

GPH ISPAT LIMITED
INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 30 JUNE 2021

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 2021, 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 2020 to 30 June 2021, 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 2021 and of its financial performance and cash flows for the period from 1 July 2020 to 30 June 2021 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 is 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 2021. 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.



SL	Key Audit Matter	How our audit addressed the key audit matter
1.	Valuation of Inventories <p>The Company has closing inventory BDT 10,065 million.</p> <p>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 11 to the financial statements.</p>	<ul style="list-style-type: none"> • Verified a sample of inventory items to ensure that costs have been appropriately recorded. • Tested on a sample basis the net 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.	Revenue Recognition <p>Appropriateness of revenue recognition and disclosures</p> <p>Revenue recognition has significant and wide influence on financial statements.</p> <p>As described in the accounting policy note 3.15 to the financial statements, the company recognises revenue upon transfer of control as per IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 28,166 million. Refer to note 22 to the financial statements.</p> <p>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 background, the proper application of the accounting standards is considered to be complex and assumptions made by management.</p>	<ul style="list-style-type: none"> • 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.



3.	Valuation of Property, plant and equipment	How our audit addressed the key audit matter
	<p>The Board of Directors of the company appointed "Ahmed Zaker & Co., Chartered Accountants" as independent external valuator to conduct the valuation of "Land and land development, plant and machinery and factory building" of the Company as of 31 March 2021.</p> <p>The valuation has been conducted using the fair market value method as this is most commonly and appropriate for valuation of such class of assets. After having completed all the tasks, fair market value of land and land development, plant and machinery and factory building owned by the Company as of 31 March 2021 has been estimated BDT at 7,710,344,986 resulting in net revaluation gain of BDT 4,330,383,105.</p> <p>Due to the high level of judgement involved in estimating the fair value of land and land development, plant and machinery and factory building and significant carrying amount of the asset and liabilities associated with revaluation of land and land development, plant and machinery and factory building we considered this to be a key audit matter.</p> <p>Please refer to note 4.00 to the financial statements.</p>	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none"> • Assessment and discussion of management's process for the valuation exercise and appointment of the external valuer. We also assessed the competence, independence and integrity of the external valuers. • Assessing the methodologies used and the appropriateness of the key assumptions used in valuation based on our knowledge of the industry; • Checking, on a sample basis, the accuracy and relevance of the input data used; and • Reviewing the disclosures included in the notes to the financial statements.

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.
- (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.

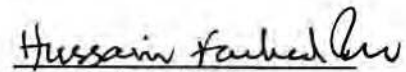
We determine those matters, from the matters communicated with those charged with governance, that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation 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.

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;
- 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 and;
- iv) the expenditure incurred was for the purposes of the Company's business.

Chattogram, 08 November 2021


Hussain Farhad & Co.
Chartered Accountants
Signed by:
Sarwar Uddin FCA (779)
Partner
DVC: 2111080779AS154094



GPH ISPAT LIMITED
Statement of Financial Position
As at 30 June 2021

	Note(s)	30 June 2021 Taka	30 June 2020 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	32,003,543,122	3,043,679,011
Right of use asset	5	155,662,783	59,757,851
Capital work-in-progress	6	1,497,760,003	23,876,898,898
Intangible assets	7	1,500,954	1,010,002
Investments	8	162,549,188	62,344,461
Total non-current assets		33,821,016,050	27,043,690,223
Current assets			
Short term investment	9	1,424,525,049	882,572,314
Advances, deposits and prepayments	10	4,850,622,616	2,396,784,998
Inventories	11	10,065,165,355	7,006,674,104
Trade and other receivables	12	3,367,753,798	2,621,012,146
Cash and cash equivalents	13	130,184,066	38,761,528
Total current assets		19,838,250,884	12,945,805,090
Total Assets		53,659,266,934	39,989,495,313
EQUITY AND LIABILITIES			
Equity			
Share capital	14	3,971,058,910	3,781,960,870
Share premium		1,136,440,000	1,136,440,000
Revaluation Reserve		3,916,698,157	-
Fair value reserve		-	(21,226,941)
Amount to be distributed as dividend	40	-	89,825,267
Retained earnings		2,832,720,460	1,446,359,318
Total Equity		11,856,917,527	6,433,358,514
Liabilities			
Non-current liabilities			
Long term loans - non-current portion	15.01	21,577,930,176	20,382,730,690
Finance lease obligations- non-current portion	5	120,081,209	38,460,199
Defined benefit obligation - gratuity	16	50,517,125	41,460,605
Deferred tax liabilities	17	682,592,026	186,228,559
Total non-current liabilities		22,431,120,536	20,648,880,053
Current liabilities			
Long term loans- current portion	15.01	2,283,792,410	306,753,806
Finance lease obligations- current portion	5	33,245,616	11,847,605
Short term loans	18	14,940,744,433	11,697,581,384
Creditors and accruals	19	1,760,281,610	796,182,606
Unclaimed dividend	20	4,954,063	4,401,279
Current tax liability	21	348,210,739	90,490,066
Total current liabilities		19,371,228,871	12,907,256,746
Total liabilities		41,802,349,407	33,556,136,799
Total equity and liabilities		53,659,266,934	39,989,495,313
Net Asset Value (NAV) Per Share	29	29.86	17.01

The annexed notes 1 to 43 form an integral part of these financial statements.

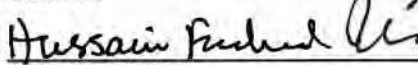

Company Secretary


Director


Managing Director

Signed in terms of our annexed report of same date

Chattogram, 08 November 2021


Hussain Farhad & Co.
Chartered Accountants
Signed by:
Sarwar Uddin FCA (779)
Partner
DVC: 2111080779AS154094




GPH ISPAT LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
Revenue from contracts with customers	22	28,166,462,072	9,406,690,791
Cost of goods sold	23	(23,965,153,963)	(7,852,829,348)
Gross profit		4,201,308,109	1,553,861,443
Administrative expenses	24	(371,716,469)	(214,690,454)
Selling and distribution expenses	25	(611,210,131)	(217,742,135)
Operating profit		3,218,381,509	1,121,428,854
Finance cost	26	(1,107,221,206)	(802,272,214)
Finance income	27	90,849,217	98,570,448
Profit before other income		2,202,009,520	417,727,088
Other income	28	22,923,203	1,836,002
Net change in fair value of investment in quoted shares	8.02	9,037,892	-
Profit before tax and distribution of WPPF and Welfare Fund		2,233,970,615	419,563,090
Contribution to WPPF and Welfare Fund	19.03	(111,698,531)	(20,978,155)
Profit before income tax		2,122,272,084	398,584,935
Income tax expenses			
-Current tax	21	(343,634,665)	(84,721,754)
-Deferred tax	17	(117,743,990)	(14,445,625)
Profit after tax		1,660,893,429	299,417,556
Minimum amount to be distributed as dividend	40	-	89,825,267
Maximum amount can be transferred to retained earnings	40	-	209,592,289
Profit after tax		-	299,417,556
Other comprehensive income			
Revaluation of property, plant and equipment (net of tax)		4,330,383,105	-
Deferred tax on revaluation reserve of property, plant and equipment		(386,509,208)	-
Net change in fair value of investment in quoted shares	8.02		(23,692,335)
Deferred tax on unrealised gain/(loss)			2,369,233
Total other comprehensive income/(loss)		3,943,873,897	(21,323,102)
Total comprehensive income		5,604,767,326	278,094,454
Earning Per Share (EPS)	30	4.18	0.79

The annexed notes 1 to 43 form an integral part of these financial statements.


Company Secretary


Director


Managing Director

Signed in terms of our annexed report of same date

Chattogram, 08 November 2021


Hussain Farhad & Co.
Chartered Accountants
Signed by:
Sarwar Uddin FCA (779)
Partner
DVC: 2111080779AS154094



GPH ISPAT LIMITED
Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Share Capital	Share Premium	Revaluation Reserve	Fair value reserve	Amount to be distributed as Dividend	Retained Earnings	Total Equity
Balance as on 01 July 2019	3,601,867,500	1,136,440,000	-	96,161	-	1,596,953,769	6,335,357,430
Bonus share for the year 2018-2019	180,093,370	-	-	-	-	(180,093,370)	-
Cash dividend for the year 2018-2019	-	-	-	-	-	(180,093,370)	(180,093,370)
Change in fair value of investment in quoted shares (net of tax)	-	-	-	(21,323,102)	-	-	(21,323,102)
Minimum amount to be distributed as dividend u/s 16G of ITO 1984	-	-	-	-	89,825,267	-	89,825,267
Net profit after tax	-	-	-	-	-	209,592,289	209,592,289
Balance as at 30 June 2020	3,781,960,870	1,136,440,000	-	(21,226,941)	89,825,267	1,446,359,318	6,433,358,514
Balance as on 01 July 2020	3,781,960,870	1,136,440,000	-	(21,226,941)	89,825,267	1,446,359,318	6,433,358,514
Revaluation Reserve	-	-	3,943,873,897	-	-	-	3,943,873,897
Transfer of difference in depreciation between cost and revalued amount	-	-	(27,175,740)	-	-	35,065,471	7,889,731
Transfer fair value reserve to retained earnings for reclassification of investment in quoted shares	-	-	-	21,226,941	-	(21,226,941)	-
Bonus share for the year 2019-2020	189,098,040	-	-	-	-	(189,098,040)	-
Cash dividend for the year 2019-2020	-	-	-	-	(89,825,267)	(99,272,777)	(189,098,044)
Net profit after tax	-	-	-	-	-	1,660,893,429	1,660,893,429
Balance as at 30 June 2021	3,971,058,910	1,136,440,000	3,916,698,157	-	-	2,832,720,460	11,856,917,527


Company Secretary


Director




Managing Director

GPH ISPAT LIMITED
Statement of Cash Flows
For the year ended 30 June 2021

		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
A. Operating activities			
Receipts from customers against sales		27,687,540,959	9,331,321,533
Receipts against other income		226,886	190,945
Cash Paid to suppliers, operating and other expenses		(28,742,012,446)	(12,149,897,537)
Foreign currency exchange gain/(loss)		29,734,772	(35,225,865)
Income tax paid		(583,485,694)	(209,985,985)
Net cash generated by operating activities	33	(1,607,995,523)	(3,063,596,909)
B. Investing activities			
Acquisition of property, plant and equipment		(2,845,306,294)	(4,419,362,672)
Acquisition of right of use asset		(127,395,280)	-
Acquisition of intangible asset		(720,000)	(250,000)
Proceeds from sale of property, plant and equipment		-	1,400,000
Proceeds from sale of quoted shares		(7,496,771)	-
Investment in private equity		(63,500,000)	-
Dividend received (net of tax)		2,021,002	1,490,368
Interest received from bank deposits and others		51,617,917	75,616,991
Other investments		(502,721,435)	(222,231,331)
Net cash used in investing activities		(3,493,500,861)	(4,563,336,644)
C. Financing activities			
Receipts from long term loans		3,172,238,090	4,370,013,519
Receipt / (Repayment) of finance lease obligation		103,019,021	(615,208,083)
Receipt of short term borrowings		3,243,163,049	4,576,637,529
Dividend paid		(188,545,260)	(180,475,496)
Interest and bank charges paid		(1,136,957,477)	(767,046,210)
Net cash used in financing activities		5,192,917,423	7,383,921,259
D. Net increase in cash and cash equivalents (A+B+C)		91,421,039	(243,012,294)
E. Opening cash and cash equivalents		38,761,528	281,773,961
F. Effect of foreign exchange rate changes		1,499	(139)
G. Closing cash and cash equivalents (D+E+F)		130,184,066	38,761,528

Net operating cash flows (NOCF) per share	31	(4.05)	(8.10)
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Company Secretary


Director


Managing Director



GPH ISPAT LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June 2021

1.00 REPORTING ENTITY

1.01 Formation and Legal Status

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

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

1.02 Nature of Business

The principal activities of the company are manufacturing and trading of iron products and steel materials of all kinds (except ferro alloy products) or other metallic or allied materials and marketing thereof. The commercial production of the factory commenced on 21 August 2008.

2.00 BASIS OF PREPARATION AND PRESENTATION

2.01 Statement of Compliance

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

2.02 Basis of Reporting

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

- a) A statement of Financial Position as at 30 June 2021;
- b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021;
- c) A statement of Changes in Equity for the year ended 30 June 2021;
- d) A statement of Cash Flows for the year ended 30 June 2021; and
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

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

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

2.04 Authorization for Issue

The financial statements were authorized for issue by the Board of Directors on 28 October 2021.

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 except when otherwise indicated.

2.07 Cash Flows Statement

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

2.08 Going Concern

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

2.09 Reporting Period

The financial statements of the company covers one year from 01 July 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.

2.11 Initial application of new standards

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

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

2.12 Use of Estimates and Judgements

The preparation of these financial statements is in conformity with IAS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

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

2.13 Classification of current and non-current

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

An asset is current when it is:

- Expected to be realised or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

Or,



- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

2.14 Comparative Information and reclassification

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

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2021 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2020.



3.02 Property, Plant and Equipment

i) Recognition and Measurement

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

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

ii) Pre-Operating Expenses and Borrowing Costs

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

iii) Subsequent Costs and Maintenance Activities

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

iv) Depreciation

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

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

The depreciation rate(s) are as follows:

Class of assets	Rate of Depreciation for the year	
	30 June 2021	30 June 2020
Land & Land development	-	-
Plant and Machinery	5%	10%
Factory Building	5%	5%
Furniture, Fixture and Decoration	10%	10%
Computer and Accessories	20%	20%
Motor Vehicles	10%	10%
Logistic Vehicles	7.50%	7.50%
Electric and Gas Line Installation	5%	5%
Lab Equipment	10%	10%
Office Equipment	20%	20%

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

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

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



Total depreciation is distributed as under:

<u>Category</u>	<u>Rate</u>
Direct expenses	90%
Administrative expenses	5%
Selling and distribution expenses	5%

v) Impairment of Assets

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

vi) Retirement and Disposals

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

v) Revaluation of Property, Plant and Equipment

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

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

3.03 Intangible Assets

i) Recognition and Measurement

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

ii) Amortization

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

iii) Subsequent Costs

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

3.04 Capital Work-in-Progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of 30 June 2021 and these are stated at cost.

3.05 Leases

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



3.05.01 Finance Lease

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

3.05.02 Operating Lease

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

3.05.03 Leasehold Assets

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

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

3.06 Investment

- i. Investment in unquoted shares are initially recognized at cost. After initial recognition these are carried at cost less impairment losses, if any.
- ii. Investment in quoted shares are recognized at fair value through other comprehensive income. Changes in fair value are recognized under other comprehensive income in the financial statements. Fair values of investment in quoted shares are determined by reference to their quoted price less cost to sale in active market at the reporting date. Dividend and gain/(loss) from sale are recognised in the profit or loss.

3.07 Inventories

i) Nature of Inventories

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

ii) Valuation of Inventories

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

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

3.08 Financial Instruments

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

3.08.01 Financial Assets

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

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expires, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

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

Loans and Receivables

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



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

a) Trade Receivables

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

b) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

c) Cash and Cash Equivalents

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

Available-for-sale

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

3.08.02 Financial Liabilities

The company initially recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument.

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

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

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

a) Trade and Other Payables

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

b) Interest-bearing borrowings

Interest-bearing borrowings comprise loans and operational overdraft.

3.09 Impairment

3.09.01 Financial Assets

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

3.09.02 Non-Financial Assets

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



3.10 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders will be rank after all other shareholders. Creditors are fully entitled to 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 trailed as one year for the purpose of calculation of gratuity.

3.11.03 Workers' Profit Participation and Welfare Funds

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

3.12 Taxation

3.12.01 Current Tax

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

3.12.02 Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the statement of financial position date. The impact of changes on the account in deferred tax assets and liabilities has also been recognized in the profit and loss account as per IAS-12 "Income taxes".

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

3.13 Loans and Borrowings

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

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

3.14 Provisions, Contingent Liabilities and Contingent Assets

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



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

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

3.15 Revenue Recognition

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

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

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

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

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

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

3.16 Other Income

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

3.17 Finance Income and Cost

3.17.01 Finance Income

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

3.17.02 Finance Cost

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

3.17.03 Transactions in Foreign Currencies

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

3.18 Earnings Per Share

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

3.18.01 Basis of Earnings

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



3.18.02 Basic Earnings Per Share

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

3.18.03 Diluted Earnings Per Share

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

3.18.04 Re-stated Earnings Per Share

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

3.19 Measurement of Fair Values

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

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

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

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

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

Property, Plant and Equipment

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

Equity and Debt Securities

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

3.20 Events after the Reporting Period

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



4.00 Property, plant and equipment - Revalued Model

	Amount in Taka										
	Land & Land development	Plant and Machinery	Factory Building	Furniture, Fixture and Decoration	Computer and Accessories	Motor Vehicles	Logistic Vehicles	Electric and Gas Line Installation	Lab Equipment	Office Equipment	Total
At cost											
As at 01 July 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
Addition during the year	194,002,362	45,417,557	19,621,370	1,249,920	2,688,480	11,758,012	24,433,090	2,512,000	-	1,641,250	303,324,041
Transfer to right of use asset	-	-	-	-	-	(36,040,000)	(32,474,720)	-	-	-	(68,514,720)
Disposal during the year	-	-	-	-	-	(3,829,396)	-	-	-	-	(3,829,396)
At 30 June 2020	1,016,238,680	1,578,498,585	1,034,161,873	27,136,078	17,585,179	123,495,299	284,666,090	198,281,890	22,490,518	14,701,438	4,317,255,630
As at 01 July 2020	1,016,238,680	1,578,498,585	1,034,161,873	27,136,078	17,585,179	123,495,299	284,666,090	198,281,890	22,490,518	14,701,438	4,317,255,630
Addition during the year	2,851,387,838	16,265,165,883	3,325,313,984	13,434,895	12,734,107	261,089	236,312,201	2,476,565,942	9,417,740	33,851,510	25,224,445,189
Revaluation during the year	2,612,564,401	1,087,418,993	630,399,711	-	-	-	-	-	-	-	4,330,383,105
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	6,480,190,919	18,931,083,461	4,989,875,568	40,570,973	30,319,286	123,756,388	520,978,291	2,674,847,832	31,908,258	48,552,948	33,872,083,924
Accumulated depreciation											
As at 01 July 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
Charged for the year	-	96,167,608	38,887,414	1,737,668	1,556,320	11,407,409	15,263,857	6,413,530	771,709	1,449,082	173,654,597
Transfer to right of use asset	-	-	-	-	-	(7,778,108)	(978,761)	-	-	-	(8,756,869)
Adjustment for disposal during the year	-	-	-	-	-	(2,211,493)	-	-	-	-	(2,211,493)
At 30 June 2020	-	703,156,752	290,528,577	11,193,796	9,992,835	45,645,530	115,137,988	74,331,488	15,545,140	8,044,513	1,273,576,619
As at 01 July 2020	-	703,156,752	290,528,577	11,193,796	9,992,835	45,645,530	115,137,988	74,331,488	15,545,140	8,044,513	1,273,576,619
Charged for the year	-	427,569,509	84,424,307	1,652,232	1,852,418	10,854,117	28,165,113	38,013,428	728,115	1,704,944	594,964,183
Adjustment for disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	-	1,130,726,261	374,952,884	12,846,028	11,845,253	56,499,647	143,303,101	112,344,916	16,273,255	9,749,457	1,868,540,802
Carrying amount											
As at 30 June 2020	1,016,238,680	875,341,833	743,633,296	15,942,282	7,592,344	77,849,769	169,528,102	123,950,402	6,945,378	6,656,925	3,043,679,011
As at 30 June 2021	5,480,190,919	17,800,357,200	4,614,922,684	27,724,945	18,474,033	67,256,741	377,675,190	2,562,502,916	15,635,003	38,803,491	32,003,543,122

	Note(s)	Allocation Basis		01 July 2020 to 30 June 2021		01 July 2019 to 30 June 2020	
		Taka		Taka		Taka	
Factory overhead	23.02	90.00%		535,467,765		148,407,954	
Administrative expenses	24.00	5.00%		29,748,209		8,244,887	
Selling and distribution expenses	25.00	5.00%		29,748,209		8,244,887	
				594,964,183		164,897,728	

Depreciation allocated to:

Factory overhead
Administrative expenses
Selling and distribution expenses



4.01 Property, plant and equipment - Cost Model

	Amount in Taka										Total
	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	
At cost											
As at 01 July 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
Addition during the year	194,002,362	45,417,557	19,621,370	1,249,920	2,688,480	11,758,012	24,433,090	2,512,000	-	1,641,250	303,324,041
Transfer to right of use asset	-	-	-	-	-	(36,040,000)	(32,474,720)	-	-	-	(68,514,720)
Disposal during the year	-	-	-	-	-	(3,829,396)	-	-	-	-	(3,829,396)
At 30 June 2020	1,016,238,680	1,578,498,585	1,034,161,873	27,136,078	17,585,179	123,495,299	284,666,090	198,281,890	22,490,518	14,701,438	4,317,255,630
As at 01 July 2020	1,016,238,680	1,578,498,585	1,034,161,873	27,136,078	17,585,179	123,495,299	284,666,090	198,281,890	22,490,518	14,701,438	4,317,255,630
Addition during the year	2,851,387,838	16,265,165,883	3,325,313,984	13,434,895	12,734,107	261,089	236,312,201	2,476,565,942	9,417,740	33,851,510	25,224,445,189
Disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	3,867,626,518	17,843,664,468	4,359,475,857	40,570,973	30,319,286	123,756,388	520,978,291	2,674,847,832	31,908,258	48,552,948	29,541,700,819
Accumulated depreciation											
As at 01 July 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
Charged for the year	-	96,167,608	38,887,414	1,737,668	1,556,320	11,407,409	15,263,857	6,413,530	771,709	1,449,082	173,654,597
Transfer to right of use asset	-	-	-	-	-	(7,778,108)	(978,761)	-	-	-	(8,756,869)
Adjustment for disposal during the year	-	-	-	-	-	(2,211,493)	-	-	-	-	(2,211,493)
At 30 June 2020	-	703,156,752	290,528,577	11,193,796	9,992,835	45,645,530	115,137,988	74,331,488	15,545,140	8,044,513	1,273,576,619
As at 01 July 2020	-	703,156,752	290,528,577	11,193,796	9,992,835	45,645,530	115,137,988	74,331,488	15,545,140	8,044,513	1,273,576,619
Charged for the year	-	400,384,034	76,544,311	1,652,232	1,852,418	10,854,117	28,165,113	38,013,428	728,115	1,704,944	559,898,712
Adjustment for disposal during the year	-	-	-	-	-	-	-	-	-	-	-
At 30 June 2021	-	1,103,540,786	367,072,888	12,846,028	11,845,253	56,499,647	143,303,101	112,344,916	16,273,255	9,749,457	1,833,475,331
Carrying amount											
As at 30 June 2020	1,016,238,680	875,341,833	743,633,296	15,942,282	7,592,344	77,849,769	169,528,102	123,950,402	6,945,378	6,656,925	3,043,679,011
As at 30 June 2021	3,867,626,518	16,740,123,682	3,992,402,969	27,724,945	18,474,033	67,256,741	377,675,190	2,562,502,916	15,635,003	38,803,491	27,708,225,488



5.00 Lease
5.01 As a Lessee
5.01.01 Right of Use Assets

	Note(s)	Motor Vehicles	Logistics Vehicles	Total
At 01 July 2019		-	-	-
Transfer/Additions during the year	4.00	36,040,000	32,474,720	68,514,720
Disposals/adjustment during the year		-	-	-
At 30 June 2020		36,040,000	32,474,720	68,514,720
At 01 July 2020		36,040,000	32,474,720	68,514,720
Additions during the year		4,890,000	122,505,280	127,395,280
Disposals/adjustment during the year		-	-	-
At 30 June 2021		40,930,000	154,980,000	195,910,000
AMORTISATION				
At 01 July 2019		-	-	-
Transfer/ Charge during the year	4.00	7,778,108	978,761	8,756,869
Disposals/adjustment during the year		-	-	-
At 30 June 2020		7,778,108	978,761	8,756,869
At 01 July 2020		7,778,108	978,761	8,756,869
Charge during the year		10,833,598	20,656,750	31,490,348
Disposals/adjustment during the year		-	-	-
At 30 June 2021		18,611,706	21,635,511	40,247,217
CARRYING AMOUNT				
At 30 June 2020		28,261,892	31,495,959	59,757,851
At 30 June 2021		22,318,294	133,344,489	155,662,783
			30 June 2021	30 June 2020
	Note(s)		Taka	Taka
5.01.02 Lease liabilities				
Opening balance			50,307,804	22,204,877
Lease obligations			127,395,280	35,474,720
Less: Paid during the year			(24,376,259)	(7,371,793)
			153,326,825	50,307,804
5.01.03 Finance Lease Obligation - Maturity analysis				
Due within one year			33,245,616	11,847,605
Due after one year			120,081,209	38,460,199
			153,326,825	50,307,804
5.01.04 Amounts recognised in profit or loss				
Interest on lease liabilities			9,402,174	3,012,502
			9,402,174	3,012,502
5.01.05 Amount recognised in the statements of cash flows				
Principal paid on lease liabilities			24,376,259	7,371,793
Interest paid on lease liabilities			9,402,174	3,012,502
			33,778,433	10,384,295
5.01.06 Allocation of Depreciation of ROU Asset				
Factory overhead	23.02	28,341,314	7,881,183	
Administrative expenses	24.00	1,574,517	437,843	
Selling and distribution expenses	25.00	1,574,517	437,843	
		31,490,348	8,756,869	
5.02	There is no such lease for which the company is a lessor.			



		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
6.00 Capital work-in-progress			
Opening balance		23,876,898,898	19,760,860,267
Add: Expenses incurred during the year		2,651,631,049	4,116,038,631
		26,528,529,947	23,876,898,898
Less: Capitalized during the year		25,030,769,944	-
Closing balance		1,497,760,003	23,876,898,898

Property, Plant and Equipment under construction/acquisition is accounted for and measured at cost as capital work-in-progress until construction/acquisition is completed and it is ready for use.

7.00 Intangible assets			
Software	7.01	1,500,954	1,010,002
		1,500,954	1,010,002

7.01 Intangible assets schedule			
<u>Cost</u>			
Opening balance		2,230,475	1,980,475
Add: Addition during the year		720,000	250,000
Closing balance		2,950,475	2,230,475
<u>Accumulated amortization</u>			
Opening balance		1,220,473	1,014,092
Add: Charged during the year		229,048	206,381
Closing balance		1,449,521	1,220,473
Carrying amount		1,500,954	1,010,002

8.00 Investments			
Investment in Un-quoted equity-at cost	8.01	64,500,000	1,000,000
Investment in quoted shares - at fair value	8.02	98,049,188	61,344,461
		162,549,188	62,344,461

8.01 Investment in Un-quoted equity-at cost			
GPH Steels Limited		1,000,000	1,000,000
Star Allied Venture Limited		63,500,000	-
		64,500,000	1,000,000

8.01.01 GPH Ispat Limited has acquired 10% equity of GPH Steels Limited i.e. 100,000 ordinary shares of Tk. 10 each. GPH Steels Limited has yet to start its commercial operation till the date of Statement of Financial Position.

8.02 Investment in quoted shares - at fair value			
Opening balance		61,344,461	85,036,796
Add: Purchases during the period		142,298,463	-
Less: Sales during the period		(134,801,692)	-
Add: Gain on sale of shares		20,170,064	-
Net change in fair value of investment in quoted shares	8.02.01	9,037,892	(23,692,335)
		98,049,188	61,344,461

8.02.01 Details of investment in quoted (tradeable securities) shares

Particulars	Number of shares	30 June 2021			30 June 2020
		Purchase/ (Sales)	Fair value	Changes in fair value	Fair value
Alif Manufacturing Company Limited	100,000	1,126,810	1,157,100	30,290	-
Bank Asia Limited	-	(10,867,714)	-	-	10,867,714
City Bank Limited	512,500	14,780,013	13,342,809	(1,437,204)	-
Delta Spinners Limited	500,000	5,213,000	5,087,250	(125,750)	-
Eastern Bank Limited	30,555	-	1,065,147	259,222	805,925
Envoy Textiles Limited	927,269	-	27,101,060	7,511,760	19,589,300
IDLC Finance Limited	89,928	5,976,834	5,229,695	(747,139)	-
Islamic Finance and Investment Limited	365,000	9,003,479	8,082,742	(920,737)	-
Meghna Cement Limited	-	(6,148,678)	-	-	6,148,678



Particulars	Number of shares	30 June 2021			30 June 2020
		Purchase/(Sales)	Fair value	Changes in fair value	Fair value
Peoples Insurance Co. Limited	-	(4,565,305)	-	-	4,565,305
PHP Mutual Fund 1	200,000	1,445,760	1,336,650	(109,110)	-
Pubali Bank Limited	490,568	-	12,135,671	1,918,685	10,216,986
Square Pharmaceuticals Ltd	55,894	-	12,002,543	2,851,990	9,150,553
Trust Bank 1st Mutual Fund	200,000	1,506,000	1,376,550	(129,450)	-
United Commercial Bank Limited	604,605	10,196,636	10,131,971	(64,665)	-
	4,076,319	27,666,835	98,049,188	9,037,892	61,344,461

8.02.02 Investments in quoted shares are carried at fair value net of cost to sale as on 30 June 2021. Changes in fair value are recognized under other comprehensive income in the statement of profit or loss and other comprehensive income.

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

Name of Company	Net Sales Taka	Cost Taka	Tax Profit/(Loss) Taka	Fair Value /Cost Taka	Accounting Profit/loss Taka
Alif Manufacturing Company Ltd.	4,917,675	4,507,240	410,435	4,507,240	410,435
BSRM Limited	4,239,375	3,965,168	274,207	3,965,168	274,207
Bank Asia Limited	12,161,776	7,332,902	4,828,874	10,867,713	1,294,063
BRAC Bank Limited	4,419,709	4,618,942	(199,233)	4,618,942	(199,233)
City Bank Limited	4,189,500	3,729,098	460,402	3,729,098	460,402
Dominage Steel Building Systems Ltd	556,605	543,600	13,005	543,600	13,005
Grameen Phone	5,341,205	4,977,137	364,068	4,977,137	364,068
IDLC Finance Limited	29,206,621	25,197,895	4,008,726	25,197,895	4,008,726
IFIC Bank Limited	2,640,881	2,230,056	410,825	2,230,056	410,825
IFIC 1st Mutual Fund	758,100	692,760	65,340	692,760	65,340
Lafarge Holcim Bangladesh Ltd	6,709,729	6,529,568	180,161	6,529,568	180,161
Lanka Bangla Finance Limited	1,457,846	1,442,567	15,279	1,442,567	15,279
Meghna Cement Limited	6,496,675	8,993,058	(2,496,383)	6,148,677	347,998
Mercantile Bank Limited	19,025,648	17,056,146	1,969,502	17,056,146	1,969,502
MJL Bangladesh Limited	1,301,738	1,209,288	92,450	1,209,288	92,450
Peoples Insurance Co. Limited	13,494,468	9,522,405	3,972,063	4,565,304	8,929,164
Robi Axiata Limited	1,585,865	1,300,844	285,021	1,300,844	285,021
SEBL 1st Mutual Fund	1,266,825	1,260,020	6,805	1,260,020	6,805
Square Pharmaceuticals Ltd	2,708,631	2,206,993	501,638	2,206,993	501,638
United Finance Ltd	1,042,388	962,400	79,988	962,400	79,988
United Commercial Bank Ltd.	3,703,224	3,295,328	407,896	3,295,328	407,896
United Power Generation & Distr. Co. Ltd.	7,577,208	7,324,884	252,324	7,324,884	252,324
For the year 30 June 2021	134,801,692	118,898,299	15,903,393	114,631,628	20,170,064

9.00	Short term investment	Note(s)	30 June 2021	30 June 2020
			Taka	Taka
	Investments in Fixed Deposit Receipts (FDR)	9.01	1,424,525,049	882,572,314
			1,424,525,049	882,572,314

9.01	Name of the banks	Purpose	Tenure	Rate of Interest		
	AB Bank Limited	L/C Margin	12 Months	10.00%	88,171,707	81,650,843
	Dutch Bangla Bank Limited	L/C Margin	3-6 Months	3.50 - 4.50%	82,730,685	25,953,405
	IPDC Finance Limited	Lien against term loan	12 Months	7.00-7.50%	22,421,496	11,532,523
	Mercantile Bank Limited	L/C Margin	6 Months	4.25-6.00%	252,450,889	34,474,878
	Midland Bank Limited	BG Margin	3-12 Months	5.25 - 10.00%	25,356,778	187,838
	Modhumoti Bank Limited	L/C Margin	3-12 Months	4.00%	71,530,267	-
	Mutual Trust Bank Limited	L/C Margin	12 Months	3.25 - 3.75%	50,216,519	-
	NCC Bank Limited	L/C Margin	6 Months	2.25 - 5.00%	83,701,609	64,608,510
	One Bank Limited	L/C Margin	6 Months	4.75 - 5.00%	33,914,669	66,917,302
	Pubali Bank Limited	L/C Margin	6 Months	4.00 - 5.50%	165,706,014	56,359,767



				30 June 2021	30 June 2020
Name of the banks	Purpose	Tenure	Rate of Interest	Taka	Taka
Southeast Bank Limited	BG Margin	12 Months	5.50%	80,494,044	61,188,327
Standard Chartered Bank	L/C Margin	3-12 Months	4.00 - 7.00%	130,035,610	197,990,192
State Bank of India	Lien against Overdraft	349 days	3.00%	2,636,798	2,514,617
The City Bank Limited	L/C Margin	3-6 Months	6.00%	38,788,816	37,660,843
Trust Bank Limited	L/C Margin	3 Months	3.50 - 5.00%	32,801,224	82,454,319
United Commercial Bank Limited	L/C Margin	3-6 Months	3.25 - 8.50%	262,900,437	159,078,950
United Finance Limited	Lien against Overdraft	3 Months	6.25%	667,487	-
				1,424,525,049	882,572,314
				30 June 2021	30 June 2020
10.00	Advances, deposits and prepayments	Note(s)		Taka	Taka
	Advances	10.01		4,728,946,479	2,278,271,848
	Deposits	10.02		102,644,130	111,144,130
	Prepayments	10.03		19,032,007	7,369,020
				4,850,622,616	2,396,784,998
10.01	Advances				
	Against income tax	10.01.01		915,488,653	417,916,951
	Against VAT	10.01.02		397,540,982	168,938,908
	Against VAT current account			476,448	476,448
	For investment in Star Allied Venture Limited			-	62,500,000
	Against land			757,400,000	757,400,000
	Against LC			1,797,964,514	339,849,220
	Against other supply			853,067,294	527,330,144
	Against raw material supply			3,717,405	2,154,240
	Against employees			3,291,183	1,705,937
				4,728,946,479	2,278,271,848
10.01.01	Advance Income tax				
	Opening balance			417,916,951	456,663,991
	Addition during the year			583,485,694	209,985,985
	Paid/adjusted during the year			(85,913,992)	(248,733,025)
				915,488,653	417,916,951
10.01.02	Advance VAT				
	Opening balance			168,938,908	-
	Addition during the year			1,011,267,646	478,756,596
	Paid/adjusted during the year			(782,665,572)	(309,817,688)
				397,540,982	168,938,908
10.02	Deposits				
	Bangladesh Power Development Board			80,000,000	89,000,000
	Karnaphuli Gas Distribution Company Limited			21,738,586	21,738,586
	Security to Shipping Lines			805,544	305,544
	Bangladesh Railway			100,000	100,000
				102,644,130	111,144,130
10.03	Prepayments				
	Insurance premium			17,306,779	3,918,560
	Bangladesh Standards and Testing Institution			1,725,228	3,450,460
				19,032,007	7,369,020
10.04	The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in kind or in cash and that no provision against those are required at this stage.				



			30 June 2021	30 June 2020
	Note(s)	Taka	Taka	
11.00 Inventories				
Finished goods	11.01	4,359,884,076	2,181,449,041	
Raw materials	11.02	3,973,915,432	4,629,873,049	
Spares and other materials	11.03	1,731,365,847	195,352,014	
		<u>10,065,165,355</u>	<u>7,006,674,104</u>	
11.01 Finished Goods				
M. S. Rod		3,163,895,266	1,680,512,617	
M. S. Billet		1,195,988,810	500,936,424	
		<u>4,359,884,076</u>	<u>2,181,449,041</u>	
11.02 Raw Materials				
Melting Scrap		3,094,941,772	4,555,979,587	
Sponge Iron		142,952,436	30,618,287	
Lime		33,247,660	-	
Dolomite		83,025,267	-	
Chemicals		202,503,121	31,688,691	
Quartz Powder		3,007,946	3,395,496	
Pet Coke		414,237,230	8,190,988	
		<u>3,973,915,432</u>	<u>4,629,873,049</u>	
11.03 Spares and other materials				
Refractory Bricks		593,144,253	27,997,763	
Spares and Consumables		1,040,439,071	141,139,272	
Rolls		35,792,617	3,925,802	
Graphite Electrode		61,821,673	22,112,964	
Copper Mould Tube		168,233	176,213	
		<u>1,731,365,847</u>	<u>195,352,014</u>	
12.00 Trade and other receivables				
Trade receivables	12.01	2,955,859,132	2,248,595,150	
Other receivable	12.03	411,894,666	372,416,996	
		<u>3,367,753,798</u>	<u>2,621,012,146</u>	
12.01 Ageing of trade receivables				
Dues within 6 Months		2,870,188,712	2,167,326,014	
Dues over 6 months		85,670,420	81,269,136	
		<u>2,955,859,132</u>	<u>2,248,595,150</u>	
12.02	Trade Receivables represent receivable from 641 parties as on 30 June 2021 (523 Parties as on 30 June 2020). Receivables are unsecured but considered good and recoverable.			
12.03	Interest at 10% per annum has been charged on outstanding balance of other receivable from Arbee Textiles Limited.			
13.00 Cash and cash equivalents				
Cash in hand	13.01	2,831,936	2,551,177	
Cash at bank	13.02	127,352,130	31,879,085	
Fixed Deposit Receipts (FDR)	13.03	-	4,331,266	
		<u>130,184,066</u>	<u>38,761,528</u>	
13.01 Cash in hand				
Dhaka office petty cash		1,992,708	1,123,751	
Factory petty cash		152,288	127,364	
Minimill petty cash		686,940	1,300,062	
		<u>2,831,936</u>	<u>2,551,177</u>	



	Branch	Account Type	30 June 2021 Taka	30 June 2020 Taka
AB Bank Limited	Gulshan	Current Deposit	46,748	47,555
AB Bank Limited	Sitakunda	Current Deposit	67,466	287,886
Agrani Bank Limited	Asadgonj	Current Deposit	1,931,496	729,684
Agrani Bank Limited	Principal	Current Deposit	57,925	2,215
Al-Arafah Islami Bank Limited	Jubilee Road	Current Deposit	3,181,729	5,506,984
Al-Arafah Islami Bank Limited	Khatungonj	Current Deposit	722,093	29,169
Bangladesh Development Bank Limited	Khatungonj	Current Deposit	1,231	1,231
Bank Al Falah Limited	Agrabad	Current Deposit	15,868	16,443
Bank Asia Limited	Anderkilla	Current Deposit	2,949,202	24,748
Bank Asia Limited	Banani	Current Deposit	76,381	9,189
BASIC Bank Limited	Asadgonj	Current Deposit	21,074	2,725,932
BRAC Bank Limited	Agrabad	Current Deposit	268,213	11,845
Community Bank Bangladesh Limited	Agrabad	Current Deposit	3,930	9,655
Dhaka Bank Limited	Khatungonj	Current Deposit	21,240	15,526
Dutch Bangla Bank Limited	Khatungonj	Current Deposit	1,860,671	2,080,908
Dutch Bangla Bank Limited	Agrabad	Current Deposit	52,612,740	306,747
Eastern Bank Limited	Agrabad	Current Deposit	2,252,553	345,465
EXIM Bank Limited	Khatungonj	Current Deposit	217,642	363,204
First Security Islami Bank Limited	Khatungonj	Current Deposit	210,708	27,958
HSBC	Agrabad	Current Deposit	2,970	2,970
IFIC Bank Limited	Khatungonj	Current Deposit	1,431,668	10,357
Islami Bank Bangladesh Limited	Khatungonj	Current Deposit	5,366,792	30,227
Jamuna Bank Limited	Khatungonj	Current Deposit	9,495,717	110,096
Janata Bank Limited	Khatungonj	Current Deposit	628,346	28,280
Mercantile Bank Limited	Khatungonj	Current Deposit	287,479	9,846
Meghna Bank Limited	Agrabad	Current Deposit	2,008	34,057
Midland Bank Limited	Agrabad	Current Deposit	6,187,554	453,334
Modhumoti Bank Limited	Agrabad	Current Deposit	20,394	8,775
Modhumoti Bank Limited	O.R Nizam Road	Current Deposit	2,688,506	-
Mutual Trust Bank Limited	Khatungonj	Current Deposit	4,745,944	745,661
National Bank Limited	Anderkilla	Current Deposit	945,957	1,243,484
National Bank Limited	Jubilee Road	Current Deposit	4,300	4,415
NCC Bank Limited	Khatungonj	Current Deposit	39,577	48,391
NRB Bank Limited	Agrabad	Current Deposit	411,563	22,562
NRB Commercial Bank Limited	Agrabad	Current Deposit	27,863	21,418
One Bank Limited	Khatungonj	Current Deposit	1,916,650	48,093
Premier Bank Limited	Khatungonj	Current Deposit	926,773	6,750
Premier Bank Limited	O.R Nizam Road	Current Deposit	25,719	23,050
Prime Bank Limited	Khatungonj	Current Deposit	1,484,474	6,017,710
Prime Bank Limited	O.R Nizam Road	Current Deposit	165,809	9,999
Shahajalal Islami Bank Limited	Gulshan	Current Deposit	4,940	8,850
Shahajalal Islami Bank Limited	Khatungonj	Current Deposit	326,712	23,355
Shimanto Bank Limited	Agrabad	Current Deposit	40,374	44,660
Social Islami Bank Limited	Khatungonj	Current Deposit	3,383,591	31,619
Sonali Bank Limited	Khatungonj	Current Deposit	3,654,244	261,863
Sonali Bank Limited	Motijheel F. Ex.	Current Deposit	94,135	98,735
South Bangla Agricultural Bank Limited	Agrabad	Current Deposit	23,363	16,585
South Bangla Agricultural Bank Limited	Khatungonj	Current Deposit	41,605	-
Southeast Bank Limited	Khatungonj	Current Deposit	124,355	210,651
Standard Bank Limited	Khatungonj	Current Deposit	76,514	24,295
State Bank of India	Jubilee Road	Current Deposit	199,826	65,038
The City Bank Limited	Khatungonj	Current Deposit	452,041	330,452



Name of the Banks	Branch	Account Type	30 June 2021	30 June 2020
			Taka	Taka
Trust Bank Limited	Ashulia	Current Deposit	1,704	5,484
Trust Bank Limited	CDA Avenue	Current Deposit	162,501	106,465
United Commercial Bank Limited	Khatungonj	Current Deposit	80,968	25,529
United Commercial Bank Limited	Gulshan	Current Deposit	7,124,176	1,849,823
United Commercial Bank Limited	Khatungonj	Escrow	334	-
Union Bank Limited	Khatungonj	Current Deposit	66,444	835,967
Uttara Bank Limited	Khatungonj	Current Deposit	2,390,084	473,834
Uttara Bank Limited	Laldighi	Current Deposit	95,893	826,786
Sub-total			121,668,777	26,661,810
AB Bank Limited	Khatungonj	SND	494,148	487,777
AB Bank Limited	Khatungonj	GBP	13,297	11,825
AB Bank Limited	Khatungonj	USD	46,866	46,839
AB Bank Limited	Khatungonj	SND	50,011	104,243
Mutual Trust Bank Limited	Khatungonj	SND	1,093	2,000
Standard Chartered Bank	Agrabad	SND	919,875	923,752
Standard Chartered Bank	Agrabad	SND	3,016,706	3,021,797
Standard Chartered Bank	Agrabad	SND	1,141,357	619,042
Sub-total			5,683,353	5,217,275
Total			127,352,130	31,879,085

13.03 Fixed Deposit Receipts (FDR)

Name of the banks	Tenure	Rate of Interest		
Trust Bank Limited	1 Month	2.00%	-	4,331,266
			-	4,331,266

14.00 Share capital

Authorized Capital			
1,000,000,000 Ordinary Shares of Tk 10 each		<u>10,000,000,000</u>	<u>10,000,000,000</u>
Issued, subscribed and paid-up Capital			
378,196,087 Ordinary shares of Tk 10 each		3,781,960,870	3,781,960,870
18,909,804 Bonus shares of Tk. 10 each		189,098,040	-
Total ordinary shares of Tk 10 each		<u>3,971,058,910</u>	<u>3,781,960,870</u>

The Company issued 5% bonus shares (18,909,804 shares) as declared in 14th annual general meeting for the year 2019-2020. (In 2018-19 issued 5% bonus share)

14.01 Position of share holding

Shareholders	30 June 2021		30 June 2020	
	Percentage of holding	Amount in Taka	Percentage of holding	Amount in Taka
Mr. Mohammed Jahangir Alam	23.58%	936,258,150	23.58%	891,674,430
Mr. Md. Abdur Rouf	3.00%	119,131,760	3.00%	113,458,820
Mr. Md. Alamgir Kabir	4.81%	191,059,060	4.81%	181,961,010
Mr. Md. Almas Shimul	10.83%	429,882,880	10.83%	409,412,270
Mr. Md. Ashrafuzzaman	3.00%	119,131,760	3.00%	113,458,820
Mr. Md. Abdul Ahad	2.40%	95,305,410	2.40%	90,767,060
Mr. Md. Azizul Haque Raju	2.00%	79,421,170	2.00%	75,639,210
General Shareholders	50.38%	2,000,868,720	50.38%	1,905,589,250
Total	100%	3,971,058,910	100%	3,781,960,870



14.02 Classification of shares by holding

Slab by number of shares	30 June 2021			30 June 2020
	No. of Holders	No. of Shares	Holding(%)	Holding(%)
Less than 500	2,577	388,601	0.10%	0.08%
500-5,000	4,972	8,618,778	2.17%	1.75%
5,001-10,000	686	5,192,431	1.31%	0.93%
10,001-20,000	429	6,276,727	1.58%	1.28%
20,001-30,000	131	3,337,275	0.84%	0.86%
30,001-40,000	68	2,368,621	0.60%	0.59%
40,001-50,000	44	2,062,684	0.52%	0.39%
50,001-100,000	86	6,267,396	1.58%	1.39%
100,001-1,000,000	97	26,140,359	6.58%	6.91%
Above 1,000,000	37	336,453,019	84.72%	85.82%
	9,127	397,105,891	100%	100%

	Note(s)	30 June 2021	30 June 2020
		Taka	Taka
15.00 Long Term Loan			
Term Loan	15.02	4,318,873,514	1,992,809,735
Long Term Financing Facility	15.03	4,172,073,648	3,563,635,055
Syndication Term Loan	15.04	4,858,991,416	4,579,504,898
ECA Backed Finance	15.05	7,776,663,815	7,772,083,919
Non-Banking Financial Institutions	15.06	1,661,298,573	1,707,629,269
Loan From Directors	15.07	1,073,821,620	1,073,821,620
		23,861,722,586	20,689,484,496
15.01 Long Term Loan - Maturity analysis			
Due within one year		2,283,792,410	306,753,806
Due after one year		21,577,930,176	20,382,730,690
		23,861,722,586	20,689,484,496
15.02 Term Loan			
AB Bank Limited		294,557,671	-
Dutch Bangla Bank Limited		269,296,452	-
Eastern Bank Limited		1,704,486,053	438,133,128
Meghna Bank Limited		204,687,047	-
Midland Bank Limited		208,126,269	-
Pubali Bank Limited		243,626,159	88,432,268
State Bank of India		7,565,533	20,144,792
Trust Bank Limited		475,519,337	-
United Commercial Bank Limited		403,034,649	1,446,099,547
Uttara Bank Limited		507,974,344	-
		4,318,873,514	1,992,809,735

15.02.01 Terms of Long Term Loan Facility
Security:

- Post dated Cheques covering full credit facility.
- Corporate Guarantee of Jahangir & Other Limited and GPH Power Generation Limited.
- Personal Guarantee of all sponsor director of GPH Ispat Limited.
- Charge over insurance benefit(Assignment) in favor of the term loan lenders as per their respective participation and demand promissory note along with the letter of continuity.
- 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.
- 2nd ranking fixed and floating charge over all assets (present and future) of GPH Ispat Limited in Pari passu basis.
- An irrevocable general power of attorney to self the hypothecated assets notarized with the Notary Public of Bangladesh.

Rate of Interest:

Interest rate is 7.00% to 9.00% per annum and will be calculated on quarterly basis and variable depending on the situation of money market.



	30 June 2021	30 June 2020
	Taka	Taka
15.03 Long Term Financing Facility		
Eastern Bank Limited	556,993,564	459,445,885
Mutual Trust Bank Limited	422,063,422	401,154,647
NCC Bank Limited	1,122,348,083	908,172,482
One Bank Limited	169,389,756	137,067,836
Pubali Bank Limited	845,073,211	683,809,183
Southeast Bank Limited	211,031,712	170,760,814
United Commercial Bank Limited	845,173,900	803,224,208
	4,172,073,648	3,563,635,055

15.03.01 Terms of Long Term Financing Facility

Lenders:

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

Total loan facilities:

The long term financing facility comprises USD 44.2 million.

Interest rate:

Margin 4.25% + 6 months LIBOR

Interest payable:

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

Disbursement:

First Disbursement of USD on 13 February 2019.

Repayments:

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

Securities:

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

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 2021	30 June 2020
	Taka	Taka
15.04 Syndication Term Loan		
AB Bank Limited	108,950,602	107,834,795
Agrani Bank Limited	1,195,855,147	1,109,709,445
Basic Bank Limited	308,272,430	303,907,508
Jamuna Bank Limited	110,986,763	109,676,118
Janata Bank Limited	1,217,209,517	1,098,063,634
Mercantile Bank Limited	99,767,123	108,179,912
Midland Bank Limited	109,506,856	109,681,444
One Bank Limited	104,204,097	105,908,723
Pubali Bank Limited	210,780,218	211,670,758



Sonali Bank Limited
Southeast Bank Limited
The City Bank Limited
United Commercial Bank Limited

30 June 2021	30 June 2020
Taka	Taka
1,008,081,370	926,674,719
82,036,141	82,287,334
81,827,106	83,477,258
221,514,046	222,433,250
4,858,991,416	4,579,504,898

15.04.01 Terms of Syndicate term borrowings

Lenders:

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

Total loan facilities:

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

Interest rate:

BDT

30 June 2021

Government Banking Institutions

9.00%

Non-government Banking Institutions

9.00%

Interest payable:

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

Disbursement:

First Disbursement of BDT made on 31 March 2018.

Repayments:

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

Securities:

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

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.

15.05 ECA Backed Finance
ODDO BHF Aktiengesellschaft, Germany

Note(s)	30 June 2021	30 June 2020
	Taka	Taka
	7,776,663,815	7,772,083,919
	7,776,663,815	7,772,083,919



15.05.01 Terms of ECA Backed Finance borrowings**Lenders:**

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

Total loan facilities:

The syndication financing comprises of USD 94.84 million only.

Interest rate:

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

Interest payable:

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

Disbursement:

First Disbursement made on 09 August 2017

Repayments:

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

Securities:

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

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.

15.06 Non-Banking Financial Institutions

Industrial and Infrastructure Development Finance Company Limited
Bangladesh Infrastructure Finance Fund Limited
IPDC Finance Limited
United Finance Limited
Uttara Finance and Investment Limited

30 June 2021	30 June 2020
Taka	Taka
25,321,591	49,691,090
999,764,634	850,584,210
412,778,572	354,772,250
223,433,776	194,144,219
-	258,437,500
1,661,298,573	1,707,629,269

Security :

- i) Post dated cheques
- ii) FDR lien Tk 20 million against loan from IPDC Finance Limited
- iii) Personal Guarantee of Directors

Rate of Interest:

Interest rate is 9.00% to 12.5% per annum and will be calculated on quarterly basis and variable depending on the situation of money market.

15.07 Loan From Directors

Mr. Mohammed Jahangir Alam
Mr. Md. Almas Shimul

723,525,125	723,525,125
350,296,495	350,296,495
1,073,821,620	1,073,821,620



		30 June 2021	30 June 2020			
		Taka	Taka			
16.00	Defined Benefit Obligation (Gratuity)					
	Opening Balance	41,460,605	35,919,462			
	Add: Provision made during the year	9,313,660	5,885,053			
		50,774,265	41,804,515			
	Less: Paid during the year	(257,140)	(343,910)			
	Closing balance	50,517,125	41,460,605			
17.00	Deferred tax liabilities					
	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	186,228,559	174,152,167			
	Add: Provided during the year					
	Taxable/(deductible) temporary difference of PPE (excluding land)	117,329,243	15,820,005			
	Intangible asset	85,214	10,905			
	Provision for Gratuity	(1,001,202)	(1,385,285)			
	Investment in quoted shares	1,330,735	(2,369,233)			
		117,743,990	12,076,392			
	On revaluation reserve	386,509,208	-			
	Adjustment for impact of depreciation on revaluation reserve	(7,889,731)	-			
	Closing Balance	682,592,026	186,228,559			
17.01	Reconciliation of deferred tax liabilities /(assets) are as follows :					
		Carrying amount	Tax base	Rate Applied	Temporary difference	Deferred tax liability /(asset)
	As on 30 June 2021	Taka	Taka	(%)	Taka	Taka
	Property, plant and equipment (Except land)	25,523,352,203	22,591,687,897	22.50%	2,931,664,306	659,624,469
	Right of use asset	155,662,783	-	22.50%	155,662,783	35,024,126
	Intangible asset	1,500,954	-	22.50%	1,500,954	337,715
	Provision for gratuity	(50,517,125)	-	22.50%	(50,517,125)	(11,366,353)
	Investment in quoted shares	98,049,188	108,328,497	10.00%	(10,279,309)	(1,027,931)
						682,592,026
		Carrying amount	Tax base	Rate Applied	Temporary difference	Deferred tax liability /(asset)
	As on 30 June 2020	Taka	Taka	(%)	Taka	Taka
	Property, plant and equipment (Except land)	2,027,440,331	1,292,398,683	25.00%	735,041,648	183,760,412
	Right of use asset	59,757,851	-	25.00%	59,757,851	14,939,463
	Intangible asset	1,010,002	-	25.00%	1,010,002	252,501
	Provision for gratuity	(41,460,605)	-	25.00%	(41,460,605)	(10,365,151)
	Investment in quoted shares	61,344,461	84,931,122	10.00%	(23,586,661)	(2,358,666)
						186,228,559
					30 June 2021	30 June 2020
				Notes	Taka	Taka
18.00	Short term loans					
	Loan against Trust Receipt (LATR)	18.01	955,195,653		705,240,112	
	Time loan	18.02	7,004,480,988		4,768,472,786	
	Bank overdraft and cash credit	18.03	3,858,696,223		4,259,228,158	
	Accepted Bill for Payment (ABP)	18.04	3,122,371,569		1,964,640,328	
			14,940,744,433		11,697,581,384	



	Notes	30 June 2021	30 June 2020
		Taka	Taka
18.01	Loan against Trust Receipt (LATR)		
	AB Bank Limited	102,112,814	35,374,871
	Islami Bank Bangladesh Limited	847,391,094	446,291,500
	Mercantile Bank Limited	-	86,030,514
	Premier Bank Limited	-	53,144,275
	Pubali Bank Limited	749,684	3,688,178
	Trust Bank Limited	4,942,061	80,710,774
		955,195,653	705,240,112
18.02	Time loan		
	AB Bank Limited	52,344,344	274,610,466
	Al-Arafah Islami Bank Limited	223,196,800	208,464,450
	Bank Asia Limited	395,509,696	205,659,442
	Basic Bank Limited	233,350,483	-
	Dutch Bangla Bank Limited	230,162,917	312,513,105
	Eastern Bank Limited	622,274,091	287,958,693
	Meghna Bank Limited	252,141,242	202,177,959
	Mercantile Bank Limited	917,193,948	384,363,914
	Midland Bank Limited	201,474,859	-
	Modhumoti Bank Ltd	122,100,000	-
	NCC Bank Limited	120,405,377	-
	One Bank Limited	1,113,178,723	491,279,006
	Standard Chartered Bank	711,404,094	817,901,587
	The City Bank Limited	277,172,731	571,822,269
	Trust Bank Limited	714,551,579	444,518,441
	United Commercial Bank Limited	818,020,104	567,203,454
		7,004,480,988	4,768,472,786
18.03	Bank overdraft and cash credit		
	AB Bank Limited	34,549,181	57,895,143
	Agrani Bank Limited	306,826,687	1,021,698,300
	Agrani Bank Limited	825,329,254	-
	Bank Asia Limited	46,609,921	50,024,941
	Basic Bank Limited	45,894,615	47,505,310
	Community Bank Bangladesh Limited	184,938,015	-
	Eastern Bank Limited	50,000,000	51,131,067
	Meghna Bank Limited	49,787,659	48,690,877
	Mercantile Bank Limited	34,052,695	201,300,707
	Midland Bank Limited	406,254,366	154,813,729
	Modhumoti Bank Limited	152,545,658	408,807,474
	NCC Bank Limited	73,869,891	199,424,704
	Premier Bank Limited	297,184,267	306,664,527
	Pubali Bank Limited	516,118,755	834,027,898
	Pubali Bank Limited	39,789,146	-
	Standard Chartered Bank	53,716,293	152,540,602
	State Bank of India	404,889,499	510,377,928
	The City Bank Limited	42,468,277	39,565,281
	Trust Bank Limited	95,484,794	94,281,284
	United Commercial Bank Limited	46,681,200	80,478,389
	Uttara Bank Limited	151,706,050	-
		3,858,696,223	4,259,228,158



		30 June 2021	30 June 2020
	Notes	Taka	Taka
18.04 Accepted Bill for Payment (ABP)			
AB Bank Limited		-	155,533,934
Al Arafah Islami Bank Limited		-	78,612,041
Bank Asia Limited		-	21,150,739
Dutch Bangla Bank Limited		188,319,303	122,379,813
Mercantile Bank Limited		70,294,810	228,326,737
NCC Bank Limited		349,662,269	73,266,597
One Bank Limited		128,209,983	265,420,817
Pubali Bank Limited		126,356,394	200,978,821
Southeast Bank Limited		-	302,363,855
Premier Bank Limited		-	5,092,950
The City Bank Limited		428,146,734	127,034,961
Trust Bank Limited		464,859,679	289,395,422
United Commercial Bank Limited		1,366,522,397	95,083,641
		3,122,371,569	1,964,640,328
18.05 Terms of Short term borrowings			
Security			
i) Post dated cheques			
ii) Personal guarantee of all the sponsor directors			
iii) Registered mortgage of land			
iv) Pari-passu 1st charge on floating assets			
Rate of Interest:			
Interest rate is 9.00% per annum and will be calculated on quarterly basis.			
19.00 Creditors and accruals			
For Revenue Expenses	19.01	419,974,401	63,650,863
For Other Finance	19.02	65,492,954	71,113,509
For Supplies		708,897,489	112,802,460
GPH Power Generation Limited		208,878,333	510,640,586
Advance Against Sales		245,339,902	16,997,033
Workers' Profit Participation Fund	19.03	111,698,531	20,978,155
		1,760,281,610	796,182,606
19.01 Revenue expenses			
Salary Payable		58,550,000	30,017,000
Audit Fee Payable		450,000	360,000
Utility Bill Payable		358,285,968	30,923,890
Provident Fund	19.01.01	1,513,433	1,174,973
Directors' Remuneration Payable		1,175,000	1,175,000
		419,974,401	63,650,863
19.01.01 Provident fund			
Opening Balance		1,174,973	1,656,749
Add: Addition during the year		14,901,852	9,700,070
		16,076,825	11,356,819
Less: Paid during the year		(14,563,392)	(10,181,846)
Closing balance		1,513,433	1,174,973
19.02 Other finance			
Advance Income Tax Payable		47,018,164	53,678,190
VAT Deducted at Source		18,021,120	16,981,649
Unpaid Refund Warrant		453,670	453,670
		65,492,954	71,113,509
19.03 Workers' profit participation fund			
Opening Balance		20,978,155	57,888,337
Add: Addition during the year		111,698,531	20,978,155
		132,676,686	78,866,492
Less: Paid during the year		(20,978,155)	(57,888,337)
Closing balance		111,698,531	20,978,155



	Note(s)	30 June 2021 Taka	30 June 2020 Taka
20.00 Unclaimed Dividend			
Opening Balance		4,401,279	4,783,405
Add: Dividend declared during the year		189,098,044	180,093,370
Less: Paid during the year		(188,545,260)	(180,475,496)
Closing Balance		4,954,063	4,401,279
20.01 Year wise details of unclaimed dividend			
For year ended on			
30 June 2012 (Final)		511,800	512,700
30 June 2013 (Final)		519,180	520,800
30 June 2014 (Final)		775,745	776,153
30 June 2015 (Final)		538,168	538,168
30 June 2016 (Final)		909,416	914,522
30 June 2017 (Final)		506,371	510,413
30 June 2018 (Final)		9,827	9,827
30 June 2019 (Final)		579,474	618,696
30 June 2020 (Final)		604,082	-
		4,954,063	4,401,279
21.00 Current tax liability			
Opening Balance		90,490,066	254,501,337
Add: Provision made during the year	21.02	343,634,665	84,721,754
		434,124,731	339,223,091
Less: Paid/adjusted during the year	10.01.01	(85,913,992)	(248,733,025)
Closing balance		348,210,739	90,490,066

21.01 Year wise income tax assessment status is as follows:

Accounting Year	Assessment Year	Opening balance	Provided during the year	Adjusted during the year	Balance	Remarks
Prior to 2015-2016			-	-	-	Assessment completed
2016-2017	2017-2018	111,031,009	179,191,873	(106,839,951)	183,382,931	Assessment in Appeal (Second)
2017-2018	2018-2019	183,382,931	169,979,806	(177,186,575)	176,176,162	Assessment in Appeal (Second)
2018-2019	2019-2020	176,176,162	248,877,693	(170,552,518)	254,501,337	Assessment in Appeal (First)
2019-2020	2020-2021	254,501,337	84,721,754	(248,733,025)	90,490,066	Return submitted
2020-2021	2021-2022	90,490,066	343,634,665	(85,913,992)	348,210,739	Return due by 15th January 2022

	30 June 2021		30 June 2020	
	Rate	Taka	Rate	Taka
21.02 Reconciliation of effective tax rate				
Profit before tax		2,122,272,084		398,584,935
Total income tax expense	16.19%	343,634,665	21.26%	84,721,754
Factors affecting the tax charge:				
Tax using the applicable rate	22.50%	477,511,219	25.00%	99,646,234
Difference between accounting and fiscal depreciation	-6.09%	(129,257,964)	-3.81%	(15,190,678)
Inadmissible expenses	0.00%	-	0.01%	54,476
Difference between gratuity provision and payment	0.10%	2,037,717	0.35%	1,385,286
Difference between WPPF and Welfare Fund provision and p	0.96%	20,412,085	-	-
Unrealised foreign currency translation gain	-	-	-0.31%	(1,238,011)
Revenue gain on disposal of motor vehicles	-	-	0.04%	157,535
Rebate on export sales	-1.04%	(22,023,785)	-	-
Adjustment for unrealised gain on Investment in quoted shares	-0.10%	(2,033,526)	-	-
Adjustment for reduced rated taxable income	-0.14%	(3,011,081)	-0.02%	(93,148)
	16.19%	343,634,665	21.26%	84,721,754



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
22.00 Revenue from contracts with customers			
Local Sales	22.01	25,232,841,459	9,716,508,479
Export Sales	22.02	3,716,286,185	-
		28,949,127,644	9,716,508,479
Value Added Tax		(782,665,572)	(309,817,688)
		28,166,462,072	9,406,690,791
22.01 Local Sales			
M.S. Rod		22,135,037,274	9,618,524,171
M.S. Billet		2,822,788,038	
Cut Pieces		57,750,540	16,010,673
Miss Roll and Ovel		44,553,610	57,693,216
Mill Scale		-	827,131
Oxygen, Nitrogen and Argon		172,711,997	23,453,288
		25,232,841,459	9,716,508,479
22.02 Export Sales			
M.S. Rod		8,631,000	-
M.S. Billet		3,699,296,427	-
Zinc Oxide		8,358,758	-
		3,716,286,185	-
Total export sales during the year USD 43,924,715 and it was nil for the year ended on 30 June 2020.			
23.00 Cost of goods sold			
Opening Finished goods			
M.S. Rod		1,680,512,617	1,188,444,250
M.S. Billet		500,936,424	475,570,006
		2,181,449,041	1,664,014,256
Add: Cost of Production	23.01	26,143,588,998	8,370,264,133
		28,325,038,039	10,034,278,389
Less: Closing Finished goods			
M.S. Rod	11.01	3,163,895,266	1,680,512,617
M.S. Billet	11.01	1,195,988,810	500,936,424
		4,359,884,076	2,181,449,041
		23,965,153,963	7,852,829,348
23.01 Cost of Production			
Opening Stock of:			
Raw Material		4,629,873,049	912,274,607
Spare and Other Materials		195,352,014	215,770,808
		4,825,225,063	1,128,045,415
Add: Purchase			
Raw Material		19,756,386,182	10,248,641,617
Spare and Other Materials		2,064,808,508	348,355,562
		21,821,194,690	10,596,997,179
Less: Closing Stock of			
Raw Material	11.02	3,973,915,432	4,629,873,049
Spare and Other materials	11.03	1,731,365,847	195,352,014
		5,705,281,279	4,825,225,063
Raw and Other Materials Consumed		20,941,138,474	6,899,817,531
Sale of Scrap			-
Add: Factory overhead	23.02	5,202,450,524	1,470,446,602
Cost of Production		26,143,588,998	8,370,264,133



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
23.02	Factory overhead		
	Salaries, Wages and Allowances	446,016,199	249,231,198
	Overtime	33,425,172	21,077,902
	Bonus	4,443,155	8,362,206
	Depreciation	4.00 535,467,765	148,407,954
	Amortization on right of use assets	5.00 28,341,314	7,881,183
	Carriage Inward	17,652,775	13,764,548
	Daily Labour Bill	68,699,596	37,883,597
	Electricity Bill	3,647,241,932	831,162,525
	Factory Canteen	16,091,608	8,895,211
	Fuel, Oil and Lubricant	100,232,373	34,224,066
	Gas Bill	203,542,865	55,027,170
	Insurance	8,012,598	3,680,978
	Internet Expenses	1,633,519	761,150
	Loading and Unloading Expenses	23,679,233	7,935,205
	Medical Expenses	2,053,140	664,412
	Oxygen and LP Gas Charges	25,499,210	20,064,673
	Repair and Maintenance	17,883,289	4,622,082
	Staff Uniform	5,636,845	2,464,620
	Testing Expenses	1,511,858	1,424,041
	Vehicle Expenses	15,386,078	12,911,881
		5,202,450,524	1,470,446,602
24.00	Administrative expenses		
	Directors' Remuneration	37.00 17,220,000	17,220,000
	Salary and Allowances	193,080,518	134,727,832
	Depreciation	4.00 29,748,209	8,244,887
	Amortization on right of use assets	5.00 1,574,517	437,843
	Amortization of Software	7.01 229,048	206,381
	Audit Fee	575,000	460,000
	BIS Certificate Expenses	333,584	93,148
	BO Account Expenses	26,749	900
	Board Meeting Expenses	990,750	630,060
	Bonus	24,959,733	11,825,306
	Electricity and Other Utility Expenses	37,522,463	1,555,812
	Entertainment	11,277,990	4,054,063
	Fees and Renewal	3,617,259	2,620,932
	General Meeting Expenses	295,240	1,324,870
	Group Insurance Premium	1,006,537	127,271
	Legal and Professional Fee	6,984,500	298,500
	Medical Expenses	371,045	-
	Miscellaneous Expenses	1,403,489	1,352,516
	Mobile, Telephone and Internet Charges	5,553,496	4,482,745
	Newspaper and Periodicals	23,416	51,291
	Office Maintenance	781,524	3,080,085
	Office Rent	4,140,000	4,076,324
	Postage and Stamps	770,379	464,304
	Recruitment Expenses	85,130	725,250
	Rent, Rate and Taxes	595,920	125,000
	Share Management Expenses	2,778,067	2,559,075
	Software and Data Connectivity Expenses	414,306	565,232
	Stationery and Printing Charges	3,949,712	3,096,177
	Training Fee	206,560	881,005
	Travelling and Conveyance	6,152,940	2,267,749
	Vehicle Expenses	15,048,388	7,135,896
		371,716,469	214,690,454



		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
	Note(s)	Taka	Taka
25.00 Selling and distribution expenses			
Advertisement Expenses		97,255,553	27,196,725
Carriage Outward		357,762,220	145,211,397
Loading and delivery expenses		46,367,622	-
Travelling and Conveyance		13,618,225	10,591,035
Commission on Sales		5,198,000	8,594,000
Promotional Expenses		32,494,311	16,228,853
Depreciation	4.00	29,748,209	8,244,887
Amortization on right of use assets	5.00	1,574,517	437,843
Marketing Collection Expenses		209,085	1,213,600
Export Expenses		26,965,209	-
Postage and Stamps		17,180	23,795
		611,210,131	217,742,135
26.00 Finance cost			
Interest on Bank Loan		1,094,980,998	746,422,953
Bank Charge		16,473,491	12,819,758
Loan Processing Fee		25,502,988	7,803,499
Foreign Currency Exchange (Gain)/Loss		(29,736,271)	35,226,004
		1,107,221,206	802,272,214
27.00 Finance income			
Interest Earned from FDR		51,555,369	56,393,073
Interest Income from SND Account		62,548	59,925
Interest Income from Arbee Textiles Limited		39,231,300	42,117,450
		90,849,217	98,570,448
28.00 Other income			
Dividend Income		2,526,253	1,862,960
PF Forfeited		226,886	190,945
Realised Gain/(Loss) on Sale of Shares in Listed Companies		20,170,064	-
Gain on Disposal of property, plant and equipment		-	(217,903)
		22,923,203	1,836,002
		30 June 2021	30 June 2020
		Taka	Taka
29.00 Net Asset Value Per Share (NAV)			
Total Assets		53,659,266,934	39,989,495,313
Less: Liabilities		41,802,349,407	33,556,136,799
Net Asset Value (NAV)		11,856,917,527	6,433,358,514
Number of ordinary shares outstanding during the year		397,105,891	378,196,087
Net Assets Value (NAV) per share		29.86	17.01
Net Asset Value (NAV) Per Share is increased due to revaluation of assets and incremental net profit in comparing to the reporting period ended on 30 June 2020.			
		01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
		Taka	Taka
30.00 Earnings per share (EPS)			
30.01 Basic Earnings per share			
The composition of Earnings per share (EPS) is given below :			
Total earnings attributable to the ordinary shareholders		1,660,893,429	299,417,556
Number of ordinary shares outstanding during the year		397,105,891	378,196,087
Weighted average number of ordinary shares outstanding during the year		397,105,891	378,196,087
Basic Earnings Per Share		4.18	0.79
Restated Earnings Per Share			0.75



30.02 Diluted EPS

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

30.03 The Company marketed its new products of the new expansion plant and during the year under audit the sales volume has been increased, consequently this has affected in EPS. Moreover, the Company has also exported a significant quantity of MS Billet to the People's Republic of China from its new expansion plant. As a result, the market share of the Company has been increased significantly. The combined effects of all above registered a positive impact on EPS and significant deviation has been occurred compared to the corresponding period.

31.00 Net operating cash flow per share

Net operating cash flows (from statement of cash flows)

Number of ordinary shares outstanding during the year

Net operating cash flow per share

01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Taka	Taka
(1,607,995,523)	(3,063,596,909)
397,105,891	378,196,087
(4.05)	(8.10)

Payment to supplier and others is more than collection against sales proceeds. As a result, the NOCFPS is negative in this year.

32.00 Number of employees

Employees drawing salary Tk 3,000 or below per month

Employees drawing salary above Tk 3,000 per month

30 June 2021	30 June 2020
Person	Person
-	-
1,991	1,650
1,991	1,650

33.00 Reconciliation of cash flows from operating activities

Profit before income tax

Adjustment for

Depreciation charged

Amortization charged

Amortization on right of use asset

Finance cost

Finance income

Changes in fair value

Realised gain on sale of shares of listed companies

Loss on sale of property, plant and equipment

Dividend Income (net of tax)

01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020
Taka	Taka
2,122,272,084	398,584,935
594,964,183	164,897,728
229,048	206,381
31,490,348	8,756,869
1,136,957,477	767,046,210
(90,849,217)	(98,570,448)
(9,037,892)	-
(20,170,064)	-
-	217,903
(2,021,002)	(1,490,368)
3,763,834,965	1,239,649,210

(Increase)/decrease in Current Assets

Advances, deposits and prepayments

Inventories

Trade and other receivables

(1,956,265,916)	17,431,063
(3,058,491,251)	(4,214,614,433)
(746,741,652)	(115,420,133)

Increase/(decrease) in Current Assets

Defined benefit obligation - gratuity

Creditors and accruals

9,056,520	5,541,143
964,097,505	213,802,226
(1,024,509,829)	(2,853,610,924)

Income tax paid

Net cash flows generated by operating activities

(583,485,694)	(209,985,985)
(1,607,995,523)	(3,063,596,909)



		<u>01 July 2020 to 30 June 2021</u>	<u>01 July 2019 to 30 June 2020</u>
	<u>Note(s)</u>	<u>M. Ton</u>	<u>M. Ton</u>
34.00	Capacity and production Production Capacity (In M. Ton)	1,840,000	360,000

35.00 Related Party Transactions

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

Sl. No	Name of the Party	Relation	Nature of Transactions	Outstanding as on 30 June 2021	Outstanding as on 30 June 2020
1	GPH Power Generation Ltd.	Common Directorship	Supply of power at a flat rate	Cr. 208,878,333	Cr. 510,640,586
2	Jahangir and Other Ltd.	Common Directorship	Head office rent	Dr. 1,510,020	Cr. 919,639
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	Dr. 4,963,171	Cr. 4,420,165
5	Arbee Textiles Ltd.	Common Directorship	Payment against interest bearing loan	Dr. 411,894,666	Dr. 372,416,996
6	LIPD Industries Ltd.	Common Directorship	Advance	Dr. 185,500	Dr. 185,500
7	GPH Ship Builders Ltd.	Common Directorship	Advance	Dr. 1,619,450	Dr. 1,200,000
8	ECO Ceramics Industries Ltd.	Common Directorship	Advance	Dr. 9,175,400	Dr. -

	<u>01 July 2020 to 30 June 2021</u>	<u>01 July 2019 to 30 June 2020</u>
	<u>Taka</u>	<u>Taka</u>
36.00		
Key management personnel compensation		
In accordance with para 17 of IAS 24 related party disclosure: during the year the amount of compensation paid to key management personnel including Board of Directors is as follows;		
Short term employee benefits	105,468,300	78,213,300
Post Employment Benefits	6,389,870	3,155,438
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	<u>111,858,170</u>	<u>81,368,738</u>



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

During the year ended 30 June 2021, 09 (Nine) board meetings were held. The attendance status of all the meetings are as follows:

		30 June 2021	30 June 2020
	Note(s)	Taka	Taka
39.00 Contingent liabilities			
Bank guarantee	39.01	723,971,299	520,131,579
L/C liabilities	39.02	5,273,571,363	4,950,752,552
		5,997,542,662	5,470,884,131

Bank guarantee	39.01	723,971,299	520,131,579
L/C liabilities	39.02	5,273,571,363	4,950,752,552
		<u>5,997,542,662</u>	<u>5,470,884,131</u>

AB Bank Limited	42,729,759	38,415,980
Eastern Bank Limited	1,609,228	-
Mercantile Bank Limited	169,910,000	-
Midland Bank Limited	3,448,115	-
Southeast Bank Limited	1,000,000	1,000,000
State Bank of India	1,688,500	1,690,000
United Commercial Bank Limited	503,585,697	479,025,599
	723,971,299	520,131,579

AB Bank Limited	126,694,073	-
Agrani Bank Limited	-	931,550,235
Dutch Bangla Bank Limited	617,637,168	124,126,059
Mercantile Bank Limited	270,294,810	590,662,113
Midland Bank Limited	501,195,531	3,910,753
NCC Bank Limited	561,321,857	270,628,445
One Bank Limited	277,375,194	595,200,000
Premier Bank Limited	-	49,088,000
Pubali Bank Limited	268,453,291	558,900,000
The City Bank Limited	304,907,341	173,479,957
Trust Bank Limited	656,578,530	549,792,642
United Commercial Bank Limited	1,689,113,568	1,103,414,348
	5,273,571,363	4,950,752,552

39.03 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June 2021.

40.00 Events after reporting date**40.01 Proposed Dividend:**

The Board of Directors at the meeting held on 28 October 2021 has recommended 10% stock dividend and 20% cash dividend for the year ended 30 June 2021 (2020: 5% stock dividend and 5% cash) which is subject to approval by the shareholders in the Annual General Meeting.

40.02 Minimum amount to be distributed as dividend

As per section 16G of Income Tax Ordinance 1984, as a listed company, GPH Ispat shall declare and distribute at least 30% of the net profit after tax as dividend (as per section 16F stock and cash) to its shareholders otherwise 10% tax shall be imposed on the total amount of retained earnings, fund, reserve or surplus.

Profit after tax	1,660,893,429	299,417,556
Maximum amount can be transferred to retained earnings (70% of net profit after tax)	-	(209,592,289)
Minimum amount to be distributed as dividend (30% of net profit after tax)	498,268,029	89,825,267

As the company complied abovementioned section, no provision has been made for minimum amount to be distributed as dividend for the year ended 30 June 2021.

41.00 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2021 other than trade credit available in the ordinary course of business.

42.00 Financial risk management

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

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

	Note(s)
a) Credit risk	42.01
b) Liquidity risk	42.02
c) Market risk	42.03

42.01 Credit risk

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

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

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

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

a) Exposure to credit risk

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



		Amount in Taka	Amount in Taka
	Note(s)	30 June 2021	30 June 2020
Trade and other receivables	12	3,367,753,798	2,621,012,146
Advance and deposits	10.01 & 10.02	4,831,590,609	2,389,415,978
Investment in FDRs (long term and short term)	8, 9 & 13.03	1,424,525,049	886,903,580
Investment in Un-quoted equity	8.00	64,500,000	1,000,000
Investment in quoted shares	8.00	98,049,188	61,344,461
Cash at bank	13.02	127,352,130	31,879,085
		9,913,770,774	5,991,555,250

b) Ageing of receivables			
Dues within 6 months		2,870,188,712	2,167,326,014
Dues over 6 months		85,670,420	81,269,136
		2,955,859,132	2,248,595,150

42.02 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount Taka	Nominal interest rate	Contractual cash flows		
			Within 12 months or less Taka	Over 12 months Taka	Total Taka
Defined Benefit Obligation - Gratuity	50,517,125	N/A	-	50,517,125	50,517,125
Long term loan	23,861,722,586	4.62% - 9.00%	2,283,792,410	21,577,930,176	23,861,722,586
Short term loans	14,940,744,433	9.00%	14,940,744,433	-	14,940,744,433
Finance lease obligations	153,326,825	9.00% - 14.50%	33,245,616	120,081,209	153,326,825
Creditors and accruals	1,760,281,610	N/A	1,760,281,610	-	1,760,281,610
	40,766,592,579		19,018,064,069	21,748,528,510	40,766,592,579

42.03 Market Risk

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

a) Currency risk

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

(i) Exposure to currency risk

As at 30 June 2021

Foreign currency denominated assets

Cash and cash equivalents

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

Foreign currency denominated liabilities

ECA Backed Finance

Long Term Financing Facility

Liability for Accepted Bills for Payment (ABP)

-	-	91,597,924.79	7,776,663,815
-	-	49,141,032.37	4,172,073,648
-	-	36,777,050.28	3,122,371,569
-	-	177,515,007.44	15,071,109,032
Net exposure	113.34	(177,515,455.43)	(15,071,048,869)



As at 30 June 2020

Liquidity risk is the risk that the

Foreign currency denominated assets

Cash and cash equivalents

	Euro	GBP	USD	Taka
	-	113.30	552.02	58,664
	-	113.30	552.02	58,664
Foreign currency denominated liabilities				
ECA Backed Finance	-	-	91,597,924.80	7,772,083,919
Long Term Financing Facility	-	-	41,999,234.59	3,563,635,055
Liability for Accepted Bills for Payment (ABP)	-	-	22,122,438.40	1,964,640,328
	-	-	155,719,597.78	13,300,359,302
Net exposure	-	113.30	(155,719,045.76)	(13,300,300,638)

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

The following significant exchange rate is applied during the year:

	30 June 2021	30 June 2020
	Taka	Taka
Exchange rate of US Dollar	84.90	84.85
Exchange rate of GBP	117.32	104.37
Exchange rate of Euro	-	95.37

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

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

	30 June 2021		30 June 2020	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	(301,421,243)	301,421,243	(264,255,221)	264,255,221
GBP (2% movement)	266	(266)	237	(237)
Euro (2% movement)	-	-	(1,751,029)	1,751,029

(b) Transaction risk

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

(c) Economic risk

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

(d) Interest rate risk

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

Exposure to interest rate risk

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

	30 June 2021	30 June 2020
	Taka	Taka
Fixed- rate instruments		
Fixed rate instrument		
Financial assets	9,913,770,774	5,991,555,250
Financial liabilities	38,955,793,844	32,437,373,684
	48,869,564,618	38,428,928,934
Variable- rate instruments		
Financial assets	Nil	Nil
Financial liabilities	Nil	Nil

Cash flow sensitivity analysis for variable rate instruments

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



43.00 Financial Instruments- Accounting classifications and fair values

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

Note ref.	Fair value through profit or loss		Fair value through OCI		Financial assets at amortised cost		Other financial liabilities		Total	
	Taka		Taka		Taka		Taka		Taka	
30 June 2021										
Financial Assets measured at fair value										
Investment in quoted shares	98,049,188		-		-		-		98,049,188	
Financial Assets not measured at fair value										
Trade and other receivables	-		-		3,367,753,798		-		3,367,753,798	
Deposits	-		-		102,644,130		-		102,644,130	
Investments in FDR	-		-		1,424,525,049		-		1,424,525,049	
Cash at banks	-		-		127,352,130		-		127,352,130	
	-		-		5,022,275,107		-		5,022,275,107	
Financial Liabilities not measured at fair value										
Long term borrowings	-		-		-		23,861,722,586		23,861,722,586	
Finance lease obligations	-		-		-		153,326,825		153,326,825	
Short term borrowings	-		-		-		14,940,744,433		14,940,744,433	
Creditors and accruals	-		-		-		1,760,281,610		1,760,281,610	
	-		-		-		40,716,075,454		40,716,075,454	
30 June 2020										
Financial Assets measured at fair value										
Investment in quoted shares	-		61,344,461		-		-		61,344,461	
Financial Assets not measured at fair value										
Trade and other receivables	-		-		2,621,012,146		-		2,621,012,146	
Deposits	-		-		111,144,130		-		111,144,130	
Investments in FDR	-		-		886,903,580		-		886,903,580	
Cash at banks	-		-		31,879,085		-		31,879,085	
	-		-		3,650,938,941		-		3,650,938,941	
Financial Liabilities not measured at fair value										
Long term borrowings	-		-		-		20,689,484,496		20,689,484,496	
Finance lease obligations	-		-		-		50,307,804		50,307,804	
Short term borrowings	-		-		-		11,697,581,384		11,697,581,384	
Creditors and accruals	-		-		-		796,182,606		796,182,606	
	-		-		-		33,233,556,290		33,233,556,290	


Company Secretary




Director


Managing Director