GPH ISPAT LIMITED

INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2019

HUSSAIN FARHAD & CO.
CHARTERED ACCOUNTANTS

Corporate Office:
: House # 15, Road # 12, Block # F, Niketon Gulshan-1, Dhaka-1212, Bangladesh.
: +88 (02) 8836015-7 : +88 016 8112 6120
: hfc@hfc-bd.com : www.hfc-bd.com

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 2019, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2018 to 30 June 2019, and a summary of significant accounting policies and other explanatory information.

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 2019 and of its financial performance and cash flows for the period from 1 July 2018 to 30 June 2019 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 the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters, and any comments we make on the results of our procedures thereon, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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SL	Key Audit Matter	How our audit addressed the key audit matter
1.	**Valuation of Inventories**	
	Inventory is carried in the financial statements at the lower of cost and net realisable value. The exercise for the assessment of the net realisable value involves the use of judgement and assumptions that may vary depending on technological and socio-economical conditions and is therefore considered a significant key audit matter. Please refer to note 3.07 and 10 to the financial statements.	• Verified a sample of inventory items to ensure that costs have been appropriately recorded. • Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. • Assessed whether appropriate provisions have been recognised 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 purchases and sales of the inventories have been captured in the correct accounting period. • Reviewed the historical accuracy of inventory provisions and the level of write-downs.
2.	**Key Audit Matter**	**How our audit addressed the key audit matter**
	Revenue Recognition	
	Appropriateness of revenue recognition and disclosures on the impact of the initial application of IFRS 15. Revenue recognition has significant and wide influence on financial statements. As described in the accounting policy note 3.15 to the financial statements, the company recognises revenue upon transfer of control as per the newly adopted IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 13,269 million. Refer to note 21 to the financial statements. This material item is subject to considerable inherent risk due to the complexity and identifying revenue and the high number of transactions from multiple locations from which revenue is being recognised. Against this backround, the proper application of the accounting standards is considered to be complex and assumptions made by management.	• Undertaken audit procedures over the accuracy of recording of revenue including procedures related to the changes in revenue recognition resulting from the adoption of IFRS 15. • Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. • Assessed manual as well as application controls supporting revenue recognition. • Assessed the invoicing and measurement systems up to entries in the general ledger. • Examined customer invoices and receipts of payment on a test basis. • Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis. • Assessed the design of the processes set up to account for the transactions in accordance with the new standard. • Assessed whether the sufficiency of disclosures as required by the new standard have been met.

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Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements of the Company does not cover the other information and, accordingly, we do not express any form of assurance 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 of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

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 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.

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.

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(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.

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.

Other matter

The financial statements of the Company for the year ended 30 June 2018 were audited by Hoda Vasi Chowdhury & Co., Chartered Accountants and issued unqualified opinion on 07 November 2018.

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.

Hussain Farhad & Co.

Hussain Farhad & Co.
Chartered Accountants

Dated: Chattogram
26 October, 2019

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GPH ISPAT LIMITED

Statement of Financial Position

As at 30 June 2019

	Note(s)	30 June 2019 Taka	30 June 2018 *Restated Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,975,385,321	2,433,275,880
Capital work-in-progress	5	19,760,860,267	11,285,676,865
Intangible assets	6	966,383	1,164,431
Investments	7	335,995,309	256,436,690
Total non-current assets		**23,073,207,280**	**13,976,553,866**
Current assets			
Short term investment	8	449,929,013	1,711,808,705
Advances, deposits and prepayments	9	2,390,463,101	1,993,941,113
Inventories	10	2,792,059,671	2,862,785,186
Trade and Other receivables	11	2,505,592,013	1,924,806,359
Cash and cash equivalents	12	281,773,961	224,343,169
Total current assets		**8,419,817,759**	**8,717,684,532**
Total Assets		**31,493,025,039**	**22,694,238,398**
EQUITY AND LIABILITIES			
Equity			
Share capital	13	3,601,867,500	3,274,425,000
Share premium		1,136,440,000	1,136,440,000
Fair value reserve		96,161	(3,709,709)
Retained earnings		1,596,953,769	1,118,194,541
		6,335,357,430	**5,525,349,832**
Liabilities			
Non-current liabilities			
Long term loan	14	16,676,430,826	8,359,030,241
Finance lease obligations	15	65,936,558	75,413,042
Defined Benefit Obligation - Gratuity	16	35,919,462	31,176,685
Deferred tax liability	17	174,152,167	154,094,265
Total non-current liabilities		**16,952,439,013**	**8,619,714,233**
Current liabilities			
Current portion of long term loan	14	215,522,700	280,862,291
Current portion of finance lease obligations	15	27,096,780	25,931,192
Short term borrowings	18	7,120,943,855	7,254,491,296
Creditors and accruals	19	587,163,924	811,713,392
Current tax liability	20	254,501,337	176,176,162
Total current liabilities		**8,205,228,596**	**8,549,174,333**
Total liabilities		**25,157,667,609**	**17,168,888,566**
TOTAL EQUITY AND LIABILITIES		**31,493,025,039**	**22,694,238,398**
NET ASSET VALUE PER SHARE	28	**17.59**	**16.87**

***See note 2.16 and 32**

The annexed notes 1 to 44 form an integral part of these financial statements.

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

Signed in terms of our annexed report of same date

Dated: Chattogram
26 October, 2019

Hussain Farhad & Co.
Chartered Accountants

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GPH ISPAT LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

	Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 *Restated Taka
Revenue	21	13,268,683,927	9,814,101,120
Cost of goods sold	22	(11,110,755,161)	(8,211,556,579)
Gross Profit		**2,157,928,766**	**1,602,544,541**
Administrative expenses	23	(189,100,564)	(150,634,386)
Selling and distribution expenses	24	(233,818,662)	(175,643,139)
Profit from operating activities		**1,735,009,540**	**1,276,267,016**
Finance Cost	25	(715,146,284)	(566,620,736)
Finance income	26	109,628,773	165,398,681
Profit before other income		**1,129,492,029**	**875,044,961**
Other income	27	2,220,346	34,066,827
Profit before income tax and distribution of WPPF and Welfare Fund		**1,131,712,375**	**909,111,788**
Contribution to WPPF and Welfare Fund	19.03	(56,585,619)	(45,455,589)
Profit before Income Tax		**1,075,126,756**	**863,656,199**
Income tax expenses			
-Current	20	(248,877,693)	(169,979,806)
-Deferred	17	(20,047,335)	(27,616,163)
Profit after tax		**806,201,728**	**666,060,230**
Other comprehensive income			
Net change in fair value of investment in quoted shares	7.02.01	3,816,437	(20,389,010)
Deferred tax on unralised gain/(loss)		(10,567)	-
Total other comprehensive income		**3,805,870**	**(20,389,010)**
Total comprehensive income		**810,007,598**	**645,671,220**
Earning Per Share (Basic)	29	**2.24**	**2.03**

*See note 2.16 and 32

The annexed notes 1 to 44 form an integral part of these financial statements.

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

Signed in terms of our annexed report of same date

Hussain Farhad & Co.
Hussain Farhad & Co.
Chartered Accountants

Dated: Chattogram
26 October, 2019

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GPH ISPAT LIMITED

Statement of Changes in Equity

For the year ended 30 June 2019

Amount in Taka

	Share Capital	Share Premium	Fair value reserve*	Retained Earnings*	Total Equity
Balance as on 01 July 2017	3,118,500,000	1,136,440,000	16,679,301	763,984,311	5,035,603,612
Bonus share for the year 2016-2017	155,925,000	-	-	(155,925,000)	-
Cash dividend for the year 2016-2017	-	-	-	(155,925,000)	(155,925,000)
Change in fair value of investment in quoted shares	-	-	(20,389,010)	-	(20,389,010)
Net profit after tax	-	-	-	666,060,230	666,060,230
Balance as at 30 June 2018	**3,274,425,000**	**1,136,440,000**	**(3,709,709)**	**1,118,194,541**	**5,525,349,832**
Balance as on 01 July 2018	3,274,425,000	1,136,440,000	(3,709,709)	1,118,194,541	5,525,349,832
Bonus share for the year 2017-2018	327,442,500	-	-	(327,442,500)	-
Change in fair value of investment in quoted shares (net of tax)	-	-	3,805,870	-	3,805,870
Net profit after tax	-	-	-	806,201,728	806,201,728
Balance as at 30 June 2019	**3,601,867,500**	**1,136,440,000**	**96,161**	**1,596,953,769**	**6,335,357,430**

***Restated See note 2.16 and 32**

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

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

GPH ISPAT LIMITED
Statement of Cash Flows
For the year ended 30 June 2019

	Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
a. Operating activities			
Receipts from customers against sales		12,478,295,095	10,237,646,013
Receipts against other income		-	6,129,000
Cash Paid to suppliers, operating and other expenses		(11,731,303,618)	(9,863,137,750)
Foreign currency exchange gain/(loss)		837,202	(27,394,515)
Income tax paid		(167,977,220)	(194,410,354)
Net cash flows generated by operating activities	33	**579,851,459**	**158,832,394**
b. Investing activities			
Acquisition of property, plant and equipment		(9,192,511,093)	(9,450,449,838)
Acquisition of intangible asset		-	(360,475)
Proceeds from sale of property, plant and equipment		-	530,000
Proceeds from sale of quoted shares		-	32,071,921
Investment in equity shares		(62,500,000)	-
Dividend received (net of tax)		1,776,325	1,420,077
Interest received from bank deposits and others		86,675,316	127,036,375
Other investments		1,271,590,967	596,073,966
Net cash flows used in investing activities		**(7,894,968,485)**	**(8,693,677,974)**
c. Financing activities			
Receipts from long term loans		8,252,060,994	6,858,584,927
Repayments of finance lease obligation		(8,310,896)	(21,821,100)
(Repayment) / Receipt of short term borrowings		(133,547,441)	2,283,068,170
Dividend paid		(21,671,353)	(132,749,484)
Interest and bank charges paid		(715,983,556)	(539,220,206)
Net cash flows used in financing activities		**7,372,547,748**	**8,447,862,307**
d. Net increase in cash and cash equivalents (a+b+c)		**57,430,722**	**(86,983,273)**
e. Opening cash and cash equivalents		224,343,169	311,332,457
f. Effect of foreign exchange rate changes		70	(6,015)
g. Cash and cash equivalents at the end of the year (d+e+f)		**281,773,961**	**224,343,169**

*Restated See note 2.16 and 32

Net operating cash flows per share	30	**1.61**	**0.49**

Company Secretary

Director

Managing Director

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

1.00 REPORTING ENTITY

1.01 Formation and Legal Status

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

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

1.02 Nature of Business

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

2.00 BASIS OF FINANCIAL STATEMENT 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 2019;
b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019;
c) A statement of Changes in Equity for the year ended 30 June 2019;
d) A statement of Cash Flows for the year ended 30 June 2019; and
e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 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 Act 1991
d) The Value Added Tax Rules 1991
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) The Labour Act 2006 (as amended in 2013)

2.04 Authorization for Issue

The financial statements were authorized for issue by the Board of Directors on 26 October 2019.

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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 reporting currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

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 to 30 June 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 statements for the year under report:

Accounting Standards

IAS-1	Presentation 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-17	Leases
IAS -19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rate
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS- 13	Fair Value Measurement
IFRS- 15	Revenue from Contract with Customers

2.11 Initial application of new standards

The entity has initially applied IFRS 9 (see 3.08) and IFRS 15 (see 3.15) from 01 July 2018. These two new standards do not have a material effect on the financial statements.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

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 Standards adopted but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standard and amendment to standard -

IFRS - 16 Leases

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. Instead, there is a single, financial position accounting model, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 16 on its financial statements.

2.13 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: 6 Intangible assets
Note: 10 Inventories
Note: 11 Trade and Other receivables
Note: 16 Defined Benefit Obligation - Gratuity
Note: 17 Deferred tax liability
Note: 20 Current tax liability

2.14 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.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

2.15 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.

2.16 Restatement of comparative figures

Comparative figures of these financial statements have been restated to give the effect of realised gain from sale of investment in quoted shares and foreign exchange rate changes of cash and cash equivalents as on 30 June 2018.

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 2019 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2018.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

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 depreciation rate(s) are as follows:

Class of assets	Rate of Depreciation
Land & 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 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.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

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 non other income in the statement of profit or loss and other comprehensive income.

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 2019 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.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

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:

	Category	Valuation method
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	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.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

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.

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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 any 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

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

3.11.03 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.

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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 - Export sales - By Products	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.

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

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.

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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.

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4.00 Property, plant and equipment - at 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											
Balance as on 01 July 2017	263,940,902	917,559,310	657,533,326	19,007,315	10,459,089	89,074,697	290,317,720	191,584,716	22,490,518	7,472,578	2,469,440,171
Addition during the year	72,189,943	604,564,454	186,950,207	1,455,638	1,937,675	29,564,986	2,390,000	-	-	1,412,940	900,465,843
Disposal/Adjustment during the year	-	-	-	-	-	(958,000)	-	-	-	-	(958,000)
Balance as at 30 June 2018	**336,130,845**	**1,522,123,764**	**844,483,533**	**20,462,953**	**12,396,764**	**117,681,683**	**292,707,720**	**191,584,716**	**22,490,518**	**8,885,518**	**3,368,948,014**
Balance as on 01 July 2018	336,130,845	1,522,123,764	844,483,533	20,462,953	12,396,764	117,681,683	292,707,720	191,584,716	22,490,518	8,885,518	3,368,948,014
Addition during the year	486,105,473	10,957,264	170,056,970	5,423,205	2,499,935	33,925,000	-	4,185,174	-	4,174,670	717,327,691
Disposal/Adjustment during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	**822,236,318**	**1,533,081,028**	**1,014,540,503**	**25,886,158**	**14,896,699**	**151,606,683**	**292,707,720**	**195,769,890**	**22,490,518**	**13,060,188**	**4,086,275,705**
Accumulated depreciation											
Balance as on 01 July 2017	-	452,874,740	190,834,143	6,624,958	6,071,837	27,065,583	68,593,058	54,405,937	12,963,250	4,725,982	824,159,488
Charged for the year	-	52,221,329	24,340,681	1,335,204	1,111,452	7,872,778	16,704,037	6,858,939	952,727	645,837	112,042,984
Adjustment for disposal during the year	-	-	-	-	-	(530,338)	-	-	-	-	(530,338)
Balance as at 30 June 2018	**-**	**505,096,069**	**215,174,824**	**7,960,162**	**7,183,289**	**34,408,023**	**85,297,095**	**61,264,876**	**13,915,977**	**5,371,819**	**935,672,134**
Balance as on 01 July 2018	-	505,096,069	215,174,824	7,960,162	7,183,289	34,408,023	85,297,095	61,264,876	13,915,977	5,371,819	935,672,134
Charged for the year	-	101,893,075	36,466,339	1,495,966	1,253,226	9,819,699	15,555,797	6,653,082	857,454	1,223,612	175,218,250
Adjustment for disposal during the year	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2019	**-**	**606,989,144**	**251,641,163**	**9,456,128**	**8,436,515**	**44,227,722**	**100,852,892**	**67,917,958**	**14,773,431**	**6,595,431**	**1,110,890,384**
Carrying amount											
As at 30 June 2018	**336,130,845**	**1,017,027,695**	**629,308,709**	**12,502,791**	**5,213,475**	**83,273,660**	**207,410,625**	**130,319,840**	**8,574,541**	**3,513,699**	**2,433,275,880**
As at 30 June 2019	**822,236,318**	**926,091,884**	**762,899,340**	**16,430,030**	**6,460,184**	**107,378,961**	**191,854,828**	**127,851,932**	**7,717,087**	**6,464,757**	**2,975,385,321**

Depreciation allocated to:

	Note(s)	Allocation Basis	01 Jul 2018 to 30 Jun 2019 Taka	01 Jul 2017 to 30 Jun 2018 Taka
Direct expenses	22.02	90.00%	157,696,424	100,838,686
Administrative expenses	23.00	5.00%	8,760,913	5,602,149
Selling and distribution expenses	24.00	5.00%	8,760,913	5,602,149
			175,218,250	**112,042,984**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

		Note(s)	30 June 2019 Taka	30 June 2018 Taka
5.00	**Capital work-in-progress**			
	Opening balance		11,285,676,865	2,735,692,870
	Add: Expenses incurred during the year		8,475,183,402	8,549,983,995
			19,760,860,267	11,285,676,865
	Less: Capitalized during the year		-	-
	Closing balance		**19,760,860,267**	**11,285,676,865**

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.

6.00	**Intangible assets**			
	Software	6.01	966,383	1,164,431
			966,383	**1,164,431**
6.01	**Intangible assets schedule**			
	Cost			
	Opening balance		1,980,475	1,620,000
	Add: Addition during the year		-	360,475
	Closing balance		**1,980,475**	**1,980,475**
	Accumulated amortization			
	Opening balance		816,044	621,000
	Add: Charged during the year		198,048	195,044
	Closing balance		**1,014,092**	**816,044**
	Carrying amount		**966,383**	**1,164,431**
7.00	**Investments**			
	Investment in Un-quoted equity-at cost	7.01	1,000,000	1,000,000
	Investment in quoted shares - at fair value	7.02	85,036,796	81,220,359
	Share Money Deposit (Star Allied Venture Limited)		62,500,000	-
	Investments in Fixed Deposit Receipts (FDR)	7.03	187,458,513	174,216,331
			335,995,309	**256,436,690**
7.01	**Investment in Un-quoted equity-at cost**			
	GPH Steels Limited		1,000,000	1,000,000
			1,000,000	**1,000,000**

7.01.01 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.

7.02	**Investment in quoted shares - at fair value**			
	Opening balance		81,220,359	107,620,897
	Sales during the year		-	(32,071,921)
	Net change in fair value of investment in quoted shares	7.02.01	3,816,437	5,671,383
			85,036,796	**81,220,359**

7.02.01 Details of investment in quoted (tradeable securities) shares

Particulars	Number of shares	30 June 2019		30 June 2018
		Fair value	Gain/ (Loss)	Fair value
Bank Asia Limited	664,993	11,861,713	627,949	11,233,764
Eastern Bank Limited	26,005	984,731	204,953	779,778
Envoy Textile Limited	927,269	32,340,825	996,471	31,344,354
Meghna Cement Limited	80,943	7,154,515	(185,563)	7,340,078
Peoples Insurance Co. Limited	303,400	6,711,906	997,716	5,714,190
Pubali Bank Limited	490,568	12,856,782	1,608,453	11,248,329
Square Pharmaceuticals Limited	49,751	13,126,324	(433,542)	13,559,866
	2,542,929	**85,036,796**	**3,816,437**	**81,220,359**

HUSSAIN FARHAD & CO.

7.02.02 Investments in quoted shares are carried at fair value net of cost to sale as on 30 June 2019. Changes in fair value are recognized under other comprehensive income in the statement of profit or loss and other comprehensive income.

7.03 Investments in Fixed Deposit Receipts of Standard Chartered Bank which are lien against overdraft.

		Note(s)	30 June 2019 Taka	30 June 2018 Taka
8.00	**Short term investment**			
	Investments in Fixed Deposit Receipts (FDR)	8.01	449,929,013	1,711,808,705
			449,929,013	**1,711,808,705**

8.01	Name of the banks	Purpose	Tenure	Rate of Interest		
	AB Bank Limited	L/C Margin	6 Months	9.00%-9.50%	75,063,374	60,278,358
	Dutch Bangla Bank Limited	L/C Margin	6 Months	3.30% - 4.25%	37,690,159	4,836,608
	IPDC Finance Limited	Lien against Term Loan	6 Months	8.25%	10,737,917	-
	Midland Bank Limited	BG Margin	6 Months	7.50% - 10.50%	173,598	144,969
	NCC Bank Limited	L/C Margin	6 Months	7.00% - 8.00%	28,784,259	-
	One Bank Limited	L/C Margin	6 Months	6.00% - 7.00%	14,529,552	26,015,439
	Pubali Bank Limited	L/C Margin	6 Months	6.50%	25,065,912	11,387,372
	Southeast Bank Limited	L/C Margin	3 - 12 Months	6.00% - 6.50%	47,858,284	1,578,134,217
	State Bank of India	BG Margin	6 Months	6.00% - 7.50%	2,359,554	2,240,090
	The City Bank Limited	L/C Margin	3-12 Months	3.00%	36,431,086	19,647,191
	Trust Bank Limited	L/C Margin	6 Months	6.00% - 7.00%	32,151,400	-
	United Commercial Bank Limited	L/C Margin	6 Months	4.00% - 7.75%	139,083,918	9,124,461
					449,929,013	**1,711,808,705**

		Note(s)	30 June 2019 Taka	30 June 2018 Taka
9.00	**Advances, deposits and prepayments**			
	Advances	9.01	2,320,075,264	1,938,266,162
	Deposits	9.02	69,167,153	54,028.647
	Prepayments	9.03	1,220,684	1,646,304
			2,390,463,101	**1,993,941,113**
9.01	**Advances**			
	Against income tax	9.01.01	456,663,991	459,239,289
	Against VAT current account		476,448	3,262,290
	Against land		800,000,000	300,000,000
	Against LC		486,986,236	766,508,975
	Against other supply		566,504,000	405,635,899
	Against raw material supply		5,642,697	1,545,806
	Against employees		3,801,892	2,073,903
			2,320,075,264	**1,938,266,162**
9.01.01	**Advance income tax**			
	Opening balance		459,239,289	442,015,510
	Addition during the year		167,977,220	194,410,354
	Paid/adjusted during the year		(170,552,518)	(177,186,575)
			456,663,991	**459,239,289**
9.02	**Deposits**			
	Bangladesh Power Development Board		33,000,000	33,000,000
	Karnaphuli Gas Distribution Company Limited		21,738,586	3,298,346
	Security to Shipping Lines		14,328,567	17,730,301
	Bangladesh Railway		100,000	-
			69,167,153	**54,028,647**
9.03	**Prepayments**			
	Insurance premium		1,220,684	841,074
	Bangladesh Standards and Testing Institution		-	805,230
			1,220,684	**1,646,304**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

9.04 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.

		Note(s)	30 June 2019 Taka	30 June 2018 Taka
10.00	**Inventories**			
	Finished goods	10.01	1,664,014,256	1,494,878,743
	Raw materials	10.02	912,274,607	1,023,133,141
	Spares and other materials	10.03	215,770,808	344,773,302
			2,792,059,671	**2,862,785,186**
10.01	**Finished Goods**			
	M. S. Rod		1,188,444,250	1,259,881,852
	M. S. Billet		475,570,006	234,996,891
			1,664,014,256	**1,494,878,743**
10.02	**Raw Materials**			
	Melting Scrap		799,667,784	792,522,669
	Sponge Iron		73,871,534	185,150,629
	Ferro Alloy		33,523,101	39,085,001
	Quartz Powder		2,368,324	3,601,450
	Pet Coke		2,843,864	2,773,392
			912,274,607	**1,023,133,141**
10.03	**Spares and other materials**			
	Refractory Bricks		50,734,883	116,686,715
	Spares and Consumables		153,579,446	211,010,006
	Rolls		2,707,656	2,616,117
	Graphite Electrode		8,174,362	13,724,904
	Copper Mould Tube		574,461	735,560
			215,770,808	**344,773,302**
11.00	**Trade and other receivables**			
	Trade receivables	11.01	2,176,118,871	1,633,664,201
	Other receivable	11.03	329,473,142	291,142,158
			2,505,592,013	**1,924,806,359**
11.01	**Ageing of trade receivables**			
	Dues within 6 Months		2,095,980,901	1,558,307,976
	Dues over 6 months		80,137,970	75,356,225
			2,176,118,871	**1,633,664,201**

11.02 Trade Receivables represent receivable from 591 parties as on 30 June 2019 (677 Parties as on 30 June 2018). Receivables are unsecured but considered good and recoverable.

11.03 Interest at 12% per annum has been charged on outstanding balance of other receivable from Arbee Textiles Limited.

12.00	**Cash and cash equivalents**			
	Cash in hand	12.01	1,792,953	1,298,946
	Cash at bank	12.02	275,718,575	72,050,839
	FDR Account	12.03	4,262,433	150,993,384
			281,773,961	**224,343,169**

HUSSAIN FARHAD & CO. ★ CHARTERED ACCOUNTANTS ★

		30 June 2019	30 June 2018
		Taka	Taka
12.01	**Cash in hand**		
	Dhaka office petty cash	877,866	599,698
	Factory petty cash	177,898	194,248
	Minimill petty cash	737,189	505,000
		1,792,953	**1,298,946**

12.02 Cash at Bank

Name of the Banks	Branch	Account Type		
AB Bank Limited	Gulshan	Current	48,245	9,395
AB Bank Limited	Sitakunda	Current	95,491	89,230
Agrani Bank Limited	Asadgonj	Current	17,304	27,535
Agrani Bank Limited	Principal	Current	8,305	11,955
Al-Arafah Islami Bank Limited	Jubilee Road	Current	629,694	252,952
Al-Arafah Islami Bank Limited	Khatungonj	Current	13,057	25,842
Bangladesh Development Bank Limited	Khatungonj	Current	1,921	3,301
Bank Al Falah Limited	Agrabad	Current	16,443	17,592
Bank Asia Limited	Anderkilla	Current	20,460	24,814
Bank Asia Limited	Banani	Current	147	681,184
BASIC Bank Limited	Asadgonj	Current	45,855	4,481,873
BRAC Bank Limited	Agrabad	Current	14,735	25,872
Dhaka Bank Limited	Khatungonj	Current	70,888	51,026,910
Dutch Bangla Bank Limited	Khatungonj	Current	1,636,896	37,033
Dutch Bangla Bank Limited	Agrabad	Current	785,925	113,501
Eastern Bank Limited	Agrabad	Current	113,380	10,528
EXIM Bank Limited	Khatungonj	Current	16,620	25,628
First Security Islami Bank Limited	Khatungonj	Current	11,153	3,943
HSBC	Agrabad	Current	2,970	2,970
IFIC Bank Limited	Khatungonj	Current	18,557	9,937
Islami Bank Bangladesh Limited	Khatungonj	Current	96,907	31,577
Jamuna Bank Limited	Khatungonj	Current	3,137,740	762,555
Janata Bank Limited	Khatungonj	Current	15,607	23,013
Mercantile Bnak Limited	Khatungonj	Current	3,236	-
Meghna Bank Limited	Agrabad	Current	3,110	67,426
Midland Bank Limited	Agrabad	Current	90,838	2,210
Modhumoti Bank Limited	Agrabad	Current	10,555	1,086,005
Mutual Trust Bank Limited	Khatungonj	Current	951,665	2,205,391
National Bank Limited	Anderkilla	Current	17,450	26,762
National Bank Limited	Jubilee Road	Current	6,140	7,865
NCC Bank Limited	Khatungonj	Current	129,813	620,866
NRB Bank Limited	Agrabad	Current	68,295	-
NRB Commercial Bank Limited	Agrabad	Current	12,537	9,360
One Bank Limited	Khatungonj	Current	1,298,136	220,004
Premier Bank Limited	Khatungonj	Current	27,371	-
Premier Bank Limited	O.R Nizam Road	Current	13,928	17,168
Prime Bank Limited	Khatungonj	Current	11,142	24,920
Prime Bank Limited	O.R Nizam Road	Current	10,689	16,759
Shahajalal Islami Bank Limited	Khatungonj	Current	18,252	25,069
Shimanto Bank Limited	Agrabad	Current	9,425	-
Social Islami Bank Limited	Khatungonj	Current	9,706	112,744
Sonali Bank Limited	Khatungonj	Current	250,720	273,437
Sonali Bank Limited	Motijheel F. Ex.	Current	99,425	-
South Bangla Agricultural Bank Limited	Agrabad	Current	15,685	335
Southeast Bank Limited	Khatungonj	Current	980,589	528,579
Standard Bank Limited	Khatungonj	Current	586,171	13,703
State Bank of India	Jubilee Road	Current	51,312	71,579
The City Bank Limited	Khatungonj	Current	3,096,760	1,204,177

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

Name of the Banks	Branch	Account Type	30 June 2019 Taka	30 June 2018 Taka
Trust Bank Limited	Ashulia	Current	18,354	23,054
Trust Bank Limited	CDA Avenue	Current	724,011	209,608
United Commercial Bank Limited	Khatungonj	Current	-	724,077
United Commercial Bank Limited	Gulshan	Current	4,755,404	826,126
United Commercial Bank Limited	Khatungonj	Escrow	194,537,071	1,910,264
Union Bank Limited	Khatungonj	Current	37,014	25,853
Uttara Bank Limited	Khatungonj	Current	25,297	525,915
Uttara Bank Limited	Laldighi	Current	55,545,022	-
Sub-total			**270,233,423**	**68,478,396**
AB Bank Limited	Khatungonj	SND	546,018	529,110
AB Bank Limited	Khatungonj	GBP	12,157	12,529
AB Bank Limited	Khatungonj	USD	46,646	46,204
AB Bank Limited	Khatungonj	SND	297	-
Mutual Trust Bank Limited	Khatungonj	SND	2,028	4,478
Southeast Bank Limited	Khatungonj	SND	94,434	1,535,213
Standard Chartered Bank	Agrabad	SND	920,215	920,165
Standard Chartered Bank	Agrabad	SND	3,863,357	524,744
Sub-total			**5,485,152**	**3,572,443**
Total			**275,718,575**	**72,050,839**

12.03 FDR Account

Name of the banks	Tenure	Rate of Interest		
Dutch Bangla Bank Limited			-	17,468,858
Southeast Bank Limited			-	26,297,552
Trust Bank Limited	1 Month	2.00%	4,262,433	31,801,852
United Commercial Bank Limited			-	75,425,122
			4,262,433	**150,993,384**

Above FDR in Trust Bank Limited is lien against L/C margin.

13.00 Share capital

Authorized Capital			
1,000,000,000	Ordinary Shares of Tk 10 each	**10,000,000,000**	**10,000,000,000**
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	-
360,186,750	**Ordinary Shares of Tk 10 each**	**3,601,867,500**	**3,274,425,000**

HUSSAIN FARHAD & CO. ★ CHARTERED ACCOUNTANTS ★

13.01 Position of share holding

Shareholders	30 June 2019 Percentage of holding	30 June 2019 Amount in Taka	30 June 2018 Percentage of holding	30 June 2018 Amount in Taka
Mr. Mohammed Jahangir Alam	23.58%	849,213,750	29.99%	982,012,500
Mr. Md. Abdur Rouf	3.00%	108,056,020	3.00%	98,232,750
Mr. Md. Alamgir Kabir	4.81%	173,296,200	4.81%	157,542,000
Mr. Md. Almas Shimul	10.83%	389,916,450	10.83%	354,469,500
Mr. Md. Ashrafuzzaman	3.00%	108,056,020	3.00%	98,232,750
Mr. Md. Abdul Ahad	2.40%	86,444,820	2.40%	78,586,200
Mr. Md. Azizul Haque Raju	2.00%	72,037,350	2.00%	65,488,500
General Shareholders	50.38%	1,814,846,890	43.97%	1,439,860,800
TOTAL	**100%**	**3,601,867,500**	**100%**	**3,274,425,000**

13.02 Classification of shares by holding

Slab by number of shares	30 June 2019 No. of Holders	30 June 2019 No. of Shares	30 June 2019 Holding(%)	30 June 2018 Holding(%)
Less than 500	1,947	292,650	0.08%	0.10%
500-5,000	4,055	6,847,634	1.90%	2.54%
5,001-10,000	520	3,684,293	1.02%	1.45%
10,001-20,000	355	4,893,133	1.36%	1.91%
20,001-30,000	147	3,597,079	1.00%	1.30%
30,001-40,000	53	1,850,695	0.51%	0.68%
40,001-50,000	39	1,793,454	0.50%	0.46%
50,001-100,000	75	5,589,065	1.55%	2.03%
100,001-1,000,000	93	24,426,417	6.78%	7.70%
Above 1,000,000	39	307,212,330	85.30%	81.83%
	7,323	**360,186,750**	**100%**	**100%**

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
14.00 Long Term Loan			
Term Loan	14.01	3,770,134,034	3,655,315,092
Long Term Financing Facility	14.02	1,742,500,000	-
Syndication Term Loan	14.03	10,305,497,872	4,410,755,820
Loan From Directors	14.04	1,073,821,620	573,821,620
		16,891,953,526	**8,639,892,532**

14.01 Term Loan

	30 June 2019 Taka	30 June 2018 Taka
Agrani Bank Limited	-	503,868,152
Eastern Bank Limited	447,967,552	35,275,689
NCC Bank Limited	-	201,098,093
Pubali Bank Limited	716,041,696	651,648,133
State Bank of India	31,619,476	42,354,529
United Commercial Bank Limited	1,698,707,563	2,221,070,496
Trust Bank Limited	875,797,747	-
	3,770,134,034	**3,655,315,092**

14.01.01 Terms of Long Term Loan Facility

Eastern Bank Limited

Security:

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

Rate of Interest:

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

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

Pubali Bank Limited

Security:

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

Rate of Interest:

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

State Bank of India

Security:

First Priority Fixed 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. and hypothecated in favor of the bank with BRTA, Personal Guarantee of all Directors and Corporate Guarantee of Jahangir & Others Limited.

Rate of Interest:

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

Trust Bank Limited

Security:

Post dated Cheques, Personal Guarantee of all Directors and Corporate Guarantee.

Rate of Interest:

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

United Commercial Bank Limited

Security:

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

Rate of Interest:

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

		30 June 2019	30 June 2018
		Taka	Taka
14.02	**Long Term Financing Facility**		
	Eastern Bank Limited	236,538,000	-
	Mutual Trust Bank Limited	175,826,750	-
	NCC Bank Limited	467,557,800	-
	One Bank Limited	70,567,000	-
	Pubali Bank Limited	352,047,900	-
	Southeast Bank Limited	87,913,375	-
	United Commercial Bank Limited	352,049,175	-
		1,742,500,000	**-**

14.02.01 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 drawndown.

Disbursement:

First Disbursment of USD on 13 February 2019.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

Repayments:

Principal amount under the USD term loan facility shall be repaid in 16 (sixteen) equal half yearly installments. Repayment from the end of 30th month of the date of 1st drawndown the facilities agreement and will end on the 120th month and the balance amount, if any shall be paid in last installment.

Securities:

First ranking pari-passu charge registered with RJSC over all fixed and floating assets of the Company.

Purpose:

To procure plant, machinery, 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 2019	30 June 2018
		Taka	Taka
14.03	**Syndication Term Loan**		
	AB Bank Limited	101,836,270	91,679,637
	Agrani Bank Limited	300,650,000	-
	Basic Bank Limited	290,594,002	258,996,473
	Jamuna Bank Limited	104,699,969	93,308,906
	Janata Bank Limited	683,271,359	-
	Mercantile Bank Limited	104,757,311	93,383,653
	Midland Bank Limited	104,702,799	93,311,467
	One Bank Limited	101,660,946	91,975,118
	Pubali Bank Limited	202,280,947	180,295,371
	Sonali Bank Limited	569,392,799	-
	Southeast Bank Limited	78,533,716	69,983,600
	The City Bank Limited	78,533,764	69,983,600
	United Commercial Bank Limited	209,353,676	186,623,888
	ODDO BHF Aktiengesellschaft, Germany	6,802,747,765	3,181,214,107
	IPDC Finance Limited	418,380,422	-
	United Finance Limited	154,102,127	-
		10,305,497,872	**4,410,755,820**

14.03.01 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 15 (fifteen) other local and foreign Banks and Financial Institutions.

Total loan facilities:

The syndication financing comprises BDT. 5,594 million and USD facility of 94.84 million only for implementation of the steel melting plant.

Interest rate:

BDT	30 June 2019
Government Banking Institutions	9.00%
Non-government Banking Institutions	11.50%
Non-Banking Financial Institutions	14.00%
USD	
ODDO BHF Aktiengesellschaft, Germany	Margin 2.65% + 6 months LIBOR

Interest payable:

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

Disbursement:

First Disbursment of BDT made on 31 March 2018 and USD on 09 August 2017.

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

Repayments:

Principal amount under the BDT from government banking institutions shall be repaid in 32 (thirty two) equal quarterly installments, BDT from non-goverment banking institutions and USD term loan facility shall be repaid in 16 (sixteen) equal quarterly installments. For government banking institutions, repayment from the end of 27th month of the date of 1st drawndown, for non-government banking institutions, repayment from the end of 30th month of the date of 1st drawndown and for USD facility, from the end of 42nd month of 1st drawndown and the balance amount, if any shall be paid in last installment.

Securities:

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

Purpose:

To procure plant, machinery, 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.

		Note(s)	30 June 2019 Taka	30 June 2018 Taka
14.04	**Loan From Directors**			
	Mr. Mohammed Jahangir Alam		723,525,125	273,525,125
	Mr. Md. Almas Shimul		350,296,495	300,296,495
			1,073,821,620	**573,821,620**
14.05	**Long Term Loan - Maturity analysis**			
	Due within one year		215,522,700	280,862,291
	Due after one year		16,676,430,826	8,359,030,241
			16,891,953,526	**8,639,892,532**
15.00	**Finance lease obligations**			
	Pubali Bank Limited	15.02	12,835,656	6,853,887
	United Commercial Bank Limited	15.03	9,387,220	4,833,574
	Industrial and Infrastructure Development Finance Company Limited	15.04	70,810,462	89,656,773
			93,033,338	**101,344,234**
15.01	**Finance Lease Obligation - Maturity analysis**			
	Due within one year		27,096,780	25,931,192
	Due after one year		65,936,558	75,413,042
			93,033,338	**101,344,234**
15.02	**Pubali Bank Limited**			
	Due within one year		2,459,729	5,253,237
	Due after one year		10,375,927	1,600,650
			12,835,656	**6,853,887**

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

i) Principal amount of finance: Tk. 14,120,000 - Repaid till 30 June2019: Tk 1,284,344.

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

HUSSAIN FARHAD & CO. ★ CHARTERED ACCOUNTANTS ★

		30 June 2019	30 June 2018
		Taka	Taka
15.03	**United Commercial Bank Limited**		
	Due within one year	3,517,679	1,758,728
	Due after one year	5,869,541	3,074,846
		9,387,220	**4,833,574**

***HP-Hire purchase**

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

i) Principal amount of finance: Tk. 14,303,000 - Repaid till 30 June2019: Tk 4,915,780
ii) Repayment Term is 4 - 4.5 years

Security:

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

15.04	**Industrial and Infrastructure Development Finance Company Limited**		
	Due within one year	21,119,372	18,919,227
	Due after one year	49,691,090	70,737,546
		70,810,462	**89,656,773**

i) Principal amount of finance: Tk. 100,000,000 - Repaid till 30 June 2019: Tk 29,189,538.
ii) Repayment Term is 4.5 years

Security :

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

16.00	**Defined Benefit Obligation (Gratuity)**		
	Opening Balance	31,176,685	26,402,277
	Add: Provision made during the year	5,354,720	5,179,208
		36,531,405	31,581,485
	Less: Paid during the year	(611,943)	(404,800)
	Closing balance	**35,919,462**	**31,176,685**

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	154,094,265	126,478,102
Add: Provided/(adjusted) during the year		
Taxable/(deductible) temporary difference of PPE (excluding land)	21,282,542	28,768,407
Intangible asset	(49,512)	41,358
Provision for Gratuity	(1,185,695)	(1,193,602)
Investment in quoted shares	10,567	-
	20,057,902	**27,616,163**
Closing Balance	**174,152,167**	**154,094,265**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

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

As on 30 June 2019	Carrying amount Taka	Tax base Taka	Rate Applied (%)	Temporary difference Taka	Deferred tax liability /(asset) Taka
Property, plant and equipment	2,153,149,003	1,421,629,524	25%	731,519,479	182,879,870
Intangible asset	966,383	-	25%	966,383	241,596
Provision for gratuity	(35,919,462)	-	25%	(35,919,462)	(8,979,866)
Investment in quoted shares	85,036,796	84,931,122	10%	105,674	10,567
					174,152,167

As on 30 June 2018	Carrying amount Taka	Tax base Taka	Rate Applied (%)	Temporary difference Taka	Deferred tax liability /(asset) Taka
Property, plant and equipment	2,097,145,035	1,450,755,719	25%	646,389,316	161,597,328
Intangible asset	1,164,431	-	25%	1,164,431	291,108
Provision for gratuity	(31,176,685)	-	25%	(31,176,685)	(7,794,171)
					154,094,265

		Notes	30 June 2019 Taka	30 June 2018 Taka
18.00	**Short term borrowings**			
	Loan against Trust Receipt (LATR)	18.01	743,925,522	647,847,786
	Time loan	18.02	3,816,465,341	4,687,467,034
	Bank overdraft and cash credit	18.03	2,560,552,992	1,919,176,476
			7,120,943,855	**7,254,491,296**
18.01	**Loan against Trust Receipt (LATR)**			
	AB Bank Limited		65,320,992	25,446,924
	Islami Bank Bangladesh Limited		402,561,010	431,158,083
	Mercantile Bank Limited		72,959,443	71,116,290
	Pubali Bank Limited		2,787,788	1,024,426
	Trust Bank Limited		200,296,289	119,102,063
			743,925,522	**647,847,786**
18.02	**Time loan**			
	AB Bank Limited		225,545,971	342,674,168
	Bank Asia Limited		202,638,540	198,109,218
	Basic Bank Limited		51,099,898	51,377,834
	Dutch Bangla Bank Limited		302,013,442	220,172,131
	Eastern Bank Limited		-	255,015,052
	Meghna Bank Limited		203,423,892	87,321,031
	Mercantile Bank Limited		127,237,796	96,565,367
	Midland Bank Limited		-	174,700,346
	One Bank Limited		449,121,706	435,777,439
	Standard Chartered Bank		714,769,273	636,168,076
	The City Bank Limited		294,009,241	570,935,011
	Trust Bank Limited		339,113,182	431,027,971
	United Commercial Bank Limited		308,893,098	410,964,433
	Non Funded Liabilities		598,599,302	776,658,957
			3,816,465,341	**4,687,467,034**
18.03	**Bank overdraft and cash credit**			
	AB Bank Limited		22,027,601	22,173,226
	Agrani Bank Limited		498,753,971	-
	Bank Asia Limited		49,057,344	50,790,664
	Basic Bank Limited		46,874,481	43,779,501

HUSSAIN FARHAD & CO. ★ CHARTERED ACCOUNTANTS ★

	Notes	30 June 2019 Taka	30 June 2018 Taka
Eastern Bank Limited		42,349,350	45,513,397
Meghna Bank Limited		35,990,655	51,273,537
Mercantile Bank Limited		83,349,703	124,022,889
Midland Bank Limited		149,457,707	153,875,463
Modhumoti Bank Limited		371,749,208	379,964,889
NCC Bank Limited		193,990,961	-
Premier Bank Limited		304,239,081	306,739,914
Standard Chartered Bank		130,409,771	145,997,110
State Bank of India		498,148,695	510,396,698
The City Bank Limited		-	34,288,353
Trust Bank Limited		90,374,970	34,892,664
United Commercial Bank Limited		43,779,494	15,468,171
		2,560,552,992	**1,919,176,476**

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

		Note(s)	30 June 2019 Taka	30 June 2018 Taka
19.00	**Creditors and accruals**			
	For Revenue Expenses	19.01	61,851,749	54,134,202
	For Other Finance	19.02	36,685,362	35,575,385
	For Supplies		91,728,754	98,848,784
	GPH Power Generation Limited		319,119,710	292,099,522
	Advance Against Sales		19,890,012	267,824,174
	Workers' Profit Participation Fund	19.03	57,888,337	63,231,325
			587,163,924	**811,713,392**
19.01	**Revenue Expenses**			
	Salary Payable		25,900,000	21,606,700
	Audit Fee Payable		270,000	270,000
	Utility Bill Payable		33,200,000	30,580,000
	Provident Fund	19.01.01	1,656,749	852,502
	Directors' Remuneration Payable		825,000	825,000
			61,851,749	**54,134,202**
19.01.01	**Provident Fund**			
	Opening Balance		852,502	664,817
	Add: Addition during the year		8,567,550	7,439,164
			9,420,052	8,103,981
	Less: Paid during the year		(7,763,303)	(7,251,479)
	Closing balance		**1,656,749**	**852,502**
19.02	**Other Finance**			
	Advance Income Tax Payable		10,877,487	3,695,594
	VAT Deducted at Source		20,570,800	4,971,363
	Unpaid Refund Warrant		453,670	453,670
	Unclaimed Dividend		4,783,405	26,454,758
			36,685,362	**35,575,385**

HUSSAIN FARHAD & CO.

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
19.03 Workers' Profit Participation Fund			
Opening Balance		63,231,325	40,095,644
Add: Addition during the year		56,585,619	45,455,589
		119,816,944	85,551,233
Less: Paid during the year		(61,928,607)	(22,319,908)
Closing balance		**57,888,337**	**63,231,325**

20.00 Current tax liability			
Opening Balance		176,176,162	183,382,931
Add: Provision made during the period	20.02	248,877,693	169,979,806
		425,053,855	353,362,737
Less: Paid/adjusted during the period	9.01.01	(170,552,518)	(177,186,575)
Closing balance		**254,501,337**	**176,176,162**

20.01 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 (First)
2017-2018	2018-2019	183,382,931	169,979,806	(177,186,575)	176,176,162	Return submitted
2018-2019	2019-2020	176,176,162	248,877,693	(170,552,518)	254,501,337	Return to be submitted

	30 June 2019		30 June 2018	
	Rate	Taka	Rate	Taka
20.02 Reconciliation of effective tax rate				
Profit before tax		1,075,126,756		863,656,199
Total income tax expense	**23.15%**	**248,877,693**	**19.68%**	**169,979,806**
Factors affecting the tax charge:				
Tax using the applicable rate	25.00%	268,781,689	25.00%	215,914,050
Difference between accounting and fiscal depreciation	-1.97%	(21,233,028)	-4.91%	(42,445,837)
Inadmissible expenses	0.07%	740,000	0.00%	-
Difference between gratuity provision and payment	0.11%	1,185,694	0.14%	1,193,602
Rebate on export sales	-0.05%	(485,644)	-0.08%	(684,195)
Adjustment for reduced rated taxable income	-0.01%	(111,018)	-0.46%	(3,997,814)
	23.15%	**248,877,693**	**19.68%**	**169,979,806**

	Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
21.00 Revenue			
Local Sales	21.01	13,362,207,675	9,814,879,780
Export Sales	21.02	58,848,748	108,526,226
		13,421,056,423	**9,923,406,006**
Value Added Tax		(152,372,496)	(109,304,886)
		13,268,683,927	**9,814,101,120**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

		Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
21.01	**Local Sales**			
	M.S. Rod		13,285,774,722	9,744,261,210
	Cut Pieces		18,086,013	6,925,850
	Miss Roll and Ovel		58,346,940	63,692,720
			13,362,207,675	**9,814,879,780**
21.02	**Export Sales**			
	M.S. Rod		58,848,748	108,526,226
			58,848,748	**108,526,226**

Total export sales during the year was 1,000 Metric Ton and it was 2,232 Metric Ton of goods for the year ended on 30 June 2018.

22.00	**Cost of goods sold**			
	Opening Finished goods			
	M.S. Rod		1,259,881,852	921,234,173
	M.S. Billet		234,996,891	269,255,593
			1,494,878,743	**1,190,489,766**
	Add: Cost of Production	22.01	11,279,890,674	8,515,945,556
			12,774,769,417	**9,706,435,322**
	Less: Closing Finished goods			
	M.S. Rod	10.01	1,188,444,250	1,259,881,852
	M.S. Billet	10.01	475,570,006	234,996,891
			1,664,014,256	**1,494,878,743**
			11,110,755,161	**8,211,556,579**
22.01	**Cost of Production**			
	Opening Stock of:			
	Raw Material		1,023,133,141	1,045,328,690
	Spare and Other		344,773,302	218,778,006
			1,367,906,443	**1,264,106,696**
	Add: Purchase			
	Raw Material		9,398,686,812	7,151,689,098
	Spare and Other		335,404,121	348,911,823
			9,734,090,933	**7,500,600,921**
	Less: Closing Stock of			
	Raw Material	10.02	912,274,607	1,023,133,141
	Spare and Other materials	10.03	215,770,808	344,773,302
			1,128,045,415	**1,367,906,443**
	Raw and Other Materials Consumed		**9,973,951,961**	**7,396,801,174**
	Add: Factory overhead	22.02	1,305,938,713	1,119,144,382
	Cost of Production		**11,279,890,674**	**8,515,945,556**
22.02	**Factory overhead**			
	Salaries, Wages and Allowances		217,338,717	185,915,529
	Overtime		20,371,994	18,995,040
	Bonus		9,042,924	7,717,753
	Depreciation	4.00	157,696,424	100,838,686
	Carriage Inward		2,941,941	4,867,778
	Daily Labour Bill		21,875,898	22,944,894
	Electricity Bill		741,385,533	645,015,744
	Factory Canteen		8,980,563	8,530,101
	Fuel, Oil and Lubricant		33,583,832	35,279,580
	Gas Bill		38,893,771	38,562,537
	Insurance		2,550,033	2,018,087
	Internet Expenses		3,436	6,481
	Loading and Unloading Expenses		5,977,721	4,481,792
	Medical Expenses		740,295	1,438,445
	Oxygen and LP Gas Charges		20,679,917	17,529,539

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

		Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
	Repair and Maintenance		7,774,843	7,636,541
	Staff Uniform		1,490,217	1,613,314
	Testing Expenses		1,020,650	944,573
	Vehicle Fuel and Maintenance		13,590,004	14,807,918
			1,305,938,713	**1,119,144,382**
23.00	**Administrative expenses**			
	Directors' Remuneration	38.00	17,220,000	15,470,000
	Salary and Allowances		108,117,093	83,442,767
	Depreciation	4.00	8,760,913	5,602,149
	Amortization of Software	6.00	198,048	195,044
	Audit Fee		345,000	345,000
	BIS Certificate Expenses		371,822	150,654
	BO Account Expenses		2,000	900
	Board Meeting Expenses		721,340	305,650
	Bonus		9,437,434	8,390,890
	Corporate Social Responsibility		2,960,000	-
	Electricity and Other Utility Expenses		2,266,809	1,668,442
	Entertainment		3,833,281	2,799,838
	Fees and Renewal		2,022,217	2,029,993
	General Meeting Expenses		926,664	563,299
	Group Insurance Premium		842,532	955,319
	Legal and Professional Fee		825,000	603,000
	Miscellaneous Expenses		1,452,100	1,405,125
	Mobile, Telephone and Internet Charges		3,631,377	3,083,566
	Newspaper and Periodicals		38,260	19,650
	Office Maintenance		2,811,331	2,129,308
	Office Rent		4,217,000	4,702,375
	Postage and Stamps		524,277	305,727
	Recruitment Expenses		104,775	121,008
	Rent, Rate & Taxes		321,850	95,100
	Share Management Expenses		3,189,055	2,840,703
	Software & Data Connectivity Expenses		526,500	741,432
	Stationery and Printing Charges		2,667,905	2,542,775
	Training Fee		46,765	286,959
	Travelling and Conveyance		4,709,760	4,125,988
	Vehicle Expenses		6,009,456	5,711,725
			189,100,564	**150,634,386**
24.00	**Selling and distribution expenses**			
	Advertisement Expenses		42,281,926	40,951,083
	Carriage Outward		149,040,466	101,545,852
	Travelling and Conveyance		7,622,109	7,361,003
	Commission on Sales		9,741,300	9,321,000
	Promotional Expenses		14,818,228	9,772,648
	Depreciation	4.00	8,760,913	5,602,149
	Marketing Collection Expenses		1,477,580	894,146
	Export Expenses		-	42,600
	Sales LC Expenses		-	59,000
	Postage and Stamps		76,140	93,658
			233,818,662	**175,643,139**
25.00	**Finance Cost**			
	Interest on Bank Loan		698,400,926	520,612,847
	Bank Charge		10,856,748	7,150,660
	Loan Processing Fee		6,725,882	11,456,699
	Exchange (Gain)/Loss		(837,272)	27,400,530
			715,146,284	**566,620,736**

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

		Note(s)	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
26.00	**Finance income**			
	Interest Earned from FDR		72,344,876	125,684,447
	Interest Income from SND Account		237,023	6,953,930
	Interest Income from Arbee Textiles Limited		37,046,874	32,760,304
			109,628,773	**165,398,681**
27.00	**Other income**			
	Dividend Income		2,220,346	1,775,096
	Miscellaneous Income for Good Brrower Incentive		-	6,129,000
	Gain on sale of investment in quoted shares		-	26,060,393
	Gain on Disposal of property, plant and equipment		-	102,338
			2,220,346	**34,066,827**

		30 June 2019 Taka	30 June 2018 Taka
28.00	**Net Asset Value Per Share (NAV)**		
	Total Assets	31,493,025,039	22,694,238,398
	Less: Liabilities	25,157,667,609	17,168,888,566
	Net Asset Value (NAV)	6,335,357,430	5,525,349,832
	Number of ordinary shares outstanding during the year	360,186,750	327,442,500
	Net Assets Value (NAV) per share	**17.59**	**16.87**
	*Please refer to note 2.16 & 32		

		01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
29.00	**Earnings per share (EPS)**		
29.01	**Basic Earnings per share**		
	The composition of Earnings per share (EPS) is given below :		
	Total earnings attributable to the ordinary shareholders	806,201,728	666,060,230
	Number of ordinary shares outstanding during the year	360,186,750	327,442,500
	Weighted average number of ordinary shares outstanding during the year	360,186,750	327,442,500
	Basic Earnings Per Share	**2.24**	**2.03**
	*Please refer to note 2.16 & 32		
	Restated Earnings Per Share*		**1.35**

*EPS for the year 01 July 2017 to 30 June 2018 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of IAS 33.

29.02 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.

		01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
30.00	**Net operating cash flow per share**		
	Net operating cash flows (from statement of cash flows)	579,851,459	158,832,394
	Number of ordinary shares outstanding during the year	360,186,750	327,442,500
	Net operating cash flow per share	**1.61**	**0.49**

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

		30 June 2019 Person	30 June 2018 Person
31.00	**Number of employees**		
	Employees drawing salary Tk 3,000 or below per month	-	-
	Employees drawing salary above Tk 3,000 per month	1081	965
		1081	**965**

HUSSAIN FARHAD & CO. ★ CHARTERED ACCOUNTANTS ★

32.00 Prior year adjustments

In the reporting year ended on 30 June 2018 realised gain on sale of investment in quoted shares was recognized as unrealised gain and eventually was reflected in other comprehensive income instead of recognising as income in profit or loss in its financial statements for the relevant year. As a consequence, fair value reserve was overstated and net profit before tax, WPPF and welfare fund, provision for income tax expense ware understated. Effect of foreign exchange rate changes of cash and cash equivalents as on 30 June 2018 has duly been corrected.

These issues have been corrected by restating each of the affected financial statement line items for prior period. The following tables summarise the impacts on the Company's financial statements.

i. Statement of financial position

		30 June 2018		
		Impact of correction of error		
	Note(s)	As previously reported Taka	Adjustments Taka	As restated Taka
Assets				
Cash and cash equivalents	12	224,349,184	(6,015)	224,343,169
Others		22,469,895,229	-	22,469,895,229
Total Assets		**22,694,244,413**	**(6,015)**	**22,694,238,398**
Liabilities				
Current tax liability	20	173,897,307	2,278,855	176,176,162
Creditors and accruals	19	841,587,359	1,302,718	842,890,077
Others		16,149,822,327	-	16,149,822,327
Total Liabilities		**17,165,306,993**	**3,581,573**	**17,168,888,566**
Equity				
Fair value reserve		22,350,684	(26,060,393)	(3,709,709)
Retained earnings		1,095,721,736	22,472,805	1,118,194,541
Others		4,410,865,000	-	4,410,865,000
Total Equity		**5,528,937,420**	**(3,587,588)**	**5,525,349,832**
Total Equity and Liabilities		**22,694,244,413**	**(6,015)**	**22,694,238,398**

ii. Statement of profit or loss and other comprehensive income

		01 July 2017 to 30 June 2018		
		Impact of correction of error		
		As previously stated Taka	Adjustments Taka	As restated Taka
Finance Cost	25	(566,614,721)	(6,015)	(566,620,736)
Non-operating income	26 & 27	173,405,115	26,060,393	199,465,508
Income tax expense - current tax	20	(167,700,951)	(2,278,855)	(169,979,806)
Contribution to WPPF and Welfare Fund	19.03	(44,152,871)	(1,302,718)	(45,455,589)
Others		1,248,650,853	-	1,248,650,853
Profit after tax		**643,587,425**	**22,472,805**	**666,060,230**
Other Comprehensive Income				
Fair value reserve		5,671,383	(26,060,393)	(20,389,010)
		5,671,383	**(26,060,393)**	**(20,389,010)**

		01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
33.00	**Reconciliation of cash flows from operating activities**		
	Profit before income tax	1,075,126,756	863,656,199
	Adjustment for		
	Depreciation charged	175,218,250	112,042,984
	Amortization charged	198,048	195,044
	Gain on sale of property, plant and equipment	-	(102,338)
	Finance Cost	715,983,556	539,220,206
	Finance income	(109,628,773)	(165,398,681)
	Gain on sale of investment in quoted shares	-	(26,060,393)
	Dividend Income (net of tax)	(1,776,325)	(1,420,077)
		1,855,121,512	**1,322,132,944**
	(Increase)/decrease in Current Assets		
	Advances, deposits and prepayments	(399,097,286)	(866,252,418)
	Inventories	70,725,515	(408,188,723)
	Trade and Other receivables	(580,785,654)	130,676,483
	Increase/(decrease) in Current Assets		
	Defined Benefit Obligation - Gratuity	4,742,777	4,774,408
	Creditors and accruals	(202,878,185)	170,100,054
		747,828,679	**353,242,748**
	Income tax paid	**(167,977,220)**	**(194,410,354)**
	Net cash flows generated by operating activities	**579,851,459**	**158,832,394**

34.00 Revenue

Average sales price per ton and volume increased by 7% and 27% respectively. Moreover, the company is going through the process of production enhancement. To increase the Company's market share, the management of the company has decided to start outsourcing M.S. Rod from local manufacturers and a goods volume of trade sales (59,190 MT) also included here. As a result Company's sales has been increased positively.

		Note(s)	01 July 2018 to 30 June 2019 M. Ton	01 July 2017 to 30 June 2018 M. Ton
35.00	**Capacity and production**			
	Production Capacity (In M. Ton)	35.01	360,000	288,000
	Actual Production (In M. Ton)	35.02	329,355	238,230
	Capacity Utilization (%)		91.49	82.72
35.01	**Production Capacity (In M. Ton)**			
	M.S. Billet		210,000	168,000
	M.S. Rod		150,000	120,000
			360,000	**288,000**

Production capacity has been increased due to some modification of the process.

35.02	**Actual Production (In M. Ton)**			
	M.S. Billet		169,042	122,938
	M.S. Rod		160,313	115,292
			329,355	**238,230**

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36.00 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 2019		Outstanding as on 30 June 2018	
1	GPH Power Generation Ltd.	Common Directorship	Supply of power at a flat rate	Cr.	319,119,710	Cr.	292,099,522
2	Jahangir and Other Ltd.	Common Directorship	Head office rent	Cr.	377,550	Cr.	44,036
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.	2,201,836	Cr.	98,041
5	Arbee Textiles Ltd.	Common Directorship	Payment against interest bearing loan	Dr.	329,473,142	Dr.	291,142,158
6	LIPD Industries Ltd.	Common Directorship	Advance	Dr.	185,500	Dr.	185,500
7	GPH Ship Builders Ltd.	Common Directorship	Advance	Dr.	500,000	Dr.	-

37.00 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;

	01 July 2018 to 30 June 2019 Taka	01 July 2017 to 30 June 2018 Taka
Short term employee benefits	53,474,430	47,440,230
Post Employment Benefits	1,677,221	1,354,063
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	55,151,651	**48,794,293**

38.00 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	2,760,000	2,260,000
Mr. Md. Abdul Ahad	Director	2,760,000	1,510,000
		17,220,000	**15,470,000**

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

39.00 Attendance status of Directors in Board Meetings

During the year ended 30 June 2019, 09 (Nine) board meetings 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	9	9
Mr. Mohammed Jahangir Alam	Managing Director	9	9
Mr. Md. Almas Shimul	Director	9	7
Mr. Md. Abdur Rouf	Director	9	5
Mr. Md. Ashrafuzzaman	Director	9	9
Mr. Md. Abdul Ahad	Director	9	9
Mr. Md. Azizul Haque	Director	9	9
Mr. M. A. Malek	Independent Director	9	4
Mr. Velayet Hossain	Independent Director	9	7

HUSSAIN FARHAD & CO.

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
40.00 Contingent liabilities			
Bank guarantee	40.01	520,131,579	2,315,500
L/C liabilities	40.02	4,456,086,855	3,193,410,183
		4,976,218,434	**3,195,725,683**

Contingent liabilities at the reporting date are as follows:

40.01 Bank guarantee		
AB Bank Limited	38,415,980	535,500
Southeast Bank Limited	1,000,000	1,000,000
State Bank of India	1,690,000	780,000
United Commercial Bank Limited	479,025,599	-
	520,131,579	**2,315,500**

40.02 L/C liabilities		
AB Bank Limited	77,220,869	127,455,984
Bank Asia Limited	215,875,428	-
Dutch Bangla Bank Limited	201,583,602	311,683,736
Islami Bank Bangladesh Limited	125,242,954	-
Mercantile Bank Limited	34,201,859	207,267,749
One Bank Limited	277,100,000	238,179,168
Pubali Bank Limited	628,800,000	137,645,812
Southeast Bank Limited	212,526,735	270,589,885
Standard Chartered Bank	-	79,797,332
The City Bank Limited	360,093,825	230,263,176
Trust Bank Limited	388,663,523	513,682,461
United Commercial Bank Limited	1,601,245,878	1,076,844,880
NCC Bank Limited	333,532,182	-
	4,456,086,855	**3,193,410,183**

40.03 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June 2019.

41.00 Events after reporting date

The Board of Directors at the meeting held on 26 October 2019 has recommended 5% stock dividend and 5% cash dividend for the year ended 30 June 2019 which is subject to approval by the shareholders in the Annual General Meeting.

42.00 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2019 other than trade credit available in the ordinary course of business.

43.00 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.

HUSSAIN FARHAD & CO. ★ CHARTERED ACCOUNTANTS ★

	Note(s)
a) Credit risk	43.01
b) Liquidity risk	43.02
c) Market risk	43.03

43.01 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. 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 30 June 2019	Amount in Taka 30 June 2018
Trade and Other receivables	11	2,505,592,013	1,924,806,359
Advance and deposits	9.01 & 9.02	2,389,242,417	1,992,294,809
Investment in FDRs (long term and short term)	7, 8 & 12.03	641,649,959	2,037,018,420
Investment in Un-quoted equity	7.00	63,500,000	1,000,000
Investment in quoted shares	7.00	85,036,796	81,220,359
Cash at bank	12.02	275,718,575	72,050,839
		5,960,739,760	**6,108,390,786**
b) Ageing of receivables			
Dues within 6 months		2,095,980,901	1,558,307,976
Dues over 6 months		80,137,970	75,356,225
		2,176,118,871	**1,633,664,201**

43.02 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	35,919,462	N/A	-	35,919,462	35,919,462
Long term loan	16,891,953,526	4.85% - 14.00%	215,522,700	16,676,430,826	16,891,953,526
Short term borrowings	7,120,943,855	9.00% - 14.00%	7,120,943,855	-	7,120,943,855
Finance lease obligations	93,033,338	10.00% - 14.00%	27,096,780	65,936,558	93,033,338
Creditors and accruals	587,163,924	N/A	587,163,924	-	587,163,924
	24,729,014,105		**7,950,727,259**	**16,778,286,846**	**24,729,014,105**

HUSSAIN FARHAD & CO.

43.03 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

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

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

	30 June 2019	30 June 2018
	Taka	Taka
Exchange rate of US Dollar	84.50	83.70
Exchange rate of GBP	107.26	110.54

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

As there is no current risk exposure, sensitivity analysis has not been presented.

(b) Transaction risk

Transaction risk is the risk that the Company will incure 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.

	30 June 2019	30 June 2018
	Taka	Taka
Fixed- rate instruments		
Fixed rate instrument		
Financial assets	641,649,959	2,037,018,420
Financial liabilities	24,105,930,719	15,995,728,062
	24,747,580,678	**18,032,746,482**
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.

HUSSAIN FARHAD & CO. ★ CHARTERED ACCOUNTANTS ★

44.00 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.

		Carrying amount					
	Note ref.	Fair value through OCI	Held to maturity	Loans and receivables	Available for sale	Other financial liabilities	Total
30 June 2019		Taka	Taka	Taka	Taka	Taka	Taka
Financial Assets measured at fair value							
Investment in quoted shares	7.02	**85,036,796**	-	-	-	-	**85,036,796**
Financial Assets not measured at fair value							
Trade and other receivables	11	-	-	2,505,592,013	-	-	2,505,592,013
Deposits	9.02	-	-	69,167,153	-	-	69,167,153
Investments in FDR	7, 8 & 12.03	-	-		641,649,959	-	641,649,959
Cash at banks	12.02	-	-	275,718,575	-	-	275,718,575
		-	-	**2,850,477,741**	**641,649,959**	-	**3,492,127,700**
Financial Liabilities not measured at fair value							
Long term borrowings	14	-	-	-	-	16,891,953,526	16,891,953,526
Finance lease obligations	15	-	-	-	-	93,033,338	93,033,338
Short term borrowings	18	-	-	-	-	7,120,943,855	7,120,943,855
Creditors and accruals	19	-	-	-	-	587,163,924	587,163,924
		-	-	-	-	**24,693,094,643**	**24,693,094,643**
30 June 2018							
Financial Assets measured at fair value							
Investment in quoted shares	7.02	**81,220,359**	-	-	-	-	**81,220,359**
Financial Assets not measured at fair value							
Trade and other receivables	11	-	-	1,924,806,359	-	-	1,924,806,359
Deposits	9	-	-	54,028,647	-	-	54,028,647
Investments in FDR	7, 8 & 12.03	-	-	-	2,037,018,420	-	2,037,018,420
Cash at banks	12.02	-	-	72,050,839	-	-	72,050,839
		-	-	**2,050,885,845**	**2,037,018,420**	-	**4,087,904,265**
Financial Liabilities not measured at fair value							
Long term borrowings	14	-	-	-	-	8,639,892,532	8,639,892,532
Finance lease obligations	15	-	-	-	-	101,344,234	101,344,234
Short term borrowings	18	-	-	-	-	7,254,491,296	7,254,491,296
Creditors and accruals	19	-	-	-	-	811,713,392	811,713,392
		-	-	-	-	**16,807,441,454**	**16,807,441,454**

Company Secretary

Director

HUSSAIN FARHAD & CO. CHARTERED ACCOUNTANTS

Managing Director