,326)	(111,698,531)
Profit before Income Tax		2,781,549,191	2,122,272,084
Income tax expenses			
-Current	21.00	(716,277,882)	(343,634,665)
-Deferred	17.00	(570,994,876)	(117,743,990)
Profit after Tax		1,494,276,433	1,660,893,429
Other comprehensive income			
Deferred tax on revaluation reserve of property, plant and equipment	17.00	19,325,461	(386,509,208)
Revaluation of property, plant and equipment	14.02	-	4,330,383,105
Total other comprehensive income		1,513,601,894	5,604,767,326
Earning Per Share (Basic)	30.00	3.42	4.18
Earning Per Share (Restated)	30.00	-	3.80

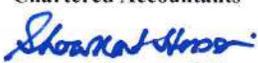
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Managing Director

Chattogram, 07 NOV 2022

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Chartered Accountants

Showkat Hossain FCA
Senior Partner
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DVC : 2211070137AS992221

GPH ISPAT LIMITED
Statement of Changes in Equity
For the year ended June 30, 2022

Particulars	Amount in Taka						
	Share Capital	Share Premium	Revaluation Reserve	Fair value reserve	Amount to be distributed as Dividend	Retained Earnings	Total Equity
Balance as on 01 July 2020	3,781,960,870	1,136,440,000	-	(21,226,941)	89,825,267	1,446,359,318	6,433,358,514
Revaluation Reserve	-	-	3,943,873,897	-	-	-	3,943,873,897
Transfer of difference in depreciation between cost and revalued amount	-	-	(27,175,740)	-	-	35,065,471	7,889,731
Change in fair value of investment in quoted shares	-	-	-	21,226,941	-	(21,226,941)	-
Dividend (Stock)	189,098,040	-	-	-	-	(189,098,040)	-
Dividend (Cash)	-	-	-	-	(89,825,267)	(99,272,777)	(189,098,044)
Net profit after tax	-	-	-	-	-	1,660,893,429	1,660,893,429
Balance as at 30 June 2021	3,971,058,910	1,136,440,000	3,916,698,157	-	-	2,832,720,460	11,856,917,527
Balance as on 01 July 2021	3,971,058,910	1,136,440,000	3,916,698,157	-	-	2,832,720,460	11,856,917,527
Revaluation Reserve	-	-	-	-	-	-	-
Transfer of difference in depreciation between cost and revalued amount	-	-	(66,565,475)	-	-	85,890,936	19,325,461
Unrealized foreign currency exchange gain/(loss)	-	-	-	-	-	-	-
Dividend (Stock)	397,105,890	-	-	-	-	(397,105,890)	-
Dividend (Cash)	-	-	-	-	-	(794,211,782)	(794,211,782)
Net profit after tax	-	-	-	-	-	1,494,276,433	1,494,276,433
Balance as at 30 June 2022	4,368,164,800	1,136,440,000	3,850,132,682	-	-	3,221,570,157	12,576,307,639

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Company Secretary


Director




Managing Director

GPH ISPAT LIMITED
Statement of Cash Flows
For the year ended 30 June 2022

	Note(s)	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
		Taka	Taka
a. Operating activities			
Receipts from customers against sales	33.02.01	44,682,258,869	27,687,540,959
Cash Paid to suppliers, operating and other expenses	33.02.02	(47,195,390,373)	(28,513,410,372)
Foreign currency exchange gain/(loss)	33.02.03	(282,457,184)	29,734,772
Income from forfeited account	33.02.04	311,904	226,886
Income tax paid	33.02.05	(326,759,988)	(812,087,768)
Net cash flows generated by operating activities	33.01	(3,122,036,772)	(1,607,995,523)
b. Investing activities			
Acquisition of property, plant and equipment	33.02.06	(2,163,875,416)	(2,845,306,294)
Acquisition of right of use asset	33.02.07	(38,811,385)	(127,395,280)
Acquisition of Intangible asset	33.02.08	(1,059,075)	(720,000)
Investment in quoted shares	33.02.09	(2,401,965)	(7,496,771)
Investment in private equity	33.02.10	-	(63,500,000)
Dividend received (net of tax)	33.02.11	2,940,136	2,021,002
Interest received from bank deposits and others	33.02.12	68,999,337	51,617,917
Other investments	33.02.13	(756,143,539)	(502,721,435)
Net cash flows used in investing activities		(2,890,351,907)	(3,493,500,861)
c. Financing activities			
Receipts from long term loans	33.02.14	62,404,626	3,172,238,090
Repayments of finance lease obligation	33.02.15	(2,600,231)	103,019,021
(Repayment) / Receipt of short term borrowings	33.02.16	8,941,647,220	3,243,163,049
Dividend paid	33.02.17	(795,982,933)	(188,545,260)
Interest and bank charges paid	33.02.18	(1,878,420,936)	(1,136,957,477)
Net cash flows used in financing activities		6,327,047,746	5,192,917,423
d. Net increase in cash and cash equivalents (a+b+c)		314,659,067	91,421,039
e. Opening cash and cash equivalents		130,184,066	38,761,528
f. Effect of foreign exchange rate changes	33.02.19	(455)	1,499
g. Cash and cash equivalents at the end of the period (d+e+f)		444,842,678	130,184,066
Net operating cash flows per share	31.00	(7.15)	(4.05)

*These financial statements should be read in conjunction with the annexed notes 1 to 43
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and were signed on its behalf by:*


Company Secretary

Director



Managing Director





GPH ISPAT LIMITED
Notes to the Financial Statements
For the year ended 30 June 2022

1.00 REPORTING ENTITY

1.01 Formation and Legal Status

GPH Ispat Limited (hereinafter referred to as “GPH” or “the company”) was incorporated in Bangladesh as a Private Limited company on 17 May 2006 at the Office of the Registrar of Joint Stock Companies & Firms, Chittagong vide registration no. CH-5853 of 2006 under the Companies Act 1994. The company, subsequently, was converted into a Public Limited company on 18 December 2009 along with the subdivision of face value of shares from Tk. 100 to Tk. 10 each and enhancement of Authorized Capital from Tk. 2,500,000,000 to Tk. 10,000,000,000.

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

1.02 Nature of Business

The principal activities of the company are manufacturing and trading of iron products and steel materials of all kinds (except ferro alloy products) 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

2.01 Statement of Compliance

The financial statements of the company under reporting 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).

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 IAS 1 – “Presentation of Financial Statements”. The financial statements comprise of:

- a) A statement of Financial Position as at 30 June 2022;
- b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022;
- c) A statement of Changes in Equity for the year ended 30 June 2022;
- d) A statement of Cash Flows for the year ended 30 June 2022; and
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

As required, GPH Ispat Limited complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- a) The Income Tax Ordinance 1984
- b) The Income Tax Rules 1984
- c) The Value Added Tax and Supplementary Duty Act 2012
- d) The Value Added Tax and Supplementary Duty Rules 2016
- e) The Securities and Exchange Ordinance 1969
- f) The Securities and Exchange Rules 1987
- g) Securities and Exchange Commission Act, 1993
- h) The Customs Act 1969
- i) Bangladesh Labour Law 2006

2.04 Authorization for Issue

The financial statements were authorized for issue by the Board of Directors on 30 October 2022.

2.05 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.



2.06 Functional and Presentation Currency

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

2.07 Cash Flows Statement

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from operating activities have been presented under direct method. A reconciliation of net income or net profit with cash flows from operating activities making adjustments for non-cash items, for non-operating items and for the net changes in operating accruals as per requirement of Securities and Exchange Rules 1987.

2.08 Going Concern

The company has adequate resources to continue its operation in 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 operation.

2.09 Reporting Period

The financial statements of the company covers one year from 01 July 2021 to 30 June 2022 and is followed consistently.

2.10 Application of Accounting Standards

The financial statements have been prepared in compliance with requirement of IASs (International Accounting Standards) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IASs and IFRSs are applied to preparation of the financial statement for the year under report :

Accounting Standards

IAS-1-Preparation of Financial Statements
IAS-2-Inventories
IAS-7-Statement of Cash Flows
IAS-8-Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10-Events after the Reporting Period
IAS-12-Income Taxes
IAS-16-Property, Plant and Equipment
IAS-19-Employee Benefits
IAS-21-The Effects of Changes in Foreign Exchange Rate
IAS-23-Borrowing Cost
IAS-24-Related Party Disclosures
IAS-33-Earning Per Share
IAS-36-Impairment of Assets
IAS-37-Provisions, Contingent Liabilities and Contingent Assets
IAS-38-Intangible Assets
IAS-7-Financial Instruments: Disclosures
IAS-9-Financial Instruments
IAS-13-Fair Value Measurement
IAS-15-Revenue from Contract with Customers
IAS-16-Leases

2.11 Initial application of new standards

The entity has initially applied IFRS 16 (see 3.05) from 01 July 2019. This standard do not have a material effect on the financial statements.

Due to the transition methods chosen by the management in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

2.12 Use of Estimates and Judgements

The preparation of these financial statements is in conformity with IAS and IFRS requires management to make judgements, 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 on going 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 judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note: 4	Property, plant and equipment
Note: 5	Capital work-in-progress
Note: 7	Intangible assets
Note: 11	Inventories
Note: 12	Trade and other receivables
Note: 16	Defined benefit obligation - gratuity
Note: 17	Deferred tax liabilities
Note: 21	Current tax liability

2.13 Classification of current and non-current

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period
- Or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period
- Or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.14 Comparative Information and reclassification

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

3.00 SUMMARY OF SIGNIFICANT 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 IAS-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 IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.



Set out below is an index of the significant accounting policies, the details of which are available on the following:

- 3.01 Consistency
- 3.02 Property, Plant and Equipment
- 3.03 Intangible Assets
- 3.04 Capital Work-in-Progress
- 3.05 Leases
- 3.06 Investment
- 3.07 Inventories
- 3.08 Financial Instruments
- 3.09 Impairment
- 3.10 Share Capital
- 3.11 Employee Benefits
- 3.12 Taxation
- 3.13 Loans and Borrowings
- 3.14 Provisions, Contingent Liabilities and Contingent Assets
- 3.15 Revenue Recognition
- 3.16 Other Income
- 3.17 Finance Income and Cost
- 3.18 Earnings Per Share
- 3.19 Measurement of Fair Values
- 3.20 Events after the Reporting Period

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2022 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2021.

3.02 Property, Plant and Equipment

i) Recognition and Measurement

Property, plant and equipment are stated at cost less accumulated depreciation except land and land development.

Cost includes expenditure that is directly attributable to the acquisition of asset. The cost of self constructed asset includes the cost of material and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

ii) Pre-Operating Expenses and Borrowing Costs

Interest and other incurred by the company in respect of borrowing of fund are recognized as expenses in the year in which they incurred unless the activities that are necessary to prepare the qualifying assets for its intended use are in progress. Expenses capitalized also include applicable borrowing cost considering the requirement of IAS-23 "Borrowing Costs".

iii) Subsequent Costs and Maintenance Activities

The company recognizes in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when the cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the year in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of property, plant and equipment, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit and loss account as expenses if incurred. All upgradation /enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

iv) Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in the statement of profit or loss and other comprehensive income on diminishing balance method.

The board has decided to charge depreciation at the rate of 5% on plant and machinery effective from 01 July 2020 on its board of directors meeting held on 27 October 2020.



The depreciation rate(s) are as follows:

Rate of Depreciation for the year		
Class of assets	30 June 2022	30 June 2021
Land & Land development	-	-
Plant and Machinery	5%	5%
Factory Building	5%	5%
Furniture, Fixture and Decoration	10%	10%
Computer and Accessories	20%	20%
Motor Vehicles	10%	10%
Logistic Vehicles	7.50%	7.50%
Electric and Gas Line Installation	5%	5%
Lab Equipment	10%	10%
Office Equipment	20%	20%

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. After considering the useful life of assets as per IAS-16 "Property, plant and equipment", the annual depreciation have been applied equal allocation of total cost over useful life of assets which is considered reasonable by the management.

Depreciation methods and useful lives are reassessed at the reporting date and adjusted if appropriate.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

Total depreciation is distributed as under:

Category	Rate
Direct expenses	90%
Administrative expenses	5%
Selling and distribution expenses	5%

v) Impairment of Assets

The company reviews the recoverable amount of its assets at each reporting date. If there exists any indication that the carrying amount of assets exceeds the recoverable amount, the company recognizes such impairment loss in accordance with IAS-36 "Impairment of Assets".

vi) Retirement and Disposals

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the assets and is recognized as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

v) Revaluation of Property, Plant and Equipment

Land and land development, factory building, plant and machineries were revalued by "Ahmed Zaker & Co., Chartered Accountants" as independent external valuator to conduct the valuation of "Land and land development, plant and machinery and factory building" of the Company as of 31 March 2021. The revalued classes of Property, Plant and Equipment are depreciated over the remaining useful lives. Difference of depreciation between revalued carrying amount and depreciation based on carrying amount as per assets original cost has been transferred from Revaluation Reserve to Retained Earnings as shown in Statement of Changes in Equity.

The valuation has been conducted using the fair market value method as this is most commonly and appropriate for valuation of such class of assets. After having completed all the tasks, fair market value of land and land development, plant and machinery and factory building owned by the Company as of 31 March 2021 has been estimated BDT at 7,719,344,986 resulting in net revaluation gain of BDT 4,330,383,105.



3.03 Intangible Assets

i) Recognition and Measurement

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible asset is recognized when all the conditions for recognition as per IAS 38 Intangible assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

ii) Amortization

Amortization is recognized in the statement of profit or loss and other comprehensive income on straight line method at the rate of 10% per annum. Amortization is charged on an asset when the asset is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortization of an asset ceases at earlier of the date that the asset is classified as held for sale in accordance with IFRS 5 and the date that the asset is derecognised.

iii) Subsequent Costs

Subsequent cost 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 and other comprehensive income as incurred.

3.04 Capital Work-in-Progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of 30 June 2022 and these are stated at cost.

3.05 Leases

At inception of an arrangement, the company determines whether the arrangement is or contains a lease. At inception or on reassessment of an arrangement that contains a lease, the entity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

3.05.01 Finance Lease

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

3.05.02 Operating Lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the Company's Statement of Financial Position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

3.05.03 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.

3.06 Investment

- 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 other comprehensive income. Changes in fair value are recognized under other comprehensive income in the financial statements. Fair values of investment in quoted shares are determined by reference to their quoted price less cost to sale in active market at the reporting date. Dividend and gain/(loss) from sale are recognised in the profit or loss.

3.07 Inventories

i) Nature of Inventories

Inventories comprise of Finished goods, Raw materials and Spares and other materials.

ii) Valuation of Inventories

Inventories are measured at lower of cost or net realizable value in accordance with the Para of 21 and 25 of IAS 2 "Inventories" after making due allowance for any obsolete or slow moving item and details of valuation are as follows:



<u>Category</u>	<u>Valuation method</u>
i) Raw materials	Valued at Cost or Net Realisable Value whichever is lower.
ii) Finished goods	Valued at Cost or Net Realisable Value whichever is lower.
iii) Spares and other materials	Based on weighted average method.

3.08 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.08.01 Financial Assets

The Company initially recognizes loans, receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which 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 expires, 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 assets are transferred.

Financial assets include Trade Receivables, Advances, Deposits and Prepayments, Short Term Investments, and Cash and cash equivalents.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost.

Loans and receivables comprise cash and cash equivalents, loans, trade receivables, and deposits.

a) 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.

b) 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.

c) Cash and Cash Equivalents

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

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognized in other comprehensive income and presented in the fair value reserve in equity. Financial assets which are not traded in the market have been valued at cost unless any indication of impairment in value of such financial assets exist. Cumulative gain/losses recognized in the other comprehensive income are reclassified from equity to profit or loss upon derecognition or reclassification.

3.08.02 Financial Liabilities

The company initially 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 derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

a) Trade and Other Payables

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.

b) Interest-bearing borrowings

Interest-bearing borrowings comprise loans and operational overdraft.



3.09 Impairment

3.09.01 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.

3.09.02 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.

3.10 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. 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 will be rank after all other shareholders. Creditors are fully entitled to all proceeds of liquidation before all shareholders.

3.11 Employee Benefits

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

3.11.01 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.

3.11.02 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 5 (Five) years	Nil amounts
After completion of 5 (Five) years but upto 10 (Ten) years	Half times of last month basic salary X years of services
Above 10 (Ten) years but upto 15 (Fifteen) years	One times of last month basic salary X years of services
Above 15 (Fifteen) years	One and half times of last month basic salary X years of services

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

3.11.03 Workers' Profit Participation and Welfare Funds

The company contributed 5% of net profit to the aforementioned fund in accordance with the requirement of Section 234 (Kha), Chapter 15 of Labour Law 2006 (as amended in 2013).



3.12 Taxation

3.12.01 Current Tax

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

3.12.02 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 IAS-12 "Income taxes".

The deferred tax asset/income or liability/expense does not create a legal liability/recoverability to and from the income tax authority.

3.13 Loans and Borrowings

Principal amount of the loans and borrowings are stated at their outstanding amount. Borrowings repayable within twelve months from the financial position date are classified as current liabilities whereas borrowings repayable after twelve months from the financial position date are classified as non-current liabilities. Accrued interest and other charges are classified as current liabilities.

Interest and other costs incurred by the company in connection with the borrowing of funds are recognised as expense in the year in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per IAS 23 "Borrowing Costs". Borrowing cost incurred against loan for BMRE project has been capitalised under effective interest rate method.

3.14 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.

3.15 Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers.

Type of products	Nature and timing of satisfaction of performance obligations	Revenue recognition under IFRS 15
- Local sales	Customers obtain control of products when goods are shipped out at factory gate. Invoices raised as per management approved price list are generated at that point in time.	Revenue is recognized when (or as) the entity satisfies a performance obligation by transferring the promised good or service to a customer.
- Export sales		
- By Products		

The company is in the business of providing M.S. Billet and M.S. Rod. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT). Gross turnover comprises local sales of M. S. Billet, M.S. Rod, By-products, export of M.S. Rod and includes VAT paid to the Government of Bangladesh.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for local sales, the Company considers the effects of variable consideration payable to the customer.

The company has variable considerations included in the contracts with customers which are netted off against the revenue to determine the transaction price. The variable considerations are pre-determined. The effect of variable considerations on revenue is only from contracts with local customers.



3.16 Other Income

Other income includes gain / (loss) on sale of property, plant and equipment, Gain on sale of investment in quoted shares, dividend and other miscellaneous.

3.17 Finance Income and Cost

3.17.01 Finance Income

Interest income on bank deposits and loan to related companies is recognised in the profit or loss in accrual basis following specific rate of interest in agreement with banks, financial institution and related companies.

3.17.02 Finance Cost

Interest expenses comprises interest expense on operational overdraft, LATR, term loan and short term borrowings incurred during the period are charged to Statement of Profit or Loss and Other Comprehensive Income.

3.17.03 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 profit or loss under finance cost.

3.18 Earnings Per Share

The company calculates its earnings per share in accordance with International Accounting Standard IAS-33 "Earnings per Share" which has been reported on the face of Statement of Profit or Loss and Other Comprehensive Income.

3.18.01 Basis of Earnings

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

3.18.02 Basic Earnings Per Share

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

3.18.03 Diluted Earnings Per Share

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

3.18.04 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.

3.19 Measurement of Fair Values

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

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

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

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

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

Property, Plant and Equipment

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

Equity and Debt Securities

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

3.20 Events after the Reporting Period

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



4.00 Property, plant and equipment - Revalued Model

	Amount in Taka										
	Land & Land development	Plant and Machinery	Factory Building	Furniture, Fixture and Decoration	Computer and Accessories	Motor Vehicles	Logistic Vehicles	Electric and Gas Line Installation	Lab Equipment	Office Equipment	Total
At cost											
As at 01 July 2020	1,016,238,680	1,578,498,585	1,034,161,873	27,136,078	17,585,179	123,495,299	284,666,090	198,281,890	22,490,518	14,701,438	4,317,255,630
Addition during the year	2,851,387,838	16,265,165,883	3,325,313,984	13,434,895	12,734,107	261,089	236,312,201	2,476,565,942	9,417,740	33,851,510	25,224,445,189
Revaluation during the year	2,612,564,401	1,087,418,993	630,399,711	-	-	-	-	-	-	-	4,330,383,105
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	6,480,190,919	18,931,083,461	4,989,875,568	40,570,973	30,319,286	123,756,388	520,978,291	2,674,847,832	31,908,258	48,552,948	33,872,083,924
As at 01 July 2021	6,480,190,919	18,931,083,461	4,989,875,568	40,570,973	30,319,286	123,756,388	520,978,291	2,674,847,832	31,908,258	48,552,948	33,872,083,924
Addition during the year	258,162,119	7,195,652	107,854,173	1,544,658	7,484,761	-	7,207,714	26,687,266	-	4,482,878	420,619,221
Revaluation during the year	-	-	-	-	-	-	-	-	-	-	-
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2022	6,738,353,038	18,938,279,113	5,097,729,741	42,115,631	37,804,047	123,756,388	528,186,005	2,701,535,098	31,908,258	53,035,826	34,292,703,145
Accumulated depreciation											
As at 01 July 2020	-	703,156,752	290,528,577	11,193,796	9,992,835	45,645,530	115,137,988	74,331,488	15,545,140	8,044,513	1,273,576,619
Charged for the year	-	427,569,509	84,424,307	1,652,232	1,852,418	10,854,117	28,165,113	38,013,428	728,115	1,704,944	594,964,183
Adjustment for disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	-	1,130,726,261	374,952,884	12,846,028	11,845,253	56,499,647	143,303,101	112,344,916	16,273,255	9,749,457	1,868,540,802
As at 01 July 2021	-	1,130,726,261	374,952,884	12,846,028	11,845,253	56,499,647	143,303,101	112,344,916	16,273,255	9,749,457	1,868,540,802
Charged for the period	-	946,742,432	251,388,976	4,165,684	6,789,082	12,375,639	39,185,568	134,578,918	3,190,826	10,226,914	1,408,644,039
Adjustment for disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2022	-	2,077,468,693	626,341,860	17,011,712	18,634,335	68,875,286	182,488,669	246,923,834	19,464,081	19,976,371	3,277,184,841
Carrying amount											
As at 30 June 2021	6,480,190,919	17,800,357,200	4,614,922,684	27,724,945	18,474,033	67,256,741	377,675,190	2,562,502,916	15,635,003	38,803,491	32,003,543,122
As at 30 June 2022	6,738,353,038	16,860,810,420	4,471,387,881	25,103,919	19,169,712	54,881,102	345,697,336	2,454,611,264	12,444,177	33,059,455	31,015,518,304

Depreciation allocated to:

Notes)	Allocation Basis	01 July 2021 to 30 June 2022 Taka	01 July 2020 to 30 June 2021 Taka
Direct expenses	90.00%	1,267,779,635	535,467,765
Administrative expenses	5.00%	70,432,202	29,748,209
Selling and distribution expenses	5.00%	70,432,202	29,748,209
		1,408,644,039	594,964,183



4.01 Property, plant and equipment - Cost Model

	Amount in Taka										
	Land & Land development	Plant and Machinery	Factory Building	Furniture, Fixture and Decoration	Computer and Accessories	Motor Vehicles	Logistic Vehicles	Electric and Gas Line Installation	Lab Equipment	Office Equipment	Total
At cost											
As at 01 July 2020	1,016,238,680	1,578,498,585	1,034,161,873	27,136,078	17,585,179	123,495,299	284,666,090	198,281,890	22,490,518	14,701,438	4,317,255,630
Addition during the year	2,851,387,838	16,265,165,883	3,325,313,984	13,434,895	12,734,107	261,089	236,312,201	2,476,565,942	9,417,740	33,851,510	25,224,445,189
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
As at 30 June 2021	3,867,626,518	17,843,664,468	4,359,475,857	40,570,973	30,319,286	123,756,388	520,978,291	2,674,847,832	31,908,258	48,552,948	29,541,700,819
As at 01 July 2021	3,867,626,518	17,843,664,468	4,359,475,857	40,570,973	30,319,286	123,756,388	520,978,291	2,674,847,832	31,908,258	48,552,948	29,541,700,819
Addition during the year	258,162,119	7,195,652	107,854,173	1,544,658	7,484,761	-	7,207,714	26,687,266	-	4,482,878	420,619,221
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
As at 30 June 2022	4,125,788,637	17,850,860,120	4,467,330,030	42,115,631	37,804,047	123,756,388	528,186,005	2,701,535,098	31,908,258	53,035,826	29,962,320,040
Accumulated depreciation											
As at 01 July 2020	-	703,156,752	290,528,577	11,193,796	9,992,835	45,645,530	115,137,988	74,331,488	15,545,140	8,044,513	1,273,576,619
Charged for the year	-	400,384,034	76,544,311	1,652,232	1,852,418	10,854,117	28,165,113	38,013,428	728,115	1,704,944	559,898,712
Adjustment for disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	-	1,103,540,786	367,072,888	12,846,028	11,845,253	56,499,647	143,303,101	112,344,916	16,273,255	9,749,457	1,833,475,331
As at 01 July 2021	-	1,103,540,786	367,072,888	12,846,028	11,845,253	56,499,647	143,303,101	112,344,916	16,273,255	9,749,457	1,833,475,331
Charged for the year	-	892,371,482	219,868,990	4,165,684	6,789,082	12,375,639	39,185,568	134,578,918	3,190,826	10,226,914	1,322,753,103
Adjustment for disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2022	-	1,995,912,268	586,941,878	17,011,712	18,634,335	68,875,286	182,488,669	246,923,834	19,464,081	19,976,371	3,156,228,434
Carrying amount											
As at 30 June 2021	3,867,626,518	16,740,123,682	3,992,402,969	27,724,945	18,474,033	67,256,741	377,675,190	2,562,502,916	15,635,003	38,803,491	27,708,225,488
As at 30 June 2022	4,125,788,637	15,854,947,852	3,880,388,152	25,103,919	19,169,712	54,881,102	345,697,336	2,454,611,264	12,444,177	33,059,455	26,806,091,606

Allocation Basis	01 July 2021 to 30 June 2022		01 July 2020 to 30 June 2021	
	Taka	Taka	Taka	Taka
90.00%	1,190,477,793	503,908,840	-	-
5.00%	66,137,655	27,994,936	-	-
5.00%	66,137,655	27,994,936	-	-
	1,322,753,103	559,898,712		

Depreciation allocated to:

Direct expenses	
Administrative expenses	
Selling and distribution expenses	



5.00 Lease
5.01 As a Lessee
5.01.01 Right of Use Assets

Note(s)	Motor Vehicles	Logistics Vehicles	Total
At 01 July 2020	36,040,000	32,474,720	68,514,720
Additions during the year	4,890,000	122,505,280	127,395,280
Disposals/adjustment during the year	-	-	-
At 30 June 2021	40,930,000	154,980,000	195,910,000
At 01 July 2021	40,930,000	154,980,000	195,910,000
Additions during the year	25,731,384	13,080,001	38,811,385
Disposals/adjustment during the year	-	-	-
At 30 June 2022	66,661,384	168,060,001	234,721,385
AMORTISATION			
At 01 July 2020	7,778,108	978,761	8,756,869
Charge during the year	10,833,598	20,656,750	31,490,348
Disposals/adjustment during the year	-	-	-
At 30 June 2021	18,611,706	21,635,511	40,247,217
At 01 July 2021	18,611,706	21,635,511	40,247,217
Charge during the year	6,866,495	38,709,048	45,575,543
Disposals/adjustment during the year	-	-	-
At 30 June 2022	25,478,201	60,344,559	85,822,760
CARRYING AMOUNT			
At 30 June 2021	22,318,294	133,344,489	155,662,783
At 30 June 2022	41,183,183	107,715,442	148,898,625

Note(s)	30 June 2022 Taka	30 June 2021 Taka
5.01.02 Lease liabilities		
Opening balance	153,326,825	50,307,804
Lease obligations	34,276,200	127,395,280
Less: Paid during the year	(36,876,431)	(24,376,259)
	150,726,594	153,326,825
5.01.03 Finance Lease Obligation - Maturity analysis		
Due within one year	41,019,367	33,245,616
Due after one year	109,707,227	120,081,209
	150,726,594	153,326,825
5.01.04 Amounts recognised in profit or loss		
Interest on lease liabilities	15,566,136	9,402,174
	15,566,136	9,402,174
5.01.05 Amount recognised in the statements of cash flows		
Principal paid on lease liabilities	36,876,431	24,376,259
Interest paid on lease liabilities	15,566,136	9,402,174
	52,442,567	33,778,433



	Note(s)	30 June 2022 Taka	30 June 2021 Taka
5.01.06 Allocation of Depreciation of ROU Asset			
Factory overhead	23.02	41,017,989	28,341,314
Administrative expenses	24.00	2,278,777	1,574,517
Selling and distribution expenses	25.00	2,278,777	1,574,517
		45,575,543	31,490,348
6.00 Capital work-in-progress			
Opening balance		1,497,760,003	23,876,898,898
Add: Cost incurred during the year		1,816,608,702	2,651,631,049
		3,314,368,705	26,528,529,947
Less: Capitalized during the year		73,352,507	25,030,769,944
Closing balance		3,241,016,198	1,497,760,003
7.00 Intangible assets			
Software	7.01	2,167,899	1,500,954
		2,167,899	1,500,954
7.01 Intangible assets schedule			
<u>Cost</u>			
Opening balance		2,950,475	2,230,475
Add: Addition during the year		1,059,075	720,000
Closing balance		4,009,550	2,950,475
<u>Accumulated amortization</u>			
Opening balance		1,449,521	1,220,473
Add: Charged during the year	24.00	392,130	229,048
Closing balance		1,841,651	1,449,521
Carrying amount		2,167,899	1,500,954
8.00 Investments			
Investment in Un-quoted equity-at cost	8.01	64,500,000	64,500,000
Investment in quoted shares - at fair value	8.02	107,498,290	98,049,188
		171,998,290	162,549,188
8.01 Investment in Un-quoted equity-at cost			
GPH Steels Limited		1,000,000	1,000,000
Star Allied Venture Limited		63,500,000	63,500,000
		64,500,000	64,500,000
8.01.01 GPH Ispat Limited has acquired 10% equity of GPH Steels Limited i.e. 100,000 ordinary shares of Tk. 10 each. GPH Steels Limited has yet to start its commercial operation till the date of Statement of Financial Position.			
8.02 Investment in quoted shares - at fair value			
Opening balance		98,049,188	61,344,461
Add: Purchases during the year	8.02.01	183,544,882	142,298,463
		281,594,070	203,642,924
Less: Sales during the year	8.02.01	181,142,917	134,801,692
Add: Gain on sale of shares	8.02.03	8,893,112	20,170,064
Net change in fair value of investment in quoted shares		(1,845,975)	9,037,892
		107,498,290	98,049,188



8.02.01 Details of investment in quoted (tradeable securities) shares

Particulars	Cost	Purchase during the year	Number of shares (Present Qty)	Number of shares (Sales Qty)	30 June 2022		30 June 2021
					Fair value	Sales Value	
Alif Manufacturing Company Limited	1,126,810	-	-	100,000	-	1,236,900	1,157,100
Argon Denim Limited	-	11,549,194	472,500	-	9,049,320	-	(2,499,874)
Beximco Pharmaceuticals Ltd.	-	2,200,028	10,000	-	1,556,100	-	(643,928)
British American Tobacco BD.	-	3,180,607	5,000	-	2,706,217	-	(474,390)
City Bank Limited	14,780,013	-	239,062	300,000	5,460,834	8,737,601	855,626
Delta Spinners Limited	5,213,000	-	-	500,000	-	5,486,250	399,000
Delta Life Insurance Co. Ltd.	-	3,039,589	21,000	-	-	3,351,600	312,011
Doreen Power Generation and Systems Ltd.	-	24,451,109	-	300,000	-	26,755,778	2,304,669
Dutch Bangla Bank Limited	-	10,149,095	137,500	-	8,846,578	-	(1,302,517)
Eastern Bank Limited	524,001	-	34,374	-	1,114,362	-	49,215
Envoy Textiles Limited	40,855,472	-	-	927,269	-	42,735,864	15,634,804
Esquire Knit Composite Ltd.	-	8,523,342	200,000	-	6,982,500	-	(1,540,842)
First Security Islami Bank Limited	-	4,852,100	-	400,000	-	5,905,200	1,053,100
Fortune Shoes Ltd.	-	15,329,000	-	255,000	-	15,775,981	446,981
IDLC Finance Limited	5,976,830	6,768,188	-	200,000	-	13,021,944	1,024,061
IFIC Bank Limited	-	932,325	52,500	-	628,425	-	(303,900)
Islamic Finance and Investment Limited	9,003,479	-	-	365,000	-	9,466,275	1,383,533
Jamuna Bank Limited	-	4,880,030	200,000	-	4,369,050	-	(510,980)
Keya Cosmetics Ltd.	-	9,067,633	-	950,000	-	9,097,200	29,567
Lafarge Holcim Bangladesh Ltd	-	5,398,479	-	70,000	-	5,798,135	399,656
Lanka Bangla Finance Limited	-	22,569,972	402,344	100,000	11,357,869	4,419,593	(6,792,510)
PHP Mutual Fund I	1,445,760	-	-	200,000	-	1,497,547	160,897
Pubali Bank Limited	13,122,694	-	490,568	-	12,527,145	-	391,474
Southeast Bank Limited	-	16,463,857	1,040,000	-	14,627,340	-	(1,836,517)
Square Pharmaceuticals Ltd	4,577,590	14,182,390	95,894	20,000	20,791,300	4,919,587	(474,046)
Sumit Power Ltd.	-	15,572,235	200,000	130,000	7,481,250	6,241,846	(1,849,139)
Trust Bank 1st Mutual Fund	1,506,000	-	-	200,000	-	1,576,050	199,500
United Commercial Bank Limited	10,195,450	-	-	634,835	-	10,558,902	426,931
United Power Generation & Distr. Co. Ltd.	-	4,435,709	-	15,000	-	4,560,664	124,955
	108,327,099	183,544,882	3,579,742	5,688,104	107,498,290	181,142,917	7,047,137

8.02.02

Investments in quoted shares are carried at fair value net of cost to sale as on 30 June 2022. Changes in fair value are recognized under other comprehensive income in the statement of profit or loss and other comprehensive income.



8.02.03 Calculation of tax profit/ (loss) during the year

Name of Company	Net Sales Taka	Cost Taka	Tax Profit/loss Taka
Alif Manufacturing Company Limited	1,236,900	1,126,810	110,090
City Bank Limited	8,737,601	8,652,000	85,601
Delta Spinners Limited	5,486,250	5,213,000	273,250
Delta Life Insurance Co. Ltd.	3,351,600	3,039,540	312,060
Doreen Power Generation and Systems Ltd.	26,755,778	24,451,102	2,304,676
Envoy Textiles Limited	42,735,864	40,855,472	1,880,392
First Security Islami Bank Limited	5,905,200	4,852,000	1,053,200
Fortune Shoes Ltd.	15,775,981	15,330,430	445,551
IDLC Finance Limited	13,021,944	12,745,019	276,925
Islamic Finance and Investment Limited	9,466,275	9,003,478	462,797
Keya Cosmetics Ltd.	9,097,200	9,067,633	29,567
Lafarge Holcim Bangladesh Ltd	5,798,135	5,398,479	399,656
Lanka Bangla Finance Limited	4,419,593	4,070,000	349,593
PHP Mutual Fund I	1,497,547	1,445,760	51,787
Square Pharmaceuticals Ltd	4,919,587	4,727,463	192,124
Sumit Power Ltd.	6,241,846	6,134,519	107,327
Trust Bank 1st Mutual Fund	1,576,050	1,506,000	70,050
United Commercial Bank Limited	10,558,902	10,195,450	363,452
United Power Generation & Distr. Co. Ltd.	4,560,664	4,435,650	125,014
For the year 30 June 2022	181,142,917	172,249,805	8,893,112
For the year 30 June 2021	134,801,692	118,898,299	20,170,064



				30 June 2022	30 June 2021
			Note(s)	Taka	Taka
9.00 Short term investment					
Investments in Fixed Deposit Receipts (FDR)			9.01	2,224,065,981	1,424,525,049
				2,224,065,981	1,424,525,049
9.01 Name of the banks	Purpose	Tenure	Rate of Interest		
AB Bank Limited	Lien against Term Loan	12 Months	5.50%-5.75%	91,081,726	88,171,707
Bank Asia Limited	Lien against Overdraft	12 Months	6.00%	8,808,833	-
BRAC Bank Limited	L/C Margin	12 Months	6.00%	76,768,667	-
Dutch Bangla Bank Limited	L/C Margin	12 Months	3.00%-3.50%	122,550,453	82,730,685
IPDC Finance Limited	Lien against Term Loan	12-60 Months	5.75%-7.00%	33,979,837	22,421,496
Islami Bank Bangladesh Limited	L/C Margin	1 Month	3.10%	100,944,933	-
Jamuna Bank Limited	L/C Margin	3 Months	3.00%	51,639,249	-
Mercantile Bank Limited	L/C Margin	3-12 Months	4.25%-4.75%	262,612,443	252,450,889
Midland Bank Limited	BG Margin	3-12 Months	5.00%-6.00%	34,871,130	25,356,778
Modhumoti Bank Limited	Lien against Overdraft	12 Months	4.00%	72,595,997	71,530,267
Mutual Trust Bank Limited	L/C Margin	6-12 Months	3.25%-6.00%	93,812,581	50,216,519
NCC Bank Limited	L/C Margin	6-12 Months	3.75% - 5.50%	147,647,385	83,701,609
NRB Commercial Bank Limited	Lien against Overdraft	12 Months	5.25%	51,822,917	-
One Bank Limited	L/C Margin	6 Months	0.00%	-	33,914,669
Pubali Bank Limited	L/C Margin	6 Months	4.00% - 5.50%	208,466,194	165,706,014
SBAC Bank Limited	L/C Margin	6-12 Months	5.50%	52,393,397	-
Southeast Bank Limited	L/C Margin	3 - 12 Months	4.00%	83,176,887	80,494,044
Standard Chartered Bank	Lien against Overdraft	24 Months	3.00%	133,925,217	130,035,610
State Bank of India	BG Margin	12 Months	3.50%	2,721,027	2,636,798
The City Bank Limited	L/C Margin	3-12 Months	2.50% - 6.00%	95,169,473	38,788,816
Trust Bank Limited	L/C Margin	3-6 Months	2.50% - 6.00%	183,088,388	32,801,224
United Commercial Bank Limited	L/C Margin	3-24 Months	3.75% - 4.50%	291,561,548	262,900,437
Uttara Bank Limited	L/C Margin	3 Months	4.00%	24,427,699	-
United Finance Limited	Security against Loan			-	667,487
				2,224,065,981	1,424,525,049
10.00 Advances, deposits and prepayments					
Advances			10.01	6,073,121,081	4,728,946,479
Deposits			10.02	102,644,130	102,644,130
Prepayments			10.03	16,633,508	19,032,007
				6,192,398,719	4,850,622,616
10.01 Advances					
Against income tax			10.01.01	1,288,131,870	915,488,653
Against VAT			10.01.02	8,023,088	397,540,982
Against VAT current account				476,448	476,448
Against land				757,400,000	757,400,000
Against LC				1,956,491,470	1,797,964,514
Against other supply				2,047,646,407	853,067,294
Against raw material supply				11,098,615	3,717,405
Against employees				3,853,183	3,291,183
				6,073,121,081	4,728,946,479
10.01.01 Advance income tax					
Opening balance				915,488,653	417,916,951
Addition during the year				716,277,882	583,485,694
Paid/adjusted during the year				(343,634,665)	(85,913,992)
				1,288,131,870	915,488,653
10.01.02 Advance VAT					
Opening balance				397,540,982	168,938,908
Addition during the year				166,928,025	1,011,267,646
Paid/adjusted during the year				(556,445,919)	(782,665,572)
				8,023,088	397,540,982



	Note(s)	30 June 2022 Taka	30 June 2021 Taka
10.02 Deposits			
Bangladesh Power Development Board		80,000,000	80,000,000
Karnaphuli Gas Distribution Company Limited		21,738,586	21,738,586
Security to Shipping Lines		805,544	805,544
Bangladesh Railway		100,000	100,000
		102,644,130	102,644,130
10.03 Prepayments			
Insurance premium		16,633,508	17,306,779
Bangladesh Standards and Testing Institution		-	1,725,228
		16,633,508	19,032,007
10.04 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.			
11.00 Inventories			
Finished goods	11.01	7,534,192,359	4,359,884,076
Raw materials	11.02	5,017,002,570	3,973,915,432
Spares and other materials	11.03	3,428,594,997	1,731,365,847
		15,979,789,926	10,065,165,355
11.01 Finished Goods			
M. S. Rod	23.00	3,922,974,399	3,163,895,266
M. S. Billet	23.00	3,611,217,960	1,195,988,810
		7,534,192,359	4,359,884,076
11.02 Raw Materials			
Melting Scrap		3,595,316,160	3,094,941,772
Sponge Iron		56,428,029	142,952,436
Lime		118,138,413	33,247,660
Dolomite		340,097,118	83,025,267
Chemicals		560,391,427	202,503,121
Quartz Powder		2,766,695	3,007,946
Pet Coke		343,864,728	414,237,230
	23.01	5,017,002,570	3,973,915,432
11.03 Spares and other materials			
Refractory Bricks		958,304,393	593,144,253
Spares and Consumables		2,092,592,036	1,040,439,071
Rolls		78,441,831	35,792,617
Graphite Electrode		285,818,840	61,821,673
Copper Mould Tube		13,437,897	168,233
	23.01	3,428,594,997	1,731,365,847
12.00 Trade and other receivables			
Trade receivables	12.01	5,010,039,818	2,955,859,132
Other receivable	12.03	456,010,438	411,894,666
		5,466,050,256	3,367,753,798
12.01 Ageing of trade receivables			
Dues within 6 Months		4,911,714,497	2,870,188,712
Dues over 6 months		98,325,321	85,670,420
		5,010,039,818	2,955,859,132

12.02 Trade Receivables represent receivable from 1,033 parties as on 30 June 2022 (641 Parties as on 30 June 2021). Receivables are unsecured but considered good and recoverable. Therefore no doubtful debt provision against receivable are required.

12.03 Interest at 10% per annum has been charged on outstanding balance of other receivable from Arbee Textiles Ltd.



	Note(s)	30 June 2022 Taka	30 June 2021 Taka
13.00 Cash and cash equivalents			
Cash in hand	13.01	3,546,093	2,831,936
Cash at bank	13.02	441,296,585	127,352,130
		444,842,678	130,184,066

13.01 Cash in hand

Dhaka office petty cash	1,378,241	1,992,708
Factory petty cash - IF	799,506	152,288
Factory petty cash - QEAF	1,368,346	686,940
	3,546,093	2,831,936

13.02 Cash at Bank

Name of the Banks	Branch	Account Type		
AB Bank Limited	Gulshan	Current	45,910	46,748
AB Bank Limited	Sitakunda	Current	58,938	67,466
Agrani Bank Limited	Asadgonj	Current	746,067	1,931,496
Agrani Bank Limited	Principal	Current	11,478	57,925
Al-Arafah Islami Bank Limited	Jubilee Road	Current	6,228,990	3,181,729
Al-Arafah Islami Bank Limited	Khatungonj	Current	14,328	722,093
Bangladesh Development Bank Limited	Khatungonj	Current	1,231	1,231
Bank Al Falah Limited	Agrabad	Current	15,867	15,868
Bank Asia Limited	Anderkilla	Current	872,035	2,949,202
Bank Asia Limited	Banani	Current	8,143	76,381
BASIC Bank Limited	Asadgonj	Current	10,281	21,074
Bengal Commercial Bank Limited	Gulshan	Current	13,328	-
Bengal Commercial Bank Limited	Agrabad	Current	9,495	-
BRAC Bank Limited	Agrabad	Current	-	268,213
Community Bank Bangladesh Limited	Agrabad	Current	57,482	3,930
Dhaka Bank Limited	Khatungonj	Current	607,689	21,240
Dutch Bangla Bank Limited	Khatungonj	Current	2,892,296	1,860,671
Dutch Bangla Bank Limited	Agrabad	Current	1,068,202	52,612,740
Eastern Bank Limited	Agrabad	Current	30,033	2,252,553
EXIM Bank Limited	Khatungonj	Current	1,424,563	217,642
First Security Islami Bank Limited	Khatungonj	Current	509,774	210,708
HSBC	Agrabad	Current	2,970	2,970
IFIC Bank Limited	Khatungonj	Current	4,902,971	1,431,668
Islami Bank Bangladesh Limited	Khatungonj	Current	13,258,277	5,366,792
Jamuna Bank Limited	Khatungonj	Current	3,871,356	9,495,717
Janata Bank Limited	Khatungonj	Current	1,411,342	628,346
Mercantile Bank Limited	Khatungonj	Current	42,194	287,479
Meghna Bank Limited	Agrabad	Current	421,340	2,008
Midland Bank Limited	Agrabad	Current	32,360	6,187,554
Modhumoti Bank Limited	Agrabad	Current	34,942	20,394
Modhumoti Bank Limited	O.R Nizam Road	Current	105,147	2,688,506
Mutual Trust Bank Limited	Khatungonj	Current	895,416	4,745,944
National Bank Limited	Anderkilla	Current	2,183,967	945,957
National Bank Limited	Jubilee Road	Current	4,300	4,300
NCC Bank Limited	Khatungonj	Current	87,747	39,577
NRB Bank Limited	Agrabad	Current	17,916	411,563
NRB Commercial Bank Limited	Agrabad	Current	1,125,197	27,863
One Bank Limited	Khatungonj	Current	54,658,584	1,916,650
Premier Bank Limited	Khatungonj	Current	34	926,773
Premier Bank Limited	O.R Nizam Road	Current	14,106	25,719
Prime Bank Limited	Khatungonj	Current	1,630,076	1,484,474
Prime Bank Limited	O.R Nizam Road	Current	164,969	165,809
Pubali Bank Limited	Principal	Current	5,968	-
Pubali Bank Limited	Khatungonj	Current	4,892,725	-
Shahajalal Islami Bank Limited	Gulshan	Current	3,550	4,940
Shahajalal Islami Bank Limited	Khatungonj	Current	1,278,983	326,712
Shimanto Bank Limited	Agrabad	Current	2,396,204	40,374
Social Islami Bank Limited	Khatungonj	Current	1,015,642	3,383,591
Social Islami Bank Limited	Kawran Bazar	Current	7,127	-



			30 June 2022	30 June 2021
		Note(s)	Taka	Taka
Sonali Bank Limited	Khatungonj	Current	3,465,843	3,654,244
Sonali Bank Limited	Motijheel F. Ex.	Current	175,448	94,135
South Bangla Agricultural Bank Limited	Agrabad	Current	28,341	23,363
South Bangla Agricultural Bank Limited	Khatungonj	Current	7,392	41,605
Southeast Bank Limited	Khatungonj	Current	10,367,197	124,355
Standard Bank Limited	Khatungonj	Current	485,240	76,514
Standard Bank Limited	Agrabad	Current	579,721	-
State Bank of India	Jubilee Road	Current	26,810	199,826
The City Bank Limited	Khatungonj	Current	10,595,155	452,041
Trust Bank Limited	Ashulia	Current	964	1,704
Trust Bank Limited	CDA Avenue	Current	250,076,987	162,501
United Commercial Bank Limited	Khatungonj	Current	2,074,708	80,968
United Commercial Bank Limited	Gulshan	Current	34,918,175	7,124,176
United Commercial Bank Limited	Khatungonj	Escrow	11,676	334
United Commercial Bank Limited	Khatungonj	Escrow	28,594	-
United Commercial Bank Limited	Khatungonj	FC	344,477	-
Union Bank Limited	Khatungonj	Current	4,494,470	66,444
Uttara Bank Limited	Khatungonj	Current	223,304	2,390,084
Uttara Bank Limited	Laldighi	Current	3,223,700	-
Uttara Bank Limited	Laldighi	Current	43,488	95,893
Sub-total			430,263,230	121,668,777
AB Bank Limited	Khatungonj	SND	49,748	494,148
AB Bank Limited	Khatungonj	GBP	12,842	13,297
AB Bank Limited	Khatungonj	USD	-	46,866
AB Bank Limited	Khatungonj	SND	3,935,210	50,011
Mutual Trust Bank Limited	Khatungonj	SND	1,093	1,093
Standard Chartered Bank	Agrabad	SND	2,808,178	919,875
Standard Chartered Bank	Agrabad	SND	3,010,866	3,016,706
Standard Chartered Bank	Agrabad	SND	1,215,418	1,141,357
Sub-total			11,033,355	5,683,353
Total			441,296,585	127,352,130

14.00 Share capital

Authorized Capital

1,000,000,000 Ordinary Shares of Tk 10 each

Issued, subscribed and paid-up Capital

100,000	Ordinary Shares of Tk. 10 each as at 17 May 2006	1,000,000	1,000,000
1,100,000	Ordinary Shares of Tk. 10 each as at 28 September 2008	11,000,000	11,000,000
17,000	Ordinary Shares of Tk. 10 each as at 24 January 2010	170,000	170,000
36,428,600	Ordinary Shares of Tk. 10 each as at 28 April 2010	364,286,000	364,286,000
12,354,400	Ordinary Shares of Tk. 10 each as at 28 April 2010	123,544,000	123,544,000
20,000,000	Ordinary Shares of Tk. 10 each as at 20 August 2011	200,000,000	200,000,000
20,000,000	Ordinary Shares of Tk. 10 each issued through IPO 07 March 2012	200,000,000	200,000,000
18,000,000	Ordinary Shares of Tk. 10 each as at 13 November 2012	180,000,000	180,000,000
10,800,000	Ordinary Shares of Tk. 10 each as at 09 november 2013	108,000,000	108,000,000
5,940,000	Ordinary Shares of Tk. 10 each as at 10 November 2014	59,400,000	59,400,000
187,110,000	Rights Shares of Tk. 10 each as at 01 June 2016	1,871,100,000	1,871,100,000
15,592,500	Ordinary Shares of Tk. 10 each as at 10 December 2017	155,925,000	155,925,000
32,744,250	Ordinary Shares of Tk. 10 each as at 19 January 2019	327,442,500	327,442,500
18,009,337	Ordinary Shares of Tk. 10 each as at 26 December 2019	180,093,370	180,093,370
18,909,804	Ordinary Shares of Tk. 10 each as at 21 December 2020	189,098,040	189,098,040
39,710,589	Ordinary Shares of Tk. 10 each as at 20 December 2021	397,105,890	-
436,816,480		4,368,164,800	3,971,058,910



Position of share holding

Shareholders

Mr. Mohammed Jahangir Alam
Mr. Md. Abdur Rouf
Mr. Md. Alamgir Kabir
Mr. Md. Almas Shimul
Mr. Md. Ashrafuzzaman
Mr. Md. Abdul Ahad
Mr. Md. Azizul Haque Raju
General Shareholders
TOTAL

30 June 2022		30 June 2021	
Percentage of holding	Amount in Taka	Percentage of holding	Amount in Taka
23.58%	1,029,883,960	23.58%	936,258,150
3.00%	131,044,930	3.00%	119,131,760
4.81%	210,164,960	4.81%	191,059,060
10.83%	472,871,160	10.83%	429,882,880
3.00%	131,044,930	3.00%	119,131,760
2.40%	104,835,950	2.40%	95,305,410
2.00%	87,363,280	2.00%	79,421,170
50.38%	2,200,955,630	50.38%	2,000,868,720
100%	4,368,164,800	100%	3,971,058,910

Classification of shares by holding

Slab by number of shares

Less than 500
500-5,000
5,001-10,000
10,001-20,000
20,001-30,000
30,001-40,000
40,001-50,000
50,001-100,000
100,001-1,000,000
Above 1,000,000

30 June 2022			30 June 2021
No. of Holders	No. of Shares	Holding(%)	Holding(%)
7,601	1,626,501	0.37%	0.10%
9,422	16,984,040	3.89%	2.17%
1,502	11,420,455	2.61%	1.31%
850	12,363,053	2.83%	1.58%
305	7,633,884	1.75%	0.84%
151	5,297,208	1.21%	0.60%
104	4,803,453	1.10%	0.52%
175	12,950,124	2.96%	1.58%
169	43,464,620	9.95%	6.58%
36	320,273,142	73.33%	84.72%
20,315	436,816,480	100%	100%

15.00 Long Term Loan

Term Loan
Long Term Financing Facility
Syndication Term Loan
ECA Backed Finance
Non-Banking Financial Institutions
Loan From Directors

Note(s)	30 June 2022 Taka	30 June 2021 Taka
15.02	189,645,957	3,541,602,718
15.03	4,127,725,290	4,172,073,648
15.04	8,802,405,383	5,636,262,212
15.05	7,763,099,354	7,776,663,815
15.06	1,967,429,608	1,661,298,573
15.07	1,073,821,620	1,073,821,620
	23,924,127,212	23,861,722,586

15.01 Long Term Loan - Maturity analysis

Due within one year
Due after one year

3,275,776,093	2,283,792,410
20,648,351,119	21,577,930,176
23,924,127,212	23,861,722,586

15.02 Term Loan

AB Bank Limited
Eastern Bank Limited
Meghna Bank Limited
Midland Bank Limited
Pubali Bank Limited
State Bank of India
Trust Bank Limited
United Commercial Bank Limited

-	294,557,671	
-	1,704,486,053	
-	204,687,047	
-	208,126,269	
189,645,957	243,626,159	
-	7,565,533	
-	475,519,337	
-	403,034,649	
	189,645,957	3,541,602,718



15.02.01 Terms of Long Term Loan Facility

Security:

- i) Post dated Cheques covering full credit facility.
- ii) Corporate Guarantee of Jahangir & Others Limited and GPH Power Generation Limited.
- iii) Personal Guarantee of all sponsor director of GPH Ispat Limited.
- iv) Charge over insurance benefit (Assignment) in favor of the term loan lenders as per their respective participation and demand promissory note along with the letter of continuity.
- v) First Priority Fixed and Floating Hypothecation Charge on the assets acquired out of bank finance to be created with RJSC and the vehicle will also be registered in the name of GPH Ispat Limited.
- vi) 2nd ranking fixed and floating charge over all assets (present and future) of GPH Ispat Limited in Pari passu basis.
- vii) An irrevocable general power of attorney to self the hypothecated assets notarized with the Notary Public of Bangladesh.

Rate of Interest:

Interest rate is 9.00% per annum and will be calculated on quarterly basis and variable depending on the situation of money market.

	30 June 2022 Taka	30 June 2021 Taka
Eastern Bank Limited	550,534,709	556,993,564
Mutual Trust Bank Limited	418,495,567	422,063,422
NCC Bank Limited	1,108,830,271	1,122,348,083
One Bank Limited	167,971,162	169,389,756
Pubali Bank Limited	837,977,717	845,073,211
Southeast Bank Limited	209,266,578	211,031,712
United Commercial Bank Limited	834,649,286	845,173,900
	<u>4,127,725,290</u>	<u>4,172,073,648</u>

15.03 Long Term Financing Facility

Eastern Bank Limited
Mutual Trust Bank Limited
NCC Bank Limited
One Bank Limited
Pubali Bank Limited
Southeast Bank Limited
United Commercial Bank Limited

15.03.01 Terms of Long Term Financing Facility

Lenders:

The company entered into a long term financing facility to support the setting up a 840,000 M.Ton per annum M.S. Billet plant and 640,000 M. Ton per annum M.S. Rod plant at Masjiddah, Kumira, Sitakunda, Chattogram and managed its finance through this facility with United Commercial Bank Limited as "lead arranger" and 6 (Six) other local Banks.

Total loan facilities:

The long term financing facility comprises USD 44.2 million.

Interest rate:

Margin 4.25% + 6 months LIBOR

Interest payable:

Interest is payable quarterly (30th September, 31st December, 31st March and 30th June) from the date of 1st drawdown.

Disbursement:

First Disbursement of USD on 13 February 2019.

Repayments:

Principal amount under the USD term loan facility shall be repaid in 32 (thirty two) equal quterly installments. Repayment from the end of 27th month of the date of 1st drawdown the facilities agreement and will end on the 120th month and the balance amount, if any shall be paid in last installment.

Securities:

- i) Mortgage of 28 acre Land duly registered with RJSC.
- ii) First ranking pari-passu charge registered with RJSC over all fixed and floating assets of the Company.
- iii) Charge over Insurance Benefit (assignment) in favor of the term loan lender as per their respective participation.
- iv) Personal Guarantee of all the Directors of the Company.
- v) Demand Promissory note along with the letter of continuity from the Company with supporting Board Resolution.
- vi) One Post dated cheque covering full Credit facility is to be taken in advance.
- vii) Corporate Guarantee of Jahangir & Others Ltd and GPH Power Geriaction Ltd.

Purpose:

To procure plants, machineries, equipment and prefabricated building and steel structures relating to the project and to meet civil construction and other expenses required for implementation of steel melting plant.



15.04 Syndication Term Loan	Note(s)	30 June 2022 Taka	30 June 2021 Taka
AB Bank Limited		97,324,137	108,950,602
Agrani Bank Limited		1,103,076,166	1,195,855,147
Basic Bank Limited		277,177,832	308,272,430
Bangal Commercial Bank Limited		351,242,976	-
Community Bank Bangladesh Limited		350,798,828	-
Dutch Bangla Bank Limited		438,717,803	269,296,452
Jamuna Bank Limited		99,603,649	110,986,763
Janata Bank Limited		1,108,052,692	1,217,209,517
Mercantile Bank Limited		659,577,698	99,767,123
Midland Bank Limited		451,130,694	109,506,856
NRB Bank Limited		175,399,422	-
NRB Commercial Bank Limited		439,001,550	-
One Bank Limited		92,605,700	104,204,097
Pubali Bank Limited		630,363,806	210,780,218
Sonali Bank Limited		913,118,891	1,008,081,370
Southeast Bank Limited		74,552,271	82,036,141
The City Bank Limited		69,683,290	81,827,106
United Commercial Bank Limited		856,773,285	221,514,046
Uttara Bank Limited		614,204,693	507,974,344
		8,802,405,383	5,636,262,212

15.04.01 Terms of Syndicate term borrowings

Lenders:

The company entered into a syndicated loan agreement to set up a Billet plant (840,000 M.Ton per annum) and MS Rod plant (640,000 M. Ton per annum) at Masjiddah, Kumira, Sitakunda, Chattogram and managed its finance through a syndicate debt facility with United Commercial Bank Limited as "lead arranger" and 12 (twelve) other local banks.

Total loan facilities:

The syndication financing comprises BDT. 9968 million only for implementation of the steel melting plant.

Interest rate:

<u>BDT</u>	<u>30 June 2022</u>
Government Banking Institutions	9.00%
Non-government Banking Institutions	9.00%

Interest payable:

Interest is payable quarterly (30th September, 31st December, 31st March and 30th June) from the date of 1st drawdown.

Disbursement:

First Disbursement of BDT made on 31 March 2018.

Repayments:

Principal amount under the BDT from government banking institutions shall be repaid in 32 (thirty two) equal quarterly installments and BDT from non-government banking institutions shall be repaid in 96 (Ninety six) monthly installments. For government banking institutions, repayment will be started from the end of 27th month of the date of 1st drawdown, for non-government banking institutions, repayment from the end of 25th month of the date of 1st drawdown and the balance amount, if any shall be paid in last installment.

Securities:

Registered Mortgage on 37 acres land along with personal guarantee and corporate guarantee, with first ranking pari passu basis and hypothecation of machineries.

- i) Mortgage of 37 acre Land duly registered with RJSC.
- ii) First ranking pari-passu charge registered with RJSC over all fixed and floating assets of the Company.
- iii) Charge over Insurance Benefit (assignment) in favor of the term loan lender as per their respective participation.
- iv) Personal Guarantee of all the Directors of the Company.
- v) Demand Promissory note along with the letter of continuity from the Company with supporting Board Resolution
- vi) One Post dated cheque covering full Credit facility is to be taken i in advance.
- vii) Corporate Guarantee of Jahangir & Others Ltd and GPH Power Generation Ltd.

Purpose:

To procure plants, machineries, equipment and prefabricated building and steel structures relating to the project and to meet civil construction and other expenses required for implementation of steel melting plant.



30 June 2022	30 June 2021
Taka	Taka
7,763,099,354	7,776,663,815
<u>7,763,099,354</u>	<u>7,776,663,815</u>

15.05 ECA Backed Finance

ODDO BHF Aktiengesellschaft, Germany

15.05.01 Terms of ECA Backed Finance borrowings

Lenders:

The company entered into a ECA backed loan agreement to set up a Billet plant (840,000 M.Ton per annum) and MS Rod plant (640,000 M. Ton per annum) at Masjiddah, Kumira, Sitakunda, Chattogram and managed an ECA backed finance from ODDO BHF Aktiengesellschaft, Germany.

Total loan facilities:

The syndication financing comprises of USD 94.84 million only.

Interest rate:

ODDO BHF Aktiengesellschaft, Germany Margin 2.65% + 6 months LIBOR

Interest payable:

Interest is payable half yearly (30th April and 31 October) from the date of 1st drawdown

Disbursement:

First Disbursement made on 09 August 2017

Repayments:

Principal amount shall be repaid in 16 (sixteen) equal half yearly installments from the end of 42nd month of 1st drawdown and the balance amount (if any) shall be paid in last installment.

Securities:

Registered Mortgage on 28 acres land, personal guarantee and corporate guarantee along with first ranking pari passu basis and hypothecation of machineries.

- i) Mortgage of 28 acre Land duly registered with RJSC
- ii) First ranking pari-passu charge registered with RJSC over all fixed and floating assets of the Company.
- iii) Charge over Insurance Benefit (assignment) in favor of the term loan lender as per their respective participation.
- iv) Personal Guarantee of all the Directors of the Company.
- v) Demand Promissory note along with the letter of continuity from the Company with supporting Board Resolution
- vi) One Postdated cheque covering full Credit facility is to be taken in advance.
- vii) Corporate Guarantee of Jahangir & Others Ltd and GPH Power Geriaction Ltd.

Purpose:

To procure plants, machineries, equipment and prefabricated building and steel structures relating to the project and to meet civil construction and other expenses required for implementation of steel melting plant.

15.06 Non-Banking Financial Institutions

Industrial and Infrastructure Development Finance Company Limited	-	25,321,591
Bangladesh Infrastructure Finance Fund Limited	910,249,175	999,764,634
IPDC Finance Limited	731,991,639	412,778,572
United Finance Limited	325,188,794	223,433,776
	<u>1,967,429,608</u>	<u>1,661,298,573</u>

Security :

- i) Post dated cheques
- ii) FDR lien Tk 30 million against loan from IPDC Finance Limited
- iii) Personal Guarantee of Directors

Rate of Interest:

Interest rate is 8.75% to 12.5% per annum and will be calculated on quarterly basis and variable depending on the situation of money market.

15.07 Loan From Directors

Mr. Mohammed Jahangir Alam	723,525,125	723,525,125
Mr. Md. Almas Shimul	350,296,495	350,296,495
	<u>1,073,821,620</u>	<u>1,073,821,620</u>



16.00 Defined Benefit Obligation (Gratuity)

Opening Balance
 Add: Provision made during the year

 Less: Paid during the year
 Closing balance

30 June 2022	30 June 2021
Taka	Taka
50,517,125	41,460,605
17,093,125	9,313,660
67,610,250	50,774,265
(2,530,916)	(257,140)
65,079,334	50,517,125

17.00 Deferred tax liability

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

Opening Balance

682,592,026 186,228,559

Add: Provided/(adjusted) during the year

Taxable/(deductible) temporary difference of PPE (excluding land)
 Intangible asset
 Provision for Gratuity
 Investment in quoted shares

574,305,897	117,329,243
150,062	85,214
(3,276,497)	(1,001,202)
(184,586)	1,330,735
570,994,876	117,743,990

On revaluation reserve

- 386,509,208

Adjustment for impact of depreciation on revaluation reserve

(19,325,461) (7,889,731)

Closing Balance

1,234,261,441 **682,592,026**

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

	Carrying amount	Tax base	Rate Applied	Temporary difference	Deferred tax liability /(asset)
As on 30 June 2022	Taka	Taka	(%)	Taka	Taka
Property, plant and equipment	24,277,165,266	18,872,157,087	22.50%	5,405,008,179	1,216,126,840
Right of use asset	148,898,625	-	22.50%	148,898,625	33,502,191
Intangible asset	2,167,899	-	22.50%	2,167,899	487,777
Provision for gratuity	(65,079,334)	-	22.50%	(65,079,334)	(14,642,850)
Investment in quoted shares	107,498,290	119,623,463	10.00%	(12,125,173)	(1,212,517)
					1,234,261,441

	Carrying amount	Tax base	Rate Applied	Temporary difference	Deferred tax liability /(asset)
As on 30 June 2021	Taka	Taka	(%)	Taka	Taka
Property, plant and equipment	25,523,352,203	22,591,687,897	22.50%	2,931,664,306	659,624,469
Right of use asset	155,662,783	-	22.50%	155,662,783	35,024,126
Intangible asset	1,500,954	-	22.50%	1,500,954	337,715
Provision for gratuity	(50,517,125)	-	22.50%	(50,517,125)	(11,366,353)
Investment in quoted shares	98,049,188	108,328,497	10.00%	(10,279,309)	(1,027,931)
					682,592,026

18.00 Short term borrowings

Loan against Trust Receipt (LATR)
 Time loan
 Bank overdraft and cash credit
 Accepted Bill for Payment

18.01	433,863,025	955,195,653
18.02	9,901,146,597	7,004,480,988
18.03	2,876,496,491	3,858,696,223
18.04	10,670,885,540	3,122,371,569
	23,882,391,653	14,940,744,433

18.01 Loan against Trust Receipt (LATR)

AB Bank Limited
 Islami Bank Bangladesh Limited
 NRB Bank Limited
 Premier Bank Limited
 Pubali Bank Limited
 South Bangla Agriculture & Commerce Bank Limited
 The City Bank Limited
 Trust Bank Limited

77,159,595	102,112,814
-	847,391,094
3,031,161	-
5,715,623	-
60,593,665	749,684
9,420,449	-
269,173,297	-
8,769,235	4,942,061
433,863,025	955,195,653



18.02 Time loan

	30 June 2022 Taka	30 June 2021 Taka
AB Bank Limited	-	52,344,344
Al-Arafah Islami Bank Limited	201,328,926	223,196,800
Bank Asia Limited	1,497,854,588	395,509,696
Basic Bank Limited	-	233,350,483
Bengal Commercial Bank Limited	101,137,509	-
BRAC Bank Limited	730,156,494	-
Dutch Bangla Bank Limited	1,238,221,849	230,162,917
Eastern Bank Limited	749,136,519	622,274,091
Islami Bank Bangladesh Limited	125,671,875	-
Meghna Bank Limited	449,613,348	252,141,242
Mercantile Bank Limited	230,467,481	917,193,948
Midland Bank Limited	190,971,023	201,474,859
Modhumoti Bank Ltd	-	122,100,000
NCC Bank Limited	-	120,405,377
NRB Bank Limited	703,740,124	-
One Bank Limited	188,359,597	1,113,178,723
Pubali Bank Limited	64,137,634	-
Standard Bank Limited	202,951,389	-
Standard Chartered Bank	415,098,499	711,404,094
State Bank of India	121,215,000	-
The City Bank Limited	1,523,066,241	277,172,731
Trust Bank Limited	1,035,918,268	714,551,579
United Commercial Bank Limited	132,100,233	818,020,104
	9,901,146,597	7,004,480,988

18.03 Bank overdraft and cash credit

AB Bank Limited	28,909,605	34,549,181
Agrani Bank Limited	227,848,092	1,132,155,941
Bank Asia Limited	2,433,854	46,609,921
Basic Bank Limited	42,878,133	45,894,615
BRAC Bank Limited	85,537,989	-
Community Bank Bangladesh Limited	113,755,989	184,938,015
Eastern Bank Limited	86,424,915	50,000,000
Meghna Bank Limited	18,769,735	49,787,659
Mercantile Bank Limited	13,046,663	34,052,695
Midland Bank Limited	122,729,096	406,254,366
Modhumoti Bank Limited	393,906,620	152,545,658
NCC Bank Limited	157,670,660	73,869,891
Premier Bank Limited	2,391,398	297,184,267
Pubali Bank Limited	-	555,907,901
Sonali Bank Limited	778,515,418	-
South Bangla Agriculture & Commerce Bank Limited	95,980,245	-
Standard Chartered Bank	133,174,686	53,716,293
State Bank of India	399,104,061	404,889,499
The City Bank Limited	41,377,002	42,468,277
Trust Bank Limited	58,974,629	95,484,794
United Commercial Bank Limited	73,067,701	46,681,200
Uttara Bank Limited	-	151,706,050
	2,876,496,491	3,858,696,223

18.04 Accepted Bill for Payment (ABP)

AB Bank Limited	621,432,543	-
Al-Arafah Islami Bank Limited	229,058,446	-
Bank Asia Limited	371,487,543	-
BRAC Bank Limited	528,539,153	-
Dutch Bangla Bank Limited	1,062,709,257	188,319,303
Eastern Bank Limited	659,644,477	-
Islami Bank Bangladesh Limited	392,294,605	-
Mercantile Bank Limited	705,609,945	70,294,810
Midland Bank Limited	95,588,279	-
NCC Bank Limited	304,465,643	349,662,269
One Bank Limited	717,866,276	128,209,983



	30 June 2022 Taka	30 June 2021 Taka
Pubali Bank Limited	820,459,702	126,356,394
SBAC Bank Limited	167,684,662	-
Southeast Bank Limited	440,779,026	-
Standard Chartered Bank	237,604,320	-
The City Bank Limited	527,574,721	428,146,734
Trust Bank Limited	586,055,523	464,859,679
United Commercial Bank Limited	1,669,603,822	1,366,522,397
Uttara Bank Limited	532,427,597	-
	10,670,885,540	3,122,371,569

18.05 Terms of Short term borrowings

Security

- i) Post dated cheques
- ii) Personal guarantee of all the sponsor directors
- iii) Registered mortgage of land
- iv) Pari-passu 1st charge on floating assets

Rate of Interest:

Interest rate is 7.00% to 9.00% per annum with quarterly basis.

19.00 Creditors and accruals

For Revenue Expenses	19.01	447,623,470	419,974,401
For Other Finance	19.02	145,162,655	65,492,954
For Supplies		710,805,491	708,897,489
GPH Power Generation Limited		745,362,467	208,878,333
Advance Against Sales		134,464,726	245,339,902
Workers' Profit Participation Fund	19.03	146,397,326	111,698,531
		2,329,816,135	1,760,281,610

19.01 Revenue Expenses

Salary Payable		76,081,515	58,550,000
Audit Fee Payable		575,000	450,000
Utility Bill Payable		367,880,895	358,285,968
Provident Fund	19.01.01	1,811,060	1,513,433
Directors' Remuneration Payable		1,275,000	1,175,000
		447,623,470	419,974,401

19.01.01 Provident Fund

Opening Balance	1,513,433	1,174,973
Add: Addition during the year	22,991,155	14,901,852
	24,504,588	16,076,825
Less: Paid during the year	(22,693,528)	(14,563,392)
Closing balance	1,811,060	1,513,433

19.02 Other Finance

Advance Income Tax Payable	36,688,800	47,018,164
VAT Deducted at Source	34,292,065	18,021,120
Sales VAT Payable	74,133,120	-
Unpaid Refund Warrant	48,670	453,670
	145,162,655	65,492,954

19.03 Workers' Profit Participation Fund

Opening Balance	111,698,531	20,978,155
Add: Addition during the year	146,397,326	111,698,531
	258,095,857	132,676,686
Less: Paid during the year	(111,698,531)	(20,978,155)
Closing balance	146,397,326	111,698,531

Company Paid Taka 10,611,360.42 to Bangladesh Labor Welfare Fund, Ramna Corporate Branch, Sonali Bank Limited through United Commercial Bank Limited cheque no 1527143 to comply with Bangladesh Labor Act 2006, 234 (Kha).



20.00 Unclaimed Dividend

Opening Balance
Add: Dividend Declared during the year
Less: Paid during the year
Closing Balance

30 June 2022	30 June 2021
Taka	Taka
4,954,063	4,401,279
794,211,782	189,098,044
(795,982,933)	(188,545,260)
3,182,912	4,954,063

As per the Directive No BSEC/CMRRCD/2021-386/03 and Bangladesh Securities and Commission Rules (Capital Market Stabilization Fund) Rules, 2021, if cash dividend remains unpaid or unclaimed for a period of three years from the date of declaration or approval or record date, shall be transferred to CMSF (Capital Market Stabilisation Fund). The Company transferred the dividend of Taka 9,827 for the year ended 30 June 2018 has been paid through cheque No 3791784 dated 30 June 2022, Standard Chartered Bank, Agrabad Branch, Chattogram.

20.01 Year wise details of unclaimed dividend**For year ended on**

30 June 2012 (Final)	-	511,800
30 June 2013 (Final)	-	519,180
30 June 2014 (Final)	-	775,745
30 June 2015 (Final)	-	538,168
30 June 2016 (Final)	-	909,416
30 June 2017 (Final)	-	506,371
30 June 2018 (Final)	-	9,827
30 June 2019 (Final)	551,533	579,474
30 June 2020 (Final)	589,088	604,082
31 June 2021 (Final)	2,042,291	-
	3,182,912	4,954,063

21.00 Current tax liability

Opening Balance
Add: Provision made during the year

Less: Paid/adjusted during the year
Closing balance

348,210,739	90,490,066
716,277,882	343,634,665
1,064,488,621	434,124,731
(343,634,665)	(85,913,992)
720,853,956	348,210,739

21.01 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 2015-2016			-	-	-	Assessment completed
2016-2017	2017-2018	111,031,009	179,191,873	(106,839,951)	183,382,931	Assessment in Appeal (Second)
2017-2018	2018-2019	183,382,931	169,979,806	(177,186,575)	176,176,162	Assessment in Appeal (Second)
2018-2019	2019-2020	176,176,162	248,877,693	(170,552,518)	254,501,337	Assessment in Appeal (Second)
2019-2020	2020-2021	254,501,337	84,721,754	(248,733,025)	90,490,066	Assessment in Appeal (Second)
2020-2021	2021-2022	90,490,066	343,634,665	(85,913,992)	348,210,739	Assessment in Appeal (First)
2021-2022	2022-2023	348,210,739	716,277,882	(343,634,665)	720,853,956	Return due by 15th January 2023

30 June 2022		30 June 2021	
Rate	Taka	Rate	Taka

21.02 Reconciliation of effective tax rate

Profit before tax	2,781,549,191	2,122,272,084
Total income tax expense	25.75% 716,277,882	16.19% 343,634,665

Factors affecting the tax charge:

Tax using the applicable rate	22.50%	625,848,568	22.50%	477,511,219
Difference between accounting and fiscal depreciation	-19.95%	(554,892,207)	-6.09%	(129,257,964)
Difference between gratuity provision and payment	0.12%	3,276,497	0.10%	2,037,717
Difference between regular tax and minimum tax u/s 82(C) of ITO-1984	22.89%	636,637,434	0.00%	-
Difference between WPPF and Welfare Fund provision and payment	0.28%	7,807,229	0.96%	20,412,085
Capital gain on sale of shares of listed companies (on the basis of actual cost)	0.07%	2,000,950	0.00%	-
Rebate on export sales	-0.06%	(1,611,465)	-1.04%	(22,023,785)
Adjustment of unrealized Gain/(Loss) on sale of Shares in Listed Companies	-0.06%	(1,585,606)	-0.10%	(2,033,526)
Adjustment for reduced rated taxable income	-0.04%	(1,203,518)	-0.14%	(3,011,081)
	25.75%	716,277,882	16.19%	343,634,665



		01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Note(s)	Taka	Taka
22.00 Revenue			
Local Sales	22.01	46,093,692,824	25,232,841,459
Export Sales	22.02	1,866,241,983	3,716,286,185
		<u>47,959,934,807</u>	<u>28,949,127,644</u>
Value Added Tax		(1,132,409,850)	(782,665,572)
		<u><u>46,827,524,957</u></u>	<u><u>28,166,462,072</u></u>
22.01 Local Sales			
M.S. Rod		40,530,448,932	22,135,037,274
M.S. Billet		5,250,002,450	2,822,788,038
Cut Pieces		93,267,100	57,750,540
Miss Roll and Ovel		32,046,770	44,553,610
Oxygen, Nitrogen and Argon		187,927,572	172,711,997
		<u>46,093,692,824</u>	<u>25,232,841,459</u>
22.02 Export Sales			
M.S. Rod		48,013,867	8,631,000
M.S. Billet		1,771,358,052	3,699,296,427
APC Dust		42,635,969	-
Zinc Oxide		4,234,095	8,358,758
		<u>1,866,241,983</u>	<u>3,716,286,185</u>
23.00 Cost of goods sold			
Opening Finished goods			
M.S. Rod - note -11.01		3,163,895,266	1,680,512,617
M.S. Billet - note -11.01		1,195,988,810	500,936,424
		<u>4,359,884,076</u>	<u>2,181,449,041</u>
Add: Cost of Production	23.01	43,652,755,173	26,143,588,998
		<u>48,012,639,249</u>	<u>28,325,038,039</u>
Less: Closing Finished goods			
M.S. Rod - note -11.01		3,922,974,399	3,163,895,266
M.S. Billet - note -11.01		3,611,217,960	1,195,988,810
		<u>7,534,192,359</u>	<u>4,359,884,076</u>
		<u>40,478,446,890</u>	<u>23,965,153,963</u>
23.01 Cost of Production			
Opening Stock of:			
Raw Material - note-11.02		3,973,915,432	4,629,873,049
Spare and Other - note-11.03		1,731,365,847	195,352,014
		<u>5,705,281,279</u>	<u>4,825,225,063</u>
Add: Purchase			
Raw Material		36,638,491,557	19,756,386,182
Spare and Other		2,968,932,784	2,064,808,508
		<u>39,607,424,341</u>	<u>21,821,194,690</u>
Less: Closing Stock of			
Raw Material - note-11.02		5,017,002,570	3,973,915,432
Spare and Other materials - note-11.03		3,428,594,997	1,731,365,847
		<u>8,445,597,567</u>	<u>5,705,281,279</u>
Raw and Other Materials Consumed		36,867,108,053	20,941,138,474
Add: Factory overhead	23.02	6,785,647,120	5,202,450,524
Cost of Production		<u>43,652,755,173</u>	<u>26,143,588,998</u>



	Note(s)	30 June 2022 Taka	30 June 2021 Taka
23.02 Factory overhead			
Salaries, Wages and Allowances		564,656,540	446,016,199
Overtime		36,040,101	33,425,172
Bonus		3,978,602	4,443,155
Depreciation	4	1,267,779,635	535,467,765
Amortization on right of use assets	5	41,017,989	28,341,314
Carriage Inward		17,067,384	17,652,775
Daily Labour Bill		58,800,834	68,699,596
Electricity Bill		4,410,900,484	3,647,241,932
Factory Canteen		28,460,379	16,091,608
Fuel, Oil and Lubricant		34,160,349	100,232,373
Gas Bill		224,375,502	203,542,865
Insurance		21,058,443	8,012,598
Mobile, Telephone and Internet Charges		1,742,853	1,633,519
Loading and Unloading Expenses		24,657,221	23,679,233
Medical Expenses		1,350,368	2,053,140
Oxygen and LP Gas Charges		4,333,057	25,499,210
Repair and Maintenance		18,773,844	17,883,289
Staff Uniform		4,237,255	5,636,845
Testing Expenses		1,699,816	1,511,858
Vehicle Fuel and Maintenance		20,556,464	15,386,078
		6,785,647,120	5,202,450,524
24.00 Administrative expenses			
Directors' Remuneration		17,895,000	17,220,000
Salary and Allowances		144,995,449	115,657,409
Depreciation	4	70,432,202	29,748,209
Amortization on right of use assets	5	2,278,777	1,574,517
Amortization of Software	7	392,130	229,048
Audit fee		1,092,500	575,000
BIS Certificate Expenses		-	333,584
BO Account Expenses		1,050	26,749
Board Meeting Expenses		692,895	990,750
Bonus		18,588,650	16,074,503
Electricity and Other Utility Expenses		41,639,517	37,522,463
Entertainment		13,479,309	11,277,990
Fees and Renewal		3,435,434	3,617,259
General Meeting Expenses		258,500	295,240
Group Insurance Premium		1,136,735	1,006,537
Legal and Professional Fee		3,257,300	6,984,500
Medical Expenses		142,950	371,045
Miscellaneous Expenses		1,457,313	1,403,489
Mobile, Telephone and Internet Charges		3,891,455	3,678,106
Newspaper and Periodicals		37,544	23,416
Office Maintenance		1,406,103	781,524
Office Rent		4,140,000	4,140,000
Postage and Stamps		936,806	770,379
Recruitment Expenses		88,650	85,130
Rent, Rate & Taxes		703,196	595,920
Share Management Expenses		3,481,158	2,778,067
Software & Data Connectivity Expenses		631,550	414,306
Stationery and Printing Charges		2,224,065	3,949,712
Training Fee		128,690	206,560
Travelling and Conveyance		7,043,902	6,152,940
Vehicle Expenses		10,071,986	10,449,628
		355,960,816	278,933,980



		30 June 2022	30 June 2021
	Note(s)	Taka	Taka
25.00 Selling and distribution expenses			
Advertisement Expenses		127,376,030	97,255,553
Carriage Outward		467,323,611	357,762,220
Salary and Allowances		82,540,444	77,423,109
Loading & Delivery Expenses		47,791,533	46,367,622
Bonus		9,735,933	8,885,230
Travelling and Conveyance		13,705,610	13,618,225
Commission on Sales		36,382,150	5,198,000
Promotional Expenses		56,770,436	32,494,311
Depreciation	4	70,432,202	29,748,209
Amortization on right of use assets	5	2,278,777	1,574,517
Marketing Collection Expenses		114,100	209,085
Export Expenses		123,911,795	26,965,209
Vehicle Expenses		6,244,005	4,598,760
Mobile, Telephone and Internet Charges		2,496,031	1,875,390
Postage and Stamps		410,217	17,180
		1,047,512,874	703,992,620
26.00 Finance Cost			
Interest on Bank Loan		1,838,037,248	1,094,980,998
Bank Charge		19,981,329	16,473,491
Loan Processing Fee		20,402,359	25,502,988
Foreign Currency Exchange (Gain)/Loss		282,457,639	(29,736,271)
		2,160,878,575	1,107,221,206
27.00 Finance income			
Interest Earned from FDR		68,612,095	51,555,369
Interest Income from SND Account		387,242	62,548
Interest Income from Arbee Textiles Limited		43,397,393	39,231,300
		112,396,730	90,849,217
28.00 Other income			
Dividend Income		3,675,170	2,526,253
PF Forfeited		311,904	226,886
Rebate on Export Sales		19,789,774	-
Realised Gain/(Loss) on Sale of Shares in Listed Companies- note- 8.02.03		8,893,112	20,170,064
		32,669,960	22,923,203



Note(s)	30 June 2022	30 June 2021
	Taka	Taka
29.00 Net Asset Value Per Share (NAV)		
Total Assets	64,886,746,876	53,659,266,934
Less: Liabilities	52,310,439,237	41,802,349,407
Net Asset Value (NAV)	12,576,307,639	11,856,917,527
Number of ordinary shares outstanding during the year	436,816,480	397,105,891
Net Assets Value (NAV) per share	28.79	29.86

01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
Taka	Taka

30.00 Earnings per share (EPS)

30.01 Basic Earnings per share

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

Total earnings attributable to the ordinary shareholders	1,494,276,433	1,660,893,429
Number of ordinary shares outstanding during the year	436,816,480	397,105,891
Weighted average number of ordinary shares outstanding during the year	436,816,480	397,105,891
Basic Earnings Per Share	3.42	4.18
Restated Earnings Per Share*	-	3.80

*EPS for the year 01 July 2020 to 30 June 2021 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of IAS 33.

Reason For Significant Deviation of EPS

EPS has been decreased at the end of the period compared with the previous period. This difference is due to significant increase of exchange loss in foreign currency transactions. On the other hand price of all imported raw materials, international shipping, freight charges has increased due to dull economic condition as after effect of COVID- 19 and Russia-Ukraine war.

30.02 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.

30.03 The production capacity of the company has been gradually increased due to completion of its expansion plant, as a result sales capacity has also been increased steadily which shown positive impact in sales/revenue of the company compared with corresponding last year revenue/sales. The sales price per metric ton has also increased compared with corresponding last year sales rate per metric ton.

31.00 Net operating cash flow per share

Net operating cash flows (from statement of cash flows)	(3,122,036,772)	(1,607,995,523)
Number of ordinary shares outstanding during the period	436,816,480	397,105,891
Net operating cash flow per share	(7.15)	(4.05)

Reason For Significant Deviation of Net Operating Cash Flow Per Share

NOCPS decreased by 76.51% from previous year due to increase in Cash payment to suppliers, operating expenses, administrative expenses.



30 June 2022	30 June 2021
Person	Person

32.00 Number of employees

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

-	-
2,122	1,991
2,122	1,991

30 June 2022	30 June 2021
Taka	Taka

33.00 Related Notes for Statements of Cash Flows

33.01 Reconciliation of cash flows from operating activities

Profit before income tax

2,781,549,191 2,122,272,084

Adjustment for

Depreciation charged

1,408,644,039 594,964,183

Amortization charged

392,130 229,048

Amortization on right of use asset

45,575,543 31,490,348

Finance Cost

1,878,420,936 1,136,957,477

Finance income

(112,396,730) (90,849,217)

Realised Gain/(Loss) on Sale of Shares in Listed Companies

(8,893,112) (20,170,064)

Changes in fair value

1,845,975 (9,037,892)

Dividend Income (net of tax)

(2,940,136) (2,021,002)

5,992,197,836 **3,763,834,965**

(Increase)/decrease in Current Assets

Advances, deposits and prepayments

(1,358,650,780) (1,727,663,842)

Inventories

(5,914,624,571) (3,058,491,251)

Trade and other receivables

(2,098,296,458) (746,741,652)

Increase/(decrease) in Current Assets

Defined benefit obligation - gratuity

14,562,209 9,056,520

Creditors and accruals

569,534,980 964,097,505

(2,795,276,784) **(795,907,755)**

Income tax paid

(326,759,988) (812,087,768)

Net cash flows generated by operating activities

(3,122,036,772) **(1,607,995,523)**



33.02 Notes for Statement of Cash Flows

	Note(s)	30 June 2022	30 June 2021
		Taka	Taka
33.02.01 Receipts from customers against sales			
Revenue	22	46,827,524,957	28,166,462,072
Increase in Trade Receivables	12 & 19	(2,165,055,862)	(478,921,113)
Rebat on Export Sales	28	19,789,774	-
		44,682,258,869	27,687,540,959
33.02.02 Paid to suppliers, operating and other expenses			
Cost of Sales	23	(40,478,446,890)	(23,965,153,963)
General & Administrative Costs	24	(355,960,816)	(278,933,980)
Selling & Distribution expenses	25	(1,047,512,874)	(703,992,620)
Paid to workers participation and welfare fund	18	(111,698,531)	(20,978,155)
Depreciation	4	1,408,644,039	594,964,183
Amortization of Software	7	392,130	229,048
Increase in Inventories	11	(5,914,624,571)	(3,058,491,251)
Other receivable	12	(44,115,772)	(39,477,670)
(Increase) / Decrease in Advances, Deposits and Pre-payments	10	(1,358,650,780)	(1,727,663,842)
Tax on dividend income	28	735,034	505,251
Provision for gratuity	16	14,562,209	9,056,520
Amortization on right of use asset	5	45,575,543	31,490,348
Increase in Creditors and accruals	19	645,710,906	645,035,759
		(47,195,390,373)	(28,513,410,372)
33.02.03 Foreign currency exchange gain/(loss)			
Gain/(loss) on currency fluctuation	26	(282,457,184)	29,734,772
		(282,457,184)	29,734,772
33.02.04 Income from forfeited account			
PF Forfeited	28	311,904	226,886
		311,904	226,886
33.02.05 Income tax paid			
Provided during the period	21	(716,277,882)	(343,634,665)
Increase/(decrease) in Advance income tax	10	(372,643,217)	(497,571,702)
Increase/(decrease) in Advance VAT	10	389,517,894	(228,602,074)
(Increase)/decrease in current tax liability	21	372,643,217	257,720,673
		(326,759,988)	(812,087,768)
33.02.06 Acquisition of property, plant and equipment			
Addition of property, plant and equipment during the period	4	(420,619,221)	(25,224,445,189)
Capitalized during the year	6	73,352,507	25,030,769,944
Addition in capital work-in-progress	6	(1,816,608,702)	(2,651,631,049)
		(2,163,875,416)	(2,845,306,294)
33.02.07 Acquisition of right of use asset			
Addition of right of use asset during the period	5	(38,811,385)	(127,395,280)
		(38,811,385)	(127,395,280)
33.02.08 Addition to intangible assets			
Addition of intangible assets during the period	7	(1,059,075)	(720,000)
		(1,059,075)	(720,000)
33.02.09 Investment in quoted shares			
Investment in quoted shares	8	(9,449,102)	(36,704,727)
Gain on sale of investment in quoted shares	8	8,893,112	20,170,064
Net change in fair value of investment in quoted shares	8	(1,845,975)	9,037,892
		(2,401,965)	(7,496,771)
33.02.10 Investment in un-quoted shares			
Investment in private equity	8	-	(63,500,000)
		-	(63,500,000)



	Note(s)	30 June 2022	30 June 2021
		Taka	Taka
33.02.11 Dividend received (net of tax)			
Dividend Received	28	3,675,170	2,526,253
Less: Advance Tax adjustment	28	(735,034)	(505,251)
		<u>2,940,136</u>	<u>2,021,002</u>
33.02.12 Received from other sources			
Interest Earned from FDR	27	68,612,095	51,555,369
Interest Income from SND Account	27	387,242	62,548
		<u>68,999,337</u>	<u>51,617,917</u>
33.02.13 Other investments			
Short term investment	9	(799,540,932)	(541,952,735)
Accrued Interest	27	43,397,393	39,231,300
		<u>(756,143,539)</u>	<u>(502,721,435)</u>
33.02.14 Receipt/(repayment) of long term borrowings	15	62,404,626	3,172,238,090
33.02.15 Receipt/(repayment) of finance lease obligation	5	(2,600,231)	103,019,021
33.02.16 Receipt/(repayment) of short term borrowings	18	8,941,647,220	3,243,163,049
33.02.17 Dividend paid			
Cash dividend declared & disbursed	20	(794,211,782)	(189,098,044)
Increase/(decrease) in unclaimed dividend	20	(1,771,151)	552,784
		<u>(795,982,933)</u>	<u>(188,545,260)</u>
33.02.18 Interest paid			
Interest on Bank Loan	26	1,838,037,248	1,094,980,998
Bank Charge	26	19,981,329	16,473,491
Loan Processing Fee	26	20,402,359	25,502,988
		<u>1,878,420,936</u>	<u>1,136,957,477</u>
33.02.19 Effect of foreign exchange rate changes in cash and cash equivalent	26	(455)	1,499

	Note(s)	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
		M. Ton	M. Ton
34.00 Capacity and production			
Production Capacity (In M. Ton)	34.01	1,840,000	1,840,000
Actual Production (In M. Ton)	34.02	1,199,960	902,255
Capacity Utilization (%)		65.22	49.04
34.01 Production Capacity (In M. Ton)			
M.S. Billet		1,050,000	1,050,000
M.S. Rod		790,000	790,000
		<u>1,840,000</u>	<u>1,840,000</u>
34.02 Actual Production (In M. Ton)			
M.S. Billet		680,927	538,239
M.S. Rod		519,033	364,016
		<u>1,199,960</u>	<u>902,255</u>



35.00 Related Party Transactions

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

Sl. No	Name of the Party	Relation	Nature of Transactions	Outstanding as on 30 June 2022	Outstanding as on 30 June 2021
1	GPH Power Generation Ltd.	Common Directorship	Supply of power at a flat rate	Cr. 745,362,467	Cr. 208,878,333
2	Jahangir and Other Ltd.	Common Directorship	Head office rent	Dr. 1,879,208	Dr. 1,510,020
3	GPH Steels Ltd.	Investee	Investment in equity shares	Dr. 1,000,000	Dr. 1,000,000
4	Asia Insurance Ltd.	Common Directorship	Insurance Policy against Letter of Credit	Cr. 46,442,134	Cr. 4,963,171
5	Arbee Textiles Ltd.	Common Directorship	Payment against interest bearing loan	Dr. 456,010,438	Dr. 411,894,666
6	LIPD Industries Ltd.	Common Directorship	Advance	Dr. 185,500	Dr. 185,500
7	GPH Ship Builders Ltd.	Common Directorship	Advance	Dr. 1,885,375	Dr. 1,619,450
8	ECO Ceramics Industries Ltd.	Common Directorship	Advance	Dr. 68,771,400	Dr. 9,175,400

36.00 Key management personnel compensation

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

Short term employee benefits	150,011,740	105,468,300
Post Employment Benefits	8,699,647	6,389,870
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	158,711,387	111,858,170
	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021
	Taka	Taka

37.00 Directors' Remuneration

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

Name	Designation		
Mr. Mohammed Jahangir Alam	Managing Director	4,200,000	4,200,000
Mr. Md. Almas Shimul	Director	7,500,000	7,500,000
Mr. Md. Ashrafuzzaman	Director	3,435,000	2,760,000
Mr. Md. Abdul Ahad	Director	2,760,000	2,760,000
		17,895,000	17,220,000

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

38.00 Attendance status of Directors in Board Meetings

During the year ended 30 June 2022, 04 (Four) board meeting were held. The attendance status of all the meetings are as follows:

Name of the Director	Designation	Meetings Held	Attendance
Mr. Md. Alamgir Kabir	Chairman	4	4
Mr. Mohammed Jahangir Alam	Managing Director	4	4
Mr. Md. Almas Shimul	Director	4	3
Mr. Md. Ashrafuzzaman	Director	4	4
Mr. Md. Abdul Ahad	Director	4	4
Mr. Md. Azizul Haque	Director	4	4
Mr. M. A. Malek	Independent Director	4	3
Mr. Mukhtar Ahmed	Independent Director	4	4



	Note(s)	30 June 2022	30 June 2021
		Taka	Taka
39.00 Contingent liabilities			
Bank guarantee	39.01	616,611,277	723,971,299
L/C liabilities	39.02	7,003,638,069	5,273,571,363
Bangladesh Power Development Board		14,404,335	-
		7,634,653,681	5,997,542,662
39.01 Bank guarantee			
AB Bank Limited		44,729,759	42,729,759
Eastern Bank Limited		736,874	1,609,228
Mercantile Bank Limited		6,759,114	169,910,000
Midland Bank Limited		56,841,438	3,448,115
Southeast Bank Limited		19,639,700	1,000,000
State Bank of India		-	1,688,500
United Commercial Bank Limited		487,904,392	503,585,697
		616,611,277	723,971,299
39.02 L/C liabilities			
AB Bank Limited		128,203,964	126,694,073
Al-Arafah Islami Bank Limited		18,886,000	-
Bank Asia Limited		47,363,631	-
BRAC Bank Limited		1,130,610,724	-
Dutch Bangla Bank Limited		207,108,518	617,637,168
Eastern Bank Limited		92,985,750	-
Islami Bank Bangladesh Limited		28,402,600	-
Jamuna Bank Limited		166,386,281	-
Mercantile Bank Limited		101,140,565	270,294,810
Midland Bank Limited		99,790,930	501,195,531
Modhumoti Bank Ltd		20,565,734	-
Mutual Trust Bank Limited		1,025,898,546	-
NCC Bank Limited		1,893,655,213	561,321,857
NRB Bank Limited		1,342,657	-
One Bank Limited		23,837,076	277,375,194
Pubali Bank Limited		152,951,812	268,453,291
SBAC Bank Limited		41,440,386	-
The City Bank Limited		38,311,337	304,907,341
Southeast Bank Limited		148,730,766	-
Standard Bank Limited		1,026,990	-
Standard Chartered Bank		18,944,046	-
Trust Bank Limited		5,664,839	656,578,530
United Commercial Bank Limited		1,610,389,704	1,689,113,568
		7,003,638,069	5,273,571,363

39.03 A Claim for Taka 14,404,335 from Bangladesh Power Development Board against Surcharge for the month March 2021.

39.04 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June 2022.

40.00 Events after reporting date

40.01 Proposed Dividend:

The Board of Directors at the meeting held on 30 October 2022 has recommended 5.50% stock dividend and 5.50% cash dividend for the year ended 30 June 2022 (2021: 10% stock dividend and 20% cash) which is subject to approval by the shareholders in the Annual General Meeting.



41.00 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2022 other than trade credit available in the ordinary course of business.

42.00 Financial risk management

International Financial Reporting Standard (IFRS) 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	42.01
b) Liquidity risk	42.02
c) Market risk	42.03

42.01 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 (M.S. Billet, M.S. 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:

	Note(s)	Amount in Taka	Amount in Taka
		30 June 2022	30 June 2021
Trade and other receivables	12.00	5,466,050,256	3,367,753,798
Advance and deposits	10.01 & 10.02	6,175,765,211	4,831,590,609
Investment in FDRs	9.00	2,224,065,981	1,424,525,049
Investment in Un-quoted equity	8.00	64,500,000	64,500,000
Investment in quoted shares	8.00	107,498,290	98,049,188
Cash at bank	13.02	441,296,585	127,352,130
		14,479,176,323	9,913,770,774
b) Ageing of receivables			
Dues within 6 months	12.01	4,911,714,497	2,870,188,712
Dues over 6 months		98,325,321	85,670,420
		5,010,039,818	2,955,859,132



42.02 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	Nominal interest rate	Contractual cash flows		
			Within 12 months or less Taka	Over 12 months Taka	Total Taka
Defined Benefit Obligation - Gratuity	65,079,334	N/A	-	65,079,334	65,079,334
Long term loan	23,924,127,212	5.58% - 9.00%	3,275,776,093	20,648,351,119	23,924,127,212
Short term loans	23,882,391,653	9.00%	23,882,391,653	-	23,882,391,653
Finance lease obligations	150,726,594	9.00% - 12.00%	41,019,367	109,707,227	150,726,594
Creditors and accruals	2,329,816,135	N/A	2,329,816,135	-	2,329,816,135
	50,352,140,928		29,529,003,248	20,823,137,680	50,352,140,928

42.03 Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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

As at 30 June 2022

Foreign currency denominated assets

Cash and cash equivalents

	GBP	USD	Taka
	113.34	-	12,842
	113.34	-	12,842

Foreign currency denominated liabilities

ECA Backed Finance

Long Term Financing Facility

Liability for Accepted Bills for Payment (ABP)

	-	83,072,224	7,763,099,354
	-	44,170,415	4,127,725,290
	-	114,188,181	10,670,885,540
	-	241,430,821	22,561,710,184
	113.34	(241,430,821)	(22,561,697,342)

Net exposure

As at 30 June 2021

Liquidity risk is the risk that the

Foreign currency denominated assets

Cash and cash equivalents

	GBP	USD	Taka
	113.34	552.01	60,163
	113.34	552.01	60,163

Foreign currency denominated liabilities

ECA Backed Finance

Long Term Financing Facility

Liability for Accepted Bills for Payment (ABP)

	-	91,597,925	7,776,663,815
	-	49,141,032	4,172,073,648
	-	36,777,050	3,122,371,569
	-	177,516,007	15,071,109,032
	113.34	(177,515,455)	(15,071,048,869)

Net exposure

The company has translated all of its monetary items in foreign currency at the end of its accounting period by using two different rates since the bank offering two different rates for settling its assets and liabilities in foreign currency.

The following significant exchange rate is applied during the year:



Exchange rate of US Dollar
Exchange rate of GBP

30 June 2022 Taka	30 June 2021 Taka
93.45	84.90
113.31	117.32

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

A reasonably possible strengthening (weakening) of the US Dollar against BD Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

	30 June 2022		30 June 2021	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	(451,234,204)	451,234,204	(301,421,243)	301,421,243
GBP (2% movement)	257	(257)	266	(266)

(b) Transaction risk

Transaction risk is the risk that the Company will incur exchange losses when the accounting results are translated into the home currency.

(c) Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company.

(d) 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.

Exposure to interest rate risk

The interest rate profile of the company's interest-bearing financial instruments as reported to the management of the company is as follows.

Fixed- rate instruments

Fixed rate instrument
Financial assets
Financial liabilities

	30 June 2022 Taka	30 June 2021 Taka
Financial assets	14,479,176,323	9,913,770,774
Financial liabilities	47,957,245,459	38,955,793,844
	62,436,421,782	48,869,564,618
Variable- rate instruments		
Financial assets	Nil	Nil
Financial liabilities	Nil	Nil
	-	-

Cash flow sensitivity analysis for variable rate instruments

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





43.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Note ref.	Fair value through profit or loss	Financial assets at amortised cost		Other financial liabilities	Total
		Taka	Taka		
30 June 2022					
Financial Assets measured at fair value					
8.02	107,498,290	-	-	-	107,498,290
Investment in quoted shares					
Financial Assets not measured at fair value					
12	-	5,466,050,256	-	-	5,466,050,256
10.02	-	102,644,130	-	-	102,644,130
9	-	2,224,065,981	-	-	2,224,065,981
13.02	-	441,296,585	-	-	441,296,585
	-	8,234,056,952	-	-	8,234,056,952
Financial Liabilities not measured at fair value					
15	-	-	23,924,127,212	-	23,924,127,212
5	-	-	150,726,594	-	150,726,594
18	-	-	23,882,391,653	-	23,882,391,653
19	-	-	2,329,816,135	-	2,329,816,135
	-	-	50,287,061,594	-	50,287,061,594
30 June 2021					
Financial Assets measured at fair value					
8.02	98,049,188	-	-	-	98,049,188
Investment in quoted shares					
Financial Assets not measured at fair value					
12	-	3,367,753,798	-	-	3,367,753,798
10	-	102,644,130	-	-	102,644,130
9.00	-	1,424,525,049	-	-	1,424,525,049
13.02	-	127,352,130	-	-	127,352,130
	-	5,022,275,107	-	-	5,022,275,107
Financial Liabilities not measured at fair value					
15	-	-	23,861,722,586	-	23,861,722,586
5	-	-	153,326,825	-	153,326,825
18	-	-	14,940,744,433	-	14,940,744,433
19	-	-	1,760,281,610	-	1,760,281,610
	-	-	40,716,075,454	-	40,716,075,454

Director

Managing Director

Company Secretary