Hoda Vasi Chowdhury & Co

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

Audited Financial Statements

of

GPH Ispat Limited
For the year ended 30 June 2017

National Office: BTMA Bhaban (8th floor), 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh
Motijheel Office: Ispahani Building (3rd Floor), 14-15 Motijheel Commercial Area, Dhaka- 1000, Bangladesh
Chittagong Office: Delwar Bhaban - 4th Floor, 104 Agrabad Commercial Area, Chittagong- 4100, Bangladesh

Hoda Vasi Chowdhury & Co
Chartered Accountants

AUDITORS' REPORT TO THE SHAREHOLDERS OF GPH ISPAT LIMITED

We have audited the accompanying financial statements of **GPH ISPAT LIMITED**, which comprises the Statement of Financial Position as at 30 June 2017 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Accounting Standards (BAS) & Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 June 2017 and of the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we state that:

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) in our opinion, proper books of account as required by law have been kept by **GPH ISPAT LIMITED** so far as it appeared from our examination of those books;

(iii) the Company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and its Statement of Cash Flows dealt with by the report are in agreement with the books of account and returns;

(iv) the expenditure incurred was for the purpose of the Company's business.

Chittagong, 24 OCT 2017

Hoda Vasi Chy & Co
Chartered Accountants

Hoda Vasi
Chowdhury & Co

GPH ISPAT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note(s)	30 June 2017 Taka	(Unaudited) 30 June 2016 Taka
ASSETS			
NON CURRENT ASSETS		**4,746,153,926**	**2,107,531,015**
Property, Plant and Equipment	4	1,645,280,683	1,537,845,553
Capital Work-in-Progress	5	2,735,692,870	254,959,924
Intangible Asset	6	999,000	1,161,000
Investment	7	364,181,373	313,564,538
CURRENT ASSETS		**8,120,052,898**	**8,186,724,848**
Short Term Investment	8	2,443,736,696	308,794,493
Advances, Deposits and Prepayments	9	1,110,464,916	1,060,118,605
Inventories	10	2,454,596,463	3,063,485,982
Trade Receivables	11	1,799,922,366	1,122,973,036
Cash and Cash Equivalents	12	311,332,457	2,631,352,732
TOTAL ASSETS		**12,866,206,824**	**10,294,255,863**
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY		**5,035,603,612**	**4,819,087,643**
Share Capital	13	3,118,500,000	3,118,500,000
Share Premium		1,136,440,000	1,136,440,000
Unrealized Gain/ (Loss) on tradeable securities		16,679,301	(2,753,307)
Retained Earnings		763,984,311	566,900,950
NON CURRENT LIABILITIES		**1,948,609,409**	**457,038,391**
Long Term Loan	14	1,720,967,205	323,073,319
Finance Lease Obligations	15	101,164,102	18,808,970
Deferred Tax Liability	18	126,478,102	115,156,102
CURRENT LIABILITIES AND PROVISIONS		**5,881,993,803**	**5,018,129,829**
Current Portion of Long Term Loan	14	60,340,400	47,613,367
Current Portion of Finance Lease Obligations	15	22,001,232	14,017,261
Short Term Borrowings	16	4,971,423,126	4,254,214,515
Creditors and Accruals	17	644,846,114	591,253,677
Provision for Tax	18	183,382,931	111,031,009
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**12,866,206,824**	**10,294,255,863**
NET ASSET VALUE PER SHARE	25	**16.15**	**15.45**
CONTINGENT LIABILITIES AND COMMITMENTS	35		

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 23 October 2017
and were signed on its behalf by:

Company Secretary

Director

Managing Director

Chittagong, 24 OCT 2017

Hoda Vasi Chy & Co
Chartered Accountants

Hoda Vasi
Chowdhury & Co

GPH ISPAT LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note(s)	01 July 2016 to 30 June 2017	(Unaudited) 01 July 2015 to 30 June 2016
		Taka	Taka
Gross Revenue	19	7,955,715,990	5,843,411,764
Value Added Tax		(116,149,952)	(99,803,088)
Net Revenue		**7,839,566,038**	**5,743,608,676**
Cost of Sales	20	(6,465,845,702)	(4,783,440,644)
Gross Profit		**1,373,720,336**	**960,168,032**
Operating Expenses			
Administrative Expenses	21	(127,880,015)	(106,251,330)
Selling and Distribution Expenses	22	(151,075,061)	(100,172,476)
		(278,955,076)	(206,423,806)
Operating Profit		**1,094,765,260**	**753,744,226**
Financial Expenses	23	(493,780,124)	(398,754,106)
Non-Operating Income	24	200,927,742	53,562,993
		(292,852,382)	(345,191,113)
Profit before Distribution of WPP & WF		**801,912,878**	**408,553,113**
Contribution to WPP & WF		(40,095,644)	(20,427,656)
Profit before Tax & Reserve		**761,817,234**	**388,125,457**
Income Tax (expense)/ benefits			
Current	18	(179,191,873)	(88,022,624)
Deferred	18	(11,322,000)	(10,483,017)
		(190,513,873)	(98,505,641)
Profit after Tax		**571,303,361**	**289,619,816**
Other comprehensive income			
Unrealized Gain/(Loss)	7.2	19,432,608	(2,753,307)
Total comprehensive income		**590,735,969**	**286,866,509**
Basic Earning Per Share	26	**1.83**	**2.06**

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 23 October 2017
and were signed on its behalf by:

Company Secretary

Director

Managing Director

Chittagong, 24 OCT 2017

Hoda Vasi Chy & Co
Chartered Accountants

GPH ISPAT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

Amount in Taka

	Share Capital	Share Premium	Unrealized Gain/ (Loss)	Retained Earnings	Total Equity
Balance as on 01 July 2016	**3,118,500,000**	**1,136,440,000**	**(2,753,307)**	**566,900,950**	**4,819,087,643**
Dividend (Stock)	-	-	-	-	-
Dividend (Cash)	-	-	-	(374,220,000)	(374,220,000)
Share Capital issued	-	-	-	-	-
Share Premium	-	-	-	-	-
Unrealized Gain/(Loss)	-	-	19,432,608	-	19,432,608
Net profit (after tax and reserve)	-	-	-	571,303,361	571,303,361
Balance as at 30 June 2017	**3,118,500,000**	**1,136,440,000**	**16,679,301**	**763,984,311**	**5,035,603,612**
Balance as on 01 July 2015	**1,247,400,000**	**388,000,000**	**-**	**489,339,133**	**2,124,739,133**
Dividend (Stock)	-	-	-	-	-
Dividend (Cash)	-	-	-	(212,058,000)	(212,058,000)
Share Capital issued	1,871,100,000	-	-	-	1,871,100,000
Share Premium	-	748,440,000	-	-	748,440,000
Unrealized Gain/(Loss)	-	-	(2,753,307)	-	(2,753,307)
Net profit (after tax and reserve)	-	-	-	289,619,817	289,619,817
Balance as at 30 June 2016 (Unaudited)	**3,118,500,000**	**1,136,440,000**	**(2,753,307)**	**566,900,950**	**4,819,087,643**

Hoda Vasi Chowdhury & Co

Company Secretary

Director

Managing Director

Hoda Vasi
Chowdhury & Co

GPH ISPAT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	01 July 2016 to 30 June 2017	(Unaudited) 01 July 2015 to 30 June 2016
	Taka	Taka
CASH FLOW FROM OPERATING ACTIVITIES		
Collection from sales and other income	7,354,589,695	5,730,886,430
Cash Payments to suppliers, employees and expenses	(6,161,551,617)	(5,419,316,887)
Net cash inflow / (outflow) from Operating Activities	**1,193,038,078**	**311,569,543**
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, plant and equipment	(208,983,129)	(52,755,647)
Sale proceeds of property, plant and equipment	1,045,000	450,000
Capital work-in-progress	(2,480,732,946)	(254,959,924)
Investment	(50,616,835)	(148,446,816)
Intangible Asset	-	(720,000)
Dividend Income from Investment into Shares	2,997,990	8,123,864
Short Term Investment	(2,134,942,203)	(74,699,510)
Net cash inflow / (outflow) from Investing Activities	**(4,871,232,123)**	**(523,008,033)**
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Loan	717,208,612	1,059,003,493
Long Term Loan	1,410,620,919	(340,455,377)
Lease Obligation	90,339,103	(14,241,775)
Cash Dividend Paid	(373,303,873)	(211,557,822)
Finance Costs	(486,690,991)	(375,823,819)
Proceeds of Ordinary Share Capital	-	1,871,100,000
Share premium	-	748,440,000
Net cash inflow / (outflow) from Financing Activities	**1,358,173,770**	**2,736,464,700**
Net increase in cash & cash equivalents	**(2,320,020,275)**	**2,525,026,210**
Cash and cash equivalents at the beginning	2,631,352,732	106,326,523
Cash and cash equivalents at the end	**311,332,457**	**2,631,352,732**
OPERATING CASH FLOW PER SHARE	**3.83**	**1.00**

Company Secretary Director Managing Director

GPH ISPAT LIMITED
Notes to the financial statements
For the year ended 30 June 2017

BACKGROUND AND INFORMATION

1 Formation and Legal Status

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

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

1.2 Nature of Business

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

2 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Statement of Compliance

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

2.2 Basis of Reporting

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

a) A statement of financial position as at 30 June 2017
b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2017
c) A statement of changes in equity for the year ended 30 June 2017
d) A statement of cash flows for the year ended 30 June 2017
e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.3 Basis of Measurement

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

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2.4 Authorization for Issue

The Financial Statements have been authorized for issue by the Board of Directors on 23 October 2017.

2.5 Other Regulatory Compliances

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

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

2.6 Functional and presentation currency

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

2.7 Going concern

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

2.8 Applicable Financial Reporting Standards

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

2.9 Use of Estimates and Judgments

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

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

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

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

2.10 Reporting Period

The financial statements of the company consistently cover one financial year from 01 July 2016 to 30 June 2017 for all reported periods.

3 PRINCIPAL ACCOUNTING POLICIES

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

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

3.1 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of financial statements for the year ended 30 June 2017 are consistent with those policies and methods adopted in preparing the financial statements for the period ended 30 June 2016 except investment in Quoted share which are considered as held to maturity.

3.2 Property, Plant and Equipment

Recognition and Measurement

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

Measurement Subsequent to Initial Recognition

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

Subsequent Costs

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

Depreciation

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

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

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

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

Total depreciation is distributed as under:

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

Disposal

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

3.3 Capital Work-in-Progress

Capital work-in-progress is stated at cost.

3.4 Leasehold Assets

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

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

3.5 Investments

i. Investment in unquoted shares are initially recognized at cost. After initial recognition these are carried at cost less impairment losses, if any.

ii. Investment in quoted shares are classified under at fair value through profit or loss. Changes in fair value are recognized in the statement of profit or loss and other comprehensive income. Fair values of investment in quoted shares are determined by reference to their quoted closing price less cost to sell in active market at the reporting date.

3.6 Intangible Assets

Recognition
Intangible assets are recognized when:

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

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

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

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

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

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

3.7 Inventories

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

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

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

Basis of valuation are as follows:

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

3.8 Financial Assets – Available for Sale

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

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

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

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

At fair value through profit or loss

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

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

Held to Maturity

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

3.8.1 Trade Receivables

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

3.8.2 Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

3.8.3 Cash and Cash Equivalents

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

3.9 Financial Liabilities

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

3.9.1 Trade Payables and Accruals

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

3.10 Impairment

3.10.1 Financial Assets

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

3.10.2 Non-Financial Assets

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

3.11 Statement of Cash Flows

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

3.12 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

3.13 Transactions in Foreign Currencies

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

3.14 Taxation

3.14.1 Tax Holiday

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

3.14.2 Current Tax

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

3.14.3 Deferred Tax

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

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

3.15 Revenue

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

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

3.16 Employee Benefits

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

3.16.1 Defined Contribution Plan

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

3.16.2 Defined Benefit Plan

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

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

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

3.16.3 Workers' Profit Participation and Welfare Funds

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

3.17 Earnings Per Share

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

3.17.1 Basis of Earnings

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

3.17.2 Basic Earnings Per Share

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

3.17.3 Diluted Earnings Per Share

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

3.17.4 Re-stated Earnings Per Share

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

3.18 Share Capital

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

3.19 Measurement of Fair Values

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

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

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

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

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

Property, Plant and Equipment

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

Equity and Debt Securities

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

3.20 Events after the Reporting Period

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

3.21 Comparative Information and Re-arrangement thereof

Unaudited comparative information has been disclosed in respect of the year covering from 01 July 2015 to 30 June 2016, as per BSEC directive no. SEC/SRMIC/2011/1240/445 dated 27 April 2015, and as per clarification no. 12 taken in the Minutes of Meeting amongst BSEC, DSE and CSE held on 28 April 2016.

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

	30 June 2017 Taka	(Unaudited) 30 June 2016 Taka

4 PROPERTY, PLANT AND EQUIPMENT

Detail of Property, Plant & Equipment and Depreciation as on 30 June 2017 are shown in the notes 4.1 & 4.2

A. Cost		
Opening Balance as on 01 July 2016	2,262,083,342	2,210,082,695
Addition during the year	208,983,129	52,755,647
Disposal during the year	(1,626,300)	(755,000)
Total Cost as on 30 June 2017	**2,469,440,171**	**2,262,083,342**
B. Accumulated Depreciation		
Opening Balance as on 01 July 2016	724,237,789	620,795,243
Depreciation for the year	100,945,724	103,872,543
Disposal during the year	(1,024,025)	(429,997)
Total Depreciation as on 30 June 2017	**824,159,488**	**724,237,789**
Written Down Value (WDV) as on 30 June 2017 (A-B)	**1,645,280,683**	**1,537,845,553**

4.1 Operating Property, Plant & Equipment at Cost less Accumulated Depreciation - note 3.2

Amount in Taka

Particulars	Cost				Dep.	Depreciation				Written Down Value at 30 June 2017 (Taka)
	Opening Balance as on 01 July 2016	Addition during the year	Deletion/ Adjustment during the year	Closing Balance as on 30 June 2017	Rate	Depreciation as on 01 July 2016	Charged during the year	Disposed during the year	Depreciation as on 30 June 2017	
Land & Land Development	251,546,507	12,394,395	-	263,940,902	-	-	-	-	-	263,940,902
Plant and Machinery	908,906,758	8,652,552	-	917,559,310	10%	402,114,451	50,760,289	-	452,874,740	464,684,570
Factory Building	646,352,058	11,181,268	-	657,533,326	5%	166,598,588	24,235,555	-	190,834,143	466,699,183
Furniture, Fixture & Decoration	13,605,393	5,401,922	-	19,007,315	10%	5,592,870	1,032,088	-	6,624,958	12,382,357
Computer & Accessories	9,184,890	1,274,199	-	10,459,089	20%	5,138,106	933,731	-	6,071,837	4,387,252
Motor Vehicle	58,689,338	32,011,659	1,626,300	89,074,697	10%	23,814,311	4,275,297	1,024,025	27,065,583	62,009,114
Logistic Vehicles	175,488,334	114,829,386	-	290,317,720	7.5%	56,695,434	11,897,624	-	68,593,058	221,724,662
Electric & Gas Line Installation	168,725,342	22,859,374	-	191,584,716	5%	48,288,866	6,117,071	-	54,405,937	137,178,779
Lab Equipment	22,490,518	-	-	22,490,518	10%	11,904,665	1,058,585	-	12,963,250	9,527,268
Office Equipment	7,094,204	378,374	-	7,472,578	20%	4,090,498	635,484	-	4,725,982	2,746,596
As on 30 June 2017	**2,262,083,342**	**208,983,129**	**1,626,300**	**2,469,440,171**		**724,237,789**	**100,945,724**	**1,024,025**	**824,159,488**	**1,645,280,683**
As on 30 June 2016 (Unaudited	**2,210,082,695**	**52,755,647**	**755,000**	**2,262,083,342**		**620,795,243**	**103,872,543**	**429,997**	**724,237,789**	**1,537,845,553**

4.2 Allocation of Depreciation:

	01 July 2016 to 30 June 2017	(Unaudited) 01 July 2015 to 30 June 2016
	Taka	Taka
Direct Expenses (90%) - note 20.2	90,851,152	93,485,289
Administrative Expenses (5%) - note 21	5,047,286	5,193,627
Selling & Distribution Expenses (5%) - note 22	5,047,286	5,193,627
	100,945,724	**103,872,543**

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	30 June 2017	(Unaudited) 30 June 2016
	Taka	Taka
5 CAPITAL WORK-IN-PROGRESS		
Opening balance	254,959,924	-
Expenses incurred during the year	2,480,732,946	254,959,924
	2,735,692,870	**254,959,924**

Capital work-in-progress includes all the costs of the new projects of MS Billet plant (840,000 M. Ton per annum) and MS Rod plant (640,000 M. Ton per annum) which is under construction.

6 INTANGIBLE ASSETS		
SOFTWARE		
At Cost		
Opening balance	1,620,000	900,000
Addition during the year	-	720,000
Closing balance	**1,620,000**	**1,620,000**
Accumulated Amortization		
Opening balance	459,000	297,000
Addition during the year	162,000	162,000
Closing balance	**621,000**	**459,000**
Written Down Value	**999,000**	**1,161,000**

7 INVESTMENT		
Investment in Un-quoted equity-at cost - note 7.1	1,000,000	1,000,000
Investment in Quoted Shares - at fair value - note 7.2	107,620,897	88,188,289
Loan to Arbee Textiles Limited	255,560,476	224,376,249
	364,181,373	**313,564,538**
7.1 Investment in Un-quoted Equity-at cost		
GPH Steels Limited	1,000,000	1,000,000
	1,000,000	**1,000,000**

GPH Ispat Limited has acquired 10% equity in GPH Steels Limited i.e. 100,000 ordinary shares of Tk 10 each. GPH Steels Limited has yet not started its commercial operation till the date of Statement of Financial Position.

7.2 Investment in Quoted Shares - at fair value		
Opening balance	88,188,289	164,117,721
Investment made during the year	-	-
Sales during the year - note 7.3	-	(73,176,126)
Gain/(loss) during the year - note 7.3	19,432,608	(2,753,306)
	107,620,897	**88,188,289**

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

Particulars	Number of Shares (Present Qty)	Number of Shares (Sales Qty)	30 June 2017			30 June 2016
			Fair Value	Sales Value	Gain/ (Loss)	Fair Value
Bank Asia Limited	672,000	-	11,450,981	-	1,765,001	9,685,980
Eastern Bank Limited	116,550	-	3,955,736	-	814,369	3,141,367
Envoy Textile Limited	865,799	-	32,785,211	-	3,551,576	29,233,635
Meghna Cement Limited	73,585	-	7,479,400	-	1,224,568	6,254,832
One Bank Limited	120,018	-	2,535,476	-	1,132,909	1,402,567
Peoples Insurance Co. Limited	303,400	-	6,530,503	-	2,116,367	4,414,136
Pubali Bank Limited	453,600	-	11,164,706	-	3,463,754	7,700,952
Square Pharmaceuticals Limited	109,533	-	31,718,884	-	5,364,064	26,354,820
	2,714,485	**-**	**107,620,897**	**-**	**19,432,608**	**88,188,289**

7.3.1 The Management decided to discontinue trading of shares and shares in hand shall be disposed off at best available price. The profit and loss realised by such transaction shall be reflected as other income. The shares in hand at the year end shall be valued at market price on cut off date. The surplus/deficit shall be reflected in Statement of Profit or Loss and Other Comprehensive Income as Unrealised gain/(loss).

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	30 June 2017	(Unaudited) 30 June 2016
	Taka	Taka
8 SHORT TERM INVESTMENTS		
Name of the banks		
AB Bank Ltd	56,632,787	53,401,207
Mercantile Bank Ltd	4,212,809	15,254,816
Midland Bank Ltd	63,318	39,425
NCC Bank Ltd	-	6,631,471
One Bank Ltd	2,789,435	8,581,320
Pubali Bank Ltd	16,773,325	20,371,808
Southeast Bank Ltd	2,183,370,176	21,639,676
Standard Chartered Bank	170,904,368	165,631,007
State Bank of India	2,187,094	2,057,969
The City Bank Ltd	2,284,662	6,095,785
Trust Bank Ltd	-	4,769,397
United Commercial Bank Ltd	4,518,722	4,320,612
	2,443,736,696	**308,794,493**
9 ADVANCES, DEPOSITS AND PREPAYMENTS		
Advances - note 9.1	1,087,407,053	1,029,239,962
Deposits - note 9.2	20,606,820	30,038,060
Prepayments - note 9.3	2,451,043	840,583
	1,110,464,916	**1,060,118,605**
9.1 Advances - note 9		
Income Tax - note 9.1.1	442,015,510	394,317,240
VAT Current Account	2,510,569	1,801,923
LC	222,319,910	306,530,424
Other Supply	418,753,556	288,860,180
Raw Material Supply	-	33,212,883
Employees	1,807,508	4,517,312
	1,087,407,053	**1,029,239,962**
9.1.1 Income Tax - note 9.1		
Opening Balance	394,317,240	215,127,616
Addition during the year	154,538,221	268,412,453
Paid/adjustment during the year	(106,839,951)	(89,222,829)
	442,015,510	**394,317,240**
9.2 Deposits - note 9		
Bangladesh Power Development Board	9,000,000	9,000,000
Karnaphuli Gas Distribution Company Limited	3,077,332	2,864,818
Security to Shipping Lines	8,529,488	18,173,242
	20,606,820	**30,038,060**
9.3 Prepayments - note 9		
Insurance Premium	840,583	840,583
Bangladesh Standards and Testing Institution	1,610,460	-
	2,451,043	**840,583**

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.

	30 June 2017	(Unaudited) 30 June 2016
	Taka	Taka
10 INVENTORIES		
Finished goods - note 10.1	1,190,489,766	863,149,413
Raw materials - note 10.2	1,045,328,690	2,051,325,205
Spares and other materials - note 10.3	218,778,006	149,011,364
	2,454,596,463	**3,063,485,982**
10.1 Finished Goods - note 20		
M. S. Rod	921,234,173	630,167,401
M. S. Billet	269,255,593	232,982,012
	1,190,489,766	**863,149,413**
10.2 Raw Materials - note 20.1		
Melting Scrap	976,021,076	1,966,285,514
Sponge Iron	40,430,550	47,950,052
Ferro Alloy	19,335,436	22,200,422
Quartz Powder	6,080,394	11,427,983
Pet Coke	3,461,234	3,461,234
	1,045,328,690	**2,051,325,205**
10.3 Spares and Other Materials - note 20.1		
Refractory Bricks	56,090,700	24,327,531
Spares and Consumables	155,829,395	110,790,613
Rolls	6,414,780	13,186,372
Copper Mould Tube	443,132	706,848
	218,778,007	**149,011,364**
11 TRADE RECEIVABLES	**1,799,922,366**	**1,122,973,036**

Receivables against sale of M.S. Rod, M. S. Billet, Cut pieces and Ovel

a) Trade Receivables represent receivable from 637 parties as on 30 June 2017 (490 Parties as on 30 June 2016).

b) Receivables are unsecured but considered good and recoverable

c) Ageing of trade receivables

Up to 6 months	1,712,937,571	1,035,458,515
Over 6 months	86,984,795	87,514,521
	1,799,922,366	**1,122,973,036**

	30 June 2017 Taka	30 June 2016 Taka
12 CASH AND CASH EQUIVALENTS		
Cash In hand - note 12.1	1,540,950	1,615,530
Cash at bank - note 12.2	246,670,335	2,629,737,202
FDR Account - note 12.3	63,121,172	-
	311,332,457	**2,631,352,732**
12.1 Cash In hand - note 12		
Dhaka office petty cash	1,397,471	567,766
Factory petty cash	141,777	992,486
Minimill Petty Cash	1,702	44,558
Cash - RS	-	10,720
	1,540,950	**1,615,530**

12.2 Cash at Bank - note 12

Name of the Banks	Branch	A/C Type		
AB Bank Limited	Gulshan	Current	13,105	46,870
AB Bank Limited	Sitakunda	Current	199,704	1,498,999
Agrani Bank Limited	Asadgonj	Current	28,152	15,862
Al-Arafah Islami Bank Limited	Khatungonj	Current	127,735	33,615
Bangladesh Development Bank Ltd	Khatungonj	Current	3,301	3,991
Bank Al Falah Limited	Agrabad	Current	18,743	20,393
Bank Asia Limited	Anderkilla	Current	30,015	9,890
Bank Asia Limited	Banani	Current	-	3,235
BASIC Bank Limited	Asadgonj	Current	35,844	17,783
BRAC Bank Limited	Agrabad	Current	13,992	12,342
Dhaka Bank Limited	Khatungonj	Current	17,597	16,029
Dutch Bangla Bank Limited	Khatungonj	Current	16,986	93,046
Dutch Bangla Bank Limited	Agrabad	Current	48,894	163,878
Eastern Bank Limited	Agrabad	Current	34,984	24,747
EXIM Bank Limited	Khatungonj	Current	115,109	18,059
First Security Islami Bank Limited	Khatungonj	Current	244,210	92,968
HSBC	Agrabad	Current	12,265	12,265
IFIC Bank Limited	Khatungonj	Current	12,481	18,621
Islami Bank Bangladesh Limited	Khatungonj	Current	558,796	26,290
Jamuna Bank Limited	Khatungonj	Current	14,040	23,987
Janata Bank Limited	Khatungonj	Current	16,710	9,653
Mercantile Bank Limited	Khatungonj	Current	14,506	15,361
Meghna Bank Limited	Agrabad	Current	33,649	12,235
Midland Bank Limited	Agrabad	Current	12,274	69,998
Modhumoti Bank Limited	Agrabad	Current	-	5,865
Mutual Trust Bank Limited	Khatungonj	Current	44,920	46,502
National Bank Limited	Anderkilla	Current	13,576	17,132
National Bank Limited	Jubilee Road	Current	8,440	9,130
NCC Bank Limited	Khatungonj	Current	12,527	21,680
NRB Commercial Bank Limited	Agrabad	Current	4,860	29,860
One Bank Limited	Khatungonj	Current	27,415	62,378
Premier Bank Limited	O.R Nizam Road	Current	111,583	34,303
Prime Bank Limited	Khatungonj	Current	16,996	173,541
Prime Bank Limited	O.R Nizam Road	Current	7,484	29,790
Shahajalal Islami Bank Limited	Khatungonj	Current	10,055	17,879
Social Islami Bank Limited	Khatungonj	Current	108,472	40,323
Sonali Bank Limited	Khatungonj	Current	1,371,054	1,477,425
South Bangla Agricultural Bank Limited	Agrabad	Current	1,525	2,675

Name of the Banks	Branch	A/C Type	30 June 2017 Taka	30 June 2016 Taka
Southeast Bank Limited	Khatungonj	Current	29,350	130,938
Standard Bank Limited	Khatungonj	Current	14,565	21,435
State Bank of India	Agrabad	Current	254,822	72,244
The City Bank Limited	Khatungonj	Current	616,597	6,308
Trust Bank Limited	CDA Avenue	Current	8,391	240,781
United Commercial Bank Limited	Khatungonj	Current	9,719	92,337
United Commercial Bank Limited	Gulshan	Current	142,387	348,668
Union Bank Limited	Khatungonj	Current	83,605	18,165
Uttara Bank Limited	Khatungonj	Current	262,983	15,801
Sub-total			**4,784,418**	**5,175,277**
AB Bank Limited	Khatungonj	SND	524,856	514,106
AB Bank Limited	Khatungonj	GBP	15,000	15,000
AB Bank Limited	Khatungonj	USD	49,748	49,748
AB Bank Limited	Khatungonj	SND	22	1,152
BRAC Bank Limited	Agrabad	SND	-	12,328,638
Mutual Trust Bank Limited	Khatungonj	SND	4,478	1,228
Southeast Bank Limited	Agrabad	SND	-	576,648
Southeast Bank Limited	Khatungonj	SND	240,366,672	2,609,214,382
Standard Chartered Bank Limited	Agrabad	SND	925,141	-
Standard Chartered Bank Limited	Agrabad	SND	-	533,999
Standard Chartered Bank Limited	Agrabad	SND	-	785,533
Standard Chartered Bank Limited	Agrabad	SND	-	541,491
Sub-total			**241,885,917**	**2,624,561,925**
Total			**246,670,335**	**2,629,737,202**

12.3 FDR Account - note 12

Name of the banks		
Southeast Bank Limited	14,220,688	-
Trust Bank Limited	21,497,746	-
United Commercial Bank Ltd	27,402,738	-
Total	**63,121,172**	**-**

13 SHARE CAPITAL

Authorized

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

Issued, subscribed and paid-up

	Paid-up in cash		
57,645,600	Ordinary Shares of Tk 10 each	576,456,000	576,456,000
	For consideration other than cash		
12,354,400	Ordinary Shares of Tk 10 each as exchange of land	123,544,000	123,544,000
70,000,000		700,000,000	700,000,000
54,740,000	Ordinary Shares of Tk 10 each as Bonus Share	547,400,000	547,400,000
187,110,000	Ordinary Shares of Tk 10 each as Rights Share	1,871,100,000	1,871,100,000
311,850,000	**Ordinary Shares of Tk 10 each**	**3,118,500,000**	**3,118,500,000**

13.1 Position of share holding

Shareholders	30 June 2017		30 June 2016	
	Position of share holding (%)	Taka	Position of share holding (%)	Taka
Mr. Mohammed Jahangir Alam	29.99	935,250,000	29.99	935,250,000
Mr. Md. Abdur Rouf	3.00	93,555,000	3.00	93,555,000
Mr. Md. Alamgir Kabir	4.81	150,040,000	4.81	150,040,000
Mr. Md. Almas Shimul	10.83	337,590,000	10.83	337,590,000
Mr. Md. Ashrafuzzaman	3.00	93,555,000	3.00	93,555,000
Mr. Md. Abdul Ahad	2.40	74,844,000	2.40	74,844,000
Mr. Md. Azizul Haque Raju	2.00	62,370,000	2.00	62,370,000
General Shareholders	43.97	1,371,296,000	43.97	1,371,296,000
	100.00	**3,118,500,000**	**100.00**	**3,118,500,000**

13.2 The distribution schedule showing the number of shareholders and their shareholding percentage as on 30 June 2017 is as follows:

Class by number of shares	30 June 2017			30 June 2016
	No. of Holders	No. of Shares	(%) of Holdings	(%) of Holdings
Less than 500	1,953	358,080	0.11	0.15
500-5,000	6,378	11,071,513	3.55	2.55
5,001-10,000	808	6,248,674	2.00	1.24
10,001-20,000	437	6,517,210	2.09	1.27
20,001-30,000	179	4,564,175	1.46	0.87
30,001-40,000	72	2,547,231	0.82	0.47
40,001-50,000	63	2,990,075	0.96	0.56
50,001-100,000	123	9,271,495	2.97	1.38
100,001-1,000,000	100	24,267,813	7.79	5.30
Above 1,000,000	29	244,013,734	78.25	86.21
	10,142	**311,850,000**	**100.00**	**100.00**

	30 June 2017 Taka	30 June 2016 Taka
14 LONG TERM LOAN		
AB Bank Ltd	-	65,342,080
Pubali Bank Ltd	222,390,134	70,344,606
State Bank of India	26,656,826	-
United Commercial Bank Ltd	1,297,260,645	-
Loan from Directors - note 14.3	235,000,000	235,000,000
	1,781,307,605	**370,686,686**
14.1 Aging of Long Term Loan		
Due within one year	60,340,400	47,613,367
Due after one year	1,720,967,205	323,073,319
	1,781,307,605	**370,686,686**

14.2 Terms of Long Term Loan Facility

Pubali Bank Ltd

Security:

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

Rate of Interest:
Interest rate is 8.50% per annum and will be calculated on quarterly basis.

State Bank of India
Security:
Post dated cheques, First ranking Floating Charge registered with RJSC over all current assets, both present and future, including stocks, book debts/receivables and accounts of the Company on pari passu and prorate basis amongst the Secured Financiers and permitted Lenders along with Irrevocable General Power of Attorney to sell the hypothecated assets, Personal Guarantee of all Directors and Corporate Guarantee of Jahangir & Others Ltd.
Rate of Interest:
Interest rate is 9.00% per annum and will be calculated on quarterly basis.

United Commercial Bank Ltd.
Security:
Corporate Guarantee of GPH Power Generation Ltd. and personal Guarantee of all sponsor director of GPH Ispat Ltd.

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

	30 June 2017 Taka	30 June 2016 Taka
14.3 Loan From Directors		
Mohammed Jahangir Alam	95,000,000	95,000,000
Md. Almas Shimul	140,000,000	140,000,000
	235,000,000	**235,000,000**
15 FINANCE LEASE OBLIGATIONS		
Due within one year	22,001,232	14,017,261
Due after one year	101,164,102	18,808,970
	123,165,334	**32,826,231**

15.1 Pubali Bank Limited

	Current Portion	Long term portion
Lease Financing Scheme # 25	555,707	-
Lease Financing Scheme # 26	6,916,762	3,200,497
Lease Financing Scheme # 27	1,650,764	1,245,433
Lease Financing Scheme # 29	709,384	2,407,949
	9,832,617	**6,853,879**

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

i) Principal amount of finance: Tk 40,978,300 - Repaid till 30 June 2017: Tk 24,291,804.
ii) Repayment Term is 4 - 5 years

Security :

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

15.2 United Commercial Bank Ltd

	Current Portion	Long term Portion
HP # 160800002	502,999	1,731,277
HP # 163080001	623,084	1,810,900
HP # 163140001	463,635	1,346,943
	1,589,718	**4,889,120**

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

i) Principal amount of finance: Tk 7,187,000 - Repaid till 30 June 2017: Tk 708,162.
ii) Repayment Term is 4 years

Security :

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

15.3 Industrial and Infrastructure Development Finance Company Ltd

	Current Portion	Long term Portion
LF # 22442/2017	10,578,897	89,421,103
	10,578,897	**89,421,103**

i) Principal amount of finance: Tk 100,000,000 - Repaid till 30 June 2017: Tk 0.00.
ii) Repayment Term is 4.5 years

Security :

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

	30 June 2017	30 June 2016
	Taka	Taka
16 SHORT TERM BORROWINGS		
Loan against Trust Receipt (LTR) - note 16.1	643,996,032	741,459,124
Time Loan - note 16.2	3,048,758,217	3,051,943,780
Bank Overdraft and Cash Credit - note 16.3	1,278,668,877	460,811,611
	4,971,423,126	**4,254,214,515**
16.1 Loan against Trust Receipt (LTR) - note 16		
AB Bank Ltd	28,885,277	38,259,747
Islami Bank Bangladesh Ltd	343,694,652	-
Mercantile Bank Ltd	-	188,885,862
Pubali Bank Ltd	-	275,817,099
Trust Bank Ltd	271,416,103	238,496,416
	643,996,032	**741,459,124**
16.2 Time Loan - note 16		
AB Bank Ltd	-	486,563,722
Bank Asia Ltd	214,428,057	-
Basic Bank Ltd	26,042,569	-
Dutch Bangla Bank Ltd	288,343,052	-
One Bank Ltd	505,212,575	577,088,198
Premier Bank Ltd	-	294,323,236
Standard Chartered Bank	793,696,149	649,330,478
The City Bank Ltd	547,505,795	548,351,036
Trust Bank Ltd	318,577,468	311,498,823
United Commercial Bank Ltd	354,952,552	184,788,287
	3,048,758,217	**3,051,943,780**

	30 June 2017	30 June 2016
	Taka	Taka
16.3 Bank Overdraft and Cash Credit - note 16		
AB Bank Ltd	28,773,194	45,543,126
Bank Asia Ltd	32,641,871	-
Basic Bank Ltd	38,267,880	-
Meghna Bank Ltd	46,671,852	-
Mercantile Bank Ltd	130,067,248	35,840,706
Midland Bank Ltd	127,835,948	-
Modhumoti Bank Ltd	110,294,451	-
Premier Bank Ltd	705,729	204,039,240
Standard Chartered Bank	97,744,895	61,670,385
State Bank of India	507,834,890	3,748,697
The City Bank Ltd	24,864,589	24,137,434
Trust Bank Ltd	86,895,671	85,026,001
United Commercial Bank Ltd	46,070,659	806,022
	1,278,668,877	**460,811,611**

16.4 Terms of Short Term Borrowings

Security:

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

Rate of Interest:

Interest rate is ranging from 7.50% - 9.25% per annum and will be calculated on quarterly basis.

17 CREDITORS AND ACCRUALS

Revenue Expenses - note 17.1	75,909,094	51,847,497
Other Finance - note 17.2	8,084,911	4,321,832
Supplies	46,107,557	49,706,946
GPH Power Generation Ltd.	464,111,462	425,014,630
Advance Against Sales	10,537,446	34,734,596
Workers' Profit Participation & Welfare Fund - note 17.3	40,095,644	25,628,176
	644,846,114	**591,253,677**

	30 June 2017	(Unaudited) 30 June 2016
	Taka	Taka
17.1 Revenue Expenses - note 17		
Salary Payable	17,362,000	5,694,000
Audit Fee Payable	270,000	300,000
Utility Bill Payable	30,535,000	26,495,223
Provident Fund - note 17.1.1	664,817	1,134,137
Defined benefit obligations (Gratuity) - note 17.1.2	26,402,277	18,224,137
Directors' Remuneration Payable	675,000	-
	75,909,094	**51,847,497**
17.1.1 Provident Fund - note 17.1		
Opening Balance	1,134,137	1,329,982
Add: Addition during the year	5,867,688	5,345,262
	7,001,825	6,675,244
Less: Paid during the year	(6,337,008)	(5,541,107)
Closing balance	**664,817**	**1,134,137**
17.1.2 Defined Benefit Obligation (Gratuity) - note 17.1		
Opening Balance	18,224,137	13,812,450
Add: Provision made during the year	9,056,575	4,411,687
	27,280,712	18,224,137
Less: Paid during the year	(878,435)	-
Closing balance	**26,402,277**	**18,224,137**
17.2 Other finance - note 17		
AIT Payable	1,473,749	748,349
VAT Deducted at Source	2,878,250	756,698
Unpaid Refund Warrant	453,670	453,670
Unpaid Dividend	3,279,242	2,363,115
	8,084,911	**4,321,832**
17.3 Workers' Profit Participation & Welfare Fund - note 17		
Opening Balance	25,628,176	25,260,886
Add: Addition during the year @ 5%	40,095,644	20,427,656
	65,723,820	45,688,542
Less: Paid during the year	(25,628,176)	(20,060,366)
Closing balance	**40,095,644**	**25,628,176**
18 PROVISION FOR INCOME TAX		
Provision for Income Tax - note 18.1	183,382,931	111,031,009
Deferred Tax Liabilities - note 18.2	126,478,102	115,156,102
	309,861,033	**226,187,111**
18.1 Provision for Current Tax - note 18		
Opening Balance	111,031,009	112,231,214
Add: Provision made during the year - note 18.1.2	179,191,873	88,022,624
	290,222,882	200,253,838
Less: Adjusted during the year - note 18.1.1	(106,839,951)	(89,222,829)
Closing balance	**183,382,931**	**111,031,009**

18.1.1 Year wise income tax assessment status is as follows:

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

	01 July 2016 to 30 June 2017	(Unaudited) 01 July 2015 to 30 June 2016
	Taka	Taka
18.1.2 Provision for Income Tax during the year - note 18.1		
Profit before tax	761,817,234	388,125,457
Items for separate consideration		
Dividend Income	(3,747,488)	(10,154,823)
Other Non-operating income	(197,180,254)	(43,408,171)
Gain on Investment	-	2,753,307
	(200,927,742)	(50,809,687)
	560,889,492	337,315,770
Add: Other Inadmissible Allowances		
Accounting Depreciation	100,945,724	103,872,543
Amortization	162,000	162,000
Gratuity	8,178,140	4,411,687
	109,285,864	108,446,230
	670,175,356	**445,762,000**
Tax depreciation u/s 29 (1) (viii) of the ITO, 1984	(151,763,617)	(144,188,428)
	518,411,739	301,573,572
50% of Export Sales Income - as per Para: 28 of 6th Schedule (Part: A) of ITO 1984	(1,822,493)	(1,015,109)
Taxable Income from Operation	**516,589,246**	**300,558,463**
Tax on Other Non-Operating Income	49,295,064	10,852,043
Tax on Dividend Income	749,498	2,030,965
Tax on Operational Income	129,147,311	75,139,616
Tax on Total Taxable Income	**179,191,873**	**88,022,624**

18.2 Deferred Tax Liability - note 18

	Carrying amount	Tax base	Temporary difference
	Taka	Taka	Taka
a) As at 30 June 2017			
Property, Plant and Equipment	1,381,339,781	850,024,097	531,315,684
Intangible Asset	999,000	-	999,000
Provision for Gratuity	(26,402,277)	-	(26,402,277)
Net Taxable Temporary Difference	1,355,936,504	850,024,097	505,912,407
Applicable Tax Rate			25%
Deferred Tax Liability			**126,478,102**
As at 01 July 2016			115,156,102
Increase/(Decrease) in Deferred Tax Liability			**11,322,000**

	01 July 2016 to 30 June 2017	(Unaudited) 01 July 2015 to 30 June 2016
	Taka	Taka
19 REVENUE		
Local Sales		
M.S. Rod	7,844,921,699	5,566,488,575
M.S. Billet	110,400	169,843,495
Cut Pieces	9,741,750	10,206,590
Miss Roll and Ovel	45,005,001	60,017,440
	7,899,778,850	**5,806,556,100**
Export Sales		
M.S. Rod	55,937,140	-
M.S. Billet	-	36,855,664
	55,937,140	**36,855,664**
Total Gross Revenue	**7,955,715,990**	**5,843,411,764**
20 COST OF GOODS SOLD		
Opening Finished Goods		
M.S. Rod	630,167,401	1,254,641,128
M.S. Billet	232,982,012	179,601,299
	863,149,413	**1,434,242,427**
Add: Cost of Production - note 20.1	6,793,186,055	4,212,347,630
	7,656,335,468	**5,646,590,057**
Less: Closing Finished Goods		
M.S. Rod - note 10.1	921,234,173	630,167,401
M.S. Billet - note 10.1	269,255,593	232,982,012
	1,190,489,766	**863,149,413**
	6,465,845,702	**4,783,440,644**
20.1 Cost of Production - note 20		
Opening Stock:		
Raw Material	2,051,325,205	73,744,173
Spare and Other	149,011,364	156,093,164
	2,200,336,569	**229,837,337**
Add: Purchase		
Raw Material	4,566,898,565	4,868,893,889
Spare and Other	243,951,284	263,979,486
	4,810,849,849	**5,132,873,375**
Less Closing Stock of		
Raw Material - note 10.2	1,045,328,690	2,051,325,205
Spare and other materials - note 10.3	218,778,006	149,011,364
	1,264,106,696	**2,200,336,569**
Raw and Other Materials Consumed	**5,747,079,722**	**3,162,374,143**
Add: Factory overhead - note 20.2	1,046,106,333	1,049,973,487
Cost of Production	**6,793,186,055**	**4,212,347,630**

	01 July 2016 to 30 June 2017	(Unaudited) 01 July 2015 to 30 June 2016
	Taka	Taka
20.2 FACTORY OVERHEAD		
Salaries, Wages and Allowances	166,031,497	143,531,755
Overtime	15,241,673	12,506,427
Bonus	7,551,593	22,973,925
Electricity Bill	620,130,825	652,824,798
Gas Bill	33,209,909	33,254,294
Daily Labour Bill	20,844,344	17,515,239
Carriage Inward	4,583,931	519,599
Fuel, Oil and Lubricant	30,535,100	27,687,934
Depreciation - note 4.2	90,851,152	93,485,289
Repair and Maintenance	7,970,628	8,847,959
Testing Expenses	525,388	665,082
Oxygen and LP Gas Charges	13,411,542	14,197,055
Loading and Unloading Expenses	9,326,681	747,092
Factory Canteen	7,401,324	6,683,944
Staff Uniform	1,503,005	1,586,920
Vehicle Fuel and Maintenance	14,358,214	10,260,811
Land Rent	-	240,000
Medical Expenses	603,369	419,587
Internet Expenses	8,760	18,561
Insurance	2,017,398	2,007,216
	1,046,106,333	**1,049,973,487**
21 ADMINISTRATIVE EXPENSES		
Directors' Remuneration	14,320,000	10,560,000
Salary and Allowances	63,461,163	43,679,724
Entertainment	2,926,761	1,596,089
Office Maintenance	2,054,904	1,175,680
Mobile, Telephone and Internet Charges	2,443,707	1,992,421
Office Rent	4,110,000	4,084,500
Newspaper and Periodicals	21,599	22,168
Postage and Stamps	236,317	214,824
Stationery and Printing Charges	1,966,802	1,624,458
Vehicle Expenses	4,823,699	3,440,372
Travelling and Conveyance	2,769,213	2,417,933
Audit Fee	345,000	311,500
Fees and Renewal	1,872,238	4,310,337
Legal and Professional Fee	262,500	353,250
Bonus	6,216,605	6,674,208
Miscellaneous Expenses	1,344,071	1,159,092
Electricity and Other Utility Expenses	1,848,136	1,610,938
Training Fee	209,440	230,637
Board Meeting Expense	350,536	654,204
Depreciation - note 4.2	5,047,286	5,193,627
Amortization of Software	162,000	162,000
Recruitment Expenses	133,620	215,493
Share Management Expenses	2,601,765	2,480,006
BIS Certificate Expenses	151,903	169,000

	01 July 2016 to 30 June 2017	(Unaudited) 01 July 2015 to 30 June 2016
	Taka	Taka
General Meeting Expenses	664,194	737,774
Software & Data Connectivity Expenses	637,720	607,980
Rent, Rate & Taxes	233,898	226,903
BO Account Expenses	3,889	9,058
Right Share Issue Expenses	1,128,908	9,807,329
Group Insurance Premium	732,142	-
Corporate Social Responsibility	4,800,000	529,825
	127,880,015	**106,251,330**

22 SELLING AND DISTRIBUTION EXPENSES

Advertisement Expenses	25,950,612	24,946,802
Carriage Outward	92,877,005	39,259,890
Travelling and Conveyance	5,665,047	4,488,605
Commission on Sales	9,291,000	9,023,600
Promotional Expenses	11,482,701	14,571,265
Depreciation - note 4.2	5,047,286	5,193,627
Warehouse Rent	-	1,270,000
Marketing Collection Expenses	470,797	566,411
Export Expenses	119,469	779,300
Sales LC Expenses	93,659	72,976
Postage and Stamps	77,485	-
	151,075,061	**100,172,476**

23 FINANCIAL EXPENSES

Finance Costs	480,035,454	389,143,184
Bank Charge	4,135,450	3,125,976
Loan Processing Fee	2,520,087	10,059,213
Exchange (Gain)/Loss	7,089,133	(3,574,267)
	493,780,124	**398,754,106**

24 NON OPERATING INCOME

Interest Earned from FDR	136,442,348	20,352,886
Interest Income from SND Account	31,576,321	-
Interest Income from Arbee Textiles Ltd.	28,718,860	22,930,287
Dividend Income	3,747,488	10,154,823
Gain/(Loss) on Disposal of Long Term Asset- note 24.1	442,725	124,997
	200,927,742	**53,562,993**

24.1 Gain/(Loss) on Disposal of Long Term Asset- note 24

Sales Value	1,045,000	450,000
Add : Accumulated Depreciation	1,024,025	429,997
	2,069,025	879,997
Less : Purchase value	1,626,300	755,000
	442,725	**124,997**

	30 June 2017 Taka	30 June 2016 Taka
25 NET ASSETS VALUE PER SHARE		
The computation of NAV Per Share is given below:		
Total Assets	12,866,206,824	10,294,255,863
Less: Liabilities	7,830,603,212	5,475,168,220
Net Assets Value (NAV)	**5,035,603,612**	**4,819,087,643**
Number of ordinary shares outstanding during the year	311,850,000	311,850,000
Net Assets Value (NAV) Per Share	**16.15**	**15.45**

26 EARNING PER SHARE (EPS)

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

a) Profit Attributed to Ordinary Shareholders during the year	571,303,361	289,619,816
b) Number of Ordinary Shares at the year end	311,850,000	311,850,000
c) Weighted Average Number of Share Outstanding during the year	-	140,332,500

	01 July 2016 to 30 June 2017 Taka	(Unaudited) 01 July 2015 to 30 June 2016 Taka
Attributable Profit	571,303,361	289,619,816
Weighted Average Number of Share Outstanding During the year	311,850,000	140,332,500
Basic EPS*	**1.83**	**2.06**

*EPS for the year ended 30 June 2017 has been calculated based on the total number of ordinary shares in accordance with para 26, 27 of BAS 33.

DILUTED EPS

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

27 OPERATING CASH FLOW PER SHARE

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

a) Operating cash inflow/(outflow) during the year	1,193,038,078	311,569,543
b) Number of Ordinary Shares Outstanding during the year	311,850,000	311,850,000
	3.83	**1.00**

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

Employees drawing salary above Tk 3,000 per month	870	763
Employees drawing salary above Tk 3,000 or below per month	-	-
	870	**763**

29 CAPACITY AND PRODUCTION	M. Ton 12 Months	M. Ton 12 Months
Production Capacity	288,000	288,000
Actual Production *	245,132	225,482
Capacity Utilization (%)	85.12	78.29
Production Capacity (In M. Ton)		
MS Billet	168,000	168,000
MS Rod	120,000	120,000
	288,000	**288,000**
Actual Production (In M. Ton)		
MS Billet	124,727	119,206
MS Rod	120,405	106,276
	245,132	**225,482**

* In addition to above 55,933.03 M.T tradeable finished goods were purchased from third party manufacturers to meet the customers demand

30 RELATED PARTY TRANSACTIONS

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

Sl. No	Name of the Party	Relation	Nature of Transactions	Outstanding as on 30 June 2017	Outstanding as on 30 June 2016
1	GPH Power Generation Ltd	Common Directorship	Supply of power at a flat rate	(464,111,462)	(425,014,631)
2	Jahangir and Other Ltd	Common Directorship	Head office rent	(287,885)	(263,500)
3	GPH Steels Ltd	Common Directorship	Investment in equity shares	1,000,000	1,000,000
4	Asia Insurance Ltd	Common Directorship	Insurance policy against Letter of Credit	(305,793)	(296,869)
5	Arbee Textiles Ltd	Common Directorship	Payment against interest bearing loan	255,560,476	224,376,249
6	LIPD Industries Ltd	Common Directorship	Advance	185,500	-

31 DIRECTORS' REMUNERATION

Name	Designation	Monthly Remuneration	No. of Month	01 July 2016 to 30 June 2017	(Unaudited) 01 July 2015 to 30 June 2016
				Taka	Taka
Mr. Mohammed Jahangir Alam	Managing Director	350,000	12	4,200,000	4,200,000
Mr. Md. Almas Shimul	Director	350,000	1	350,000	4,200,000
		625,000	11	6,875,000	
Mr. Md. Ashrafuzzaman	Director	180,000	12	2,160,000	2,160,000
Mr. Md. Abdul Ahad	Director	105,000	7	735,000	-
Total				**14,320,000**	**10,560,000**

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

32 ATTENDANCE STATUS OF BOARD MEETING OF DIRECTORS

During the year ended 30 June 2017, there were 4 (Four) Board meetings held. The attendance status of all the meetings are as follows:

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

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

Statutory Audit Fee - Hoda Vasi Chowdhury & Co	300,000	300,000
	300,000	**300,000**

34 EVENT AFTER THE REPORTING PERIOD

The Board of Directors in their meeting held on **23 October 2017** recommended **5% cash** dividend and **5% stock** dividend for the year ended **30 June 2017** which is subject to approval by the shareholders in the Annual General Meeting.

	30 June 2017 Taka	30 June 2016 Taka

35 CONTINGENT LIABILITIES AND COMMITMENTS

35.1 Contingent Liabilities

Bank guarantee	2,315,500	2,315,500
L/C liabilities	1,054,319,103	895,502,786
	1,056,634,603	**897,818,286**

Contingent liabilities at the reporting date are as follows:

35.2 Bank Guarantee

AB Bank Limited	535,500	535,500
Southeast Bank Limited	1,000,000	1,000,000
State Bank of India	780,000	780,000
	2,315,500	**2,315,500**

35.3 L/C Liabilities

AB Bank Limited	195,682,312	224,977,040
Mercantile Bank Limited	73,478,017	33,631,507
One Bank Limited	-	64,970,054
Pubali Bank Limited	171,664,251	274,696,143
Southeast Bank Limited	43,092,143	124,616,365
Standard Chartered Bank Limited	5,721,194	-
The City Bank Limited	38,943,375	28,990,726
Trust Bank Limited	375,391,988	143,620,951
United Commercial Bank Limited	150,345,823	-
	1,054,319,103	**895,502,786**

There were no claims legal or otherwise, not acknowledged as debt, outstanding as of the end of the reporting period. There was no unprovided committed expenditure as at 30 June 2017.

36 FINANCIAL RISK MANAGEMENT

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

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

36.1 Credit Risk

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

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

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

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

a) Exposure to Credit Risk

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

	30 June 2017 Taka	30 June 2016 Taka
Trade Receivable-Local customer	1,799,922,366	1,122,973,036
Advance, Deposit and Prepayments	1,110,464,916	1,060,118,605
Cash and Cash Equivalents	311,332,457	2,631,352,732
	3,221,719,739	**4,814,444,373**

b) Ageing of Receivables

Dues up to 6 months	1,712,937,571	1,035,458,515
Dues over 6 months	86,984,795	87,514,521
	1,799,922,366	**1,122,973,036**

c) Credit Exposure by Credit Rating

	30 June 2017		
	Credit Rating	Amount	%
Trade Receivable	NR	1,799,922,366	55.87
Advance, Deposit and Prepayments	NR	1,110,464,916	34.47
Cash and Cash Equivalents:			
Cash in Hand	NR	1,540,950	0.05
Cash at Bank		309,791,507	9.62
AB Bank Limited	AA3	802,435	0.02
Agrani Bank Limited	AAA	28,152	0.00
Al-Arafah Islami Bank Limited	AA2	127,735	0.00
Bangladesh Development Bank Ltd	AAA	3,301	0.00
Bank Al Falah Limited	A1	18,743	0.00
Bank Asia Limited	AA2	30,015	0.00
BASIC Bank Limited	A	35,844	0.00
BRAC Bank Limited	AA2	13,992	0.00
Dhaka Bank Limited	AA	17,597	0.00
Dutch Bangla Bank Limited	AA1	65,880	0.00
Eastern Bank Limited	AA+	34,984	0.00
EXIM Bank Limited	AA-	115,109	0.00
First Security Islami Bank Limited	A+	244,210	0.01
HSBC	AAA	12,265	0.00
IFIC Bank Limited	AA2	12,481	0.00
Islami Bank Bangladesh Limited	AA+	558,796	0.02
Jamuna Bank Limited	AA3	14,040	0.00
Janata Bank Limited	AAA	16,710	0.00
Mercantile Bank Limited	AA	14,506	0.00
Meghna Bank Limited	A	33,649	0.00
Midland Bank Limited	A	12,274	0.00
Modhumoti Bank Limited	A3	-	0.00
Mutual Trust Bank Limited	AA	49,398	0.00
National Bank Limited	AA	22,016	0.00
NCC Bank Limited	AA	12,527	0.00
NRB Commercial Bank Limited	A	4,860	0.00
One Bank Limited	AA	27,415	0.00
Premier Bank Limited	AA+	111,583	0.00
Prime Bank Limited	AA	24,480	0.00
Shahjalal Islami Bank Limited	AA3	10,055	0.00
Social Islami Bank Limited	AA	108,472	0.00
Sonali Bank Limited	AAA	1,371,054	0.04
South Bangla Agricultural Bank Limited	BBB1	1,525	0.00
Southeast Bank Limited	AA	254,616,710	7.90
Standard Bank Limited	AAA	14,565	0.00
State Bank of India	AAA	254,822	0.01
Standard Chartered Bank Limited	AAA	925,141	0.03
The City Bank Limited	AA2	616,597	0.02
Trust Bank Limited	AA2	21,506,137	0.67
United Commercial Bank Limited	AA	27,554,844	0.86
Union Bank Limited	A+	83,605	0.00
Uttara Bank Limited	AA3	262,983	0.01

36.2 Liquidity Risk

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

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying Amount Taka	Maturity year	Nominal Interest Rate	Contractual Cash Flows Taka	Within 6 months or less Taka	Within 6-12 months Taka
Creditors and Accruals	644,846,114	December 2017	-	644,846,114	644,846,114	-
Short Term Borrowings	4,971,423,126	December 2017	7.50-9.25%	4,971,423,126	4,971,423,126	-
Current portion of Finance Lease Obligations	22,001,232	June 2018	13.00-16.50%	22,001,232	11,000,616	11,000,616
Current portion of Long Term Loan	60,340,400	June 2018	8.50-9.00%	60,340,400	30,170,200	30,170,200
	5,698,610,872			**5,698,610,872**	**5,657,440,056**	**41,170,816**

36.3 Market Risk

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

a) Currency risk

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

(i) Exposure to currency risk

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

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

	30 June 2017 Taka	30 June 2016 Taka
Exchange Rate of US Dollar	79.05	78.40

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

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

b) Interest rate risk

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

(i) Profile

As at 30 June 2017, the interest rate risk profile of the company's interest bearing financial instruments was:

	Carrying Amount 30 June 2017
Fixed Rate Instrument	
Financial Asset	2,506,857,868
Financial Liability	6,875,896,066
Variable Rate Instrument	
Financial Asset	Nil
Financial Liability	Nil

(ii) Cash flow sensitivity analysis for variable rate instruments

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

36.4 Accounting Classification and Fair Value

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

	Carrying amount Taka	Fair value Taka
Assets carried at fair value through profit and loss	107,620,897	107,620,897
Held to maturity assets		
FDR with Banks	2,506,857,868	2,506,857,868
Loans on Receivables		
Trade Receivables	1,799,922,366	1,799,922,366
Security Deposit	20,606,820	20,606,820
Cash and Cash Equivalents	311,332,457	311,332,457
Available for sale financial assets	Nil	Nil
Liabilities carried at fair value through profit and loss		
Liabilities carried at amortized cost		
Accounts and other payables	Nil	Nil
Short term bank borrowing	4,971,423,126	N/A
Current portion of long term borrowing	60,340,400	N/A

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

37 AUTHORISATION FOR ISSUE

These financial statements have been authorized for issue by the Board of Directors of the company on **23 October 2017**.

38 GENERAL

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

38.2 Previous year's phrases & amounts have been re-arranged, wherever considered necessary, to conform to the presentation for the year under review.

38.3 Figure in bracket denotes negative.

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 23 October 2017
and were signed on its behalf by:

Company Secretary **Director** **Managing Director**