

ANNUAL REPORT 2018-2019

COMMITTED TO ENRICH THE STEEL SECTOR OF BANGLADESH

ANNUAL **REPORT** 2018-2019

GPH ISPAT LTD.

Registered Office

Crown Chamber, 325 Asadgonj
Chattogram-4000, Bangladesh.
Tel: +88 031 631460 (PABX), +88 031 2854997
Fax: +88 031 610995
E-mail: info@gphispat.com.bd

Dhaka Office

Hamid Tower (3rd & 11th floor),
24 Gulshan C/A, Circle -2, Dhaka-1212
Tel: +88 02 9840177
Fax: +88 02 9880366
E-mail: salesdhk@gphispat.com.bd

Factory

Masjiddah, Kumira, Sitakunda, Chattogram, Bangladesh.
E-mail: factory@gphispat.com.bd

Website: www.gphispat.com.bd

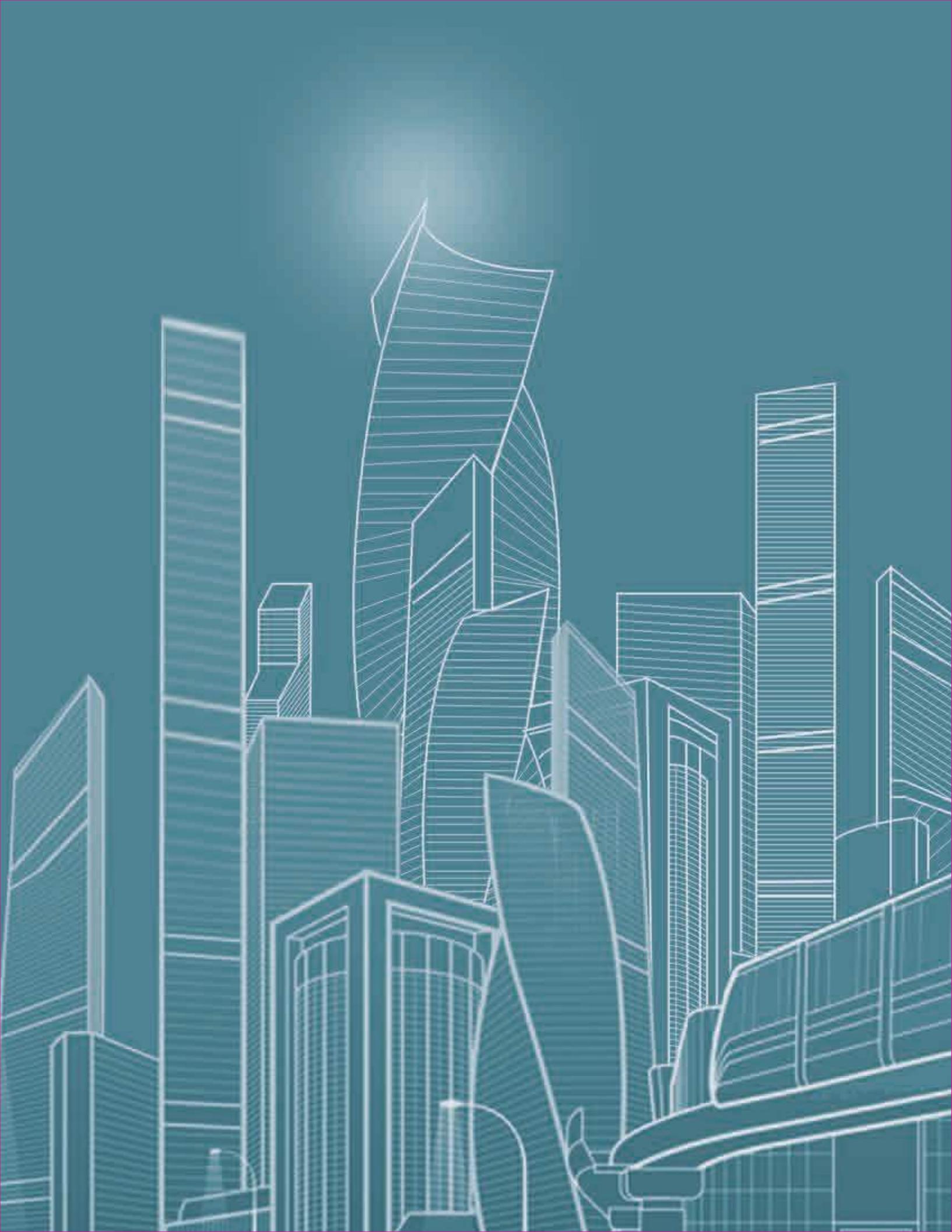
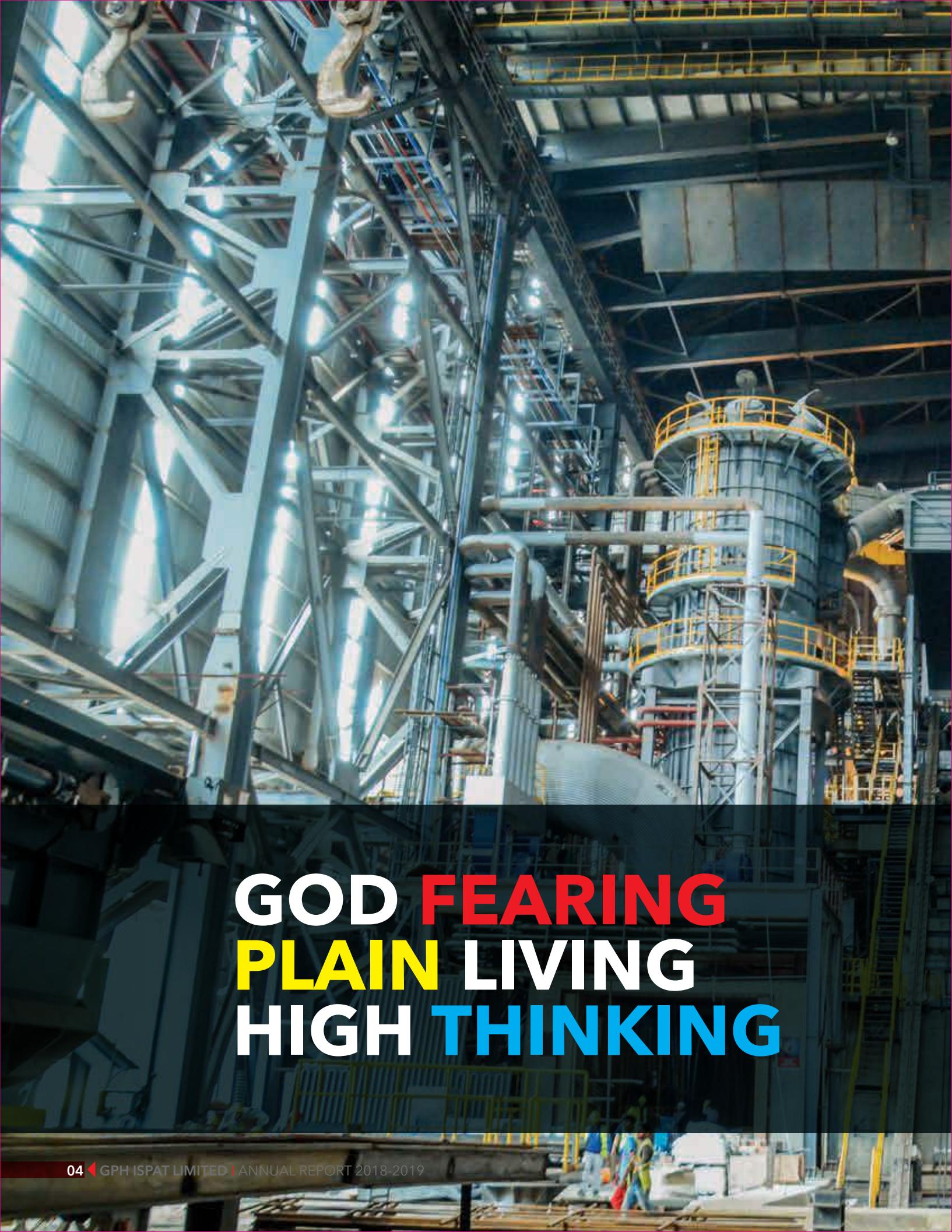


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**GOD FEARING
PLAIN LIVING
HIGH THINKING**



"IN THE BEGINNING, GOD CREATED MAN"

and after thousand years of intelligence, precision, hard work and innovation, man created steel – one of the greatest innovations of all time. This super-strong, carbonized and alloyed form of iron is an element without which modern life is literally unimaginable. From skyscrapers and planes to syringes and forks, steel is an essential part of our everyday life.

GPH ISPAT LTD.

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





ABOUT GPH ISPAT LIMITED

GPH Ispat Limited is one of the leading integrated steel manufacturing companies in Bangladesh engaged in manufacturing and trading of M. S. Billet and M. S. Rod. The Company was incorporated in Bangladesh on May 17, 2006 as a Private Limited Company limited by shares under the Companies Act, 1994. The Company converted into a Public Limited Company along with the subdivision of face value of shares from Tk. 100 to Tk. 10 each and enhanced Authorized Capital from Tk. 1,000 million to Tk. 2,500 million on December 18, 2009. GPH Ispat Limited came to Initial Public Offering (IPO) in February 2012 and became listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in April 2012. The company enhanced its Authorized Capital from Tk. 2,500 million to Tk. 10,000 million in September 2015. GPH Ispat Limited also issued 03[R]:02 Right Shares in June, 2016.



The commercial production of the factory commenced on August 21, 2008 with an annual production capacity of MS Billet 84,000 metric ton and MS Rod 120,000 metric ton of different diameter ranges from 8 mm to 40 mm. In 2012, GPH Ispat increased its production capacity of MS Billet from 84,000 metric ton to 168,000 metric ton per annum. Subsequently, the annual production capacity of MS Billet and MS Rod increased to 210,000 metric ton and 150,000 metric ton respectively in the year 2018. At present, GPH Ispat is in the process of large-scale expansion of production with the world's most advanced technology based on "EAF Quantum Technology" by enhancement of production capacity of MS Billet 840,000 metric ton and MS Rod, Medium Section Products (Steel Beam, Angle, Channel, Flat Bar etc.) 640,000 metric ton per annum. After completion of the said production expansion, the total annual capacity of MS Billet and MS Rod, Medium Section Products will reach to 1,050,000 metric ton and 790,000 metric ton respectively.





OUR VISION & MISSION

VISION

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

MISSION

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

OUR VALUES

- We are committed to provide enjoyable work environment for our employees, our most important resources. We will continually promote teamwork, quality improvement and excellence in all places of business for establishing good governance.
- We will provide products and services of highest quality and value by responding to our customers with promptness, sensitivity, respect and always with integrity.
- We enrich stakeholders' interest where employees are our Strength, customers are our Brand Ambassador and suppliers & service providers are our Value Chain.
- We meet the challenges of Earthquake with our quality products in strong infrastructure development to secure the safety of country people.
- We will maintain a financially strong, growth-oriented company for the protection of our shareholders & employees through leadership & innovation.
- We ensure that our production process is free from environmental pollution.

TRANSMITTAL LETTER



November 30, 2019

The Valued Shareholders of GPH Ispat Limited
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended June 30, 2019.

Dear Sir(s),

We are pleased to enclose the notice of 13th Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2019 along with the notes thereon of GPH Ispat Limited for your kind information and record.

It may be mentioned here that as per notification no. BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June, 2018 issued by Bangladesh Securities and Exchange Commission, we are sending the Notice of Annual General Meeting and Annual Report along with Annual Audited Financial Statements to the valued Shareholders through e-mail addresses available in their Beneficial Owner (BO) accounts with the Central Depository System.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Abu Bakar Siddique'.

Abu Bakar Siddique, FCMA
Executive Director-Group and Company Secretary

GPH ISPAT LTD.

Corporate Office : Crown Chamber, 325 Asadgonj, Chattogram-4000, Tel: +88 031 631460 , Fax: +88 031 610995, E-mail: info@gphispat.com.bd
Dhaka Office: Hamid Tower (3rd & 11th floor), 24 Gulshan C/A, Circle -2, Dhaka-1212, Tel: +88 02 9840177, Fax: +88 02 9880366, E-mail: salesdhk@gphispat.com.bd

NOTICE OF THE 13th ANNUAL GENERAL MEETING



NOTICE OF THE 13th ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting of the Shareholders of GPH Ispat Limited will be held on Thursday, 26 December, 2019 at 11.00 am at City Hall Convention Center, Agrabad Access Road, Chattogram-4100 to transact the following business:

Agenda-1: To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June, 2019 together with the Auditors' Report and Directors' Report thereon.

Agenda-2: To approve the Dividend for the year ended 30 June, 2019.

Agenda-3: To elect Directors in terms of the relevant provision of Articles of Association.

Agenda-4: To approve the appointment of Independent Directors in terms of Corporate Governance Code.

Agenda-5: To appoint Statutory Auditors for the year ended 30 June, 2020 and to fix their remuneration.

Agenda-6: To appoint the Corporate Governance Compliance Auditors for the year ended 30 June, 2020 and to fix remuneration.

Agenda-7: To approve the remained un-utilized Rights Issue Proceeds of Tk. 35,051 for utilization in appropriate head which was un-utilized in Rights Issue Expenses.

By order of the Board

A handwritten signature in black ink, appearing to read 'Abu Bakar Siddique'.

Abu Bakar Siddique, FCMA

Executive Director-Group and Company Secretary

Dated: November 30, 2019

Notes:

1. The Shareholders, whose name appears in the Share Register of the company or in the Depository Register on the record date (**November 21, 2019**) will be eligible to attend the 13th Annual General Meeting and to receive the Dividend.
2. A Shareholder eligible to attend and vote at the Annual General Meeting, may appoint a proxy to attend and vote in his/her stead. The Proxy Form attached with this Annual Report, duly filled in, signed and stamped must be submitted to the Company's Registered Office, Crown Chamber, 325 Asadgonj, Chattogram not later than 48 hours before the time fixed for the Annual General Meeting.
3. Annual Report for the year ended on 30 June, 2019 and proxy form are available in the company's website at www.gphispat.com.bd.

As per Bangladesh Securities and Exchange Commission's circular, no gift/food/conveyance shall be given to the shareholders for attending in the 13th Annual General Meeting of the Company.

GPH ISPAT LTD.

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১৩তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি



১৩তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, জিপিএইচ ইস্পাত লিমিটেড এর শেয়ারহোল্ডারগণের ১৩তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে আগামী ২৬ ডিসেম্বর ২০১৯ইঁ তারিখ রোজ বৃহস্পতিবার সকাল ১১:০০ ঘটকায় সিটি হল কনভেনশন সেন্টার, আগ্রাবাদ এক্সে রোড, চট্টগ্রামে অনুষ্ঠিত হবে।

আলোচ্য বিষয়-১: ৩০ জুন ২০১৯ইঁ তারিখে সমাপ্ত বছরের কোম্পানির নিরীক্ষিত আর্থিক হিসাব বিবরণী, সংশ্লিষ্ট নিরীক্ষা প্রতিবেদন এবং পরিচালকমণ্ডলীর প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।

আলোচ্য বিষয়-২: ৩০ জুন ২০১৯ইঁ তারিখে সমাপ্ত বছরের জন্য ঘোষিত লভ্যাংশ অনুমোদন।

আলোচ্য বিষয়-৩: আর্টিকেলস অব এসোসিয়েশন এব সংশ্লিষ্ট ধারা অনুযায়ী পরিচালকবৃন্দের নির্বাচন।

আলোচ্য বিষয়-৪: কর্পোরেট গর্ভন্যাল কোড অনুযায়ী স্বতন্ত্র পরিচালক নিয়োগ।

আলোচ্য বিষয়-৫: ৩০ জুন ২০২০ইঁ তারিখে সমাপ্ত আর্থিক বছরের জন্য নিরীক্ষক নিয়োগ এবং তাঁদের পারিশ্রমিক নির্ধারণ।

আলোচ্য বিষয়-৬: ৩০ জুন ২০২০ইঁ তারিখে সমাপ্ত আর্থিক বছরের কর্পোরেট গর্ভন্যাল কমপ্লাইয়েন্সের জন্য নিরীক্ষক নিয়োগ এবং তাঁদের পারিশ্রমিক নির্ধারণ।

আলোচ্য বিষয়-৭: রাইট ইস্যু তথ্বিল হতে অব্যবহৃত ৩৫,০৫১ টাকা উপযুক্ত খাতে ব্যবহার এর অনুমোদন প্রদান যাহা রাইট ইস্যু খরচ খাতে অব্যবহৃত ছিল।

বোর্ডের আদেশক্রমে

আবু বকর সিদ্দিক, এফসিএমএ
নির্বাচী পরিচালক-এঙ্গ এবং কোম্পানি সচিব

তারিখ: ৩০ নভেম্বর, ২০১৯ইঁ

নোটঃ

১. রেকর্ড ডেটে (২১ নভেম্বর, ২০১৯ইঁ) যে সকল শেয়ারহোল্ডারবৃন্দের নাম কোম্পানির শেয়ার রেজিস্টার অথবা ডিপোজিটরি রেজিস্টারে লিপিবদ্ধ থাকবে শুধুমাত্র তারাই ১৩তম বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার ও লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।
২. বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার যোগ্য শেয়ারহোল্ডার ইচ্ছা করলে তার পক্ষে বার্ষিক সাধারণ সভায় উপস্থিত হওয়া এবং ভোট প্রদানের জন্য একজন প্রতিনিধি নিয়োগ করতে পারবেন। সেক্ষেত্রে বার্ষিক প্রতিবেদনের সাথে সংযুক্ত প্রক্রিফর্ম যথাযথ ভাবে পূরণ করে, স্বাক্ষর ও স্টাম্প সহ সভা অনুষ্ঠিত হওয়ার নির্ধারিত সময়ের ৪৮ ঘণ্টা পূর্বে কোম্পানির রেজিস্টার্ড অফিস ক্রাউন চেম্বার, ৩২৫ আসাদগঞ্জ, চট্টগ্রাম-এ অবস্থাই জমা দিতে হবে।
৩. ৩০ জুন ২০১৯ইঁ তারিখে সমাপ্ত বছরের বৰ্ষিক প্রতিবেদন এবং প্রক্রিফর্ম কোম্পানির ওয়েবসাইট www.gphispat.com.bd-তে পাওয়া যাবে।

সম্মিলিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের বিজ্ঞপ্তি অনুসারে, কোম্পানির ১৩তম বার্ষিক সাধারণ সভায় অংশগ্রহনের জন্য শেয়ারহোল্ডারদেরকে কোন প্রকার উপহার/খাবার/যাতায়ত ভাতা প্রদান করা হবে না।

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Corporate History

Company Name	: GPH Ispat Limited
Registration No	: CH-5853 of 2006
Date of Incorporation	: May 17, 2006
Commencement of Business	: August 21, 2008
Conversion to Public Limited Company	: December 18, 2009
Listed with Stock Exchanges	: April 19, 2012
TIN	: 875829530252
VAT Registration	: 000041042-0508
BOI Registration	: 20060607-C
Trade Licence No	: 180048
Import Registration Certificate	: BA-0165484
Export Registration Certificate	: RA-0088918
Registered Office	: Crown Chamber, 325 Asadgonj, Chattogram-4000, Bangladesh.
Factory	: Mosjiddah, Kumira, Sitakunda, Chattogram.
Dhaka Office	: Hamid Tower (3rd & 11th Floor) 24 Gulshan C/A, Circle- 2, Dhaka-1212.
Phone	: +880-31-631460(PABX), +880-31-2854997.
Fax	: +880-31-610995.
E-mail	: info@gphispat.com.bd
Website	: www.gphispat.com.bd

Board of Directors

Mr. Md. Alamgir Kabir	: Chairman
Mr. Mohammed Jahangir Alam	: Managing Director
Mr. Md. Almas Shimul	: Additional Managing Director
Mr. Md. Abdur Rouf	: Director
Mr. Md. Ashrafuzzaman	: Director
Mr. Md. Abdul Ahad	: Director
Mr. Md. Azizul Hoque	: Director
Mr. M A Malek	: Independent Director
Mr. Mukhtar Ahmed	: Independent Director

CORPORATE INFORMATION

Audit Committee

Mr. Mukhtar Ahmed	: Chairman
Mr. Md. Almas Shimul	: Member
Mr. Md. Ashrafuzzaman	: Member
Mr. Abu Bakar Siddique, FCMA	: Secretary

Nomination & Remuneration Committee

Mr. M A Malek	: Chairman
Mr. Md. Abdur Rouf	: Member
Mr. Md. Almas Shimul	: Member
Mr. Abu Bakar Siddique, FCMA	: Secretary

Corporate Officials

Mr. Abu Bakar Siddique, FCMA	: Executive Director-Group and Company Secretary
Mr. H. M. Ashraf-Uz-Zaman, FCA	: Chief Financial Officer
Mr. Mohammad Atiqur Rahman Chowdhury	: Head of Internal Audit

Advisors

Prof. Dr. M. Shamim Z. Bosunia	: Advisor
Mr. Shidhartha Barua, FCA	: Tax Advisor
Engr. Serazul Islam	: Technical Advisor (230 KV T/L & Substation Project)
Mr. Mohammad Osman Gani Chowdhury	: Media Advisor
Mr. Arafat Kamal, FCA	: Internal Audit Advisor
Mr. Mustaq Ahmad	: Civil Engineering Advisor
Mr. Md. Musharraf Hussain	: Technical Advisor (Marketing & Sales)
Brigadier General Md. Abdul Wohab (Retd.)	: Market Developments Advisor
Mr. Mujibur Rahman, District Judge (Retd.)	: Legal & Compliance Advisor

Listing:

Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Local Bankers

AB Bank Ltd.
United Commercial Bank Ltd.
Trust Bank Ltd.
Islami Bank Bangladesh Ltd.
Standard Chartered Bank
Bank Asia Ltd.
Pubali Bank Ltd.
Basic Bank Ltd.
The City Bank Ltd.
Dutch Bangla Bank Ltd.
One Bank Ltd.
Meghna Bank Ltd.
Premier Bank Ltd.
Midland Bank Ltd.
Mercantile Bank Ltd.
Modhumoti Bank Ltd.
State Bank of India.
Eastern Bank Ltd.
Argani Bank Ltd.
NCC Bank Ltd.
Jamuna Bank Ltd.
Janata Bank Ltd.
Sonali Bank Ltd.
Southeast Bank Ltd.

Non-Banking Financers

IPDC Finance Ltd.
United Finance Ltd.
IIDFC Ltd.

Insurers

Asia Insurance Limited
Pioneer Insurance Company Limited
Peoples Insurance Company Limited
Green Delta Insurance Limited
Chartered Life Insurance Company Limited
Pragati Insurance Limited
Reliance Insurance Limited
Prime Insurance Company Limited

Credit Rating

Alpha Credit Rating Limited

Foreign Banker

ODDO BHF Aktiengesellschaft, Germany

BOARD OF DIRECTORS



Mr. Md. Alamgir Kabir
Director & Chairman



Mr. Mohammed Jahangir Alam
Director & Managing Director



Mr. Md. Almas Shimul
Director & Additional Managing Director



Mr. Md. Abdur Rouf
Director



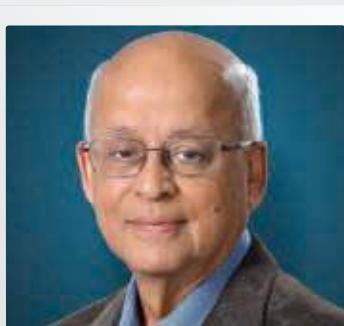
Mr. Md. Ashrafuzzaman
Director



Mr. Md. Abdul Ahad
Director



Mr. Md. Azizul Hoque
Director



Mr. M A Malek
Independent Director



Mr. Mukhtar Ahmed
Independent Director

BOARD OF DIRECTORS' COMMITTEEE

Audit Committee



Mr. Mukhtar Ahmed
Chairman



Mr. Md. Almas Shimul
Member



Mr. Md. Ashrafuzzaman
Member



Mr. Abu Bakar Siddique, FCMA
Secretary

Nomination & Remuneration Committee



Mr. M A Malek
Chairman



Mr. Md. Abdur Rouf
Member



Mr. Md. Almas Shimul
Member



Mr. Abu Bakar Siddique, FCMA
Secretary

MANAGEMENT TEAM



Mr. Mohammed Jahangir Alam
Managing Director



Mr. Md. Almas Shimul
Additional Managing Director



Mr. Md. Ashrafuzzaman
Director



Mr. Md. Abdul Ahad
Director



Mr. Abu Bakar Siddique, FCMA
Executive Director-Group & Company Secretary



Engr. Madani M. Imtiaz Hossain
Executive Director (Plant)



Mr. Kamrul Islam, FCA
Executive Director
(Finance and Business Development)



Engr. A S M Shumon, Ph.D
General Manager (Project)

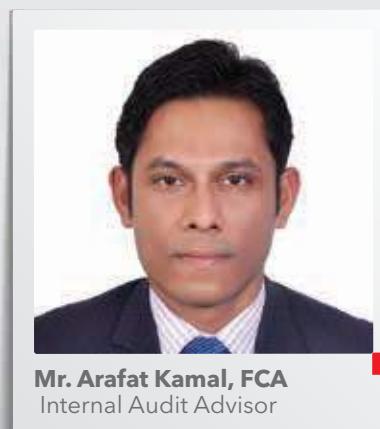


Mr. S. M. Masud Ul Azim
General Manager (Supply Chain)



Mr. Md. Mostafa Kamal
General Manager (Head of Human Resources)

ADVISORS



ADVISORS



Mr. Mustaq Ahmad
Civil Engineering Advisor



Mr. Md. Musharraf Hussain
Technical Advisor (Marketing & Sales)



Brigadier General Md. Abdul Wohab (Retd.)
Market Developments Advisor



Mr. Mujibur Rahman, District Judge (Retd.)
Legal & Compliance Advisor

A professional portrait of Mr. Md. Alamgir Kabir. He is a middle-aged man with dark hair, wearing a dark blue suit jacket, a light blue shirt, and a dark tie. He is looking directly at the camera with a slight smile. The background is blurred, showing what appears to be an indoor setting with some foliage.

CHAIRMAN'S PROFILE

MR. MD. ALAMGIR KABIR DIRECTOR & CHAIRMAN

Mr. Md. Alamgir Kabir having educational background of MBA in Marketing is a Sponsor Director and current Chairman of GPH Ispat Limited. Having about three decades of business experience in both trading and manufacturing sectors, he has proved his wisdom and leadership in business. At present, he is serving M. I. Cement Factory Limited (Crown Cement) and Crown Izonil Limited as the Vice Chairman. He also holds the position of Managing Director of Crown Cement Concrete and Building Products Limited.

He is also the Director of GPH Power Generation Limited, GPH Ship Builders Limited, GPH Engineers & Development Limited, Jahangir & Others Limited, Chittagong Capital Limited, Indo Steel Re-Rolling Industries Limited, Crown Power Generation Limited, Crown Polymer Bagging Limited, Crown Mariners Limited, Crown Maritime and Shipping Services, Crown Transportation & Logistics Limited, Premier Cement Mills Limited, Premier Power Generation Limited. He is also running his trading house, engaged in trading of cement and other construction materials. He is also associated with some limited companies engaged in trading with his brothers.

Besides success in business, Mr. Kabir is the founder Chairman of GPH International School. He has also been proving his commitment to the society by attaching himself in Social activities like:

- President, Bangladesh Cement Manufacturers Association (BCMA)
- Member, Army Golf Club
- President, Munshigonj Unnyon Forum
- Life Member, Bangladesh Red Crescent Society



MANAGING DIRECTOR'S PROFILE

MR. MOHAMMED JAHANGIR ALAM
DIRECTOR & MANAGING DIRECTOR

Mr. Mohammed Jahangir Alam is a man of Wisdom and energetic businessman. After completing education from Government College of Commerce, Chittagong, Bangladesh in 1980 started his career by joining in a private service.

He has derived vast proficiency in trading in Iron & Steel, Cement, Bitumen, C.I Sheet, Zinc Ingot, Capital Market, Industrial ventures etc. Initially he established his business house named Jahangir & Others in 1987 which was subsequently incorporated as Jahangir & Others Limited in 2003. He has established himself as one of the business leaders in Bangladesh.

He is the Chairman of M. I. Cement Factory Limited (Crown Cement), Crown Power Generation Limited, Crown Polymer Bagging Limited, Crown Mariners Limited, Crown Transportation & Logistics Limited and GPH Ship Builders Limited.

He is the Managing Director of GPH Ispat Limited, GPH Power Generation Limited, Jahangir & Others Limited and Chittagong Capital Limited.

He is also the Director of Crown Cement Concrete and Building Products Limited, Premier Cement Mills Limited, Premier Power Generation Limited, National Cement Mills limited, Asia Insurance Limited and Chartered Life Insurance Limited, Eco Ceramics Industries Limited and Imperial Hospital Limited.

As a part of social activities, he is actively involved with the following social organizations:

- Founder Member of Independent University of Bangladesh (IUB), Chittagong, Bangladesh
- Donor Member of Gulshan North Club Limited
- Permanent Member of Gulshan Club Ltd.
- Life Member of Chittagong Maa-o-Shishu Hospital
- Vice President of Bangladesh Small and Captive Power Producers' Association
- Member of Bangladesh German Chamber of Commerce and Industry
- Member of Bangladesh Ex-Cadet Association
- Life Member of Bangladesh National Society for the Blind.
- Life Member of Bhatiary Golf & Country Club
- Life Member of Gulshan Society
- Adviser of Gulshan Joggers Society
- General Member of FBCCI
- Permanent Member of Banani Club Limited
- Life Member of Dhaka Boat Club Limited

Mr. Mohammed Jahangir Alam is a man of commitment which he strongly maintains in his day to day business activities.



ADDITIONAL MANAGING DIRECTOR'S PROFILE

MR. MD. ALMAS SHIMUL DIRECTOR & ADDITIONAL MANAGING DIRECTOR

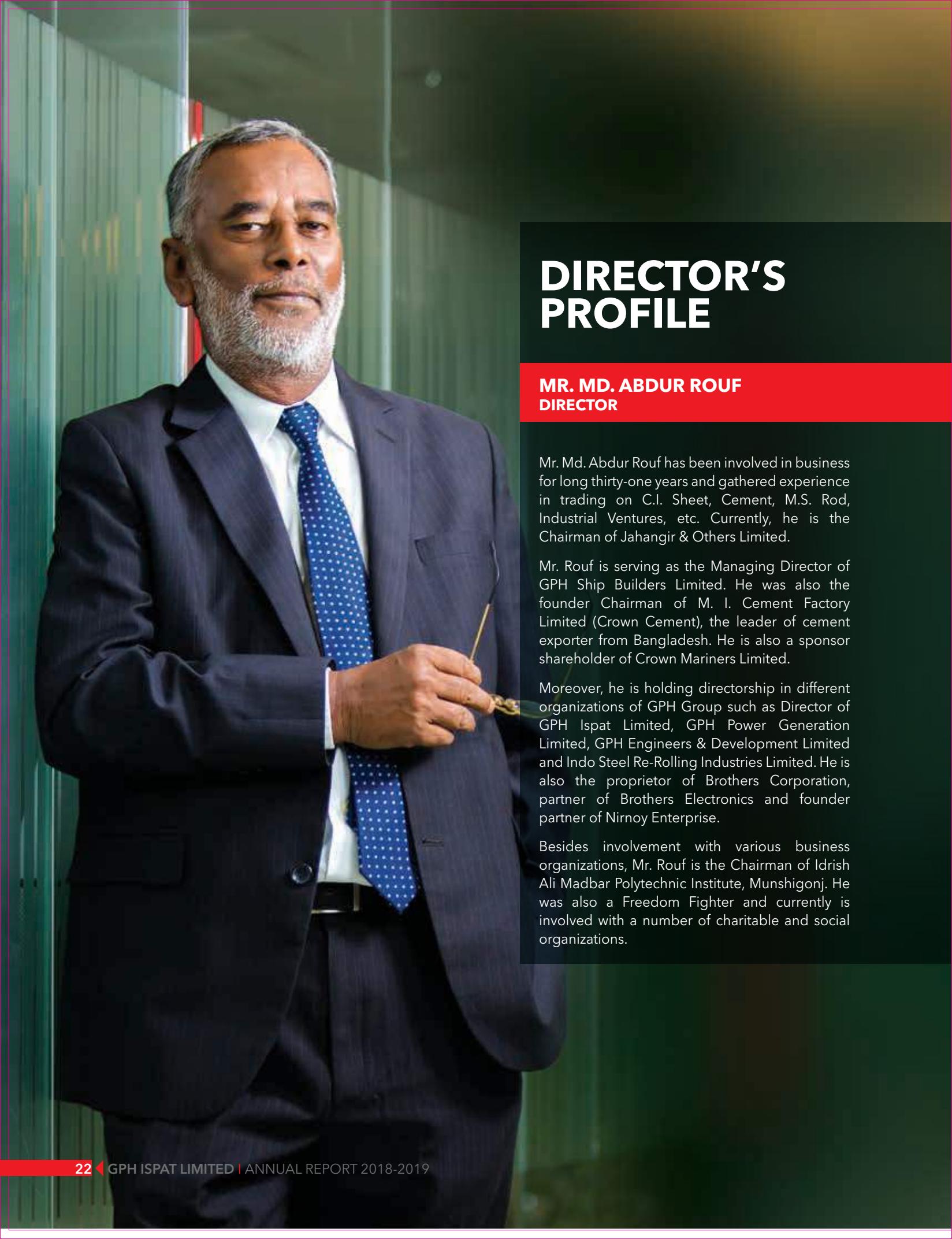
Mr. Md. Almas Shimul went to Japan for his career development. After two years successful completion of job in a Japanese IT company he returned to Bangladesh and joined in family business.

During his business history he holds the Chairmanship of Indo Steel Re-Rolling Industries Limited. He also holds the position of Additional Managing Director of GPH Ispat Limited and actively participating in its management.

He is the Director of GPH Power Generation Limited, GPH Ship Builders Limited, GPH Engineers & Development Limited, Chittagong Capital Limited, Jahangir & Others Limited, M. I. Cement Factory Limited (Crown Cement), Crown Power Generation Limited, Crown Polymer Bagging Limited and Crown Mariner Limited. Together with his brothers, he has been carrying out the trading of construction materials like Cement, MS Rod, CI Sheet etc. from their different trading houses from Chittagong Centre.

He is also actively involved with the following social organizations:

- Region Chairperson Lions District 315-B4, Bangladesh
- President - Chittagong Friends Club
- Joint Secretary - Chittagong Islamia University College Ex-Student Forum
- Founder and Executive Member - Khulshi Club, Chittagong
- Founder Member - Idris Ali Matbar Foundation, Munshigonj
- Life Member - Bhatiary Golf and Country Club, Chittagong
- Member - Chittagong Club Limited, Chittagong



DIRECTOR'S PROFILE

MR. MD. ABDUR ROUF DIRECTOR

Mr. Md. Abdur Rouf has been involved in business for long thirty-one years and gathered experience in trading on C.I. Sheet, Cement, M.S. Rod, Industrial Ventures, etc. Currently, he is the Chairman of Jahangir & Others Limited.

Mr. Rouf is serving as the Managing Director of GPH Ship Builders Limited. He was also the founder Chairman of M. I. Cement Factory Limited (Crown Cement), the leader of cement exporter from Bangladesh. He is also a sponsor shareholder of Crown Mariners Limited.

Moreover, he is holding directorship in different organizations of GPH Group such as Director of GPH Ispat Limited, GPH Power Generation Limited, GPH Engineers & Development Limited and Indo Steel Re-Rolling Industries Limited. He is also the proprietor of Brothers Corporation, partner of Brothers Electronics and founder partner of Nirnoy Enterprise.

Besides involvement with various business organizations, Mr. Rouf is the Chairman of Idrish Ali Madbar Polytechnic Institute, Munshigonj. He was also a Freedom Fighter and currently is involved with a number of charitable and social organizations.



DIRECTOR'S PROFILE

MR. MD. ASHRAFUZZAMAN DIRECTOR

After completing graduation Mr. Md. Asrafuzzaman joined family business of trading in construction materials like C. I. Sheet, M. S. Rod, Cement etc. In his twenty-six years of trading business he acquired much experience later on and appeared as an industrial entrepreneur.

At Present he is holding directorship in different companies of GPH Group and Crown Cement Group where he is actively contributing. He is also shouldering the responsibility as the Managing Director of Eco Ceramics Industries Limited, an auto bricks manufacturing unit under implementation independently. He is also running a trading firm as its sole proprietor.

Moreover, he is engaged in different social activities by associating himself with some national and international social benevolent organizations.

DIRECTOR'S PROFILE

MR. MD. ABDUL AHAD DIRECTOR

Mr. Md. Abdul Ahad has been involved in the business for eighteen years in trading of C.I. Sheet, Cement, M.S. Rod, Angle, Flat Bar and all other Steel Products. Currently, he is holding directorship of GPH Ispat Limited, GPH Ship Builders Limited, GPH Engineers & Development Limited and Crown Transportation & Logistics Limited.

He is also a sponsor shareholder of GPH Power Generation Limited, M. I. Cement Factory Limited (Crown Cement) and proprietor of a trading house named A. Ahad Corporation.





DIRECTOR'S PROFILE

MR. MD. AZIZUL HOQUE DIRECTOR

Mr. Md. Azizul Hoque has been involved in the business for last twenty-six years in trading of C.I. Sheet, Cement, M.S. Rod, Bitumen, Zink, Ingot etc. Currently, he is holding directorship of GPH Ispat Limited and Jahangir & Others Limited.

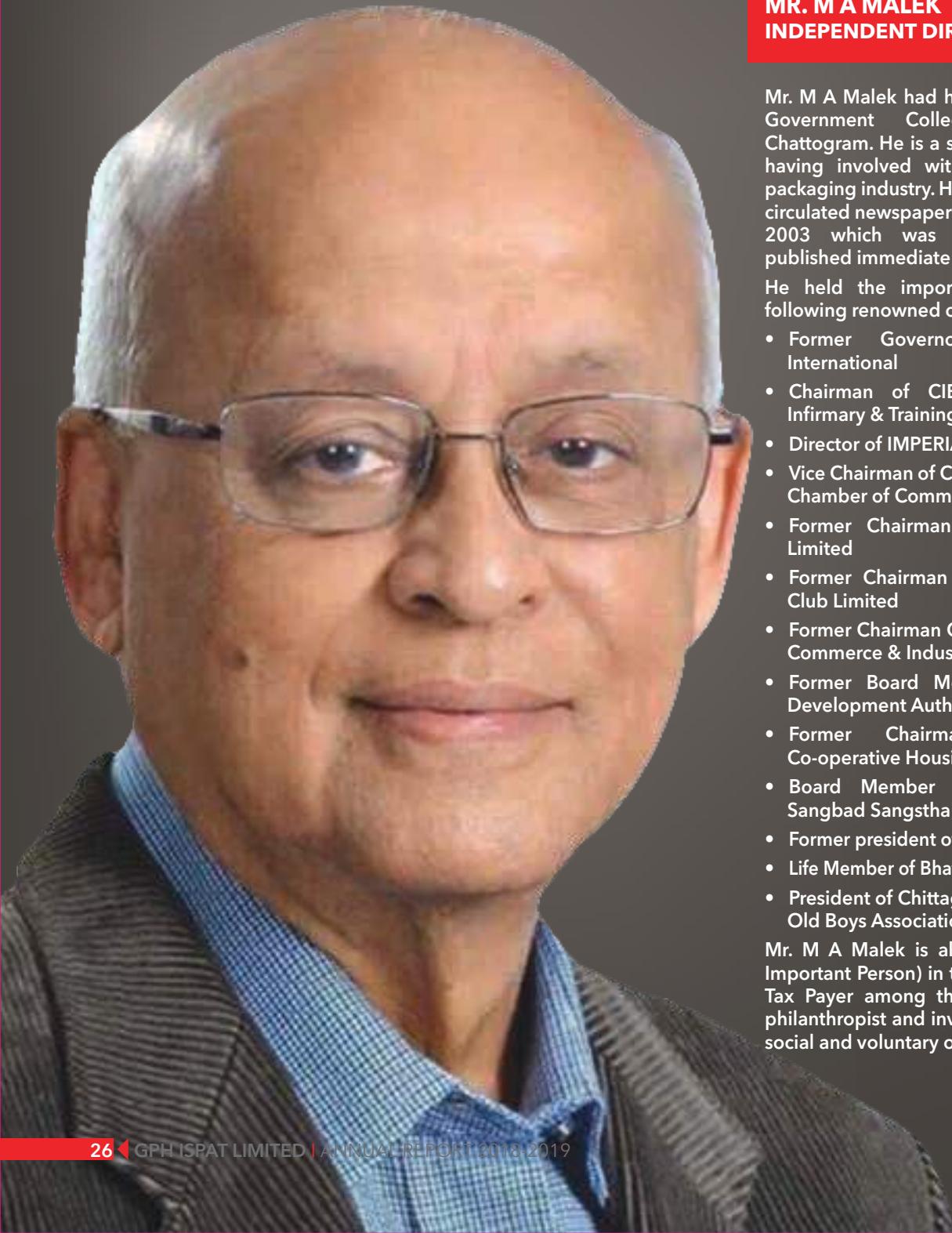
Mr. Hoque is a proprietor of trading house named Steel & Cement Corporation and Dynamic Trading Services.

Besides his business activities, he is also a devoted social worker having involvement with the following social organizations.

- Life Member of Chattogram Ma-O-Shishu Hospital
- Life Member of Kidney Foundation, Chattogram
- Life Member of Brehattar Dhaka Samity

INDEPENDENT DIRECTOR'S PROFILE

MR. M A MALEK INDEPENDENT DIRECTOR



Mr. M A Malek had his graduation from the Government College of Commerce, Chattogram. He is a successful entrepreneur having involved with press, printing and packaging industry. He is the editor of widely circulated newspaper "The Daily Azadi" from 2003 which was the first newspaper published immediate after independence.

He held the important positions in the following renowned organizations: -

- Former Governor of Lions Club International
- Chairman of CIETC (Chittagong Eye Infirmary & Training Complex)
- Director of IMPERIAL Hospital Limited
- Vice Chairman of Chittagong Metropolitan Chamber of Commerce & Industry
- Former Chairman of Chittagong Club Limited
- Former Chairman of Chittagong Senior Club Limited
- Former Chairman Chittagong Chamber of Commerce & Industries
- Former Board Member of Chittagong Development Authority
- Former Chairman of Chittagong Co-operative Housing Society
- Board Member of BSS (Bangladesh Sangbad Sangstha)
- Former president of Chittagong Press Club
- Life Member of Bhatiary Golf & Country Club
- President of Chittagong Collegiate School Old Boys Association

Mr. M A Malek is also a CIP (Commercial Important Person) in the category of highest Tax Payer among the Journalists. He is a philanthropist and involved with many other social and voluntary organizations.



NEWLY APPOINTED INDEPENDENT DIRECTOR'S PROFILE

MR. MUKHTAR AHMED
INDEPENDENT DIRECTOR

Mr. Mukhtar Ahmed is a B. Com (Honors), M. Com (Accounting) from the University of Chittagong. He started his career as a Senior Officer in 1984 with the United Commercial Bank Limited.

Mr. Ahmed has served for long 35 years in banking sector and has gathered extensive knowledge and experiences in banking sector. He was at National Credit and Commerce Bank Limited for 30 years and served in different capacities. On 3rd May 2017 he joined at Pubali Bank Limited as the Deputy Managing Director and on 16th August, 2018 he retired from the said post.

Mr. Ahmed is a widely travelled person who visited many countries of the world in connection with attending training, workshop, seminar, conference and Banking Business.

Mr. Ahmed also held the important positions in the following social and voluntary organizations:

- President of Teknaf Samity Chattogram
- Vice President of Bankers' Club Chattogram
- General Secretary of Hishab Biggnan Samity, Chittagong University
- Executive Member of Bangladesh Accounting Association
- Member of the Chattogram Taxes Bar Association
- Permanent Member of Chattogram Boat Club
- Life Member of Chattogram Ma-O-Shishu Hospital
- Life Member of Chattogram Diabetic Association
- Life Member Cox's Bazar Samity



MESSAGE FROM THE CHAIRMAN

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders

It's my great pleasure to welcome you all at the 13th Annual General Meeting of GPH Ispat Limited for the year ended 30 June, 2019 and I would like to express my thanks and gratitude to you all for your kind participation here in Chattogram.

Sustainability is an important issue and it is strongly discussing in Bangladesh for sustainable development in all sectors. To become a developed country, we need to achieve the development of economic sustainability, environmental sustainability and sociopolitical sustainability. Industrial sustainability refers to the end state of transformation process where industry

is an important part and actively contributing economically, environmentally and socially to a sustainable planet. For the sustainable development of GPH Ispat Limited, we are working from the past. In this connection, we have prepared policies, building dialogue, creating organizational structures and to enable sustainability in corporate culture. We are also focusing on manufacturing technology, supply chain management and product service systems with industrial manufacture exploring significant saving in energy, gas, water and materials in our plants through our supply chains.

MESSAGE FROM THE CHAIRMAN

The size of the economy of Bangladesh has been growing year by year. In 2018-19 fiscal year, the GDP growth is going to reach 8.13% against 7.86% recorded in the previous fiscal year and per capita income of the country is also set to grow to USD 1,909 against USD 1,752 recorded in the previous fiscal year. Along with the country's economic growth we need to increase our company's growth also. But we will not be able to increase market share without increasing the production capacity. So, we always focus on the long-term strategic plan for sustainable growth of the Company. In this connection, a large-scale expansion of production capacity is going on with the world's most advanced technology based on "EAF Quantum Technology" and this is the evidence of our long-term strategic plan. This type of technology is being used for the first time in Bangladesh as well as in the Asian region. EAF Quantum Technology will not only ensure world class products but also substantially reduce the consumption of power, gas and water against existing steel production practices in Bangladesh. Moreover, using this technology carbon emission will be 90 percent less than the World Bank's prescribed limit and 96 percent less than the Bangladesh Standards' recommended limit.

Being a responsible Company, GPH Ispat Limited always strives to make a difference. We believe, leadership equals to action and it results in addressing the critical areas while undertaking our business and value generation for our all partners. We also believe that we have a significant role to play in fulfilling the socio-economic potentials of the nation.

As you would find from the Annual Audited Financial Statements, the Company under the leadership of honorable Managing Director Mr. Mohammed Jahangir Alam and his Management Team is competitively and successfully leading to attain the goals with increasing level of production, turnover and profit. The Company's earnings distribution or dividend payout ratio remains almost consistent. In view of positive development of our business, the Board of Directors proposed 10% Dividend (5% Cash and 5% Stock) for the shareholders of the company for the year ended 30 June, 2019.

Finally, I would like to express my heartfelt thanks and gratitude to our valued Shareholders, Customers, Distributors, Suppliers, Government and Semi-Government Authorities, Bankers, Consultants, Management team and Employees for their valuable support and co-operation to the Company.



Md. Alamgir Kabir
Chairman

চেয়ারম্যান এর বক্তব্য

বিসমিলাহির রাহমানির রাহিম

প্রিয় শেয়ারহোল্ডারবৃন্দ

জুন ৩০, ২০১৯ইং তারিখে সমাপ্ত বছরের জন্য জিপিএইচ ইস্পাত লিমিটেড এর ১৩তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাই এবং চট্টগ্রামে আজকের এই সভায় আপনাদের সদয় অংশগ্রহনের জন্য সকলকে ধন্যবাদ এবং কৃতজ্ঞতা প্রকাশ করছি।

টেকসই উন্নয়ন একটি গুরুত্বপূর্ণ বিষয় এবং সকল ক্ষেত্রে টেকসই উন্নয়নের ব্যাপারে বাংলাদেশে জোরালোভাবে আলোচনা হচ্ছে। উন্নত দেশে পরিণত হওয়ার জন্য আমাদের অর্থনৈতিক টেকসই, পরিবেশগত টেকসই এবং আর্থ-রাজনৈতিক টেকসই বিকাশ অর্জন করতে হবে। শিল্পের টেকসই বলতে রূপাত্তর প্রক্রিয়ার শেষ অবস্থাকে বুঝায় যেখানে টেকসই পৃথিবীর জন্য শিল্প একটি অংশ এবং যা অর্থনৈতিক, পরিবেশগত ও সামাজিকভাবে সক্রিয় অবদান রাখছে। জিপিএইচ ইস্পাত লিমিটেড টেকসই উন্নয়নের জন্য অতীত থেকেই কাজ করছে। এই ক্ষেত্রে, আমরা নীতিমালা তৈরি করেছি, আলাপ-আলোচনা করেছি, প্রতিষ্ঠানিক কাঠামো তৈরি করেছি এবং কর্পোরেট কালচারকে টেকসই করতে সক্ষম হয়েছি। আমরা উৎপাদন প্রযুক্তি, সরবরাহ ব্যবস্থাপনা এবং পণ্য পরিসেবা পদ্ধতি গুলোর দিকে মনোনিবেশ করেছি, সেই সাথে উৎপাদন শিল্পের সরবরাহ ব্যবস্থাপনার মাধ্যমে আমাদের কারখানায় উল্লেখযোগ্য ভাবে বিদ্যুৎ, গ্যাস, পানি এবং কাঁচামালের পরিমিত ব্যবহারের দিকেও মনোনিবেশ করেছি।

প্রতি বছর বাংলাদেশের অর্থনৈতির আকার বৃদ্ধি পাচ্ছে। ২০১৮-১৯ অর্থ বছরে জিডিপি প্রবৃদ্ধি আগের অর্থ বছরে রেকর্ড হওয়া ৭.৮৬ শতাংশের বিপরীতে ৮.১৩ শতাংশে পৌছাতে চলছে এবং দেশের মাথাপিছু আয় আগের অর্থ বছরে রেকর্ড হওয়া ১,৭৫২ মার্কিন ডলারের বিপরীতে ১,৯০৯ মার্কিন ডলারে উন্নীত হবে। দেশের অর্থনৈতিক প্রবৃদ্ধির পাশাপাশি আমাদের কোম্পানির প্রবৃদ্ধিও বাড়ানো প্রয়োজন। কিন্তু উৎপাদন ক্ষমতা বৃদ্ধিকরণ ব্যতিত আমরা আমাদের মার্কেট শেয়ার বৃদ্ধি করতে পারব না। তাই কোম্পানির টেকসই প্রবৃদ্ধির জন্য আমরা দীর্ঘ মেয়াদী কৌশলগত পরিকল্পনার দিকে মনোনিবেশ করি। এর প্রেক্ষিতে, বিশ্বের সর্বাধিক উন্নত প্রযুক্তির “ইএএফ কোয়ান্টাম প্রযুক্তি” ভিত্তিক বৃহৎ আকারের উৎপাদন সম্প্রসারণ প্রকল্পের কাজ চলমান রয়েছে এবং ইহা আমাদের দীর্ঘ মেয়াদী কৌশলগত পরিকল্পনার একটি প্রমাণ। এই ধরণের প্রযুক্তি প্রথমবারের মতো বাংলাদেশে এবং এশিয়া অঞ্চলে চালু হচ্ছে। ইএএফ কোয়ান্টাম প্রযুক্তি

গুরুমাত্র বিশ্বমানের পণ্য উৎপাদন নিশ্চিত করবে না পাশাপাশি বাংলাদেশে বিদ্যমান ইস্পাত উৎপাদন পদ্ধতিতে যে পরিমান বিদ্যুৎ, গ্যাস এবং পানির ব্যবহার হয় তার চেয়ে উল্লেখযোগ্য পরিমাণ কম প্রয়োজন হবে। এছাড়া, এই প্রযুক্তি ব্যবহারের ফলে কার্বন নিগমন বিশ্বব্যাংকের নির্ধারিত সীমা থেকে ৯০ শতাংশ কম এবং বাংলাদেশের প্রস্তাবিত মান ৯৬ শতাংশ থেকে কম হবে।

একটি দায়িত্বশীল কোম্পানি হিসেবে, জিপিএইচ ইস্পাত লিমিটেড সর্বদা ভিন্ন কিছু করার চেষ্টা করে। আমরা বিশ্বাস করি, নেতৃত্ব কর্মের সমান এবং আমাদের ব্যবসা ও মান বৃদ্ধির জন্য আমাদের গুরুত্বপূর্ণ বিষয়গুলো সকল অংশীদারদের নিকট উপস্থাপন করা জরুরী। আমরা আরও বিশ্বাস করি যে, জাতির আর্থ-সামাজিক সম্ভাবনা গুলো পূরণে আমাদের গুরুত্বপূর্ণ ভূমিকা রাখতে হবে।

আপনারা বার্ষিক নিরীক্ষিত আর্থিক প্রতিবেদনে দেখতে পাবেন, কোম্পানির মাননীয় ব্যবস্থাপনা পরিচালক জনাব মোহাম্মদ জাহানীর আলমের নেতৃত্বে এবং তার ম্যানেজমেন্ট টিম প্রতিযোগিতার সাথে এবং সফল ভাবে কোম্পানির কাঞ্চিত লক্ষ্য অর্জনে উৎপাদন, বিক্রয় এবং মুনাফা বৃদ্ধিতে কাজ করে যাচ্ছে। কোম্পানির আয় বিতরণ বা লভ্যাংশ পরিশোধে সবসময় ধারাবাহিকতা বজায় রেখেছে। আমাদের ব্যবসায়ের ইতিবাচক বিকাশের প্রেক্ষিতে পরিচালনা পর্ষদ ৩০ জুন, ২০১৯ইং তারিখে সমাপ্ত বছরে কোম্পানির শেয়ারহোল্ডারদের জন্য ১০ শতাংশ লভ্যাংশ (৫ শতাংশ নগদ এবং ৫ শতাংশ স্টক) প্রদানের প্রস্তাৱ করেছেন।

পরিশেষে, আমি সকল সম্মানিত শেয়ারহোল্ডার, ক্রেতাগণ, বিপননকারী, সরবরাহকারী, বিভিন্ন সরকারী ও আধা-সরকারী কর্তৃপক্ষ, ব্যাংকার, পরামর্শক, ম্যানেজমেন্ট টিম এবং সকল কর্মকর্তা ও কর্মচারীবৃন্দ-কে কোম্পানির প্রতি তাদের সমর্থন ও সহযোগিতার জন্য আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি।



মোঃ আলমগীর কবির
চেয়ারম্যান



MESSAGE FROM THE MANAGING DIRECTOR

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders

I extend the warmest welcome to you all at the 13th Annual General Meeting of GPH Ispat Limited. On behalf of the Board of Directors and myself, it is my great pleasure to present the Annual Report of the Company for the financial year ended 30 June, 2019.

The Board of Directors of GPH Ispat Limited and its Management Team are working relentlessly to attain the trust of our stakeholders as well as to fulfill the commitment to our shareholders for delivering the higher return via consistent dividend payment. We continued to steer our company in the direction of positive value creation with a very healthy profit growth. It is my pleasure to inform

you that we have passed another successful year of revenue growth, supported by profit and earnings growth. Revenue for the financial year 2018-19 amounting Tk. 13,268.68 million, thereby noticeably exceeding the previous year by 35.20% (Revenue for the financial year 2017-18 was Tk. 9,814.10 million). Profits for the financial year 2018-19 amounting Tk. 806.20 million, thereby also noticeably exceeding the previous year by 21.04% (Profit for the financial year 2017-18 was Tk. 666.06 million). This result was achieved due to the proactive guidance from our Board, Management and talent based hardworking employees of our Company. An outstanding range of high-quality

MESSAGE FROM THE MANAGING DIRECTOR

brand, vibrant supply chain network, effective cost management strategy and productivity improvement initiatives across the Company influenced the overall results. This result also shows that we continued our profitability growth and achieved a higher return for our shareholders.

2018-19 was an eventful year for GPH Ispat Limited. In this year, specially we concentrated on our production expansion project implementation, but we faced several challenges. Despite of the challenges, we tried our best to implement our long-expected world's most advanced technology based on "EAF Quantum Technology" steel plant. We are also trying our level best to start the trial production and commercial production as soon as possible.

We always committed to our vision of long-term sustainability. In this regard, our strategy is complemented by the right focusing on increasing our market share, maximum production capacity utilization and most importantly human resource development that enabled us to deliver satisfactory shareholders' return and contribute towards the sustainable development of the country and building a better Bangladesh.

Finally, a tribute to the countless brand users of GPH Ispat Limited for the outstanding achievement in 2018-19. I would like to place my thanks and gratitude to the valued shareholders and all other stakeholders of the Company for their persistent support and guidance during the year. I would also like to thanks each and every customer for their continued support and for making the GPH's brands as their preferred choices. I recognize that the journey and accomplishments during the year was possible because of the whole hearted co-operation, positive support and guidance that we received from the

Government of Bangladesh; particularly the Ministry of Finance, Ministry of Commerce, Ministry of Power, Energy & Mineral Resources, Ministry of Forest & Environment, National Board of Revenue, Board of Investment, Bangladesh Investment Development Authority, Bangladesh Power Development Board, Bangladesh Water Development Board, Bangladesh Railway, Department of Inspection for Factories and Establishments, Bangladesh Securities and Exchange Commission along with Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Central Depository Bangladesh Limited and Registrar of Joint Stock Companies and Firms.

I would like to thanks the Bangladesh Bank, Government Banks, Semi-Government Banks, Commercial Banks, Financial Institutions, Insurances, business partners and press and media for their continued support during the year.

I would also like to thanks the Board of Directors, Management Team and the Employees for their commitment to Company. I also acknowledge the self-dedication, hard work, sincerity and concerted effort of the Management Team and Staff Members of GPH Ispat Limited in achieving of its goal and urge their continued commitment towards the coming years.



Mohammed Jahangir Alam
Managing Director

বিসমিলাহির রাহমানির রাহিম

প্রিয় শেয়ারহোল্ডারবৃন্দ

জিপিএইচ ইস্পাত লিমিটেড এর ১০তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি। পরিচালনা পর্ষদ এবং আমার পক্ষ থেকে ৩০ জুন, ২০১৯ইং তারিখে সমাপ্ত আর্থিক বছরের কোম্পানির বার্ষিক প্রতিবেদন আপনাদের নিকট উপস্থাপন করছি।

স্টেকহোল্ডারদের আস্থা অর্জনের পাশাপাশি আমাদের শেয়ারহোল্ডারগণকে ধারাবাহিক লভ্যাংশ প্রদানের মাধ্যমে প্রতিশ্রুতি পূরণের জন্য জিপিএইচ ইস্পাত লিমিটেডের পরিচালনা পর্ষদ এবং তার ম্যানেজমেন্ট টিম নিরলসভাবে কাজ করে যাচ্ছে। সর্বোচ্চ মুনাফা অর্জনের মাধ্যমে আমরা আমাদের কোম্পানিকে ইতিবাচক মানের দিকে পরিচালিত করে চলছি। আনন্দের সাথে আপনাদেরকে জানাচ্ছি যে, আমরা আয় বৃদ্ধির আরও একটি সফল বছর অতিক্রম করেছি। ২০১৮-১৯ অর্থ বছরে বিক্রয়ের পরিমান হল ১৩,২৬৮.৬৮ মিলিয়ন টাকা যা পূর্ববর্তী বছরের তুলনায় ৩৫.২০ শতাংশ বেশি (২০১৭-১৮ অর্থ বছরে মোট বিক্রয়ের পরিমান ছিল ৯,৮১৪.১০ মিলিয়ন টাকা)। ২০১৮-১৯ অর্থ বছরে মুনাফার পরিমান হল ৮০৬.২০ মিলিয়ন টাকা যা পূর্ববর্তী বছরের তুলনায় ২১.০৪ শতাংশ বেশি (২০১৭-১৮ অর্থ বছরে মুনাফার পরিমান ছিল ৬৬৬.০৬ মিলিয়ন টাকা)। উক্ত ফলাফল অর্জিত হয়েছে শুধুমাত্র আমাদের পরিচালনা পর্ষদ ও ম্যানেজমেন্ট এর সক্রিয় নির্দেশনা এবং কোম্পানির প্রতিভা ভিত্তিক পরিশ্রমী কর্মকর্তা ও কর্মচারীদের পরিশ্রমের কারণে। উচ্চ মানের ব্র্যান্ড, গতিশীল সাপ্লাই চেইন নেটওয়ার্ক, কার্যকর ব্যবস্থাপনা কোশল এবং উৎপাদনশীলতা বৃদ্ধির উদ্যোগের ফলে একটি অসাধারণ পরিসর কোম্পানির সামগ্রিক ফলাফলকে প্রভাবিত করেছে। উক্ত ফলাফল, কোম্পানির লাভজনক প্রবৃদ্ধি অব্যাহত রাখা এবং আমাদের শেয়ারহোল্ডারদের জন্য উচ্চতর আয় অর্জনকেও নির্দেশ করে।

২০১৮-১৯, জিপিএইচ ইস্পাত লিমিটেডের জন্য একটি ঘটনাবহুল বছর ছিল। আলোচ্য বছরে, আমরা উৎপাদন সম্প্রসারণ প্রকল্প বাস্তবায়নের কাজে বিশেষ মনোযোগ দিয়েছি, তবে আমরা বেশ কিছু প্রতিবন্ধকর্তারও মুখোমুখি হয়েছি। উক্ত প্রতিবন্ধকর্তা সত্ত্বেও, আমাদের বহুল প্রত্যাশিত বিশেষ সর্বোন্তু “ইএএফ কোয়াল্টি প্রযুক্তির” স্টাল প্ল্যাট বাস্তবায়নে আমরা আমাদের যথসাধ্য চেষ্টা করেছি। যত তাড়াতাড়ি সম্ভব পরীক্ষামূলক উৎপাদন এবং বাণিজ্যিক উৎপাদন শুরু করার জন্য আমরা আমাদের সর্বোচ্চ পর্যায়ের চেষ্টা করে যাচ্ছি।

কোম্পানির দীর্ঘ মেয়াদী টেকসই উন্নয়নে আমরা সবসময় প্রতিশ্রুতিবদ্ধ। এই ক্ষেত্রে, আমাদের কোশল হচ্ছে মার্কেট শেয়ার বৃদ্ধি করা, উৎপাদন ক্ষমতার সর্বোচ্চ ব্যবহার নিশ্চিত করা এবং মানব সম্পদের উন্নয়ন, যার মাধ্যমে আমরা আমাদের শেয়ারহোল্ডারদের

জন্য সঙ্গেজনক লভ্যাংশ দিতে পারি, দেশের টেকসই উন্নয়নে অবদান রাখতে পারি এবং একটি উন্নত বাংলাদেশ গড়তে সহায়তা করতে পারি।

পরিশেষে, ২০১৮-১৯ হিসাব বছরে অসামান্য ফলাফল অর্জনের জন্য জিপিএইচ ইস্পাত লিমিটেডের অসংখ্য ব্র্যান্ড ব্যবহারকারীদের আমি আমার শুন্দি জানাই। আলোচ্য বছরে কোম্পানির প্রতি নিরবচ্ছিন্ন সমর্থন এবং দিক নির্দেশনার জন্য কোম্পানির সম্মানিত শেয়ারহোল্ডার ও অন্যান্য স্টেকহোল্ডারদেরকে ধন্যবাদ ও কৃতজ্ঞতা জানাই। এছাড়া, কোম্পানির সকল গ্রাহকদেরকে তাদের অব্যাহত সমর্থন এবং তাদের প্রথম পছন্দ হিসেবে জিপিএইচ ব্র্যান্ডকে পছন্দ করার জন্য ধন্যবাদ জানাই। আমি বাংলাদেশ সরকার, বিশেষ অর্থ মন্ত্রণালয়, বাণিজ্য মন্ত্রণালয়, বিদ্যুৎ, জ্বালানি ও খনিজ সম্পদ মন্ত্রণালয়, বন ও পরিবেশ মন্ত্রণালয়, জাতীয় রাজস্ব বোর্ড, বিনিয়োগ বোর্ড, বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষ, বাংলাদেশ বিদ্যুৎ উন্নয়ন বোর্ড, বাংলাদেশ পানি উন্নয়ন বোর্ড, বাংলাদেশ রেলওয়ে, কারখানা ও স্থাপনা পরিদর্শন বিভাগ, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন সহ ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড, সেন্ট্রাল ডিপজিটারী বাংলাদেশ লিমিটেড, রেজিস্ট্রার অব জেয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস্ এর নিকট ধন্যবাদ এবং কৃতজ্ঞতা প্রকাশ করেছি, যাদের নিকট হতে প্রাণ্ত আন্তরিক সহযোগিতা, ইতিবাচক সমর্থন ও দিক নির্দেশনার ফলে আলোচ্য বছরে আমাদের কর্মকাণ্ড ও ফলাফল অর্জন সম্ভব হয়েছে।

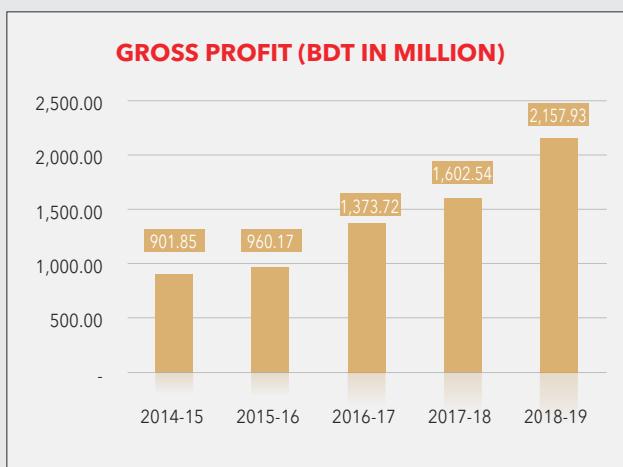
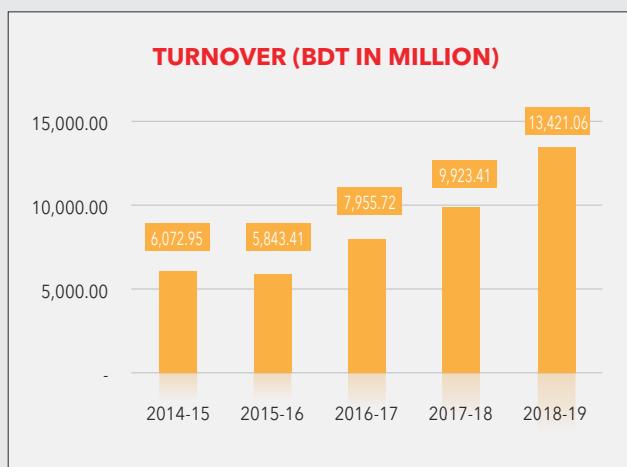
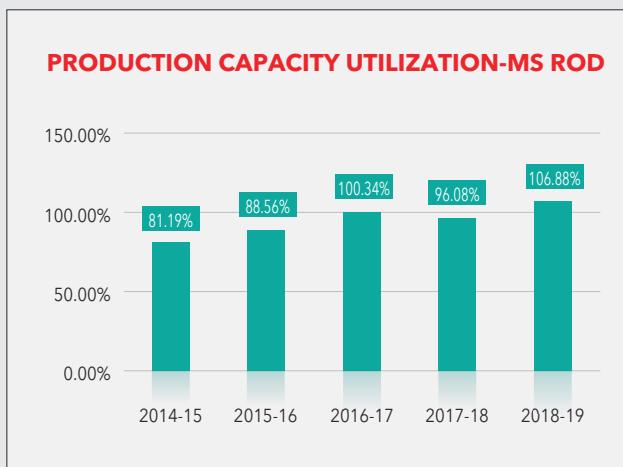
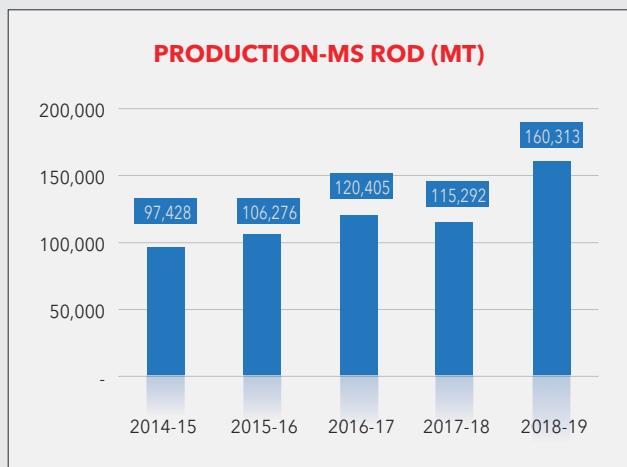
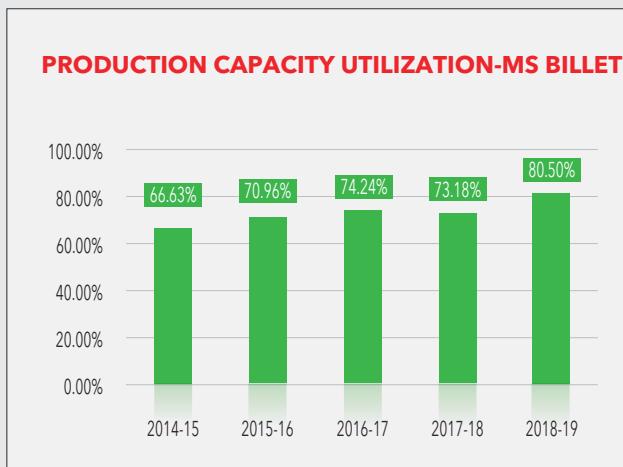
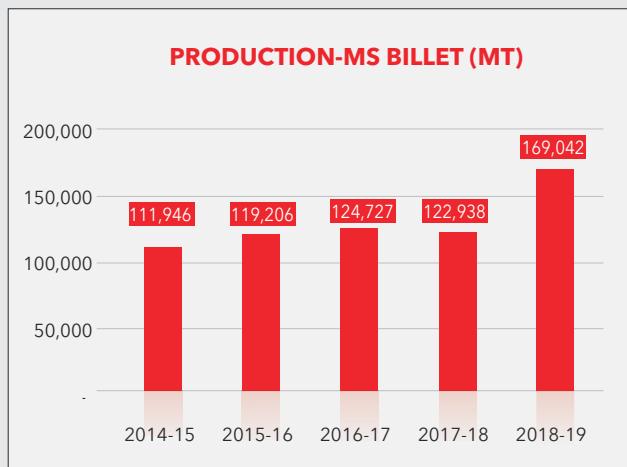
আলোচ্য বছরে, অব্যাহত সহযোগিতার জন্য আমি বাংলাদেশ ব্যাংক, সরকারী ব্যাংক, আধা-সরকারী ব্যাংক, বাণিজ্যিক ব্যাংক, আর্থিক প্রতিষ্ঠান, বীমা কোম্পানি, ব্যবসায়িক অংশীদার এবং প্রেস ও মিডিয়াকে আন্তরিক ধন্যবাদ জানাই।

কোম্পানির প্রতি দায়বদ্ধতার জন্য আমি কোম্পানির পরিচালনা পর্ষদ, ম্যানেজমেন্ট টিম এবং কর্মকর্তা ও কর্মচারীদেরকেও ধন্যবাদ জানাই। জিপিএইচ ইস্পাতের লক্ষ্য অর্জনে ইহার ম্যানেজমেন্ট টিম এবং সকল কর্মকর্তা কর্মচারীদের আত্মনিবেদন, কঠোর পরিশ্রম, আন্তরিকতা ও সমবিত্ত প্রচেষ্টাকে আমি স্বীকার করছি এবং আগামী বছরগুলোতে তাদের এই প্রতিশ্রুতি অব্যাহত রাখার আহ্বান জানাচ্ছি।

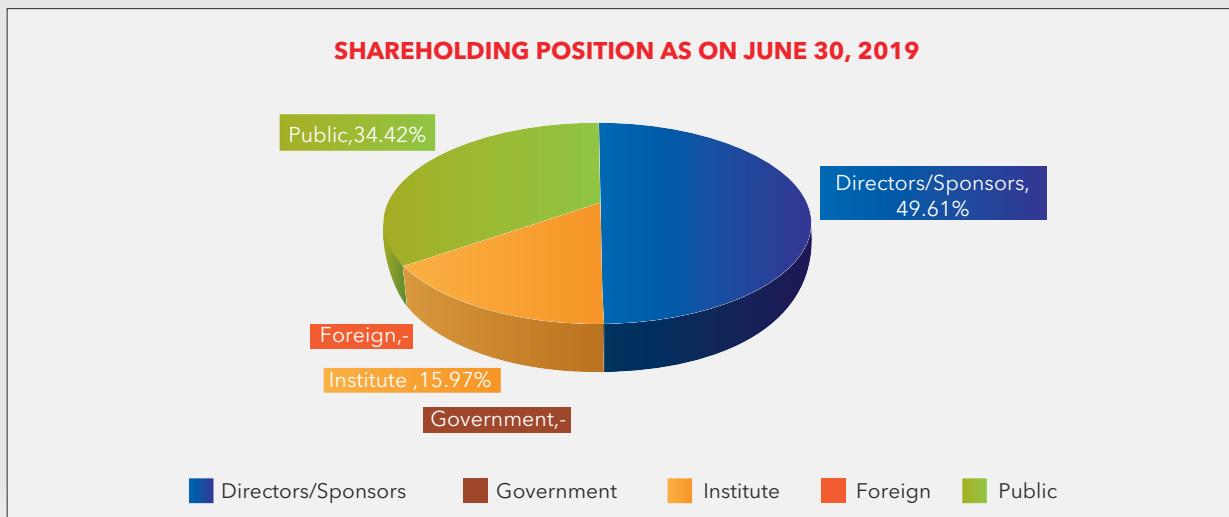
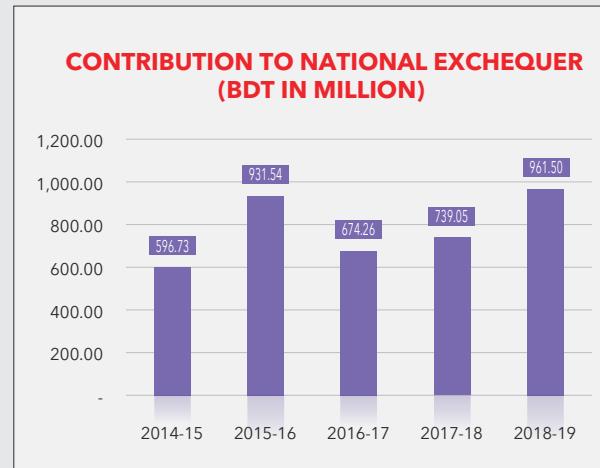
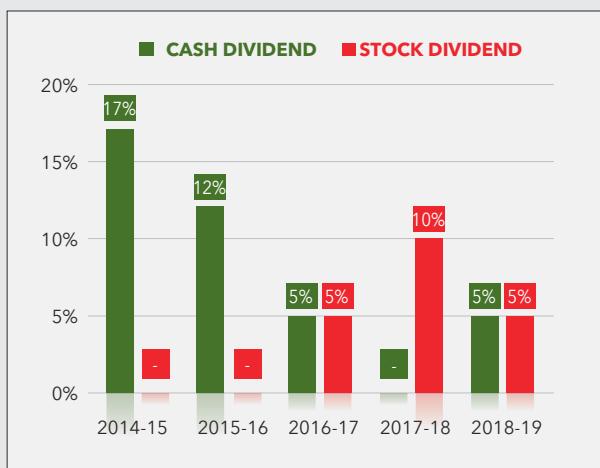
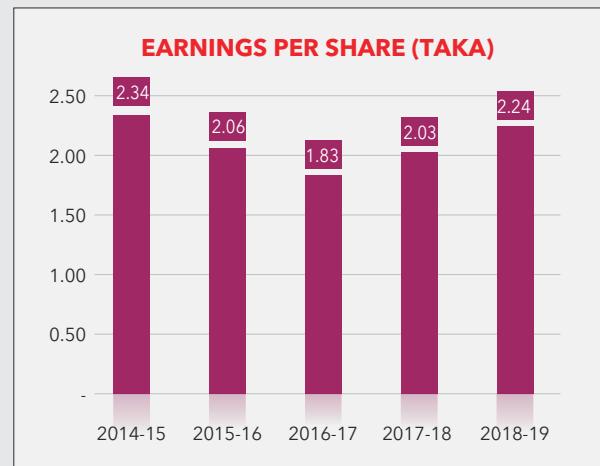
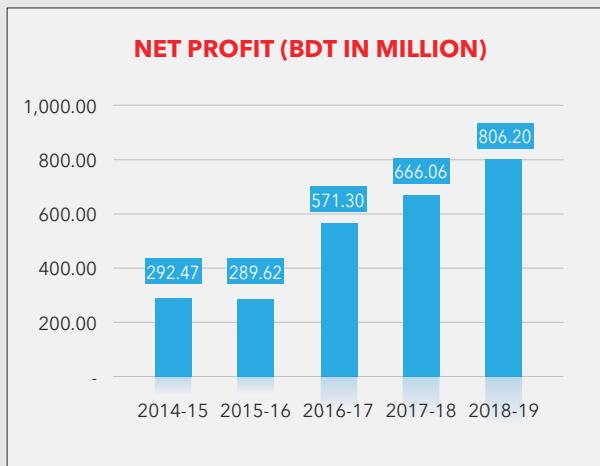


মোহাম্মদ জাহাঙ্গীর আলম
ব্যবস্থাপনা পরিচালক

GRAPHICAL VIEW



GRAPHICAL VIEW





**BOARD OF
DIRECTORS' REPORT
TO THE SHAREHOLDERS
FOR THE YEAR ENDED 30TH JUNE, 2019**

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Fellow Shareholder(s)

Assalamu Alaikum

On behalf of the Board of Directors, it is my pleasure and privilege to present the Annual Report of GPH Ispat Limited which includes Directors' Report along with the Audited Financial Statements and Auditors' Report for the year ended 30 June, 2019 for your kind consideration, adoption and approval.

This Annual Report has been prepared under section 184 of the Companies Act, 1994 and in compliance with the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code, notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

STEEL INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS

ECONOMIC SCENARIO

According to the International Monetary Fund (IMF), Bangladesh is now the 41st largest economy in the world in terms of nominal GDP while its position is 30th in terms of purchasing power parity. This success story is the result of the long-term struggle and hard work of the policy makers, work force engaged in agriculture, industry sector, service sector, expatriate Bangladeshis' hard work earnings of foreign currency and continuous thrive for survival of the resilient common citizenry of the country. These long-term continuous efforts increased the GDP growth, per capita income, export earnings, remittance, foreign exchange reserves etc. Experiences from the successful industrialized countries suggest that industrialization brings significant structural changes in the economy which leads to considerable reduction in poverty, creation of large-scale employment and substantial improvement in the social welfare.

The Bangladesh economy moved more steadily in the financial year 2018-19 than the previous financial year. As a result, the GDP growth is going to reach 8.13% against 7.86% recorded in the previous fiscal year and per capita income of the country is also set to grow to USD 1,909 against USD 1,752 recorded in the previous fiscal year. It needs to be determined that how sustainable is this and what steps should further be taken by the government to get an official status of "Developing Country" by 2024. This recognition will help Bangladesh in building confidence towards achieving the Sustainable Development Goals as well as will be on the right track of the government vision to become a "Developed Country" by 2041.

The country has also undergone significant infrastructural changes over the last decade. A number of mega projects are in the pipeline, the completion of which will undoubtedly result in better economic growth and help the country on its way of reaching SDGs. Still Bangladesh has substantial challenges ahead. To overcome the current challenges faced by the country, significant investments are required in the SDG relevant projects like basic infrastructures development, roads & highway, railway, ports, agriculture, food security and safety, power and environment etc.

STEEL INDUSTRY IN BANGLADESH

Bangladesh is one of Asia's strongest emerging steel markets and with a growing need for raw materials and manufacturing technologies. With the implementation of several mega projects, Bangladesh is on the way to fast track of infrastructural development. The steel sector will grow further riding on Bangladesh's dense population, increasing urbanization, rising living standards, strong purchasing power, enhancing life expectancy rate, rapid construction of economic zones and large investments in infrastructures development have all driven growth in the construction section and steel sector as well. Bangladesh is one of the few

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

countries in the world vastly outperforming global steel industry growth and is set to achieve double digit growth for the next 2 decades. Currently the country's per capita steel consumption is 45 kg while it was only 25 kg in few years ago though per capita steel consumption is much higher in developed countries. It is forecasted that per capita steel consumption in Bangladesh will reach to 73 kg by 2022. Moreover, the amount of per capita steel consumption is an important factor to understand the economic growth of a country.

STEEL INDUSTRY GROWTH, OPPORTUNITY AND OPTIMISM

The global steel industry is growing cause for optimism, as we continue to edge away from the recession. There are a number of factors that are leading to improved conditions for steel companies but there are also several lingering fundamental issues that the industry will need to address if it is to see sustained and long-term growth.

Bangladesh Steel Industry is emerging as one of the major industrial sectors of the country. Though the history of Steel Industry is not older one but it can make a glorious future. Before 1971, Bangladesh did not have any steel mill and even after the liberation there were only a few steel factories in the country. In last two decades, the actual development began in this sector through a revolution. During that period the building constructing agencies or developer companies came forward to build modern infrastructure. Then with the increasing demand, new investors started investing in steel or rod production. In Bangladesh, the growth of steel industry suggest that the industry has turned into the center and is headed into recovery and several current trends point to continued improvements like improving capacity utilization, less disruption in steel trade and expected further softening of basic raw material prices. This should provide some relief from the pressure created by higher material costs and the inability to pass those costs on to customers. Those are all important and welcome developments, and there are strong grounds for expecting a brighter future.

Though the steel industry is getting healthier in Bangladesh, but still now the industry facing potential volatility in terms of sudden rise of raw material prices, government decision regarding VAT and Tax and abrupt declines in steel prices in the event of regional or even global political, economic or natural disruptions. The industry will need to maintain the discipline and the companies will need to focus on operational excellence and efficiency in the coming year.

LOOKING FORWARD THE FUTURE OF STEEL INDUSTRY OF BANGLADESH

There are around 400 steel mills in Bangladesh with a total production capacity of around 8 Million Metric Ton. It consists of small up to the largest scale of steel melting and re-rolling factories across the country that mostly produce deformed bar rod of different grades, angle, channel, H beam and I beam for the construction industry. The demand for steel in Bangladesh is mainly driven by infrastructure projects in commercial, housing, and public sector. The public sector can further be speeded up to the implementation of government's annual development plans and infrastructure projects. Last few years, only the government projects amounted to almost 40% of total steel consumption. Considering that the government's lofty goals of achieving double digit growth in the economy, measures being taken to better facilitate the ease of doing business, several mega projects, economic zones, incentives for foreign investment and the macroeconomic factors to stimulate growth in this sector looking bright. Taken all these measures with a growing capacity of producers and technological enhancement of operations currently being undertaken, the steel industry in Bangladesh looks to be strong, but only if they are able to solve key problems. This includes vertically integrating the supply

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

chain to a greater extent to achieve greater margins, adopting modern technology to enhance the efficiency of production to achieve lower costs and combat possible risks of dumping steel from foreign producers. Now, some countries are going for free trade agreements, eliminating tariff barriers among themselves while outsiders continue to face higher tariffs. We also need the government's policy support to protect the local industry in the wake of a new global trend of globalization. Though our government is aware of that and they are ensuring required level of protection, but the government has to remain more alert so that the countries having overcapacity cannot dump their products here.

PRODUCT WISE PERFORMANCE

GPH Ispat Limited is an integrated steel manufacturing company engaged in manufacturing of MS Billet and MS Rod. The Product wise performance of the year compared with corresponding period is tabulated below:

Particulars	MS Billet		MS Rod	
	2018-19	2017-18	2018-19	2017-18
Installed Capacity (MT)	210,000	168,000	150,000	120,000
Production Quantity (MT)	169,042	122,938	160,313	115,292
Capacity Utilization (%)	80.50	73.18	106.88	96.08

RISKS AND CONCERNs

Our operating context is characterized by an environment in which the steel industry is subject to high level risks in availability of power, gas and raw materials. But every equity investment is associated with risks. Among those risks some can be averted, others are beyond control. On the other hand, risk assessment and mitigation plans are the integral part of any business. GPH Ispat aims to address all kind of risks including internal and external which threat to business sustainability and negative impact on environment by developing appropriate risk mitigation measures. Moreover, the Board of Directors and Management of the Company are regularly monitoring, assessing and identifying the possible risks and threats on profitability and sustainable growth of the business. In spite of that, Investors should take the risk factors into consideration before making any investment decision. A detailed articulation of some of the major risk factors that impact our business and our adjoining strategy and response are described in the **Annexure-D, page number 72**.

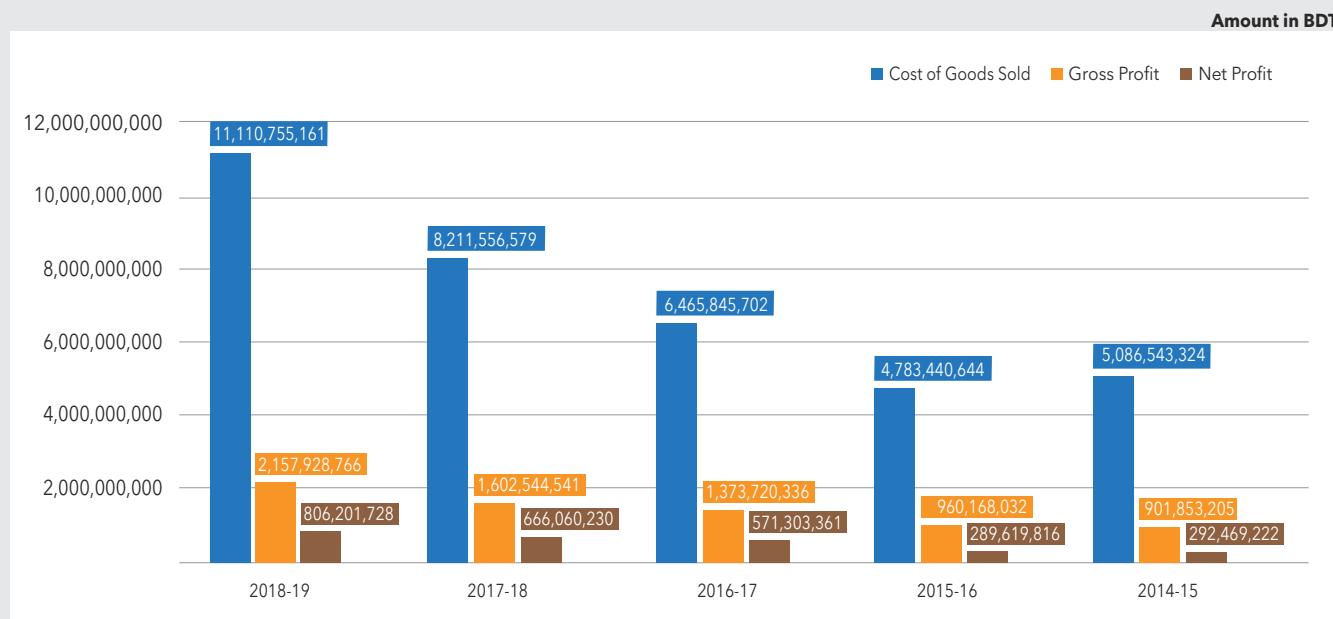
COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

Cost of Goods Sold refers to the direct costs attributable to the production of the goods sold in a company. This amount includes the cost of the raw materials, direct wages and direct overhead costs used in manufacturing the goods. Gross profit margin is a metric used to assess a company's financial health and business model by revealing the amount of money left over from sales after deducting the cost of goods sold. Moreover, the gross profit margin is often expressed as a percentage of sales and may be called the gross margin ratio. During the year under review, gross profit margin of GPH Ispat was 16.26% while it was 16.33% in the previous year. Gross profit has decreased due to up trend of price of raw materials and higher direct overhead in this year. The net profit margin is equal to how much net income or profit is generated as a percentage of revenue. Net

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

profit margin is also the ratio of net profits to revenues for a company or business segment. The net profit margin for the year 2018-19 of GPH Ispat was 6.08% while it was 6.79% in the previous year. In this year your company earned Net Profit after tax BDT 806.20 Million meeting all operational and financial expenses while it was BDT 666.06 Million in the previous year. Last five years Cost of Goods Sold, Gross Profit and Net Profit of the Company are tabulated below:

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
	Taka	Taka	Taka	Taka	Taka
Cost of Goods Sold	11,110,755,161	8,211,556,579	6,465,845,702	4,783,440,644	5,086,543,324
Gross Profit	2,157,928,766	1,602,544,541	1,373,720,336	960,168,032	901,853,205
Net Profit	806,201,728	666,060,230	571,303,361	289,619,816	292,469,222



The above chart shows upward trend of profit from year to year.

EXTRA-ORDINARY ACTIVITIES AND THEIR IMPLICATIONS (LOSS OR GAIN)

The year under review, the company has not been engaged in any kind of extra-ordinary activities and as a result there was no extra-ordinary gain or loss.

RELATED PARTY TRANSACTION

During the year GPH Ispat Limited carried out a number of transactions with its related parties and all transactions have been made in the normal course of business on an arms' length basis. The details of related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions have been shown in the Annual Audited Financial Statements **Note No. 36, page number 132.**

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

UTILIZATION OF PROCEEDS RAISED THROUGH PUBLIC ISSUES AND RIGHTS ISSUES

There is no unutilized Public Issues Proceeds in Company's account as the proceeds were utilized fully during the year 2011-2012.

In the year 2015-16, the Company has raised Tk. 2,619.54 million through issuance of 18,71,10,000 nos. Ordinary Share as Rights at the ratio of 03[R]:02 and at an issue price of Tk. 14.00 (including a share premium of Tk. 4.00 each) to meet the project expansion needs. As per implementation schedule of Rights Share Offer Document, the Company utilized full amount within 31st May, 2019 (Utilization time for Right Issue Proceeds has been extended up to 31st May, 2019 instead of 31st May, 2018 by passing resolution in Extra-Ordinary General Meeting of the Shareholders held on 10th December, 2017) except Tk. 35,051 which was remained un-utilized under the head of Right Issue Expenses and it will be placed for the shareholders' approval in the 13th Annual General Meeting (AGM) of the company to utilize in appropriate head.

THE FINANCIAL RESULTS DETERIORATE AFTER THE COMPANY GOES FOR INITIAL PUBLIC OFFER (IPO) AND RIGHTS SHARE OFFER

No Financial results deteriorated or adverse situation has yet been arisen after the Company went for Initial Public Offer (IPO) and Rights Share Issued. Moreover, the Company was able to maintain a consistent growth and remarkable performance by earning consistent profitability since its inception.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY FINANCIAL PERFORMANCES AND ANNUAL FINANCIAL STATEMENTS

There was no significant variance between Quarterly Financial Performances and Annual Financial Statements. The Company was also able to maintain significant performances both in Operational and Financial perspective throughout the year.

REMUNERATION PAID TO THE DIRECTORS INCLUDING INDEPENDENT DIRECTORS

Directors were remunerated as per the Nomination and Remuneration Policy of the company and the approval of the Board of Directors meeting. A statement of the Directors' Remuneration have shown in the Annual Audited Financial Statements **Note No. 38, page number 133.**

PREPARATION OF FINANCIAL STATEMENTS

In compliance with the Bangladesh Securities and Exchange Commission's Corporate Governance Code, notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 the Board of Directors confirmed as follows:

- The Financial Statements prepared by the management of the Company presented fairly its state of affairs, the result of its operations, cash flows and change in equity.
- Proper books of account of the company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the Financial Statements.

SYSTEM OF INTERNAL CONTROL

Transparency and accountability can bring about business benefits from improved recognition and reputation, and also by improved customer relationships and operational efficiency. To ensure Transparency and accountability, GPH Ispat Limited has designed its internal control system with the policies and procedures which provide reasonable assurance that the assets are safeguarded, transactions are authorized and properly recorded.

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Moreover, we have taken proper and adequate care in installing a system of internal control and maintenance of accounting records. We also have a separate Internal Audit Department which is regularly conducting audit works that established policies and procedures of the Company are consistently followed.

As per the Corporate Governance Code, we have two sub-committees in the Board of Directors; one is Audit Committee and another is Nomination and Remuneration Committee. Both Committees play an important role in overseeing the company's internal control processes. During the year under review, the Audit Committee of the Company met quarterly to review the quarterly Financial Statements as well as Annual Financial Statements. They discussed all significant audit observations and ascertain their views on the Financial Statements, including the Financial Reporting System, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls systems followed by the Company. They also follow-up actions thereon reported to the Audit Committee. The Audit Committee's observations and suggestions were acted upon by the Company's Management.

PROTECTION OF MINORITY SHAREHOLDERS

The Board of Directors of the Company is always concerned about the minority Shareholders' interest. The Board ensures that the minority Shareholders' interest have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and has effective means of redress.

ABILITY TO CONTINUE AS A GOING CONCERN

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

SIGNIFICANT DEVIATIONS FROM THE LAST YEAR'S OPERATING RESULTS

There are no significant deviations between the last year's operating results and current year's operating results of the company.

LAST FIVE YEAR'S OPERATIONAL AND FINANCIAL DATA

Operationally we have made significant progress over last five years in respect of Production, Sales and Profit earnings. Last five year's operational and financial data of the Company is tabulated below:

Operational Data:

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
	Taka	Taka	Taka	Taka	Taka
Net Revenue	13,268,683,927	9,814,101,120	7,839,566,038	5,743,608,676	5,988,396,529
Cost of Goods Sold	11,110,755,161	8,211,556,579	6,465,845,702	4,783,440,644	5,086,543,324
Gross Profit	2,157,928,766	1,602,544,541	1,373,720,336	960,168,032	901,853,205
Operating Profit	1,735,009,540	1,276,267,016	1,094,765,260	753,744,226	731,688,521
Profit before Tax & Reserve	1,075,126,756	863,656,199	761,817,234	388,125,457	381,146,951
Profit after Tax	806,201,728	666,060,230	571,303,361	289,619,816	292,469,222
Earnings per Share (EPS)	2.24	2.03	1.83	2.06	2.34
Net Operating Cash Flow per Share	1.61	0.49	3.83	1.00	4.67

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Financial Data:

Particulars	As on June 30, 2019	As on June 30, 2018	As on June 30, 2017	As on April 30, 2016	As on April 30, 2015
	Taka	Taka	Taka	Taka	Taka
Non-Current Assets	23,073,207,280	13,976,553,866	4,746,153,926	2,107,531,015	1,758,280,062
Current Assets	8,419,817,759	8,717,684,532	8,120,052,898	8,186,724,848	4,245,588,483
Total Assets	31,493,025,039	22,694,238,398	12,866,206,824	10,294,255,863	6,003,868,545
Shareholders' Equity	6,335,357,430	5,525,349,832	5,035,603,612	4,819,087,643	2,045,236,997
Non-Current Liabilities	16,952,439,013	8,619,714,233	1,948,609,409	457,038,391	634,356,633
Current Liabilities	8,205,228,596	8,549,174,333	5,881,993,803	5,018,129,829	3,324,274,915
Total Equity and Liabilities	31,493,025,039	22,694,238,398	12,866,206,824	10,294,255,863	6,003,868,545
Net Asset Value (NAV)	17.59	16.87	16.15	15.45	16.40

DIVIDEND

The year under review, your Company earned Profit after Tax Tk. 806.20 million and Earnings Per Share stands Tk. 2.24. This result shows that we continued our growth of profitability and achieved a higher return for the Shareholders. The Board of Directors proposed 10% Dividend (5% Cash and 5% Stock) for its all Ordinary Shareholders out of Profit earned for the year ended June 30, 2019. Accordingly, capital to be accumulated by an amount of Tk. 180.09 million absorbing Stock Dividend amount. This amount of capital to be utilized for the company's ongoing production expansion project that will be created long term value for the shareholders and sustainable growth of the company.

The Board of Directors also confirmed that no bonus share or stock dividend has been declared as interim dividend.

NUMBER OF BOARD MEETING HELD AND ATTENDANCE BY DIRECTORS

The Board of Directors of the company has called upon meeting nine times during the year 2018-19 to consider and discuss the various agenda related to company's operation and others. The total numbers of Board Meeting held during the year and attendance of the Directors have been shown in the Annual Audited Financial Statements Note **No. 39, page number 133.**

SHAREHOLDING INFORMATION

The pattern of shareholding of the company as on June 30, 2019 has been set out in the **Annexure-E, page number 76.**

DIRECTORS' APPOINTMENT, RETIREMENT & RE-APPOINTMENT

Directors' appointment, retirement and re-appointment are governed by the Articles of Association of the Company and the Companies Act 1994.

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

In the forthcoming Annual General Meeting, the following Directors will retire and will also be eligible for re-appointment:

- A) Mr. Md. Abdur Rouf
- B) Mr. Md. Abdul Ahad
- C) Mr. Md. Azizul Hoque

A brief resume of the said Directors are set out in **page number 22, 24 and 25.**

APPOINTMENT OF INDEPENDENT DIRECTOR

According to the Bangladesh Securities and Exchange Commission Corporate Governance Code 2018, in case of any listed company at least one-fifth of the total number of Directors in the company's Board will be Independent Director. To comply with this code, Mr. Md. Velayet Hossain was appointed as the second Independent Director of the Company on March 13, 2013. Consecutive two tenures (i.e. six years) of Mr. Md. Velayet Hossain as the Independent Director of GPH Ispat Limited expired on March 12, 2019. Being he is not eligible for re-appointment and comply with the Corporate Governance Code, the Nomination and Remuneration Committee recommended to the Board of Directors to appoint Mr. Mukhtar Ahmed as the second Independent Director of the company. Subsequently, the Board of Directors of the company appointed Mr. Mukhtar Ahmed as the second Independent Director of GPH Ispat Limited. This appointment of Independent Director will be approved by the shareholders in the forthcoming Annual General Meeting.

A brief resume of Mr. Mukhtar Ahmed is annexed in this report **page number 27.**

MANAGEMENT'S DISCUSSION AND ANALYSIS

A detailed analysis presenting the Company's position and operations along with a brief discussion of changes in the Financial Statements and others for the year ended June 30, 2019 is attached in **Annexure-F, page number 77.**

DECLARATION BY THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER

A declaration by the Managing Director and the Chief Financial Officer to the Board regarding the financial statements for the year ended on June 30, 2019 is attached in **Annexure-A, page number 58.**

REPORT AS WELL AS CERTIFICATE REGARDING COMPLIANCE OF THE CORPORATE GOVERNANCE CODE

In order to ensure the good governance, financial transparency, accountability and protect the stakeholder's interest, the Bangladesh Securities and Exchange Commission has issued a mandatory Code on Corporate Governance vide its notification BSEC/CMRRC/2006-158/207/Admin/80 dated 03 June 2018. By abiding the conditions of the said Corporate Governance Code, your company ensures all compliances. The Compliance status of your company along with Auditors' Certificate is attached in **Annexure-B, page number 59 & Annexure-C, page number 60.**

NEW PROJECT IMPLEMENTATION

As per our earlier decision for enhancement of production capacity of MS Billet by 840,000 M. Ton and MS Rod/Medium Section Product by 640,000 M. Ton per annum, we started our journey in January 2016. For transforming the dream into reality, we are working relentlessly. In 2018-19, specially we concentrated on production expansion project implementation. Despite of various challenges, we are close to our dream. We are trying our level best to start the trial production and commercial production as soon as possible.

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

MARKETING & BRANDING

Considering the highly competitive steel market in Bangladesh, the Board of Directors has always been proactive about the company's marketing and branding strategy. Such forward thinking, has provided GPH Ispat with an inherent dedication to make a difference through continuing practices. Which, when combined with a high priority on branding, results in innovative marketing plans that always yields better market share. We do so because we believe marketing is the oil that lubricates the engine of any business. Thus, making it essential to keep moving our business forward while ensuring our name stays at top-of-mind when it comes to current or prospective customers.

This is something that is reflected in our various advertisement activities such as TVC campaigns which were aired on different commercial television and radio channels in Bangladesh, most notable of which was our TVC during the ICC Cricket World Cup 2019. In addition, we have also adopted a few outdoor activities, such as the installation of a significant number of billboards, stand signs, neon signs, shop signs, wall paintings, across Bangladesh throughout the year while supporting the Chattogram City Corporation in enhancing its beautification initiatives by setting an example when it comes to the country's structural development. Our marketing initiatives also include corporate sponsorship on television, ranging from news and talk shows to reality shows, such as "GPH Ispat- Esho Robot Banai", on Channel I; "GPH Ispat-Prothom Alo-Engenious" and "GPH Ispat-Alokito Quran", on RTV. We have also sponsored different events such as "3rd National Eco and Space Summit" at Notre Dame College Dhaka, a business competition at University of Dhaka with Spartan's Communication Club etc.

Furthermore, to boost our brand visibility in the digital sphere, we have extended our involvement in social media platforms like Facebook, Twitter, Instagram, LinkedIn, YouTube and Google display network, along with many others.

HUMAN RESOURCE MANAGEMENT

Competent, skilled, and dedicated human resource is one of the key pre-requisites for achieving Company's goals. Moreover, proper human resource management brings out the important values like trust, reliability, teamwork, encouragement and relation development between Company's management and employees. We have a high standard Human Resource Department which is engaged in job analysis, planning personnel needs, recruiting the right people for the job, employee's orientation and training, managing salaries and wages, providing benefits and incentives, evaluating performance, resolving disputes and communicating with all employees at all levels. A propitious Human Resource Policy has been established which ensured long term benefits for all permanent employees. Employees are provided with basic salary, house rent allowance, transport allowance/facility, medical, utility & other allowances as per pay scale. Employees are also provided with long term benefits such as provident fund, gratuity and group insurance etc.

During the year 2018-19, we had total 1,081 permanent officers and workers. We have been taking initiatives for skill development of our officers, staffs and workers by arranging internal and external training facilities throughout the year.

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

GREEN ENVIRONMENT

The earth is currently facing lot of environmental concerns and climate change is the biggest issue for the steel industry in the 21st century. The environmental problems like climate change, global warming, air pollution, water pollution, acid rain, ozone layer depletion, deforestation, increase of carbon, household and industrial waste, nuclear issues and many more affect every human, animal and nation on this planet. As our actions have been not in favor of protecting this planet, we have seen natural disasters striking us more often in the form of flash floods, tsunamis and cyclones. As a result, the exploitation of our planet and degradation of our environment have gone up at an alarming rate.

GPH Ispat Limited feels the importance of environmental issues. In this connection, we set out an Effluent Treatment Plant (ETP) system to make pollution free environment. We also installed an Air Separation Plant (ASP) based on latest technology and international standard for our upcoming expansion project. There would be water treatment facilities with no effluent and zero discharge technology. It means that waste water would not come out from the plant and all waste water would be recycled inside the plant. As a result, the natural environment would not be affected. Moreover, In order to drastically reduce the overall CO2 emissions from the production of steel, the development of breakthrough technologies is crucial. At present, a large number of promising projects are ongoing in different parts of the world. We are installing the State-of-the-Art technology for our expansion project. By using this technology, carbon emission will be 90% less than the World Bank's prescribed limit and 96% less than the Bangladesh Standard's recommended limit. Minimization of pollution and increase use of renewable energy are the key concern for sustainability of the future world.

CREDIT RATING

Alpha Credit Rating Limited has assigned our Credit Rating for the year 2018-2019 which as follows:

Long Term Rating	Short Term Rating
AA	ST-2

"AA" indicates the company has Very Strong Credit Quality to meet financial commitments.

"ST-2" indicates the company has above average ability to meet short term financial commitments.

CONTRIBUTION TO NATIONAL EXCHEQUER

GPH Ispat Limited has been contributing a notable contribution to the national exchequer since its inception. In 2018-19, the Company contributed BDT 961.50 million to the national exchequer as Value Added Tax (VAT), Corporate Tax, Source Tax, Supplementary Duty (SD), Custom Duty and various Registration fee while it was BDT 739.05 million in the previous year. Moreover, GPH Ispat Limited also paid BDT 780.28 million as Utility Bill. Looking forward, the Company aims to support the Government's proposals that enable the establishment of a sustainable level of tax contribution to the national exchequer, while ensuring sustainable growth for the industry and also promoting a level playing field among market players.

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

APPOINTMENT OF AUDITORS

The Board of Directors hereby notify that M/S Hussain Farhad & Co., Chartered Accountants was appointed as the statutory auditors of the Company for the financial year ended 30 June, 2019 in the last Annual General Meeting. The Auditors have carried out the audit for the year ended 30 June, 2019 and submitted their report thereof. According to the Bangladesh Securities & Exchange Commission's notification: BSEC/ CMRRCD/ 2006-158/208/Admin/81 dated 20 June 2018, being eligible for re-appointment, they have expressed their willingness to take up the audit for the financial year end 30 June, 2020. The Board of Directors proposed to appoint M/S Hussain Farhad & Co., Chartered Accountants as the statutory auditors of the company for the financial year end 30 June, 2020. This appointment of statutory auditors will be approved by the shareholders in the forthcoming Annual General Meeting.

ACKNOWLEDGEMENTS

The outcome of the year 2018-19 would not been possible without the persistent support and encouragement of our valued shareholders. On behalf of Board of Directors, I would like to express thanks, gratitude and sincere appreciation to all the valued Shareholders for their wholehearted support to the Company and we expect to continue in the coming years.

On behalf of the Board



Mohammed Jahangir Alam

Managing Director

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ আস্সালামু আলাইকুম

পরিচালনা পর্ষদের পক্ষ থেকে, জিপিএইচ ইস্পাত লিমিটেড এর বার্ষিক প্রতিবেদন আপনাদের নিকট উপস্থাপন করা আমার জন্য আনন্দের এবং সৌভাগ্যের বিষয়। সেই সাথে ৩০ জুন, ২০১৯ইং তারিখে সমাপ্ত বছরের কোম্পানীর নিরীক্ষিত আর্থিক বিবরণী, নিরীক্ষকের প্রতিবেদন এবং পরিচালনা পর্ষদের প্রতিবেদন আপনাদের সদয় বিবেচনা, গ্রহণ ও অনুমোদন এর জন্য উপস্থাপন করছি।

উক্ত বার্ষিক প্রতিবেদন কোম্পানি আইন ১৯৯৪ এর ধারা ১৮৪ এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর ০৩ জুন, ২০১৮ইং তারিখের নোটিফিকেশন এসএসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০ এর আলোকে প্রস্তুত করা হয়েছে।

ইস্পাত শিল্পের সার্বিক অবস্থা ও স্থাব্য ভবিষ্যত উন্নয়ন

অর্থনৈতিক পরিস্থিতি

আন্তর্জাতিক মুদ্রা তহবিল (আইএমএফ) এর মতে, জিডিপির ক্ষেত্রে বাংলাদেশ এখন বিশ্বের ৪১তম বৃহত্তম অর্থনীতির দেশ, যেখানে দ্রুয় ক্ষমতার দিক থেকে এর অবস্থান বিশ্বের ৩০তম। এই সাফল্যের গল্পাটি নীতি নির্ধারক এবং কৃষি, শিল্প ও সেবা খাতে নিয়োজিত কর্মজীবি মানুষের দীর্ঘ দিনের সংগ্রাম ও কঠোর পরিশ্রম এবং প্রবাসী বাংলাদেশিদের কঠোর পরিশ্রমে উপার্জিত বৈদেশিক মুদ্রার ফসল এবং একই সাথে দেশের শান্তি প্রিয় সাধারণ নাগরিকদের বেঁচে থাকার জন্য নিরবচ্ছিন্ন সাফল্য অর্জনের প্রচেষ্টার ফল। এছাড়াও, উক্ত দীর্ঘ মেয়াদী ধারাবাহিক প্রচেষ্টার ফলে দেশের জিডিপি, মাথাপিছু আয়, রপ্তানী আয়, রেমিটেন্স, বৈদেশিক মুদ্রার রিজার্ভ ইত্যাদি বৃদ্ধি পেয়েছে। সফল শিল্পান্তর দেশের অভিজ্ঞতা থেকে বুঝা যায় যে, শিল্পায়নের ফলে অর্থনীতিতে উল্লেখযোগ্য কাঠামোগত পরিবর্তন আসে যা দারিদ্র্য দূরিকরণ, বৃহৎ আকারে কর্মসংস্থান সৃষ্টি এবং সমাজ কল্যাণে উল্লেখযোগ্য ভূমিকা পালন করে।

গত অর্থ বছরের তুলনায় ২০১৮-১৯ অর্থ বছরে বাংলাদেশের অর্থনীতি আরও স্থিতিশীলভাবে এগিয়েছে। এর ফলে, ২০১৮-১৯ অর্থ বছরে জিডিপি প্রবৃদ্ধি আগের অর্থ বছরে রেকর্ড হওয়া ৭.৮৬ শতাংশের বিপরীতে ৮.১৩ শতাংশে পৌছাতে চলছে এবং দেশের মাথাপিছু আয় আগের অর্থ বছরে রেকর্ড হওয়া ১,৭৫২ মার্কিন ডলারের বিপরীতে ১,৯০৯ মার্কিন ডলারে উন্নীত হবে। ইহা এখনই নির্ধারণ করা দরকার যে আমরা কতটা টেকসই এবং ২০২৪ সালের মধ্যে একটি উন্নয়নশীল দেশের মর্যাদা অর্জনে সরকারকে আরও কী কী পদক্ষেপ গ্রহণ করতে হবে। উক্ত সীকৃতি আগামীতে টেকসই উন্নয়নের লক্ষ্য অর্জনে বাংলাদেশের আশ্বা বাড়াতে সহায়তা করবে, পাশাপাশি ২০৪১ সালের মধ্যে একটি উন্নত দেশ হওয়ার সরকারের যে ভিশন রয়েছে তা সঠিক পথে এগুবে।

গত এক দশকে দেশে উল্লেখযোগ্য ভাবে অবকাঠামোগত পরিবর্তন এসেছে। বেশ কয়েকটি মেগা প্রকল্প পাইপলাইনে রয়েছে, যার বাস্তবায়নের ফলে নিঃসন্দেহে অর্থনৈতিক প্রবৃদ্ধি আরও উন্নত হবে এবং টেকসই উন্নয়নের লক্ষ্য (এসডিজি) অর্জনে দেশকে সহায়তা করবে। এখনো বাংলাদেশের সামনে অনেকগুলো চ্যালেঞ্জ রয়েছে। বর্তমানে দেশ যে সকল চ্যালেঞ্জে এর মুখ্যমুখ্য তা মোকাবিলা করতে হলে এসডিজি সম্পর্কিত প্রকল্প, যেমন মৌলিক অবকাঠামোগত উন্নয়ন, রাস্তাখাট, মহাসড়ক, রেলপথ, বন্দর, কৃষি, খাদ্য সুরক্ষা ও নিরাপত্তা, বিদ্যুৎ এবং পরিবেশ ইত্যাদি খাতে উল্লেখযোগ্য বিনিয়োগ বৃদ্ধি করা প্রয়োজন।

বাংলাদেশের ইস্পাত শিল্প

উৎপাদন প্রযুক্তি এবং কাঁচামালের ক্রমবর্ধমান চাহিদার কারণে বাংলাদেশ এশিয়ার অন্যতম একটি শক্তিশালী উদীয়মান ইস্পাত বাজার। বেশ কয়েকটি মেগা প্রকল্প বাস্তবায়নের ফলে বাংলাদেশের অবকাঠামোগত উন্নয়ন দ্রুত গতির পথে রয়েছে। বাংলাদেশের জনসংখ্যার ঘন বসতি, নগরায়ন বৃদ্ধি, জীবন যাত্রার মান বৃদ্ধি, শক্তিশালী দ্রুয় ক্ষমতা, গড় আয় হার বৃদ্ধি, দ্রুত অর্থনৈতিক অঞ্চল প্রতিষ্ঠা এবং অবকাঠামো উন্নয়নে বৃহৎ বিনিয়োগের কারণে ইস্পাত খাতের আরও প্রবৃদ্ধি হবে যা নির্মাণ খাত এবং ইস্পাত খাতে চলমান রয়েছে। বাংলাদেশ বিশ্বের কয়েকটি দেশের মধ্যে অন্যতম একটি যা বিশ্বব্যাপী ইস্পাত শিল্পের প্রবৃদ্ধিকে বিস্মিত ভাবে ছাপিয়ে গেছে এবং পরবর্তী দুই দশকের মধ্যে দ্বিগুণ অক্ষের প্রবৃদ্ধি অর্জনের জন্য প্রস্তুত রয়েছে। বর্তমানে দেশের মাথাপিছু ইস্পাত ব্যবহারের পরিমাণ ৪৫ কেজি যা গত কয়েক বছর আগেও ছিল মাত্র ২৫ কেজি, যদিও উন্নত দেশগুলোতে মাথাপিছু ইস্পাতের ব্যবহার আরও অনেক বেশি। পূর্বাভাস করা হচ্ছে যে, ২০২২ সালের মধ্যে বাংলাদেশে মাথাপিছু ইস্পাত ব্যবহারের পরিমাণ ৭০ কেজিতে পৌছাবে। এছাড়াও, একটি দেশের অর্থনৈতিক প্রবৃদ্ধি বুঝার জন্য মাথাপিছু ইস্পাত ব্যবহারের পরিমাণও একটি গুরুত্বপূর্ণ উপাদান।

ইস্পাত শিল্পের প্রবৃদ্ধি, সুযোগ এবং আশাবাদ

যেহেতু আমরা বৈশ্বিক মন্দা থেকে দূরে রয়েছি তাই আমাদের ইস্পাত শিল্পের স্থাবণাও বাড়ছে। এমন অনেক কারণ রয়েছে যা ইস্পাত কোম্পানিগুলোকে উন্নতির দিকে পরিচালিত করছে। তবে এই শিল্পের টেকসই এবং দীর্ঘ মেয়াদী প্রবৃদ্ধি দেখতে হলে বেশ কিছু মৌলিক বিষয় রয়েছে যা এখনি চিহ্নিত করে সমাধান করা প্রয়োজন।

বাংলাদেশের ইস্পাত শিল্প দেশের অন্যতম প্রধান শিল্প খাত হিসাবে আত্মপ্রকাশ করছে। যদিও বাংলাদেশের ইস্পাত শিল্পের ইতিহাস বেশি পুরানো নয় তবে এটি একটি গৌরবময় ভবিষ্যত তৈরি করতে পারে। ১৯৭১ সালের পূর্বে বাংলাদেশে কোন ইস্পাত কারখানা ছিল না এবং এমনকি স্বাধীনতার পরবর্তীতেও দেশে অল্প কয়েকটি ইস্পাত কারখানা প্রতিষ্ঠা হয়। গত দুই দশকে এই খাতের বৈপ্লবিক উন্নয়ন সাধিত হয়। উক্ত সময়ে বিস্তার কনস্ট্রাকটিং এজেন্সি বা ডেভেলপার কোম্পানিগুলো আধুনিক অবকাঠামো নির্মাণে এগিয়ে আসে। পরবর্তীতে ক্রমবর্ধমান চাহিদার কারণে এই খাতের বিনিয়োগকারীরা ইস্পাত বা রড উৎপাদনে নতুন নতুন বিনিয়োগ শুরু করে। বাংলাদেশে ইস্পাত শিল্পের প্রবৃদ্ধি সূচিত করে যে শিল্পটি কেবলে পরিণত হয়েছে তার চলমান উন্নতির বেশ কয়েকটি ধারা যেমন উৎপাদনে সক্ষমতা ব্যবহারের উন্নতি, ইস্পাত বাণিজ্য কম বিপুত্তা এবং মৌলিক কাঁচামালের মূল্য আরও সহজীয় হওয়ার মাধ্যমে তা পুনরুদ্ধারের দিকে পরিচালিত হবে। যাহা উচ্চতর কাঁচামালের ব্যয় দ্বারা সৃষ্টি চাপ এবং বিবিধ ব্যয় গ্রাহকদের নিকট স্থানান্তর করতে না পারার অক্ষমতা থেকে এই শিল্পকে কিছুটা হলেও স্বত্ত্ব দেবে। এগুলো সবই গুরুত্বপূর্ণ এবং আশাব্যঞ্জক উন্নয়ন, এবং যার একটি উজ্জ্বল ভবিষ্যতের প্রত্যাশায় শক্ত ভিত্তি রয়েছে।

যদিও বাংলাদেশের ইস্পাত শিল্প সমৃদ্ধ হচ্ছে, তবে এখনও এই শিল্প হাঁচামালের মূল্য বৃদ্ধি, ভ্যাট ও ট্যাক্স সম্পর্কিত সরকারী সিদ্ধান্ত এবং আঞ্চলিক এমনকি বিশ্বব্যাপী রাজনৈতিক, অর্থনৈতিক এবং প্রাকৃতিক প্রতিবন্ধকর্তার কারণে ইস্পাতের মূল্য হাঁচামালের মূল্যে আরও সহজীয় হওয়ার মাধ্যমে তা পুনরুদ্ধারের দিকে পরিচালিত হবে। যাহা উচ্চতর কাঁচামালের ব্যয় দ্বারা সৃষ্টি চাপ এবং বিবিধ ব্যয় গ্রাহকদের নিকট স্থানান্তর করতে না পারার অক্ষমতা থেকে এই শিল্পকে কিছুটা হলেও স্বত্ত্ব দেবে। এগুলো সবই গুরুত্বপূর্ণ এবং আশাব্যঞ্জক উন্নয়ন, এবং যার একটি উজ্জ্বল ভবিষ্যতের প্রত্যাশায় শক্ত ভিত্তি রয়েছে।

বাংলাদেশের ইস্পাত শিল্পের ভবিষ্যতের প্রত্যাশা

বাংলাদেশে প্রায় ৪০০টি ইস্পাত কারখানা রয়েছে যার বার্ষিক উৎপাদন ক্ষমতা প্রায় ৮০ লক্ষ মেট্রিক টন। দেশ ব্যাপি ছোট বড় এ সকল স্টিল মেল্টিং ও রোলিং কারখানায় নির্মাণ শিল্পের জন্য বিভিন্ন গ্রেড এর ডিফর্মড বার রড সহ এঙ্গেল, চ্যানেল, এইচ বিম, আই বিম এবং কয়েল তৈরি করা হয়। বাংলাদেশে স্টিলের চাহিদা মূলত বাণিজ্যিক, আবাসন এবং সরকারি অবকাঠামো উন্নয়ন প্রকল্প থেকে আসে। সরকারের বার্ষিক উন্নয়ন পরিকল্পনা এবং অবকাঠামো উন্নয়ন প্রকল্প বাস্তবায়নে সরকারী খাতগুলোকে আরও গতিশীল করা যেতে পারে। গত কয়েক বছরে শুধুমাত্র সরকারী প্রকল্পগুলোতে মেট ইস্পাত ব্যবহারের প্রায় ৪০ শতাংশ ব্যবহার হয়েছে। অর্থনৈতিক দুই অক্ষের প্রবৃদ্ধি অর্জনের লক্ষ্য বাস্তবায়নে সরকার ব্যবসায়কে আরও সহজতরকরণ, বেশ কিছু মেগা প্রকল্প বাস্তবায়ন, অর্থনৈতিক অঞ্চল প্রতিষ্ঠা, বৈদেশিক বিনিয়োগের জন্য প্রণোদনা প্রদান সহ সামষ্টিক অর্থনৈতিক বিষয় সমুহের কারণে এই খাতের প্রবৃদ্ধিকে আরও উজ্জ্বল দেখাচ্ছে। এই সমস্ত ব্যবস্থা গ্রহণের ফলে উৎপাদন ক্ষমতা বৃদ্ধি পাচ্ছে এবং উৎপাদনে প্রযুক্তিগত সম্প্রসারণ কার্যক্রম গ্রহণ করা হচ্ছে। মূল সমস্যাগুলো যদি সমাধান করা সম্ভব হয় তবেই বাংলাদেশের ইস্পাত শিল্প আরও শক্তিশালী হবে। এর মধ্যে উন্নেখ্যোগ্য হল অধিক মার্জিন অর্জনের জন্য সরবরাহ টেইনকে বৃহত্তর পরিসরে একীভূত করা, উৎপাদন ব্যয় কমানোর লক্ষ্যে উৎপাদন দক্ষতা বাড়ানোর জন্য আধুনিক প্রযুক্তি গ্রহণ এবং বিদেশী উৎপাদনকারীদের নিকট থেকে স্টিল ডাস্পিং এর সমান বুকিং মোকাবেলা করা। বর্তমানে কিছু দেশ নিজেদের মধ্যে মুক্ত বাণিজ্য চুক্তি করছে এবং শুরুর বাধা অপসারণ করছে এর ফলে বহিরের দেশগুলো আরও বেশি শুরুর মুখ্যমুখ্য হচ্ছে। বিশ্বায়নের নতুন বৈশ্বিক ধারার প্রেক্ষিতে আমাদের দেশীয় শিল্পকে সুরক্ষিত করতে সরকারের আরও নীতিমালা প্রয়োজন। যদিও আমাদের সরকার এটি সম্পর্কে সচেতন রয়েছে এবং প্রয়োজনীয় সুরক্ষা নিশ্চিত করছে, তবে সরকারকে আরও সতর্ক থাকতে হবে যাতে অধিক উৎপাদন ক্ষমতা সম্পন্ন দেশগুলো তাদের পণ্য আমাদের এখানে ডাস্পিং করতে না পারে।

পণ্য অনুযায়ী ফলাফল

জিপিএইচ ইস্পাত লিমিটেড একটি ইন্টিগ্রেটেড ইস্পাত উৎপাদনকারী প্রতিষ্ঠান যা এম.এস. বিলেট এবং এম.এস. রড উৎপাদনে নিয়োজিত রয়েছে। পূর্ববর্তী বছরের উৎপাদনের সাথে আলোচ্য বছরের উৎপাদনের তুলনা নিম্নে দেখানো হল:

বিবরণ	এম.এস. বিলেট		এম.এস. রড	
	২০১৮-১৯	২০১৭-১৮	২০১৮-১৯	২০১৭-১৮
উৎপাদন ক্ষমতা (মেট্রিক টন)	২১০,০০০	১৬৮,০০০	১৫০,০০০	১২০,০০০
উৎপাদনের পরিমাণ (মেট্রিক টন)	১৬৯,০৪২	১২২,৯৩৮	১৬০,৩১৩	১১৫,২৯২
উৎপাদন ক্ষমতার ব্যবহার (%)	৮০.৫০	৭৩.১৮	১০৬.৮৮	৯৬.০৮

বুকিং ও ব্যবস্থাপনা

আমাদের উৎপাদন কার্যক্রম এমন একটি পরিবেশ দ্বারা নিয়ন্ত্রিত যেখানে ইস্পাত শিল্প বিদ্যুৎ, গ্যাস এবং কাঁচামালের যথাযথ প্রাপ্ত্যাত্মক উচ্চস্তরের বুকিং সাথে জড়িত। তবে যে কোন সাধারণ বিনিয়োগ বুকিংপূর্ণ। এর মধ্যে কিছু বুকিং এড়ানো যায় এবং কিছু বুকিং নিয়ন্ত্রণ যোগ্য নয়। অন্যদিকে, বুকিং মূল্যায়ন এবং তা প্রশমন করা যে কোন ব্যবসায়ের অবিচ্ছেদ্য একটি অংশ। জিপিএইচ ইস্পাত সঠিক বুকিং প্রশমন ব্যবস্থা গ্রহনের মাধ্যমে সকল

শ্রেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

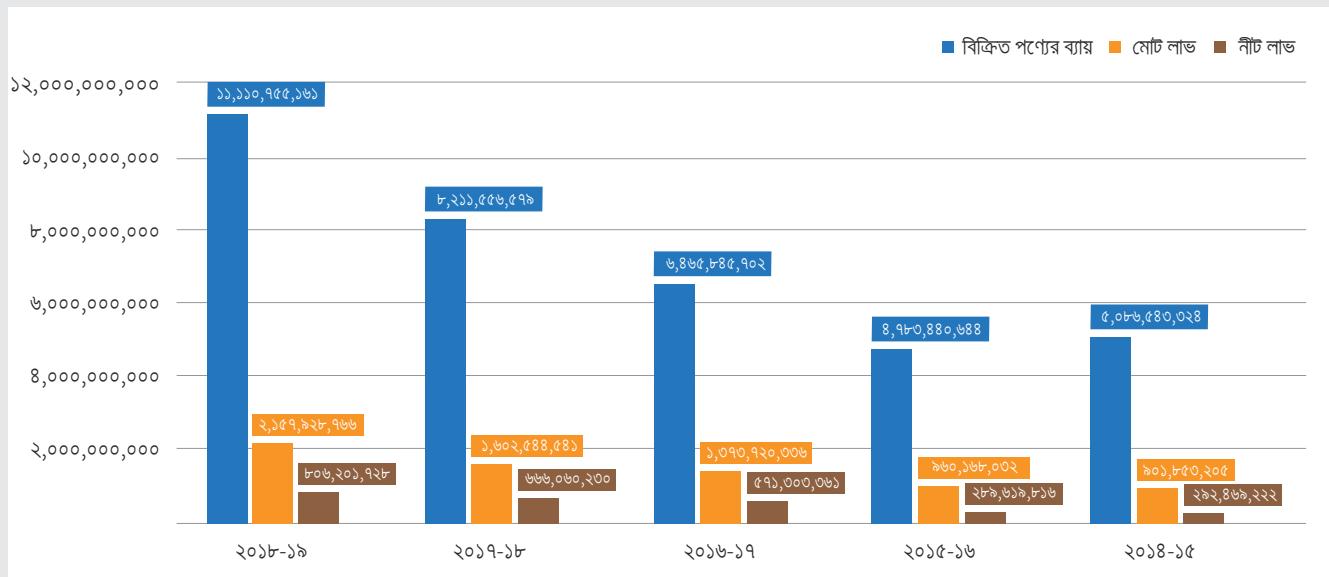
অভ্যন্তরীণ ও বাহ্যিক ঝুঁকি, ব্যবসায়ের স্থায়ীত্বের উপর হমকি এবং পরিবেশের উপর নেতৃত্বাক্ষর প্রভাব মোকাবেলা করার লক্ষ্যে কাজ করে। এছাড়াও, কোম্পানির পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষ কোম্পানীর মুনাফা ও টেকসই প্রবৃদ্ধি অর্জনের ক্ষেত্রে সম্ভাব্য ঝুঁকি ও হমকি সমূহ নিয়মিত পর্যবেক্ষন, মূল্যায়ন ও চিহ্নিত করে থাকেন। উপরোক্ত পদক্ষেপ গ্রহণ সত্ত্বেও, যে কোন বিনিয়োগের সিদ্ধান্ত নেয়ার পূর্বে বিনিয়োগকারীদের সম্ভাব্য ঝুঁকির বিষয়গুলো বিবেচনায় নেয়া উচিত। আমাদের ব্যবসায়কে প্রভাবিত করে এমন কিছু সম্ভাব্য প্রধান ঝুঁকি এবং উক্ত ঝুঁকিগুলো প্রশ্নমনে আমাদের কোশল বিশদ ভাবে বর্ণনা করা হয়েছে (সংযুক্ত-**D**, পৃষ্ঠা নং ৭২)।

বিক্রিত পণ্যের ব্যয়, মোট মুনাফা এবং নেট মুনাফা

বিক্রিত পণ্য ব্যয় বলতে কোন কোম্পানির পণ্য উৎপাদনের সাথে জড়িত সরাসরি ব্যয়কে বুঝায়। উক্ত উৎপাদন ব্যয়ের মধ্যে কাঁচামালের ব্যয়, সরাসরি মজুরী ব্যয় এবং সরাসরি উপরি ব্যয় সমূহ অন্তর্ভুক্ত থাকে। মোট মুনাফা মার্জিন হল এমন একটি পদ্ধতি যা কোন কোম্পানির আর্থিক অবস্থা ও ব্যবসায়ের মডেল মূল্যায়নের জন্য কোম্পানির মোট বিক্রয়ের পরিমাণ থেকে বিক্রিত পণ্যের ব্যয় বাদ দেয়ার পরে যে পরিমাণ অর্থ অবশিষ্ট থাকে তা প্রকাশ করতে ব্যবহৃত হয়। এছাড়াও, মোট মুনাফা মার্জিনকে বিক্রয়ের শতকরা হার হিসেবে প্রকাশ করা হয় এবং মোট মার্জিন অনুপাতও বলা যেতে পারে। আলোচ্য বছরে জিপিএইচ ইস্পাত এর মোট মুনাফা মার্জিনের পরিমাণ হল ১৬.২৬ শতাংশ যাহা পূর্ববর্তী বছরে ছিল ১৬.৩০ শতাংশ। উক্ত বছরে কাঁচামালের মূল্য কিছুটা বেশি থাকার কারণে মোট মুনাফা মার্জিন তুলনামূলক হ্রাস পেয়েছে। নিচ মুনাফা মার্জিন হল আয়ের শতকরা হার যা কোন কোম্পানির ব্যবসায়ের বিক্রয় হতে মুনাফার অনুপাতকে বুঝায়। ২০১৮-১৯ হিসাব বছরে জিপিএইচ ইস্পাতের নেট মুনাফা মার্জিনের পরিমাণ হল ৬.০৮ শতাংশ যাহা পূর্ববর্তী বছরে ছিল ৬.৭৯ শতাংশ। উক্ত বছরে আপনাদের কোম্পানী সকল প্রকার পরিচালনা খরচ ও আর্থিক খরচ মিটিয়ে কর পরবর্তী ৮০৬.২০ মিলিয়ন টাকা মুনাফা অর্জন করেছে যাহা পূর্ববর্তী বছরে ছিল ৬৬৬.০৬ মিলিয়ন টাকা। কোম্পানীর গত পাঁচ বছরের বিক্রিত পণ্যের ব্যয়, মোট মুনাফা এবং নেট মুনাফার পরিমাণ নিম্নে চক আকারে দেখানো হল:

বিবরণ	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬	২০১৪-১৫
	টাকা	টাকা	টাকা	টাকা	টাকা
বিক্রিত পণ্যের ব্যয়	১১,১১০,৭৫৫,১৬১	৮,২১১,৫৫৬,৫৭৯	৬,৪৬৫,৮৪৫,৭০২	৮,৭৮৩,৮৪০,৬৪৪	৫,০৮৬,৫৪৩,৩২৪
মোট মুনাফা	২,১৫৭,৯২৮,৭৬৬	১,৬০২,৫৪৪,৫৪১	১,০৭৩,৭২০,০৩৬	৯৬০,১৬৮,০৩২	৯০১,৮৫৩,২০৫
নেট মুনাফা	৮০৬,২০১,৭২৮	৬৬৬,০৬০,২৩০	৫৭১,৩০৩,০৬১	২৮৯,৬১৯,৮১৬	২৯২,৮৬৯,২২২

চিত্র: টাকার পরিমাণে দেখানো হয়েছে



উক্ত ছক বছর প্রতি মুনাফার উর্ধমূর্যী প্রবণতা নির্দেশ করে।

বিশেষ কার্যক্রম এবং এর প্রভাব (ক্ষতি/লাভ)

আলোচ্য বছরে, কোম্পানি কোন ধরণের বিশেষ কার্যক্রমের সাথে জড়িত ছিল না এবং এর ফলে কোন বিশেষ লাভ বা ক্ষতি হয়নি।

সংশ্লিষ্ট পক্ষের সাথে লেনদেন

আলোচ্য বছরে, জিপিএইচ ইস্পাত লিমিটেড তার সংশ্লিষ্ট পক্ষের সাথে বেশ কিছু লেনদেন সম্পাদন করেছে যা স্বাভাবিক ব্যবসায়িক উদ্দেশ্যে করা হয়েছে। সংশ্লিষ্ট পক্ষের সাথে লেনদেনের পরিমাণ, সংশ্লিষ্ট পক্ষের প্রকৃতি, লেনদেনের প্রকৃতি এবং লেনদেনের ভিত্তি সহ বিস্তারিত বিবরণ নিরীক্ষিত আর্থিক প্রতিবেদনে (নেট নং-৩৬, পৃষ্ঠা নং ১৩২) সংযুক্ত করা হয়েছে।

আইপিও এবং রাইট শেয়ার ইস্যু হতে প্রাপ্ত অর্থের ব্যবহার

২০১১-১২ হিসাববর্ষে প্রাথমিক গণপ্রস্তাব হতে প্রাপ্ত অর্থ সম্পূর্ণ ব্যবহারের ফলে কোম্পানির নিকট এ উৎস হতে প্রাপ্ত আর কোন অর্থ অব্যবহৃত নেই। ২০১৫-১৬ হিসাব বর্ষে আপনাদের কোম্পানি প্রকল্প সম্প্রসারণের ব্যয় মিটানোর জন্য রাইট শেয়ার হিসেবে ০৩:০২ হারে প্রতিটি শেয়ার ১৪ টাকা মূল্যে (প্রতিটি শেয়ার ৪ টাকা প্রিমিয়াম সহ) ১৮,৭১,১০,০০০ সংখ্যক সাধারণ শেয়ার ইস্যু করে মোট ২,৬১৯.৫৪ মিলিয়ন টাকা উত্তোলন করে। রাইট শেয়ার অফার ডকুমেন্ট এর বাস্তবায়ন সূচী অনুযায়ী কোম্পানি ৩১ মে, ২০১৯ইং তারিখের মধ্যে (১০ ডিসেম্বর, ২০১৭ইং তারিখে অনুষ্ঠিত বিশেষ সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে রাইট শেয়ার তহবিল ব্যবহারের সময় ৩১ মে, ২০১৮ইং তারিখের পরিবর্তে ৩১ মে, ২০১৯ইং পর্যন্ত বর্ধিত করা হয়েছে) রাইট ইস্যু খরচ বাবদ অব্যবহৃত ৩৫,০৫১ টাকা ব্যতিত বাকি সম্পূর্ণ অর্থ যথাযথ খাতে ব্যবহার করেছে। রাইট ইস্যু খরচ বাবদ অব্যবহৃত উক্ত টাকা উপযুক্ত খাতে ব্যবহারের অনুমোদনের জন্য কোম্পানির ১৩তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের নিকট উপস্থাপন করা হবে।

আইপিও এবং রাইট শেয়ার ইস্যু পরবর্তী কোম্পানির আর্থিক ফলাফল

আইপিও এবং রাইট শেয়ার ইস্যু পরবর্তী সময়ে থেকে এখন পর্যন্ত কোম্পানির আর্থিক ফলাফলে কোন ধরণের অবনতি বা প্রতিকূল অবস্থার সৃষ্টি হয়নি। অধিকন্তু, কোম্পানি শুরু থেকে ধারাবাহিক মুনাফা অর্জনের মাধ্যমে উল্লেখযোগ্য ফলাফল বজায় রাখতে এবং ক্রমাগতভাবে ব্যবসায়ের প্রবৃদ্ধি বজায় রাখতে সক্ষম হয়েছে।

ত্রৈমাসিক ও বার্ষিক আর্থিক প্রতিবেদন এর মধ্যে উল্লেখযোগ্য পার্থক্য

ত্রৈমাসিক ও বার্ষিক আর্থিক প্রতিবেদনের আর্থিক ফলাফলের মধ্যে উল্লেখযোগ্য কোন পার্থক্য নেই। আলোচ্য হিসাব কালে কোম্পানি পরিচালনাগত ও আর্থিক উভয় দৃষ্টিকোন থেকে উল্লেখযোগ্য ফলাফল বজায় রাখতে সক্ষম হয়েছে।

স্বতন্ত্র পরিচালক সহ পরিচালকবৃন্দের সম্মানী

পরিচালকবৃন্দের সম্মানী কোম্পানির নমনেশন ও রেমুনারেশন নীতিমালার আলোকে এবং পরিচালনা পর্ষদের সভায় অনুমোদন সাপেক্ষে প্রদান করা হয়। পরিচালকবৃন্দের সম্মানী প্রদানের বিস্তারিত বিবরণ নিরীক্ষিত আর্থিক প্রতিবেদনে (নেট নং-৩৮, পৃষ্ঠা নং ১৩৩) সংযুক্ত করা হয়েছে।

আর্থিক বিবরণী প্রস্তুতকরণ

বাংলাদেশ সিকিউরিটিজ আ্যান্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং-বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০, তারিখ ০৩ জুন, ২০১৮ইং মেনে চলার জন্য পরিচালনা পর্ষদ নিম্নোক্ত বিষয় গুলো নিশ্চিত করেছেন:

- কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কতৃক প্রস্তুতকৃত আর্থিক বিবরণীতে কোম্পানীর চলমান ঘটনা প্রবাহ, কার্যক্রমের ফলাফল, নগদ প্রবাহ ও ইকুইটির পরিবর্তন যথাযথ ভাবে উপস্থাপন করা হয়েছে।
- কোম্পানীর হিসাব বই যথাযথ ভাবে সংরক্ষন করা হয়েছে।
- আর্থিক বিবরণী প্রস্তুতের সময় হিসাব নীতিমালা যথাযথ ভাবে প্রয়োগ করা হয়েছে এবং হিসাব অনুমানগুলো যুক্তিসংগত এবং যথোপযুক্ত বিচার বিশ্লেষণের উপর ভিত্তি করে করা হয়েছে।
- আর্থিক বিবরণী প্রস্তুতের সময় ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ডস্ (আইএএস) এবং ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস্ (আইএফআরএস) বাংলাদেশে যেভাবে প্রযোজ্য সেভাবে অনুসরণ করা হয়েছে।

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি

স্বচ্ছতা এবং জবাবদিহিতার মাধ্যমে অধিক ব্যবসায়িক সুবিধা পাওয়া যায় একই সাথে গ্রাহক সম্পর্ক উন্নয়ন এবং পরিচালনাগত দক্ষতা বৃদ্ধি করা যায়। স্বচ্ছতা এবং জবাবদিহিতা নিশ্চিত করার জন্য জিপিএইচ ইস্পাত লিমিটেডের অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার নীতিমালা ও পদ্ধতিগুলো এমন ভাবে তৈরি করা হয়েছে যা কোম্পানির সম্পদ সমূহ সুরক্ষিত আছে, লেনদেন সমূহ অনুমোদিত এবং সঠিকভাবে নথি ভুক্ত করা হয়েছে তার যথাযথ নিশ্চয়তা প্রদান করে। এছাড়াও, সঠিক ভাবে হিসাব নথিভুক্ত করণ এবং অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার যথাযথ প্রয়োগের জন্য আমরা একটি পদ্ধতি নির্ধারন করে দিয়েছি। আমাদের একটি প্রথম অভ্যন্তরীণ নিরীক্ষা বিভাগ রয়েছে যা কোম্পানির প্রতিষ্ঠিত নীতিমালা এবং পদ্ধতিগুলো যথাযথ ভাবে অনুসরণ করা হয় কিনা তা নিশ্চিত করার জন্য নিয়মিত ভাবে নিরীক্ষা কার্যক্রম পরিচালনা করে থাকে।

কঠোরেট গভর্নেন্স কোড অনুসারে, পরিচালনা পর্ষদে আমাদের দুটি উপ-কমিটি এবং অন্যটি নমিনেশন এবং রেমুনারেশন কমিটি। উভয় কমিটিই কোম্পানির অভ্যন্তরীণ নিয়ন্ত্রণ প্রক্রিয়ার পর্যবেক্ষণে গুরুত্বপূর্ণ ভূমিকা পালন করে। আলোচ্য বছরে কোম্পানির নিরীক্ষা কমিটি কোম্পানির ত্রৈমাসিক আর্থিক বিবরণী পর্যালোচনার জন্য প্রতি তিনি মাস অন্তর এবং বার্ষিক আর্থিক বিবরণী পর্যালোচনার জন্য বছরে একবার মিলিত হন। উক্ত আর্থিক বিবরণী, আর্থিক প্রতিবেদন তৈরির পদ্ধতি, হিসাব নীতিমালা ও এর পদ্ধতি সম্পর্কে তারা গুরুত্বপূর্ণ নিরীক্ষা পর্যবেক্ষন প্রদান করেন এবং কোম্পানির দ্বারা অনুসরণকৃত অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা এবং এর কার্যকারিতা সম্পর্কে তাদের মতামত প্রদান করেন। এছাড়াও, নিরীক্ষা কমিটি কর্তৃক প্রদত্ত প্রতিবেদনের বাস্তবায়ন নিয়েও আলোচনা করেন। অডিট কমিটির পর্যবেক্ষণ এবং পরামর্শ অনুসারে কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কাজ করেন।

সংখ্যালঘু শেয়ারহোল্ডারদের সুরক্ষা

কোম্পানির পরিচালনা পর্ষদ সংখ্যালঘু শেয়ারহোল্ডারদের সুরক্ষার বিষয়ে সর্বদা সচেষ্ট রয়েছেন। পরিচালনা পর্ষদ নিশ্চিত করেছে যে, কোম্পানির সংখ্যালঘু শেয়ারহোল্ডারদের জন্য অবমাননাকর কোন কর্মকাণ্ড অথবা তাদের স্বার্থের বিষয়ে প্রত্যক্ষ অথবা পরোক্ষ ভাবে শেয়ারহোল্ডিং নিয়ন্ত্রণ এবং এর প্রতিকারে কার্যকর ব্যবস্থা গ্রহণ করেছে।

চলমান প্রতিষ্ঠান হিসাবে যাত্রা অব্যাহত রাখার ক্ষমতা

নিকট ভবিষ্যতে কোম্পানির কার্যক্রম পরিচালনা করার জন্য পর্যাপ্ত সম্পদ রয়েছে। এই কারণে, পরিচালনা পর্ষদ কোম্পানির আর্থিক বিবরণী প্রস্তুত করার সময় একটি চলমান প্রতিষ্ঠানের ভিত্তিতে আর্থিক বিবরণী প্রস্তুত করেছে। কোম্পানির বিদ্যমান ব্যবসা এবং এর কার্যক্রম অব্যাহত রাখার জন্য প্রয়োজনীয় তহবিল পূরণে চলমান আয় এবং সম্পদ সমূহ যথেষ্ট।

গত বছর হতে পরিচালনাগত ফলাফলে উল্লেখযোগ্য পরিবর্তন

কোম্পানির গত বছরের পরিচালনাগত ফলাফলের সাথে বর্তমান বছরের পরিচালনাগত ফলাফলের উল্লেখযোগ্য তেমন কোন পরিবর্তন নেই।

গত পাঁচ বছরের পরিচালনাগত ফলাফল

পরিচালনাগত দিক থেকে বিগত পাঁচ বছর কোম্পানির উৎপাদন, বিক্রয় ও মুনাফা অর্জনের ক্ষেত্রে উল্লেখযোগ্য অগ্রগতি লাভ করতে সক্ষম হয়েছে। বিগত পাঁচ বছরের কোম্পানির পরিচালনাগত তথ্য এবং আর্থিক তথ্য নিম্নে ছক আকারে দেখানো হল:

পরিচালনাগত তথ্য:

বিবরণ	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬	২০১৪-১৫
	টাকা	টাকা	টাকা	টাকা	টাকা
নেট আয়	১৩,২৬৮,৬৮০,৯২৭	৯,৮১৪,১০১,১২০	৭,৮৩৯,৫৬৬,০৩৮	৫,৭৪৩,৬০৮,৬৭৬	৫,৯৮৮,৩৯৬,৫২৯
বিক্রিত পণ্যের ব্যয়	১১,১১০,৭৫৫,১৬১	৮,২১১,৫৫৬,৫৭৯	৬,৪৬৫,৮৪৫,৭০২	৪,৭৮৩,৮৮০,৬৪৪	৫,০৮৬,৫৪৩,৩২৪
মোট মুনাফা	২,১৫৭,৯২৮,৭৬৬	১,৬০২,৫৪৪,৫৪১	১,৩৭৩,৭২০,৩০৬	৯৬০,১৬৮,০৩২	৯০১,৮৫৩,২০৫
পরিচলন মুনাফা	১,৭৩৫,০০৯,৫৪০	১,২৭৬,২৬৭,০১৬	১,০৯৪,৭৬৫,২৬০	৭৫০,৭৪৪,২২৬	৭৩১,৬৮৮,৫২১
কর ও সঞ্চিতি পূর্ব মুনাফা	১,০৭৫,১২৬,৭৫৬	৮৬০,৬৫৬,১৯৯	৭৬১,৮১৭,২০৮	৩৮৮,১২৫,৪৫৭	৩৮১,১৪৬,৯৫১
কর পরবর্তী মুনাফা	৮০৬,২০১,৭২৮	৬৬৬,০৬০,২০০	৫৭১,৩০৩,০৬১	২৮৯,৬১৯,৮১৬	২৯২,৪৬৯,২২২
শেয়ার প্রতি আয় (ইপিএস)	২.২৪	২.০৩	১.৮৩	২.০৬	২.০৪
শেয়ার প্রতি নেট অপারেটিং ক্যাশ ফ্লো	১.৬১	০.৪৯	০.৮৩	১.০০	৮.৬৭

আর্থিক তথ্য:

বিবরণ	৩০ জুন ২০১৯	৩০ জুন ২০১৮	৩০ জুন ২০১৭	৩০ জুন ২০১৬	৩০ জুন ২০১৫
	টাকা	টাকা	টাকা	টাকা	টাকা
নন কারেন্ট সম্পত্তি	২৩,০৭৩,২০৭,২৮০	১৩,৯৭৬,৫৫৩,৮৬৬	৮,৭৪৬,১৫৩,৯২৬	২,১০৭,৫৩১,০১৫	১,৭৫৮,২৮০,০৬২
চলতি সম্পত্তি	৮,৮১৯,৮১৭,৭৫৯	৮,৭১৭,৬৮৪,৫৩২	৮,১২০,০৫২,৮৯৮	৮,১৮৬,৭২৪,৮৪৮	৮,২৪৫,৫৮৮,৮৮০
মোট সম্পত্তি	৩১,৮৯৩,০২৫,০৩৯	২২,৬৯৪,২৩৮,৩৯৮	১২,৮৬৬,২০৬,৮২৮	১০,২৯৪,২৫৫,৮৬৩	৬,০০৩,৮৬৮,৫৪৫
শেয়ারহোল্ডারস্থ ইকুইটি	৬,৩০৫,০৫৭,৪৩০	৫,৫২৫,০৪৯,৮৩২	৫,০৩৫,৬০৩,৬১২	৪,৮১৯,০৮৭,৬৪০	২,০৪৫,২৩৬,৯৯৭
নন কারেন্ট দায়	১৬,৯৫২,৪৩৯,০১০	৮,৬১৯,৭১৪,২৩০	১,৯৪৮,৬০৯,৮০৯	৪৫৭,০৩৮,৩৯১	৬০৪,৩৫৬,৬০৩
চলতি দায় এবং প্রতিশন	৮,২০৫,২২৮,৫৯৬	৮,৫৪৯,১৭৪,৩০০	৫,৮৮১,৯৯০,৮০৩	৫,০১৮,১২৯,৮২৯	৩,০২৪,২৭৪,৯১৫
মোট শেয়ারহোল্ডারস্থ ইকুইটি এবং দায়	৩১,৮৯৩,০২৫,০৩৯	২২,৬৯৪,২৩৮,৩৯৮	১২,৮৬৬,২০৬,৮২৮	১০,২৯৪,২৫৫,৮৬৩	৬,০০৩,৮৬৮,৫৪৫
শেয়ার প্রতি সম্পদ মূল্য (এনএভি)	১৭.৫৯	১৬.৮৭	১৬.১৫	১৫.৪৫	১৬.৮০

লভ্যাংশ

আলোচ্য বছরে, আপনাদের কোম্পানি কর পরবর্তী মুনাফা অর্জন করেছে ৮০৬.২০ মিলিয়ন টাকা এবং শেয়ার প্রতি আয় হয়েছে ২.২৪ টাকা। উক্ত মুনাফা অর্জন প্রমাণ করে যে আমরা আমাদের মুনাফার প্রবৃদ্ধি অব্যাহত রেখেছি এবং আমাদের শেয়ারহোল্ডারদের জন্য সর্বাধিক আয় অর্জন করতে সক্ষম হয়েছি। কোম্পানির পরিচালনা পর্ষদ ৩০শে জুন, ২০১৯ইং তারিখে সমাপ্ত বছরের অর্জিত মুনাফা থেকে শেয়ারহোল্ডারদের ১০ শতাংশ লভ্যাংশ (৫ শতাংশ নগদ এবং ৫ শতাংশ স্টক) প্রদানের প্রস্তাৱ করেছেন। অনুরূপভাবে, মুনাফা হতে স্টক লভ্যাংশের ১৮০.০৯ মিলিয়ন টাকা কমিয়ে মূলধনে জমা করা হবে। উক্ত মূলধন কোম্পানির চলমান উৎপাদন সম্প্রসারণ প্রকল্পের কাজে ব্যবহার করা হবে যা শেয়ারহোল্ডারদের জন্য দীর্ঘমেয়াদী সুবিধা এবং কোম্পানির টেকসই প্রবৃদ্ধি নিশ্চিত করবে।

পরিচালনা পর্ষদ আরও নিশ্চিত করেছে যে, অন্তর্ভুক্ত লভ্যাংশ হিসাবে কোন বোনাস শেয়ার বা স্টক লভ্যাংশ ঘোষনা করা হয়নি।

অনুষ্ঠিত পর্ষদ সভার সংখ্যা ও পরিচালকদের উপস্থিতি

২০১৮-১৯ সালে কোম্পানির পরিচালনা পর্ষদ কোম্পানির কার্যক্রম ও বিভিন্ন বিষয়ে আলোচনার জন্য মোট ৯ বার পর্ষদ সভা আহ্বান করেছেন। পর্ষদ সভার সংখ্যা ও পরিচালকদের উপস্থিতি নিরীক্ষিত আর্থিক প্রতিবেদনে (নোট নং-৩৯, পৃষ্ঠা নং ১০৩) সংযুক্ত করা হয়েছে।

শেয়ার ধারণের তথ্য

৩০ জুন ২০১৯ইং তারিখে কোম্পানির শেয়ার ধারণ সংক্রান্ত তথ্য সংযুক্তি-E, পৃষ্ঠা নং ৭৬-এ সংযুক্ত করা হয়েছে।

পরিচালক নিয়োগ, অবসর ও পুনঃনিয়োগ

পরিচালক নিয়োগ, অবসর ও পুনঃনিয়োগ কোম্পানির সংঘবিধি এবং কোম্পানি আইন ১৯৯৪ এর বিধি অনুযায়ী নির্ধারিত হয়।

আসন্ন বার্ষিক সাধারণ সভায় নিম্নলিখিত পরিচালকগণ অবসর গ্রহণ করবেন এবং পুনরায় নিয়োগের যোগ্য বিধায় পুনঃনিয়োগের জন্য বিবেচিত হবেন :-
ক) জনাব মোঃ আবদুর রউফ

খ) জনাব মোঃ আবদুল আহাদ

গ) জনাব মোঃ আজিজুল হক

উক্ত পরিচালকগণের সংক্ষিপ্ত জীবন বৃত্তান্ত এই প্রতিবেদনের পৃষ্ঠা নং ২২, ২৪ এবং ২৫-এ যুক্ত করা হয়েছে।

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

স্বতন্ত্র পরিচালক নিয়োগ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক জারিকৃত কপোরেট গর্ডনেস কোড ২০১৮ অনুযায়ী কোন তালিকাভুক্ত কোম্পানির পরিচালনা পর্ষদের মেট পরিচালকের সংখ্যার এক-পঞ্চমাংশ স্বতন্ত্র পরিচালক থাকতে হবে। উক্ত কোড মেনে চলার জন্য পরিচালনা পর্ষদ ১৩ মার্চ, ২০১৩ইং তারিখে জনাব বেলায়েত হোসেন-কে কোম্পানির দ্বিতীয় স্বতন্ত্র পরিচালক হিসেবে নিয়োগদান করেন। স্বতন্ত্র পরিচালক হিসেবে জনাব বেলায়েত হোসেন-এর দুই মেয়াদ (ছয় বছর) শেষ হয় ১২ মার্চ, ২০১৯ইং তারিখে। উক্ত পদে তিনি পুনঃরায় নিয়োগের যোগ্য হবেন না বিধায় এবং কপোরেট গর্ডনেস কোড প্রতিপালনের জন্য কোম্পানির নমিনেশন ও রেমুনারেশন কমিটি জনাব মোঃ মোকাব আহমেদ-কে কোম্পানির দ্বিতীয় স্বতন্ত্র পরিচালক হিসেবে নিয়োগদানের জন্য পরিচালনা পর্ষদ এর নিকট সুপারিশ করেন। পরবর্তীতে, পরিচলনা পর্ষদ জনাব মোঃ মোকাব আহমেদ-কে কোম্পানির দ্বিতীয় স্বতন্ত্র পরিচালক হিসেবে নিয়োগ প্রদান করে। কোম্পানির আসন্ন বার্ষিক সাধারণ সভায় উক্ত স্বতন্ত্র পরিচালক নিয়োগ শেয়ারহোল্ডার অনুমোদন নেয়া হবে।

স্বতন্ত্র পরিচালক হিসেবে জনাব মোঃ মোকাব আহমেদ-এর সংক্ষিপ্ত জীবন বৃত্তান্ত এই প্রতিবেদনের পৃষ্ঠা নং ২৭-এ সংযুক্ত করা হয়েছে।

ব্যবস্থাপনা কর্তৃপক্ষের আলোচনা এবং বিশ্লেষণ

জুন ৩০, ২০১৯ইং তারিখে সমাপ্ত বছরে কোম্পানির অবস্থা এবং কার্যক্রম সহ আর্থিক বিবরণীর পরিবর্তন সমূহ এবং অন্যান্য বিষয়ে বিজ্ঞারিত আলোচনা উপস্থাপন করে একটি প্রতিবেদন সংযুক্ত-**F**, পৃষ্ঠা নং ৭৭-এ যুক্ত করা হয়েছে।

ব্যবস্থাপনা পরিচালক এবং প্রধান অর্থ কর্মকর্তার ঘোষণা

জুন ৩০, ২০১৯ইং তারিখে সমাপ্ত বছরের আর্থিক বিবরণী সম্পর্কে পরিচালনা পর্ষদের নিকট কোম্পানির ব্যবস্থাপনা পরিচালক এবং প্রধান অর্থ কর্মকর্তার একটি ঘোষণা পত্র সংযুক্ত-**A**, পৃষ্ঠা নং ৫৮-তে যুক্ত করা হয়েছে।

কপোরেট গর্ডনেস কোড সম্পর্কিত প্রতিবেদন এবং এ সংক্রান্ত সনদপত্র

সুশাসন, আর্থিক স্বচ্ছতা, জৰাবদিহিতা এবং অংশীদারদের স্বার্থ সুরক্ষা নিশ্চিত করার লক্ষ্যে, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন ০৩ জুন, ২০১৮ইং তারিখে একটি বাধ্যতামূলক কপোরেট গর্ডনেস কোড (বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০) জারি করেছে। উক্ত কপোরেট গর্ডনেস কোডের শর্তাবলী মেনে চলার মাধ্যমে আমাদের কোম্পানি সকল কমপ্লাইয়েল নিশ্চিত করেছে। কোম্পানির কমপ্লাইয়েল স্ট্যাটাস এবং এই বিষয়ে নিরীক্ষক হতে প্রাপ্ত সনদ সংযুক্ত-**B**, পৃষ্ঠা নং ৫৯ ও সংযুক্ত-**C**, পৃষ্ঠা নং ৬০-এ সংযুক্ত করা হয়েছে।

নতুন প্রকল্প বাস্তবায়ন

পূর্বের সিদ্ধান্ত মোতাবেক এম.এস. বিলেট এর বার্ষিক উৎপাদন ক্ষমতা ৮৪০,০০০ মেট্রিক টন এবং এম.এস. রড/মিডিয়াম সেকশন প্রোডাক্ট এর বার্ষিক উৎপাদন ক্ষমতা ৬৪০,০০০ মেট্রিক টনে উন্নীত করার লক্ষ্যে ২০১৬ সালের জানুয়ারী মাস থেকে আমরা আমাদের যাত্রা শুরু করেছিলাম। আমাদের স্বপুরে বাস্তবে রূপান্তরিত করার জন্য আমরা নিরলসভাবে কাজ করে যাচ্ছি। ২০১৮-১৯ আর্থিক বছরে, আমরা উৎপাদন সম্প্রসারণ প্রকল্প বাস্তবায়নের কাজে বিশেষ মনোযোগ দিয়েছি। অনেক প্রতিবন্ধকতা সত্ত্বেও, আমরা আমাদের স্বপুর পূরণের কাছাকাছি রয়েছি। যত তাড়াতাড়ি সম্ভব পরীক্ষামূলক উৎপাদন এবং বাণিজ্যিক উৎপাদন শুরু করার জন্য আমরা আমাদের সর্বোচ্চ পর্যায়ের চেষ্টা করে যাচ্ছি।

বাজারজাতকরণ ও ব্র্যান্ডিং

বাংলাদেশের ইস্পাত মার্কেট অত্যন্ত প্রতিযোগিতামূলক বিবেচনায় নিয়ে, কোম্পানির পরিচালনা পর্ষদ কোম্পানির বিপণন এবং ব্র্যান্ডিং কৌশল সম্পর্কে সর্বদা সচেষ্ট রয়েছে। উক্ত চিন্তাভাবনা থেকে, অব্যাহত কার্যক্রমের মাধ্যমে মার্কেটে একটি পার্থক্য তৈরি করতে জিপিএইচ ইস্পাত সর্বদা প্রচেষ্টা চালিয়ে আসছে। যখন কোম্পানির ব্র্যান্ডিংকে অগ্রাধিকার দেয়া হয়, তখন এর ফলাফল তার উত্তাবনী বিপণন পরিকল্পনার উপর পড়ে যা কোম্পানিকে একটি ভাল মার্কেট শেয়ার পেতে সহায়তা করে। আমরা বিশ্বাস করি বিপণন হল এমন একটি কৌশল যা ব্যবসা যদি ইঞ্জিন হয় তবে সেই ইঞ্জিনের লুঁঝিকেট হলো বিপণন কৌশল। সুতরাং, বর্তমান এবং সম্ভাব্য গ্রাহকদের নিকট আমাদের কোম্পানির নাম যেন সবার শীর্ষে থাকে তা নিশ্চিত করতে এবং আমাদের ব্যবসাকে আরও এগিয়ে নিয়ে যেতে বিপণন এবং ব্র্যান্ডিং খুবই গুরুত্বপূর্ণ।

বিপণন এমন একটি বিষয় যা টিভিসি প্রচারের মত আমাদের বিভিন্ন বিজ্ঞাপন কার্যক্রমকে প্রতিফলিত করে এবং যা বাংলাদেশের বিভিন্ন বাণিজ্যিক টেলিভিশন এবং রেডিও চ্যানেলে প্রচারিত হয়েছে তার মধ্যে উল্লেখযোগ্য ছিল আইসিসি ক্রিকেট বিশ্বকাপ-২০১৯ এর সময় আমাদের প্রচারিত টিভিসি। এছাড়াও, বছর ব্যাপী দেশের বিভিন্ন স্থানে বিলবোর্ড, স্ট্যান্ড সাইন, নিয়ন সাইন, শপ সাইন, দেয়াল পেইন্টিং এর মত বিভিন্ন বিজ্ঞাপন কার্যক্রম গ্রহণ করা হয়েছে এবং চট্টগ্রাম সিটি কর্পোরেশন এলাকায় সৌন্দর্য বর্ধনের জন্য সার্বিক সহযোগিতা দেয়া হয়েছে। আলোচ্য বছরে আমাদের বিপণন কার্যক্রমের মধ্যে ছিল টেলিভিশনে কর্পোরেট স্পনসরশিপ, খবর এবং টক শো থেকে শুরু করে রিয়েলিটি শো পর্যন্ত যেমন, চ্যানেল আই-তে প্রচারিত “জিপিএইচ ইস্পাত এসো রোবট বানাই”, “জিপিএইচ ইস্পাত-প্রথম আলো ইঞ্জিনিয়াস” এবং আরটিভিতে প্রচারিত “জিপিএইচ ইস্পাত-আলোকিত কোরআন”। আমরা ঢাকার নটরডেম কলেজে অনুষ্ঠিত “তৃতীয় জাতীয় ইকো এবং স্পেস সামিট”, ঢাকা বিশ্ববিদ্যালয়ে অনুষ্ঠিত ব্যবসায়িক প্রতিযোগিতা এবং স্পার্টান কমিউনিকেশন ক্লাব সহ বিভিন্ন ইভেন্টে স্পনসর করেছি।

এছাড়াও, ডিজিটাল প্লাটফরমের মধ্যে আমাদের ব্র্যান্ডের দৃশ্যমানতা বৃদ্ধি করার জন্য আমরা ফেসবুক, টুইটার, ইনস্ট্রামেন্ট, লিংকডইন, ইউটিউব এবং গুগল ডিসপ্লে নেটওয়ার্কে সহ বিভিন্ন সামাজিক যোগাযোগ মাধ্যমে আমাদের সম্পৃক্ততা বৃদ্ধি করেছি।

মানব সম্পদ ব্যবস্থাপনা

উপর্যুক্ত, দক্ষ এবং নির্বেদিত মানব সম্পদ কোম্পানির লক্ষ্য অর্জনের একটি পূর্বশর্ত। তাছাড়া, যথাযথ মানব সম্পদ ব্যবস্থাপনা কোম্পানির ম্যানেজমেন্ট এবং কর্মচারীদের মধ্যে আশ্বা, নির্ভরযোগ্যতা, দলবদ্ধতা, উৎসাহ ও সম্পর্ক উন্নয়নে গুরুত্বপূর্ণ ভূমিকা পালন করে। আমাদের একটি উচ্চমানের মানবসম্পদ বিভাগ রয়েছে যারা চাকুরী বিশ্লেষণ, কর্মী প্রয়োজনীয়তা পরিকল্পনা, সঠিক স্থানে সঠিক কর্মী নিয়োগ, কর্মীদের দিক নির্দেশনা এবং প্রশিক্ষণ প্রদান, বেতন ও মজুরি ব্যবস্থাপনা, সুযোগ-সুবিধা এবং প্রগোদ্ধন প্রদান, কার্যকারিতা মূল্যায়ন, বিরোধ নিষ্পত্তি এবং সকল পর্যায়ের কর্মীদের সাথে যোগাযোগ রক্ষা করার কাজে নিয়োজিত রয়েছে। একটি সময়োপযোগী ও ভারসাম্য পূর্ণ মানব সম্পদ নীতিমালা প্রতিষ্ঠা করা হয়েছে যা সকল স্থায়ী কর্মকর্তা কর্মচারীদের জন্য দীর্ঘমেয়াদী সুবিধা নিষিদ্ধ করছে। বেতন ক্ষেত্রে অনুযায়ী কর্মচারীদেরকে প্রাথমিক বেতন, বাড়ি ভাড়া ভাতা, পরিবহন ভাতা/সুবিধা, চিকিৎসা ভাতা, উপযোগ এবং অন্যান্য ভাতা প্রদান করা হয়। এছাড়াও, কর্মচারীদেরকে প্রতিভিত্তি ফাস্ট, গ্র্যাচুইটি এবং গ্রাহ বীমার মত দীর্ঘমেয়াদী সুবিধা প্রদান করা হয়।

২০১৮-১৯ বর্ষে, আমাদের মোট ১,০৮১ জন স্থায়ী কর্মকর্তা, কর্মচারী ও শ্রমিক ছিল। কর্মকর্তা, কর্মচারী ও শ্রমিকদের দক্ষতা উন্নয়নের জন্য আমরা বছর ব্যাপী বিভিন্ন ধরণের অভ্যন্তরীণ এবং বাহ্যিক প্রশিক্ষনের ব্যবস্থা গ্রহণ করেছি।

পরিবেশ সমুজ্জায়ন

বর্তমান বিশ্ব প্রচুর পরিবেশগত উদ্বেগের মুখ্যমুখ্য হচ্ছে এবং একবিংশ শতাব্দীতে জলবায়ু পরিবর্তন ইস্পাত শিল্পের জন্য সবচেয়ে বড় সমস্যা। পরিবেশগত সমস্যা যেমন জলবায়ু পরিবর্তন, বিশ্ব উষ্ণায়ন, বায়ু দূষণ, পানি দূষণ, অ্যাসিড বৃষ্টি, ওজন স্তর হ্রাস, বন উজাড়, বাতাসে কার্বনের পরিমাণ বৃদ্ধি, গৃহস্থলি এবং শিল্প বর্জ্য, পারমাণবিক সমস্যা এবং আরও অনেক কিছু যা এই গ্রহের প্রতিটি মানুষ, প্রাণী ও জাতিকে প্রভাবিত করে। যেহেতু আমাদের কার্যক্রম গুলো এই গ্রহটিকে রক্ষা করার পক্ষে নয়, তাই আমরা প্রায়ই দেখেছি জলোচ্ছাস, সুনামি এবং ঘৃণিঘাড় এর মত প্রাকৃতিক বিপর্যয়গুলো আমাদেরকে আক্রমণ করে। ফলস্বরূপ, আমাদের গ্রহের শোষণ এবং আমাদের পরিবেশের অবক্ষয় একটি উদ্বেগজনক হারে বেড়ে চলেছে।

জিপিএইচ ইস্পাত লিমিটেড সব সময় পরিবেশগত সমস্যার গুরুত্ব অনুভব করে। এই প্রসঙ্গে, আমরা দূষণমুক্ত পরিবেশ নিষিদ্ধ করার জন্য একটি কার্যকর ইপ্লুয়েন্ট ট্রিটমেন্ট প্ল্যাট (ইটিপি) সিস্টেম স্থাপন করেছি। আমাদের আসন্ন উৎপাদন সম্প্রসারণ প্রকল্পের জন্য সর্বশেষ প্রযুক্তি এবং আন্তর্জাতিক মান সম্পূর্ণ একটি এয়ার সেপারেশন প্ল্যাট (এএসপি) স্থাপন করেছি। সেখানে পানি শোধনের ব্যবস্থা থাকবে যাতে কোন পানি প্রবাহ থাকবে না এবং জিরো স্নাব প্রযুক্তি সম্মদ্ধ। এর অর্থ হলো দূষিত পানি প্ল্যাট থেকে বের হবে না এবং দূষিত পানি প্ল্যাটের অভ্যন্তরে পুনঃ ব্যবহার করা হবে। ফলস্বরূপ, প্রাকৃতিক পরিবেশের কোন ক্ষতি হবে না। এছাড়াও, ইস্পাত উৎপাদন থেকে সামগ্রিক কার্বন-ডাই-অক্সাইড নির্গমন উল্লেখযোগ্য হারেহুস করতে হলে অত্যধূমিক প্রযুক্তির বিকাশ অত্যন্ত গুরুত্বপূর্ণ। বর্তমানে, বিশ্বের বিভিন্ন স্থানে বিপুল সংখ্যক প্রতিশ্রুতিবদ্ধ প্রকল্প চলমান রয়েছে। আমরা আমাদের চলমান সম্প্রসারণ প্রকল্পে স্টেট অফ দ্য আর্ট প্রযুক্তি স্থাপন করছি। এই প্রযুক্তি ব্যবহার করে বিশ্ব ব্যাংকের নির্ধারিত কার্বন নির্গমন ৯০ শতাংশের কম এবং বাংলাদেশ স্ট্যান্ডার্ড ৯৬ শতাংশের কম হবে। টেকসই ভবিষ্যতের জন্য দূষণ হ্রাস করণ এবং নবায়নযোগ্য শক্তির ব্যবহার বৃদ্ধি মূল উদ্বেগ হয়ে দাঁড়িয়েছে।

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

খণ্মান নির্ধারণ

আলফা ক্রেডিট রেটিং লিমিটেড ২০১৮-২০১৯ সালের জন্য আমাদের খণ্মান যাচাই সম্পন্ন করেছে, যা নিম্নরূপ:

দীর্ঘকালীন	স্বল্পকালীন
AA	ST-2

"AA" কোম্পানি আর্থিক অঙ্গীকার পূরণে অত্যন্ত শক্তিশালী সামর্থ্য ইঙ্গিত করে।

"ST-2" কোম্পানি স্বল্প মেয়াদী আর্থিক অঙ্গীকার পূরণে গড় এর উপরে সামর্থ্য ইঙ্গিত করে।

রাষ্ট্রীয় কোষাগারে অবদান

জিপিএইচ ইস্পাত লিমিটেড প্রতিষ্ঠার পর থেকে রাষ্ট্রীয় কোষাগারে উন্নয়নে অবদান রেখে চলেছে। ২০১৮-১৯ হিসাবকালে আমরা মূল্য সংযোজন কর (ভ্যাট), প্রতিষ্ঠানিক কর, উৎস কর, সাপ্লাইমেন্ট রি শুল্ক, কাস্টম শুল্ক এবং বিবিধ রেজিষ্ট্রেশন ফি হিসেবে রাষ্ট্রীয় কোষাগারে প্রায় ৯৬১.৫০ মিলিয়ন টাকা জমা করেছি যা পূর্ববর্তী বছরে ছিল ৭৩৯.০৫ মিলিয়ন টাকা। এছাড়াও, জিপিএইচ ইস্পাত লিমিটেড ইউটিলিটি বিল বাবদ ৭৮০.২৮ মিলিয়ন টাকা পরিশোধ করেছে। আমাদের কোম্পানির লক্ষ্য হচ্ছে রাষ্ট্রীয় কোষাগারে কর অবদানের একটি টেকসই স্তর প্রতিষ্ঠা করা যা সরকারের সকল ইতিবাচক কর্মকাণ্ডে সমর্থন যোগাবে এবং এই শিল্পের টেকসই প্রযুক্তি নিশ্চিত করা যাতে এই শিল্পের বাজারে অংশগ্রহণকারী সকল প্রতিযোগী সমান সুযোগ পায়।

নিরীক্ষক নিয়োগ

গত বার্ষিক সাধারণ সভায় মেসার্স হোসেন ফরহাদ এন্ড কোং, চার্টার্ড অ্যাকাউন্টেন্টস-কে কোম্পানির ৩০ জুন, ২০১৯ইং তারিখে সমাপ্ত হিসাব বছরের নিরীক্ষা কাজের জন্য সংবিধিবদ্ধ নিরীক্ষক হিসেবে নিয়োগ প্রদান করা হয়। নিরীক্ষকগণ ৩০ জুন, ২০১৯ইং তারিখে সমাপ্ত বছরের নিরীক্ষাকার্য সম্পাদন করে এর প্রতিবেদন উপস্থাপন করেছেন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সেঞ্চ কমিশনের নোটিফিকেশন: বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৮/এডমিন/৮১ তারিখ ২০ জুন ২০১৮ইং, অনুসারে পুনরায় নিয়োগ প্রাপ্ত নিরীক্ষকগণ ৩০ জুন, ২০২০ইং তারিখে সমাপ্ত হিসাব বছরের নিরীক্ষণ কার্যের জন্য পুনঃনিয়োগ লাভের আগ্রহ প্রকাশ করেছেন। পরিচালনা পর্ষদ ৩০ জুন ২০২০ইং তারিখে সমাপ্ত হিসাব বছরের নিরীক্ষা কাজের জন্য কোম্পানির সংবিধিবদ্ধ নিরীক্ষক হিসেবে মেসার্স হোসেন ফরহাদ এন্ড কোং, চার্টার্ড অ্যাকাউন্টেন্টস-কে নিয়োগের জন্য প্রস্তাৱ করেছেন। উক্ত সংবিধিবদ্ধ নিরীক্ষকের নিয়োগ আসন্ন বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন নেয়া হবে।

ধন্যবাদ জ্ঞাপন

আমাদের সম্মানিত শেয়ারহোল্ডারদের দৃঢ় সমর্থন এবং উৎসাহ ব্যতিত ২০১৮-১৯ হিসাব বছরের ফলাফল অর্জন সম্ভব হত না। পরিচালনা পর্ষদের পক্ষ থেকে আমি সকল সম্মানিত শেয়ারহোল্ডারকে কোম্পানির প্রতি তাদের আন্তরিক সমর্থনের জন্য ধন্যবাদ এবং কৃতজ্ঞতা জানাচ্ছি এবং আগামী বছরগুলোতে তা অব্যাহত থাকবে বলে আশা করছি।

পরিচালনা পর্ষদের পক্ষে



মোহাম্মদ জাহাঙ্গীর আলম
ব্যবস্থাপনা পরিচালক



ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE

ANNEXURE-A

[As per condition No. 1(5)(xxvi)]



DECLARATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

Date: 26 October, 2019

The Board of Directors
GPH Ispat Limited
Crown Chamber, 325 Asadgonj
Chattogram-4000.

Subject: Declaration on Financial Statements for the year ended on June 30, 2019.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of GPH Ispat Limited for the year ended on June 30, 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on June 30, 2019 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Ashraf'.

H. M. Ashraf-Uz-Zaman, FCA
Chief Financial Officer

A handwritten signature in black ink, appearing to read 'Jahangir'.

Mohammed Jahangir Alam
Managing Director

GPH ISPAT LTD.

Corporate Office : Crown Chamber, 325 Asadgonj, Chattogram-4000, Tel: +88 031 631460, Fax: +88 031 610995, E-mail: info@gphispat.com.bd
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ANNEXURE-B

[Certificate as per condition No. 1 (5) (xxvii)]



Solution... Begins

Rahman Mostafa Alam & Co.
 Chartered Accountants


**Report to the Shareholders of
GPH Ispat Limited
On
Compliance on the Corporate Governance Code
For the year ended on 30 June 2019**

We have examined the compliance status to the Corporate Governance Code by GPH Ispat Limited for the year ended on 30 June 2019. This Code relates to the Notification No. BSEC/CMRRC/2006-158/207/admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is highly satisfactory.

Place: Chattogram
Dated: 05 November 2019

Rahman Mostafa Alam & Co.
Rahman Mostafa Alam & Co.
 Chartered Accountants

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ANNEXURE

ANNEXURE-C

[Certificate as per condition No. 1 (5) (xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	✓		
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or	✓		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	✓		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not Applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			Not Applicable
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			Not Applicable
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year:	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓		
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests;	✓		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5(6)(b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put / in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	√		
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1);	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

ANNEXURE

ANNEXURE -D

[As per condition No. 1(5)(iii)]

RISKS & CONCERNS

PROFITABILITY REDUCTION RISK

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

MITIGATION PLAN

The company has successfully entered the market till date and is working for offering new and better quality products at competitive terms. Moreover, the group's track records of last 5 (five) years for operating at the low profit and highly sensitive market environment established its capability.

TECHNOLOGY RELATED RISKS

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

MITIGATION PLAN

The company is aware of technological changes and has adopted new technology according to its needs. The new plant will substantially increase the production capacity of the company and further consolidate its position as the country's leading steel producers serving the growing domestic and export market. This "State-of-the-Art" Technology with highest level of automation, precision, and engineering would ensure world-class products. Furthermore, routine and proper maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

RISK OF NEW ENTRANTS

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

MITIGATION PLAN

Implementation of similar project generally have a lead time of 3 (three) years and before the earliest entrant the Company will be able to consolidate its both financial as well as market position. Furthermore, with the track record of GPH and its market reputation, it will be very difficult for new comers to make inroads into the quality steels market. Moreover, Steel is a high capital-intensive industry and therefore, barriers to entry are high. The Company is enhancing its production capacity of MS Billet by 840,000 M. Ton and MS Rod/Medium Section product (Steel bim, Angle, channel, flat bar etc) by 640,000 per annum which will be added to the existing annual capacity of 210,000 M. Ton MS Billet and 150,000 M. Ton MS Rod. After establishment of latest technology based production capacity enhancement plant, we would be more capable to face new entrants.

SOURCING OF RAW MATERIALS

As steel market price is so volatile, sourcing of raw material is important. Shortage or price hike of raw materials may affect the Company's operation.

MITIGATION PLAN

The main raw materials of the company are melting scrap, which is available both in international market and local market from ship breaking yard. The company has bilateral arrangement with a group of independent suppliers of raw materials. Therefore, it is expected that the company will have smooth flow of raw materials.

INTEREST RATE RISK

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

MITIGATION PLAN

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

EXCHANGE RATE RISK

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

MITIGATION PLAN

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

POTENTIAL CHANGES IN GLOBAL OR NATIONAL POLICIES

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

ANNEXURE

MITIGATION PLAN

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

POTENTIAL OR EXISTING GOVERNMENT REGULATIONS

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

MITIGATION PLAN

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

HISTORY OF NON-OPERATION, IF ANY

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

MITIGATION PLAN

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

OPERATIONAL RISKS

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

MITIGATION PLAN

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

RISK ASSOCIATED WITH LABOR UNREST

Smooth production is dependent on good relationship with the factory workers and their ability to provide high-quality services. In the event of disagreements with the workers, the company may experience adverse impact.

MITIGATION PLAN

GPH Ispat Limited maintains good atmosphere at the work place and provides all sort of facilities to the workers as per law of the land. GPH employees/workers have been provided with all necessary facilities according to service rules. So, it is unlikely for them to create such unrest. The company has good remuneration package and welfare policies for its human resources, which reduce the risk of labor unrest.

AVAILABILITY OF POWER AND GAS

Steel industries require huge and uninterrupted power supply. Any unfavorable change in power related regulations may affect the Company's business. The Company also requires Gas for heating billets and accordingly shortage of gas supply will affect the operation of the Company.

MITIGATION PLAN

The Company has 27 MW power connections. 15 MW load connection through 132/33 KV substation and 33 KV H. T. line from PDB and 12 MW gas fired captive power plant named GPH Power Generation Limited which ensures uninterrupted power supply. Moreover, Bangladesh Power Development Board has sanctioned 65 MW power in addition to existing 15 MW power load connection through 230/33 KV substation. This sanction has been issued for proposed new expansion plant of GPH. Furthermore, GPH's gas connection is connected with main distribution line of Chittagong zone. So, GPH Ispat Limited is enjoying uninterrupted and sufficient electricity and gas supply at present complying some Govt. special order and it is expected that this availability will remain same in the near future.

IMPACT ON ENVIRONMENT

Steel production has a number of impacts on the environment including air emissions, wastewater contaminants, hazardous wastes, and solid wastes. The major environmental impacts from integrated steel mills are from coking and iron-making. Moreover, reducing CO₂ emissions in steelmaking must be tackled on a global level. Making the substantial CO₂ reductions required will need technology transfer, collaboration and breakthrough technologies.

MITIGATION PLAN

Climate change is the biggest issue for the steel industry in the 21st century and GPH Ispat Limited always feels the importance of environmental issues. In this connection, we set out an Effluent Treatment Plant (ETP) system to make pollution free environment. We also installed an Air Separation Plant (ASP) based on latest technology and international standard for our upcoming expansion project. There would be water treatment facilities with no effluent and Zero discharge technology. It means that waste water would not come out from the plant and all waste water would be recycled inside the plant. As a result, the natural environment would not be affected. Moreover, in order to drastically reduce the overall CO₂ emissions from the production of steel, the development of breakthrough technologies is crucial. At present, a large number of promising projects are ongoing in different parts of the world. We are installing the State-of-the-Art technology for our expansion project. By using this technology, carbon emission will be 90% less than the World Bank's prescribed limit and 96% less than the Bangladesh Standard's recommended limit.

ANNEXURE

ANNEXURE -E

[As per condition No. 1(5)(xxiii)]

THE PATTERN OF SHAREHOLDING AS ON 30 JUNE, 2019

Name	Status/Position	No of Shares	% of Shareholding
(a) Parent or Subsidiary or Associate Companies and other related parties:	-	-	-
(b) Directors, CEO, CS, CFO, Head of Internal Audit and Compliance and their spouses and minor children:			
Mr. Md. Alamgir Kabir	Chairman	17,329,620	4.81%
Mr. Mohammed Jahangir Alam	Managing Director	84,921,375	23.58%
Mr. Md. Almas Shimul	Additional Managing Director	38,991,645	10.83%
Mr. Md. Abdur Rouf	Director	10,805,602	3.00%
Mr. Md. Ashrafuzzaman	Director	10,805,602	3.00%
Mr. Md. Abdul Ahad	Director	8,644,482	2.40%
Mr. Md. Azizul Haque	Director	7,203,735	2.00%
Mr. M.A Malek	Independent Director	-	-
Mr. Mukhtar Ahmed	Independent Director	-	-
Mr. Abu Bakar Siddique, FCMA	Executive Director-Group & Company Secretary	-	-
Mr. H. M. Ashraf-Uz-Zaman, FCA	Chief Financial Officer	-	-
Mr. Mohammed Atiqur Rahman	Head of Internal Audit and Compliance	-	-
Mrs. Masuma Begum	W/O Mr. Mohammed Jahangir Alam	7,700,000	2.14%
Mrs. Sadman Syka Sefa	D/O Mr. Mohammed Jahangir Alam	13,475,000	3.74%
Mr. Salehin Musfiqur Sadaf	S/O Mr. Mohammed Jahangir Alam	7,700,000	2.14%
Ms. Raisa Kabir	D/O Mr. Md. Alamgir Kabir	2,887,500	0.80%
Mr. Solaiman Kabir	S/O Mr. Md. Alamgir Kabir	2,194,500	0.61%
Mrs. Farjana Sharmin Muktha	W/O Mr. Md. Almas Shimul	5,659,500	1.57%
Mrs. Mamta Begum	W/O Mr. Md. Abdur Rouf	3,201,660	0.89%
Mrs. Amina Khanom Roni	W/O Mr. Md. Ashrafuzzaman	3,201,660	0.89%
Mrs. Israt Jahan Najnin	W/O Mr. Md. Abdul Ahad	2,561,328	0.71%
(c) Executives:			
Engr. Madani M. Imtiaz Hossain	Executive Director (Plant)	-	-
Mr. Kamrul Islam, FCA	Executive Director (Finance and Business Development)	42,296	0.01%
Engr. A S M Shumon, Ph.D	General Manager-Project	-	-
Mr. Md. Mostafa Kamal	General Manager (Head of HR)	-	-
Mr. Md. Zahirul Hoque	DGM-Production	-	-
(d) Shareholders holding 10% or more voting interest in the Company:			
Mr. Mohammed Jahangir Alam	Managing Director	84,921,375	23.58%
Mr. Md. Almas Shimul	Additional Managing Director	38,991,645	10.83%

SHAREHOLDING POSITION AS ON JUNE 30, 2019 ARE AS FOLLOWS:

Directors/Sponsors	Government	Institute	Foreign	Public
49.61%	-	15.97%	-	34.42%

ANNEXURE-F

[As per condition No. 1(5)(xxv)]

MANAGEMENT'S DISCUSSION AND ANALYSIS

Pursuant to the condition No. 1(5)(xxv) of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission, we do hereby present a Management Discussion and Analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on the followings:

ACCOUNTING POLICIES AND ESTIMATION FOR PREPARATION OF FINANCIAL STATEMENTS

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 year and were also consistent with those used in earlier periods. For a proper understanding of the financial statements, these accounting policies are set out in notes to the financial statements 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.

The preparation of the Financial Statements in conformity with IAS and IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

CHANGES IN ACCOUNTING POLICIES AND ESTIMATION

There are no significant changes in accounting policies and estimation and no effect on financial performance or results and financial position as well as cash flows.

COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE OR RESULTS AND FINANCIAL POSITION AS WELL AS CASH FLOWS FOR CURRENT FINANCIAL YEAR WITH IMMEDIATE PRECEDING FIVE YEARS

GPH Ispat Limited is an integrated steel manufacturing company engaged in manufacturing of MS Billet and MS Rod. The Company has been maintaining a consistent growth since its inception. The Company was also able to maintain a remarkable financial performance by earning consistent profitability and significant performances in Operational perspective in the last few years.

Revenue for the financial year 2018-19 amounting Tk. 13,268.68 million, thereby noticeably exceeding the previous year by 35.20% (Revenue for the financial year 2017-18 was Tk. 9,814.10 million). At the same, Profits for the financial year 2018-19 amounting Tk. 806.20 million, thereby also noticeably exceeding the previous year by 21.04% (Profit for the financial year 2017-18 was Tk. 666.06 million).

The operational performance and financial results as well as cash flows for current financial year with immediate preceding five years were tabulated in the **page number 42 and 43.**

ANNEXURE

COMPARISON OF FINANCIAL PERFORMANCE AND FINANCIAL POSITION AS WELL AS CASH FLOWS WITH THE PEER INDUSTRY SCENARIO

There are a number of steel manufacturing companies in Bangladesh, but only a few companies are listed with the Stock Exchanges. A comparison of financial performance and financial position as well as cash flows of the said companies for the year ended June 30, 2019 compared with GPH Ispat Limited are tabulated below:

Particulars	GPH Ispat Ltd.	BSRM Steels Ltd	BSRM Ltd.	RSRM Ltd.	S.S. Steel Ltd.
	Taka	Taka	Taka	Taka	Taka
Earnings per Share (EPS)	2.24	4.60	7.88	5.58	2.21
Net Asset Value (NAV) per Share	17.59	55.58	97.46	49.48	18.33
Net Operating Cash Flow per Share	1.61	(12.43)	2.81	1.31	0.93

FINANCIAL AND ECONOMIC SCENARIO OF THE COUNTRY AND THE GLOBE

According to the World Economic Situation and Prospects 2019, the global economic growth is expected to remain at 3 percent in 2019-20 while global economic indicators remain largely favorable. However, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially enhance development challenges in many parts of the world. The global economy is facing a confluence of risks which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions and intensifying climate risks. In many developed countries, the economic growth rates have risen close to their potential while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory amid robust domestic demand conditions. Despite an improvement in growth prospects at the global level, several large developing countries saw a decline in per capita income in 2018. Even among the economies that are experiencing strong per capita income growth, economic activity is often driven by core industrial and urban regions, leaving borderline and rural areas behind.

The size of the economy of Bangladesh has been growing year by year. The GDP growth rate is going to reach 8.13 percent against 7.86 percent recorded in the previous fiscal year 2017-18 and per capita income of the country is also set to grow to USD 1,909 in the fiscal year 2018-19 from USD 1,752 in the previous fiscal year 2017-18. According to the International Monetary Fund (IMF), Bangladesh is now the 41st largest economy in the world in terms of nominal GDP while its position is 30th in terms of purchasing power parity. The long-term continuous efforts increase the GDP growth, per capita income, export earnings, remittance, foreign exchange reserves etc. The steel industry of Bangladesh is one of the emerging industries and has been contributing significantly in the national economy. Though the history of Steel Industry is not older one but it can make a glorious future.

RISKS AND CONCERNS ISSUES RELATED TO THE FINANCIAL STATEMENTS, EXPLAINING SUCH RISK AND CONCERNS MITIGATION PLAN OF THE COMPANY

The risks management policies are established to identify and analyze the risks faced by the company. The Board of Directors has overall responsibility to establish such kind of risks management framework. GPH Ispat Limited has a series of policies in place in relation. The risks management policies, procedures and systems are also reviewed regularly to reflect changes in market conditions and the company's activities. The management is required to confirm quarterly and annually that all information related to the company's affairs including financial statements has provided to the Board of Directors through the Audit Committee. The integrity of the company's public financial reporting is further supported by a number of processes and steps to provide assurance over the completeness and accuracy of the content including review and recommendation by the Audit Committee and review and approval by the Board of Directors. A detailed report on risks and concerns mitigation plan are discussed in **Annexure-D, Page 72.**

FUTURE PLAN FOR COMPANY'S OPERATION, PERFORMANCE AND FINANCIAL POSITION

Bangladesh is moving forward for middle income country by 2021. We want to take strong participation to achieve this goal. There is no scope of compromise with the quality of products for the sustainability of any infrastructure development. GPH Ispat Limited has an ambition to provide the best quality products to its numerous brand users. In this regard, our efforts are towards production of quality products along with fulfillment of the commitments to our shareholders to deliver the higher return. We always concentrate on to reduce the operational costs through the adoption of new processes with low environmental impact plants with higher flexibility and higher level of automation for ever increasing competitiveness and better customer service. We also focusing on the strategy of increasing the market share, enhancing production and sales of products, exploring new markets locally and internationally and enhancing the customer relationship.

The construction phase of GPH Ispat's new project is now almost completed and we expecting that we will go for commercial production immediately. The technology involved in this enhancement project is considered as the State-of-the-Art Technology. The State-of-the-Art Technology with highest level of automation, precision, and engineering would ensure world-class products.



Mohammed Jahangir Alam

Managing Director

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

For the year ended on June 30, 2019

THE AUDIT COMMITTEE

The Audit Committee of GPH Ispat Limited is a sub-committee of the Board and formed as per the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission. The Audit Committee consists of three members appointed and formed by the Board of Directors of the Company is as follows:

Mr. Mukhtar Ahmed - Chairman

Mr. Md. Almas Shimul - Member

Mr. Md. Asrafuzzaman - Member

RESPONSIBILITY TO THE BOARD OF DIRECTORS

The prime responsibility of the Audit Committee is to assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

MEETING OF THE AUDIT COMMITTEE

The Audit Committee has conducted four meetings during the year 2018-19 to perform various activities in order to meet the regulatory requirements as mentioned in the Corporate Governance Code. The Company Secretary acted as the Secretary of the Committee. Executive Director-Finance and Business Development, Chief Financial Officer and Head of Internal Audit & Compliance attended all four meetings on invitation of Chairman of the Audit Committee.

OVERSIGHT ROLE OF THE AUDIT COMMITTEE

The Audit committee has carried out the following activities during the year 2018-19:

- a) Oversee the company's financial reporting process, hiring and performance of external auditors, determination of audit fees and the proceeds raised through Rights Share Offer that have been utilized as per the purposes stated in the Rights Offer Document.
- b) Monitoring the accounting policies and principles, internal audit and compliance process.
- c) Review the quarterly, half yearly and the annual financial statements along with the management before submission to the Board for approval.
- d) Review the adequacy of internal audit function, management discussion and analysis, statement of all related party transactions and management letter or letter of internal control weakness.
- e) Hold a meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval.

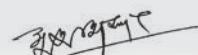
REPORTING OF THE AUDIT COMMITTEE

The Audit Committee reported its activities of 2018-19 to the Board of Directors of the company. The Audit Committee believes that there is no conflict of interest and fraud or irregularity or material defect in the internal audit and compliance process or in the financial statements. The Audit Committee also believes that integrity in financial reporting is a precondition to earn credibility from stakeholders and ensure sustainability of GPH Ispat Limited. So, the Audit Committee performed its responsibility 2018-19 with a view to facilitate credible and prudent audit services. Audit Committee has played an important role in adopting appropriate financial reporting standards, deciding accurate accounting policies, and disclosing very relevant facts to each important item with a view to ensure integrity in financial reporting and disclosure process.

The Audit Committee enjoys an assurance from internal audit that strategic objectives as set by the Board of Directors in the form of operational efficiency, integrity in financial and non-financial information and compliance with applicable rules and regulations can be accomplished. Oversight role of the Audit Committee ranges from placing constructive recommendations in regularizing control weakness for endorsing appropriate disciplinary actions in case of unfavorable deviation from policies and procedures. The committee also followed up the implementation of recommendation in the meetings.

ACKNOWLEDGEMENT

The Audit Committee would like to express its heartfelt thanks to the members of the Board, key management executives, internal audit division and all other employees for their utmost cooperation and dedication to discharge of responsibilities in the accounting year 2018-19.



Chairman

Audit Committee
GPH Ispat Limited

NOMINATION AND REMUNERATION COMMITTEE REPORT

NOMINATION AND REMUNERATION COMMITTEE REPORT

For the year ended on June 30, 2019

THE NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee of GPH Ispat Limited is a sub-committee of the Board and formed as per the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission. The Committee consists of three members appointed and formed by the Board of Directors of the Company is as follows:

Mr. M.A Malek : Chairman
Mr. Md. Abdur Rouf : Member
Mr. Md. Almas Shimul : Member

RESPONSIBILITY TO THE BOARD OF DIRECTORS

The prime responsibility of the Nomination and Remuneration Committee is to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experience and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors and top-level executives.

MEETING OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has conducted one meeting during the year 2018-19 to perform various activities in order to meet the regulatory requirements as mentioned in the Corporate Governance Code. The Company Secretary acted as the Secretary of the Committee.

ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is independent and responsible to the Board and the Shareholders. As the part of roles mentioned in the Corporate Governance Code, the Nomination and Remuneration Committee ensured the standards and compliances accordingly. During the year 2018-19, the NRC has performed the following activities:

1. Adopted the Terms of Reference (ToR) of Nomination and Remuneration Committee.
2. Recommended a Code of Conducts for the Chairperson, other Board Members and Managing Director of the Company.
3. Formulated a policy relating to the remuneration of the Directors and the top-level executives of the Company.
4. Formulated the criteria for determining qualifications, positive attributes and independence of the Directors.
5. Formulated the criteria for evaluation of performance of Independent Directors and the Board.

ACKNOWLEDGEMENT

The Nomination and Remuneration Committee would like to express its heartfelt thanks to the members of the Board, key management executives and all other employees for their utmost cooperation with the Committee during the year 2018-19.



Chairman

Nomination and Remuneration Committee
GPH Ispat Limited

VALUE ADDED STATEMENT

VALUE ADDED STATEMENT

01 July 2018 to 30 June 2019	%	01 July 2017 to 30 June 2018	%
Taka		Taka	

Value Added:

Revenue
Other Income

Less: Cost of materials & services

13,421,056,423	9,923,406,006
111,849,119	199,465,508
13,532,905,542	10,122,871,514
10,955,052,077	8,082,914,247
2,577,853,465	2,039,957,267

Distribution:

Employee Cost
Government
Bank

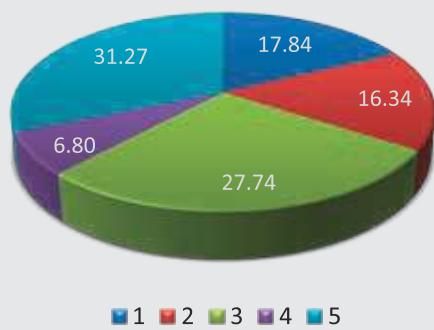
459,989,679	17.84	388,332,462	19.04
421,297,524	16.34	306,900,855	15.04
715,146,284	27.74	566,620,736	27.78
1,596,433,487	61.93	1,261,854,053	61.86

Retained for re-investment & future growth:

Depreciation
Retained Earnings

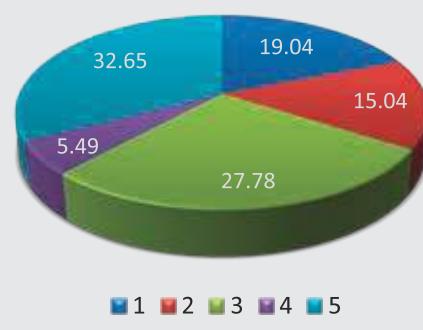
175,218,250	6.80	112,042,984	5.49
806,201,728	31.27	666,060,230	32.65
981,419,978	38.07	778,103,214	38.14
2,577,853,465	100.00	2,039,957,267	100.00

2018-2019



1. Employee Cost
2. Government
3. Bank
4. Depreciation
5. Retained Earnings

2017-2018





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

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

to the Shareholders of
GPH ISPAT LIMITED

Opinion

We have audited the accompanying financial statements of **GPH Ispat Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2018 to 30 June 2019, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2019 and of its financial performance and cash flows for the period from 1 July 2018 to 30 June 2019 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITORS' REPORT

SL	Key Audit Matter	How our audit addressed the key audit matter
1. Valuation of inventories	<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 10 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 on the impact of the initial application of IFRS 15.</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 the newly adopted IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 13,269 million. Refer to note 21 to the financial statements.</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"> Undertaken audit procedures over the accuracy of recording of revenue including procedures related to the changes in revenue recognition resulting from the adoption of IFRS 15. Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. Assessed manual as well as application controls supporting revenue recognition. Assessed the invoicing and measurement systems up to entries in the general ledger. Examined customer invoices and receipts of payment on a test basis. Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis. Assessed the design of the processes set up to account for the transactions in accordance with the new standard. Assessed whether the sufficiency of disclosures as required by the new standard have been met.

INDEPENDENT AUDITORS' REPORT

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 with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

INDEPENDENT AUDITORS' REPORT

- (d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

Other matter

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

Report on other legal and regulatory requirements

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books and;
- iii) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.
- iv) the expenditure incurred was for the purposes of the Company's business.

Dated: Chattogram

26 October 2019

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

FINANCIAL STATEMENTS

GPH ISPAT LIMITED Statement of Financial Position As at 30 June 2019

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

*See note 2.16 and 32

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

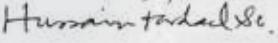

Company Secretary


Director


Managing Director

Dated: Chattogram
26 October 2019

Signed in terms of our annexed report of same date


Hussain Farhad & Co.
Chartered Accountants

FINANCIAL STATEMENTS

GPH ISPAT LIMITED Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2019

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

*See note 2.16 and 32

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

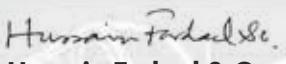

Company Secretary

Dated: Chattogram
26 October 2019


Director

Signed in terms of our annexed report of same date


Managing Director


Hussain Farhad & Co.
Chartered Accountants

FINANCIAL STATEMENTS

GPH ISPAT LIMITED
Statement of Changes in Equity
For the year ended 30 June 2019

Amount in Taka

	Share Capital	Share Premium	Fair value reserve*	Retained Earnings*	Total Equity
Balance as on 01 July 2017	3,118,500,000	1,136,440,000	16,679,301	763,984,311	5,035,603,612
Bonus share for the year 2016-2017	155,925,000	-	-	(115,925,000)	-
Cash dividend for the year 2016-2017	-	-	-	(155,925,000)	(155,925,000)
Change in fair value of investment in quoted shares	-	-	(20,389,010)	-	(20,389,010)
Net profit after tax	-	-	-	666,060,230	666,060,230
Balance as at 30 June 2018	3,274,425,000	1,136,440,000	(3,709,709)	1,118,194,541	5,525,349,832
Balance as on 01 July 2018	3,274,425,000	1,136,440,000	(3,709,709)	1,118,194,541	5,525,349,832
Bonus share for the year 2017-2018	327,442,500	-	-	(327,442,500)	-
Change in fair value of investment in quoted shares (net of tax)	-	-	3,805,870	-	3,805,870
Net profit after tax	-	-	-	806,201,728	806,201,728
Balance as at 30 June 2019	3,601,867,500	1,136,440,000	96,161	1,596,953,769	6,335,357,430

*Restated See note 2.16 and 32


Company Secretary


Director


Managing Director

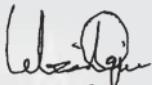
FINANCIAL STATEMENTS

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

	Note(s)	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
a. Operating activities			
Receipts from customers against sales		12,478,295,095	10,237,646,013
Receipts against other income		-	6,129,000
Cash Paid to suppliers, operating and other expenses		(11,731,303,618)	(9,863,137,750)
Foreign currency exchange gain/(loss)		837,202	(27,394,515)
Income tax paid		(167,977,220)	(194,410,354)
Net cash flows generated by operating activities	33	579,851,459	158,832,394
b. Investing activities			
Acquisition of property, plant and equipment		(9,192,511,093)	(9,450,449,838)
Acquisition of intangible asset		-	(360,475)
Proceeds from sale of property, plant and equipment		-	530,000
Proceeds from sale of quoted shares		-	32,071,921
Investment in equity shares		(62,500,000)	-
Dividend received (net of tax)		1,776,325	1,420,077
Interest received from bank deposits and others		86,675,316	127,036,375
Other investments		1,271,590,967	596,073,966
Net cash flows used in investing activities		(7,894,968,485)	(8,693,677,974)
c. Financing activities			
Receipts from long term loans		8,252,060,994	6,858,584,927
Repayments of finance lease obligation		(8,310,896)	(21,821,100)
(Repayment) / Receipt of short term borrowings		(133,547,441)	2,283,068,170
Dividend paid		(21,671,353)	(132,749,484)
Interest and bank charges paid		(715,983,556)	(539,220,206)
Net cash flows used in financing activities		7,372,547,748	8,447,862,307
d. Net increase in cash and cash equivalents (a+b+c)		57,430,722	(86,983,273)
e. Opening cash and cash equivalents		224,343,169	311,332,457
f. Effect of foreign exchange rate changes		70	(6,015)
g. Cash and cash equivalents at the end of the year (d+e+f)		281,773,961	224,343,169
Net operating cash flows per share	30	1.61	0.49

*Restated See note 2.16 and 32

Net operating cash flows per share


Company Secretary


Director


Managing Director

NOTES TO THE FINANCIAL STATEMENTS

GPH ISPAT LIMITED **Notes to the Financial Statements** As at and for the year ended 30 June 2019

1.00 REPORTING ENTITY

1.01 Formation and Legal Status

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

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

1.02 Nature of Business

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

2.00 BASIS OF FINANCIAL STATEMENT PREPARATION AND PRESENTATION

2.01 Statement of Compliance

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

2.02 Basis of Reporting

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

- a) A statement of Financial Position as at 30 June 2019;
- b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019;
- c) A statement of Changes in Equity for the year ended 30 June 2019;
- d) A statement of Cash Flows for the year ended 30 June 2019; and
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

NOTES TO THE FINANCIAL STATEMENTS

2.03 Regulatory Compliances

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

- a) The Income Tax Ordinance 1984
- b) The Income Tax Rules 1984
- c) The Value Added Tax Act 1991
- d) The Value Added Tax Rules 1991
- e) The Securities and Exchange Ordinance 1969
- f) The Securities and Exchange Rules 1987
- g) Securities and Exchange Commission Act, 1993
- h) The Customs Act 1969
- i) The Labour Act 2006 (as amended in 2013)

2.04 Authorization for Issue

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

2.05 Basis of Measurement

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

2.06 Functional and Presentation Currency

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

2.07 Cash Flows Statement

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

2.08 Going Concern

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

NOTES TO THE FINANCIAL STATEMENTS

2.09 Reporting Period

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

2.10 Application of Accounting Standards

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

Accounting Standards

- IAS-1 Presentation of Financial Statements
- IAS-2 Inventories
- IAS-7 Statement of Cash Flows
- IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS-10 Events after the Reporting Period
- IAS-12 Income Taxes
- IAS-16 Property, Plant and Equipment
- IAS-17 Leases
- IAS-19 Employee Benefits
- IAS-21 The Effects of Changes in Foreign Exchange Rate
- IAS-23 Borrowing Costs
- IAS-24 Related Party Disclosures
- IAS-33 Earnings Per Share
- IAS-36 Impairment of Assets
- IAS-37 Provisions, Contingent Liabilities and Contingent Assets
- IAS-38 Intangible Assets
- IFRS-7 Financial Instruments: Disclosures
- IFRS-9 Financial Instruments
- IFRS-13 Fair Value Measurement
- IFRS-15 Revenue from Contract with Customers

2.11 Initial application of new standards

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

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

2.12 Standards adopted but not yet effective

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

NOTES TO THE FINANCIAL STATEMENTS

IFRS - 16 Leases

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

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

2.13 Use of Estimates and Judgements

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

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

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

- Note: 4 Property, plant and equipment
- Note: 5 Capital work-in-progress
- Note: 6 Intangible assets
- Note: 10 Inventories
- Note: 11 Trade and Other receivables
- Note: 16 Defined Benefit Obligation - Gratuity
- Note: 17 Deferred tax liability
- Note: 20 Current tax liability

2.14 Classification of current and non-current

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

An asset is current when it is:

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

Or,

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

All other assets are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

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.

2.15 Comparative Information and reclassification

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

2.16 Restatement of comparative figures

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

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

- 3.01 Consistency
- 3.02 Property, Plant and Equipment
- 3.03 Intangible Assets
- 3.04 Capital Work-in-Progress
- 3.05 Leases
- 3.06 Investment
- 3.07 Inventories

NOTES TO THE FINANCIAL STATEMENTS

- 3.08 Financial Instruments
- 3.09 Impairment
- 3.10 Share Capital
- 3.11 Employee Benefits
- 3.12 Taxation
- 3.13 Loans and Borrowings
- 3.14 Provisions, Contingent Liabilities and Contingent Assets
- 3.15 Revenue Recognition
- 3.16 Other Income
- 3.17 Finance Income and Cost
- 3.18 Earnings Per Share
- 3.19 Measurement of Fair Values
- 3.20 Events after the Reporting Period

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2019 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2018.

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.

NOTES TO THE FINANCIAL STATEMENTS

iv) Depreciation

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

The depreciation rate(s) are as follows:

<u>Class of assets</u>	<u>Rate of Depreciation</u>
Land & Land development	-
Plant and Machinery	10%
Factory Building	5%
Furniture, Fixture and Decoration	10%
Computer and Accessories	20%
Motor Vehicles	10%
Logistic Vehicles	7.5%
Electric and Gas Line Installation	5%
Lab Equipment	10%
Office Equipment	20%

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

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

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

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".

NOTES TO THE FINANCIAL STATEMENTS

vi) Retirement and Disposals

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

3.03 Intangible Assets

i) Recognition and Measurement

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

ii) Amortization

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

iii) Subsequent Costs

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

3.04 Capital Work-in-Progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of 30 June 2019 and these are stated at cost.

3.05 Leases

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

3.05.01 Finance Lease

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

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

3.11.01 Defined Contribution Plan

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

3.11.02 Defined Benefit Plan

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

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

Six months continued service in the year of leaving or retirement will be treated 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.

NOTES TO THE FINANCIAL STATEMENTS

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

3.14 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

3.15 Revenue Recognition

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

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 - at cost model**

NOTES TO THE FINANCIAL STATEMENTS

Depreciation allocated to:

Direct expenses	22.02	90.00%	157,696,424	100,838,686
Administrative expenses	23.00	5.00%	8,760,913	5,602,149
Selling and distribution expenses	24.00	5.00%	8,760,913	5,602,149

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

7.02.01 Details of investment in quoted (tradeable securities) shares

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

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

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

			Note(s)	30 June 2019	30 June 2018
				Taka	Taka
8.00	Short term investment				
Investments in Fixed Deposit Receipts (FDR)			8.01	449,929,013	1,711,808,705
				449,929,013	1,711,808,705
8.01	Name of the banks	Purpose	Tenure	Rate of Interest	
AB Bank Limited	L/C Margin	6 Months	9.00%-9.50%	75,063,374	60,278,358
Dutch Bangla Bank Limited	L/C Margin	6 Months	3.30% - 4.25%	37,690,159	4,836,608
IPDC Finance Limited	Lien against Term Loan	6 Months	8.25%	10,737,917	-
Midland Bank Limited	BG Margin	6 Months	7.50% - 10.50%	173,598	144,969
NCC Bank Limited	L/C Margin	6 Months	7.00% - 8.00%	28,784,259	-
One Bank Limited	L/C Margin	6 Months	6.00% - 7.00%	14,529,552	26,015,439
Pubali Bank Limited	L/C Margin	6 Months	6.50%	25,065,912	11,387,372
Southeast Bank Limited	L/C Margin	3-12 Months	6.00% - 6.50%	47,858,284	1,578,134,217
State Bank of India	BG Margin	6 Months	6.00% - 7.50%	2,359,554	2,240,090
The City Bank Limited	L/C Margin	3-12 Months	3.00%	36,431,086	19,647,191
Trust Bank Limited	L/C Margin	6 Months	6.00% - 7.00%	32,151,400	-
United Commercial Bank Limited	L/C Margin	6 Months	4.00% - 7.75%	139,083,918	9,124,461
				449,929,013	1,711,808,705

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
9.00 Advances, deposits and prepayments			
Advances	9.01	2,320,075,264	1,938,266,162
Deposits	9.02	69,167,153	54,028,647
Prepayments	9.03	1,220,684	1,646,304
		2,390,463,101	1,993,941,113
9.01 Advances			
Against income tax	9.01.01	456,663,991	459,239,289
Against VAT current account		476,448	3,262,290
Against land		800,000,000	300,000,000
Against LC		486,986,236	766,508,975
Against other supply		566,504,000	405,635,899
Against raw material supply		5,642,697	1,545,806
Against employees		3,801,892	2,073,903
		2,320,075,264	1,938,266,162
9.01.01 Advance income tax			
Opening balance		459,239,289	442,015,510
Addition during the year		167,977,220	194,410,354
Paid/adjusted during the year		(170,552,518)	(177,186,575)
		456,663,991	459,239,289
9.02 Deposits			
Bangladesh Power Development Board		33,000,000	33,000,000
Karnaphuli Gas Distribution Company Limited		21,738,586	3,298,346
Security to Shipping Lines		14,328,567	17,730,301
Bangladesh Railway		100,000	-
		69,167,153	54,028,647
9.03 Prepayments			
Insurance premium		1,220,684	841,074
Bangladesh Standards and Testing Institution		-	805,230
		1,220,684	1,646,304
9.04	The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in kind or in cash and that no provision against those are required at this stage.		
10.00 Inventories			
Finished goods	10.01	1,664,014,256	1,494,878,743
Raw materials	10.02	912,274,607	1,023,133,141
Spares and other materials	10.03	215,770,808	344,773,302
		2,792,059,671	2,862,785,186

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
10.01	Finished Goods		
	M. S. Rod	1,188,444,250	1,259,881,852
	M. S. Billet	475,570,006	234,996,891
		1,664,014,256	1,494,878,743
10.02	Raw Materials		
	Melting Scrap	799,667,784	792,522,669
	Sponge Iron	73,871,534	185,150,629
	Ferro Alloy	33,523,101	39,085,001
	Quartz Powder	2,368,324	3,601,450
	Pet Coke	2,843,864	2,773,392
		912,274,607	1,023,133,141
10.03	Spares and other materials		
	Refractory Bricks	50,734,883	116,686,715
	Spares and Consumables	153,579,446	211,010,006
	Rolls	2,707,656	2,616,117
	Graphite Electrode	8,174,362	13,724,904
	Copper Mould Tube	574,461	735,560
		215,770,808	344,773,302
11.00	Trade and other receivables		
	Trade receivables	11.01	2,176,118,871
	Other receivable	11.03	329,473,142
		2,505,592,013	1,924,806,359
11.01	Ageing of trade receivables		
	Dues within 6 Months		2,095,980,901
	Dues over 6 months		80,137,970
		2,176,118,871	1,633,664,201
11.02	Trade Receivables represent receivable from 591 parties as on 30 June 2019 (677 Parties as on 30 June 2018). Receivables are unsecured but considered good and recoverable.		
11.03	Interest at 12% per annum has been charged on outstanding balance of other receivable from Arbee Textiles Limited.		
12.00	Cash and cash equivalents		
	Cash in hand	12.01	1,792,953
	Cash at bank	12.02	275,718,575
	FDR Account	12.03	4,262,433
		281,773,961	224,343,169

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2019		30 June 2018	
		Taka		Taka
12.01 Cash in hand				
Dhaka office petty cash		877,866		599,698
Factory petty cash		177,898		194,248
Minimill petty cash		737,189		505,000
		1,792,953		1,298,946
12.02 Cash at Bank				
Name of the Banks	Branch	Account Type		
AB Bank Limited	Gulshan	Current	48,245	9,395
AB Bank Limited	Sitakunda	Current	95,491	89,230
Agrani Bank Limited	Asadgonj	Current	17,304	27,535
Agrani Bank Limited	Principal	Current	8,305	11,955
Al-Arafah Islami Bank Limited	Jubilee Road	Current	629,694	252,952
Al-Arafah Islami Bank Limited	Khatungonj	Current	13,057	25,842
Bangladesh Development Bank Ltd.	Khatungonj	Current	1,921	3,301
Bank Al Falah Limited	Agrabad	Current	16,443	17,592
Bank Asia Limited	Anderkilla	Current	20,460	24,814
Bank Asia Limited	Banani	Current	147	681,184
BASIC Bank Limited	Asadgonj	Current	45,855	4,481,873
BRAC Bank Limited	Agrabad	Current	14,735	25,872
Dhaka Bank Limited	Khatungonj	Current	70,888	51,026,910
Dutch Bangla Bank Limited	Khatungonj	Current	1,636,896	37,033
Dutch Bangla Bank Limited	Agrabad	Current	785,925	113,501
Eastern Bank Limited	Agrabad	Current	113,380	10,528
EXIM Bank Limited	Khatungonj	Current	16,620	25,628
First Security Islami Bank Ltd.	Khatungonj	Current	11,153	3,943
HSBC	Agrabad	Current	2,970	2,970
IFIC Bank Limited	Khatungonj	Current	18,557	9,937
Islami Bank Bangladesh Ltd.	Khatungonj	Current	96,907	31,577
Jamuna Bank Limited	Khatungonj	Current	3,137,740	762,555
Janata Bank Limited	Khatungonj	Current	15,607	23,013
Mercantile Bnak Limited	Khatungonj	Current	3,236	-
Meghna Bank Limited	Agrabad	Current	3,110	67,426
Midland Bank Limited	Agrabad	Current	90,838	2,210
Modhumoti Bank Limited	Agrabad	Current	10,555	1,086,005
Mutual Trust Bank Limited	Khatungonj	Current	951,665	2,205,391
National Bank Limited	Anderkilla	Current	17,450	26,762

NOTES TO THE FINANCIAL STATEMENTS

Name of the Banks	Branch	Account Type	30 June 2019	30 June 2018
			Taka	Taka
National Bank Limited	Jubilee Road	Current	6,140	7,865
NCC Bank Limited	Khatungonj	Current	129,813	620,866
NRB Bank Limited	Agrabad	Current	68,295	-
NRB Commercial Bank Ltd.	Agrabad	Current	12,537	9,360
One Bank Limited	Khatungonj	Current	1,298,136	220,004
Premier Bank Limited	Khatungonj	Current	27,371	-
Premier Bank Limited	O.R Nizam Road	Current	13,928	17,168
Prime Bank Limited	Khatungonj	Current	11,142	24,920
Prime Bank Limited	O.R Nizam Road	Current	10,689	16,759
Shahjalal Islami Bank Ltd.	Khatungonj	Current	18,252	25,069
Shimanto Bank Limited	Agrabad	Current	9,425	-
Social Islami Bank Limited	Khatungonj	Current	9,706	112,744
Sonali Bank Limited	Khatungonj	Current	250,720	273,437
Sonali Bank Limited	Motijheel F. Ex.	Current	99,425	-
South Bangla Agricultural Bank Ltd.	Agrabad	Current	15,685	335
Southeast Bank Limited	Khatungonj	Current	980,589	528,579
Standard Bank Limited	Khatungonj	Current	586,171	13,703
State Bank of India	Jubilee Road	Current	51,312	71,579
The City Bank Limited	Khatungonj	Current	3,096,760	1,204,177
Trust Bank Limited	Ashulia	Current	18,354	23,054
Trust Bank Limited	CDA Avenue	Current	724,011	209,608
United Commercial Bank Ltd.	Khatungonj	Current	-	724,077
United Commercial Bank Ltd.	Gulshan	Current	4,755,404	826,126
United Commercial Bank Ltd.	Khatungonj	Escrow	194,537,071	1,910,264
Union Bank Limited	Khatungonj	Current	37,014	25,853
Uttara Bank Limited	Khatungonj	Current	25,297	525,915
Uttara Bank Limited	Laldighi	Current	55,545,022	-
Sub-total			270,233,423	68,478,396
AB Bank Limited	Khatungonj	SND	546,018	529,110
AB Bank Limited	Khatungonj	GBP	12,157	12,529
AB Bank Limited	Khatungonj	USD	46,646	46,204
AB Bank Limited	Khatungonj	SND	297	-
Mutual Trust Bank Limited	Khatungonj	SND	2,028	4,478
Southeast Bank Limited	Khatungonj	SND	94,434	1,535,213
Standard Chartered Bank	Agrabad	SND	920,215	920,165
Standard Chartered Bank	Agrabad	SND	3,863,357	524,744
Sub-total			5,485,152	3,572,443
Total			275,718,575	72,050,839

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2019	30 June 2018
	Taka	Taka

12.03 FDR Account

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

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

13.00 Share capital

Authorized Capital			
1,000,000,000	Ordinary Shares of Tk 10 each	10,000,000,000	10,000,000,000
Issued, subscribed and paid-up Capital			
100,000	Ordinary Shares of Tk. 10 each as at 17 May 2006	1,000,000	1,000,000
1,100,000	Ordinary Shares of Tk. 10 each as at 28 September 2008	11,000,000	11,000,000
17,000	Ordinary Shares of Tk. 10 each as at 24 January 2010	170,000	170,000
36,428,600	Ordinary Shares of Tk. 10 each as at 28 April 2010	364,286,000	364,286,000
12,354,400	Ordinary Shares of Tk. 10 each as at 28 April 2010	123,544,000	123,544,000
20,000,000	Ordinary Shares of Tk. 10 each as at 20 August 2011	200,000,000	200,000,000
20,000,000	Ordinary Shares of Tk.10 each issued through IPO 07 March 2012	200,000,000	200,000,000
18,000,000	Ordinary Shares of Tk. 10 each as at 13 November 2012	180,000,000	180,000,000
10,800,000	Ordinary Shares of Tk. 10 each as at 09 November 2013	108,000,000	108,000,000
5,940,000	Ordinary Shares of Tk. 10 each as at 10 November 2014	59,400,000	59,400,000
187,110,000	Rights Shares of Tk. 10 each as at 01 June 2016	1,871,100,000	1,871,100,000
15,592,500	Ordinary Shares of Tk. 10 each as at 10 December 2017	155,925,000	155,925,000
32,744,250	Ordinary Shares of Tk. 10 each as at 19 January 2019	327,442,500	-
360,186,750	Ordinary Shares of Tk 10 each	3,601,867,500	3,274,425,000

NOTES TO THE FINANCIAL STATEMENTS

13.01 Position of share holding

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

13.02 Classification of shares by holding

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

14.00 Long Term Loan

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

NOTES TO THE FINANCIAL STATEMENTS

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

14.01.01 Terms of Long Term Loan Facility

Eastern Bank Limited

Security:

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

Rate of Interest:

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

Pubali Bank Limited

Security:

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

Rate of Interest:

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

State Bank of India

Security:

First Priority Fixed and Floating Hypothecation Charge on the assets acquired out of bank finance to be created with RJSC and the vehicle will also be registered in the name of GPH Ispat Limited. and hypothecated in favor of the bank with BRTA, Personal Guarantee of all Directors and Corporate Guarantee of Jahangir & Others Limited.

Rate of Interest:

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

Trust Bank Limited

Security:

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

Rate of Interest:

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

United Commercial Bank Limited

Security:

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

NOTES TO THE FINANCIAL STATEMENTS

Rate of Interest:

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

14.02 Long Term Financing Facility

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

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

14.02.01 Terms of Long Term Financing Facility

Lenders:

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

Total loan facilities:

The long term financing facility comprises USD 44.2 million.

Interest rate:

Margin 4.25% + 6 months LIBOR

Interest payable:

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

Disbursement:

First Disbursement of USD on 13 February 2019.

Repayments:

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

Securities:

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

Purpose:

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

NOTES TO THE FINANCIAL STATEMENTS

14.03 Syndication Term Loan

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

14.03.01 Terms of Syndicate term borrowings

Lenders:

The company entered into a syndicated loan agreement to set up a Billet plant (840,000 M.Ton per annum) and MS Rod plant (640,000 M. Ton per annum) at Masjididdah, Kumira, Sitakunda, Chattogram and managed its finance through a syndicate debt facility with United Commercial Bank Limited as "lead arranger" and 15 (fifteen) other local and foreign Banks and Financial Institutions.

Total loan facilities:

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

Interest rate:

BDT

	30 June 2019
Government Banking Institutions	9.00%
Non-government Banking Institutions	11.50%
Non-Banking Financial Institutions	14.00%

USD

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

Interest payable:

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

Disbursement:

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

NOTES TO THE FINANCIAL STATEMENTS

Repayments:

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

Securities:

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

Purpose:

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

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

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2019		30 June 2018	
	Taka		Taka	
15.02 Pubali Bank Limited				
Due within one year		2,459,729		5,253,237
Due after one year		10,375,927		1,600,650
		12,835,656		6,853,887

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

- i) Principal amount of finance: Tk. 14,120,000-Repaid till 30 June 2019: Tk 1,284,344.
- ii) Repayment Term is 4.5 years

Security :

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

15.03 United Commercial Bank Limited

Due within one year	3,517,679	1,758,728
Due after one year	5,869,541	3,074,846
	9,387,220	4,833,574

***HP-Hire purchase**

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

- i) Principal amount of finance: Tk. 14,303,000-Repaid till 30 June 2019: Tk 4,915,780
- ii) Repayment Term is 4 - 4.5 years

Security:

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

15.04 Industrial and Infrastructure Development Finance Company Limited

Due within one year	21,119,372	18,919,227
Due after one year	49,691,090	70,737,546
	70,810,462	89,656,773

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

Security :

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

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2019	30 June 2018
	Taka	Taka
Opening Balance	31,176,685	26,402,277
Add: Provision made during the year	5,354,720	5,179,208
	36,531,405	31,581,485
Less: Paid during the year	(611,943)	(404,800)
Closing balance	35,919,462	31,176,685

17.00 Deferred tax liability

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

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

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

	Carrying amount	Tax base	Rate Applied	Temporary difference	Deferred tax liability /(asset)
	Taka	Taka	(%)	Taka	Taka
As on 30 June 2019					
Property, plant and equipment	2,153,149,003	1,421,629,524	25%	731,519,479	182,879,870
Intangible asset	966,383	-	25%	966,383	241,596
Provision for gratuity	(35,919,462)	-	25%	(35,919,462)	(8,979,866)
Investment in quoted shares	85,036,796	84,931,122	10%	105,674	10,567
					174,152,167
As on 30 June 2018					
Property, plant and equipment	2,097,145,035	1,450,755,719	25%	646,389,316	161,597,328
Intangible asset	1,164,431	-	25%	1,164,431	291,108
Provision for gratuity	(31,176,685)	-	25%	(31,176,685)	(7,794,171)
					154,094,265

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
18.00	Short term borrowings		
Loan against Trust Receipt (LATR)	18.01	743,925,522	647,847,786
Time loan	18.02	3,816,465,341	4,687,467,034
Bank overdraft and cash credit	18.03	2,560,552,992	1,919,176,476
		7,120,943,855	7,254,491,296
18.01	Loan against Trust Receipt (LATR)		
AB Bank Limited		65,320,992	25,446,924
Islami Bank Bangladesh Limited		402,561,010	431,158,083
Mercantile Bank Limited		72,959,443	71,116,290
Pubali Bank Limited		2,787,788	1,024,426
Trust Bank Limited		200,296,289	119,102,063
		743,925,522	647,847,786
18.02	Time loan		
AB Bank Limited		225,545,971	342,674,168
Bank Asia Limited		202,638,540	198,109,218
Basic Bank Limited		51,099,898	51,377,834
Dutch Bangla Bank Limited		302,013,442	220,172,131
Eastern Bank Limited		-	255,015,052
Meghna Bank Limited		203,423,892	87,321,031
Mercantile Bank Limited		127,237,796	96,565,367
Midland Bank Limited		-	174,700,346
One Bank Limited		449,121,706	435,777,439
Standard Chartered Bank		714,769,273	636,168,076
The City Bank Limited		294,009,241	570,935,011
Trust Bank Limited		339,113,182	431,027,971
United Commercial Bank Limited		308,893,098	410,964,433
Non Funded Liabilities		598,599,302	776,658,957
		3,816,465,341	4,687,467,034
18.03	Bank overdraft and cash credit		
AB Bank Limited		22,027,601	22,173,226
Agrani Bank Limited		498,753,971	-
Bank Asia Limited		49,057,344	50,790,664
Basic Bank Limited		46,874,481	43,779,501
Eastern Bank Limited		42,349,350	45,513,397
Meghna Bank Limited		35,990,655	51,273,537
Mercantile Bank Limited		83,349,703	124,022,889
Midland Bank Limited		149,457,707	153,875,463
Modhumoti Bank Limited		371,749,208	379,964,889
NCC Bank Limited		193,990,961	-
Premier Bank Limited		304,239,081	306,739,914
Standard Chartered Bank		130,409,771	145,997,110
State Bank of India		498,148,695	510,396,698
The City Bank Limited		-	34,288,353
Trust Bank Limited		90,374,970	34,892,664
United Commercial Bank Limited		43,779,494	15,468,171
		2,560,552,992	1,919,176,476

NOTES TO THE FINANCIAL STATEMENTS

Note(s)	30 June 2019	30 June 2018
	Taka	Taka

18.04 Terms of Short term borrowings

Security

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

Rate of Interest:

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

19.00 Creditors and accruals

For Revenue Expenses	19.01	61,851,749	54,134,202
For Other Finance	19.02	36,685,362	35,575,385
For Supplies		91,728,754	98,848,784
GPH Power Generation Limited		319,119,710	292,099,522
Advance Against Sales		19,890,012	267,824,174
Workers' Profit Participation Fund	19.03	57,888,337	63,231,325
		587,163,924	811,713,392

19.01 Revenue Expenses

Salary Payable		25,900,000	21,606,700
Audit Fee Payable		270,000	270,000
Utility Bill Payable		33,200,000	30,580,000
Provident Fund	19.01.01	1,656,749	852,502
Directors' Remuneration Payable		825,000	825,000
		61,851,749	54,134,202

19.01.01 Provident Fund

Opening Balance		852,502	664,817
Add: Addition during the year		8,567,550	7,439,164
		9,420,052	8,103,981
Less: Paid during the year		(7,763,303)	(7,251,479)
Closing balance		1,656,749	852,502

19.02 Other Finance

Advance Income Tax Payable		10,877,487	3,695,594
VAT Deducted at Source		20,570,800	4,971,363
Unpaid Refund Warrant		453,670	453,670
Unclaimed Dividend		4,783,405	26,454,758
		36,685,362	35,575,385

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	30 June 2019		30 June 2018	
		Taka	Taka	Taka	Taka
19.03 Workers' Profit Participation Fund					
Opening Balance		63,231,325		40,095,644	
Add: Addition during the year		56,585,619		45,455,589	
		119,816,944		85,551,233	
Less: Paid during the year		(61,928,607)		(22,319,908)	
Closing balance		57,888,337		63,231,325	
20.00 Current tax liability					
Opening Balance		176,176,162		183,382,931	
Add: Provision made during the period	20.02	248,877,693		169,979,806	
		425,053,855		353,362,737	
Less: Paid/adjusted during the period	9.01.01	(170,552,518)		(177,186,575)	
Closing balance		254,501,337		176,176,162	

20.01 Year wise income tax assessment status is as follows:

Accounting Year	Assessment Year	Opening balance	Provided during the year	Adjusted during the year	Balance	Remarks
Prior to 2015-2016			-	-	-	Assessment completed
2016-2017	2017-2018	111,031,009	179,191,873	(106,839,951)	183,382,931	Assessment in Appeal (First)
2017-2018	2018-2019	183,382,931	169,979,806	(177,186,575)	176,176,162	Return submitted
2018-2019	2019-2020	176,176,162	248,877,693	(170,552,518)	254,501,337	Return to be submitted

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

NOTES TO THE FINANCIAL STATEMENTS

		Note(s)	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
			Taka	Taka
21.00	Revenue			
	Local Sales	21.01	13,362,207,675	9,814,879,780
	Export Sales	21.02	58,848,748	108,526,226
	Value Added Tax		13,421,056,423	9,923,406,006
			(152,372,496)	(109,304,886)
			13,268,683,927	9,814,101,120
21.01	Local Sales			
	M.S. Rod		13,285,774,722	9,744,261,210
	Cut Pieces		18,086,013	6,925,850
	Miss Roll and Oval		58,346,940	63,692,720
			13,362,207,675	9,814,879,780
21.02	Export Sales			
	M.S. Rod		58,848,748	108,526,226
			58,848,748	108,526,226
Total export sales during the year was 1,000 Metric Ton and it was 2,232 Metric Ton of goods for the year ended on 30 June 2018.				
22.00	Cost of goods sold			
	Opening Finished goods			
	M.S. Rod		1,259,881,852	921,234,173
	M.S. Billet		234,996,891	269,255,593
			1,494,878,743	1,190,489,766
	Add: Cost of Production	22.01	11,279,890,674	8,515,945,556
			12,774,769,417	9,706,435,322
	Less: Closing Finished goods			
	M.S. Rod	10.01	1,188,444,250	1,259,881,852
	M.S. Billet	10.01	475,570,006	234,996,891
			1,664,014,256	1,494,878,743
			11,110,755,161	8,211,556,579
22.01	Cost of Production			
	Opening Stock of:			
	Raw Material		1,023,133,141	1,045,328,690
	Spare and Other		344,773,302	218,778,006
			1,367,906,443	1,264,106,696
	Add: Purchase			
	Raw Material		9,398,686,812	7,151,689,098
	Spare and Other		335,404,121	348,911,823
			9,734,090,933	7,500,600,921
	Less: Closing Stock of			
	Raw Material	10.02	912,274,607	1,023,133,141
	Spare and Other materials	10.03	215,770,808	344,773,302
			1,128,045,415	1,367,906,443
	Raw and Other Materials Consumed		9,973,951,961	7,396,801,174
	Add: Factory overhead	22.02	1,305,938,713	1,119,144,382
	Cost of Production		11,279,890,674	8,515,945,556

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
		Taka	Taka
22.02 Factory overhead			
Salaries, Wages and Allowances		217,338,717	185,915,529
Overtime		20,371,994	18,995,040
Bonus		9,042,924	7,717,753
Depreciation	4.00	157,696,424	100,838,686
Carriage Inward		2,941,941	4,867,778
Daily Labour Bill		21,875,898	22,944,894
Electricity Bill		741,385,533	645,015,744
Factory Canteen		8,980,563	8,530,101
Fuel, Oil and Lubricant		33,583,832	35,279,580
Gas Bill		38,893,771	38,562,587
Insurance		2,550,033	2,018,087
Internet Expenses		3,436	6,481
Loading and Unloading Expenses		5,977,721	4,481,792
Medical Expenses		740,295	1,438,445
Oxygen and LP Gas Charges		20,679,917	17,529,539
Repair and Maintenance		7,774,843	7,636,541
Staff Uniform		1,490,217	1,613,314
Testing Expenses		1,020,650	944,573
Vehicle Fuel and Maintenance		13,590,004	14,807,918
		1,305,938,713	1,119,144,382
23.00 Administrative expenses			
Directors' Remuneration	38.00	17,220,000	15,470,000
Salary and Allowances		108,117,093	83,442,767
Depreciation	4.00	8,760,913	5,602,149
Amortization of Software	6.00	198,048	195,044
Audit Fee		345,000	345,000
BIS Certificate Expenses		371,822	150,654
BO Account Expenses		2,000	900
Board Meeting Expenses		721,340	305,650
Bonus		9,437,434	8,390,890
Corporate Social Responsibility		2,960,000	-
Electricity and Other Utility Expenses		2,266,809	1,668,442
Entertainment		3,833,281	2,799,838
Fees and Renewal		2,022,217	2,029,993
General Meeting Expenses		926,664	563,299
Group Insurance Premium		842,532	955,319
Legal and Professional Fee		825,000	603,000

NOTES TO THE FINANCIAL STATEMENTS

Note(s)	01 July 2018 to 30 June 2019		01 July 2017 to 30 June 2018	
	Taka	Taka	Taka	Taka
Miscellaneous Expenses		1,452,100		1,405,125
Mobile, Telephone and Internet Charges		3,631,377		3,083,566
Newspaper and Periodicals		38,260		19,650
Office Maintenance		2,811,331		2,129,308
Office Rent		4,217,000		4,702,375
Postage and Stamps		524,277		305,727
Recruitment Expenses		104,775		121,008
Rent, Rate & Taxes		321,850		95,100
Share Management Expenses		3,189,055		2,840,703
Software & Data Connectivity Expenses		526,500		741,432
Stationery and Printing Charges		2,667,905		2,542,775
Training Fee		46,765		286,959
Travelling and Conveyance		4,709,760		4,125,988
Vehicle Expenses		6,009,456		5,711,725
		189,100,564		150,634,386
24.00 Selling and distribution expenses				
Advertisement Expenses		42,281,926		40,951,083
Carriage Outward		149,040,466		101,545,852
Travelling and Conveyance		7,622,109		7,361,003
Commission on Sales		9,741,300		9,321,000
Promotional Expenses		14,818,228		9,772,648
Depreciation	4.00	8,760,913		5,602,149
Marketing Collection Expenses		1,477,580		894,146
Export Expenses		-		42,600
Sales LC Expenses		-		59,000
Postage and Stamps		76,140		93,658
		233,818,662		175,643,139
25.00 Finance cost				
Interest on Bank Loan		698,400,926		520,612,847
Bank Charge		10,856,748		7,150,660
Loan Processing Fee		6,725,882		11,456,699
Exchange (Gain)/Loss		(837,272)		27,400,530
		715,146,284		566,620,736

NOTES TO THE FINANCIAL STATEMENTS

Note(s)	01 July 2018 to 30 June 2019		01 July 2017 to 30 June 2018	
	Taka	Taka	Taka	Taka
26.00 Finance income				
Interest Earned from FDR	72,344,876		125,684,447	
Interest Income from SND Account	237,023		6,953,930	
Interest Income from Arbee Textiles Limited	37,046,874		32,760,304	
	109,628,773		165,398,681	
27.00 Other income				
Dividend Income	2,220,346		1,775,096	
Miscellaneous Income for Good Brower Incentive	-		6,129,000	
Gain on sale of investment in quoted shares	-		26,060,393	
Gain on Disposal of property, plant and equipment	-		102,338	
	2,220,346		34,066,827	
			30 June 2019	30 June 2018
			Taka	Taka
28.00 Net Asset Value Per Share (NAV)				
Total Assets	31,493,025,039		22,694,238,398	
Less: Liabilities	25,157,667,609		17,168,888,566	
Net Asset Value (NAV)	6,335,357,430		5,525,349,832	
Number of ordinary shares outstanding during the year	360,186,750		327,442,500	
Net Assets Value (NAV) per share	17.59		16.87	
*Please refer to note 2.16 & 32				
			01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
			Taka	Taka
29.00 Earnings per share (EPS)				
29.01 Basic Earnings per share				
The composition of Earnings per share (EPS) is given below :				
Total earnings attributable to the ordinary shareholders	806,201,728		666,060,230	
Number of ordinary shares outstanding during the year	360,186,750		327,442,500	
Weighted average number of ordinary shares outstanding during the year	360,186,750		327,442,500	
Basic Earnings Per Share	2.24		2.03	
*Please refer to note 2.16 & 32				
Restated Earnings Per Share*			-	1.85

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

NOTES TO THE FINANCIAL STATEMENTS

01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Taka	Taka

29.02 Diluted EPS

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

30.00 Net operating cash flow per share

Net operating cash flows (from statement of cash flows)

579,851,459

Number of ordinary shares outstanding during the year

360,186,750

Net operating cash flow per share

1.61

158,832,394

327,442,500

0.49

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

30 June 2019	30 June 2018
Person	Person

31.00 Number of employees

Employees drawing salary Tk 3,000 or below per month

-

Employees drawing salary above Tk 3,000 per month

1,081

965

1,081

965

32.00 Prior year adjustments

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

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

NOTES TO THE FINANCIAL STATEMENTS

i. Statement of financial position

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

ii. Statement of profit or loss and other comprehensive income

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

NOTES TO THE FINANCIAL STATEMENTS

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

34.00 Revenue

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

		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018	
		Note(s)	M. Ton	M. Ton
35.00	Capacity and production			
Production Capacity (In M. Ton)	35.01	360,000	288,000	
Actual Production (In M. Ton)	35.02	329,355	238,230	
Capacity Utilization (%)		91.49	82.72	
35.01	Production Capacity (In M. Ton)			
M.S. Billet		210,000	168,000	
M.S. Rod		150,000	120,000	
		360,000	288,000	
Production capacity has been increased due to some modification of the process.				
35.02	Actual Production (In M. Ton)			
M.S. Billet		169,042	122,938	
M.S. Rod		160,313	115,292	
		329,355	238,230	

NOTES TO THE FINANCIAL STATEMENTS

36.00 Related Party Transactions

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

Sl. No	Name of the Party	Relation	Nature of Transactions	Outstanding as on 30 June 2019	Outstanding as on 30 June 2018
1	GPH Power Generation Ltd.	Common Directorship	Supply of power at a flat rate	Cr. 319,119,710	Cr. 292,099,522
2	Jahangir and Other Ltd.	Common Directorship	Head office rent	Cr. 377,550	Cr. 44,036
3	GPH Steels Ltd.	Investee	Investment in equity shares	Dr. 1,000,000	Dr. 1,000,000
4	Asia Insurance Ltd.	Common Directorship	Insurance Policy against Letter of Credit	Cr. 2,201,836	Cr. 98,041
5	Arbee Textiles Ltd.	Common Directorship	Payment against interest bearing loan	Dr. 329,473,142	Dr. 291,142,158
6	LIPD Industries Ltd.	Common Directorship	Advance	Dr. 185,500	Dr. 185,500
7	GPH Ship Builders Ltd.	Common Directorship	Advance	Dr. 500,000	Dr. -

01 July 2018
to 30 June 2019
Taka

01 July 2017
to 30 June 2018
Taka

37.00 Key management personnel compensation

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

Short term employee benefits	53,474,430	47,440,230
Post Employment Benefits	1,677,221	1,354,063
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	55,151,651	48,794,293

NOTES TO THE FINANCIAL STATEMENTS

	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Taka	Taka
38.00 Directors' Remuneration		
Details of directors' remuneration paid during the period are as follows:		
Name	Designation	
Mr. Mohammed Jahangir Alam	Managing Director	4,200,000
Mr. Md. Almas Shimul	Director	7,500,000
Mr. Md. Ashrafuzzaman	Director	2,760,000
Mr. Md. Abdul Ahad	Director	2,760,000
		17,220,000
		15,470,000

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

39.00 Attendance status of Directors in Board Meetings

During the year ended 30 June 2019, 09 (Nine) board meetings were held. The attendance status of all the meetings are as follows:

Name of the Director	Designation	Meetings Held	Attendance
Mr. Md. Alamgir Kabir	Chairman	9	9
Mr. Mohammed Jahangir Alam	Managing Director	9	9
Mr. Md. Almas Shimul	Director	9	7
Mr. Md. Abdur Rouf	Director	9	5
Mr. Md. Ashrafuzzaman	Director	9	9
Mr. Md. Abdul Ahad	Director	9	9
Mr. Md. Azizul Haque	Director	9	9
Mr. M. A. Malek	Independent Director	9	4
Mr. Velayet Hossain	Independent Director	9	7

40.00 Contingent liabilities

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

Contingent liabilities at the reporting date are as follows:

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	30 June 2019	30 June 2018
		Taka	Taka
40.01 Bank guarantee			
AB Bank Limited		38,415,980	535,500
Southeast Bank Limited		1,000,000	1,000,000
State Bank of India		1,690,000	780,000
United Commercial Bank Limited		479,025,599	-
		520,131,579	2,315,500
40.02 L/C liabilities			
AB Bank Limited		77,220,869	127,455,984
Bank Asia Limited		215,875,428	-
Dutch Bangla Bank Limited		201,583,602	311,683,736
Islami Bank Bangladesh Limited		125,242,954	-
Mercantile Bank Limited		34,201,859	207,267,749
One Bank Limited		277,100,000	238,179,168
Pubali Bank Limited		628,800,000	137,645,812
Southeast Bank Limited		212,526,735	270,589,885
Standard Chartered Bank		-	79,797,332
The City Bank Limited		360,093,825	230,263,176
Trust Bank Limited		388,663,523	513,682,461
United Commercial Bank Limited		1,601,245,878	1,076,844,880
NCC Bank Limited		333,532,182	-
		4,456,086,855	3,193,410,183

40.03 Capital expenditure commitment

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

41.00 Events after reporting date

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

42.00 Credit facility not availed

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

NOTES TO THE FINANCIAL STATEMENTS

43.00 Financial risk management

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

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

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

43.01 Credit risk

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

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

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

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

a) Exposure to credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

Note(s)	Amount in Taka	
	30 June 2019	30 June 2018
Trade and Other receivables	11	2,505,592,013
Advance and deposits	9.01 & 9.02	2,389,242,417
Investment in FDRs (long term and short term)	7, 8 & 12.03	641,649,959
Investment in Un-quoted equity	7.00	63,500,000
Investment in quoted shares	7.00	85,036,796
Cash at bank	12.02	275,718,575
	5,960,739,760	6,108,390,786
b) Ageing of receivables		
Dues within 6 months		2,095,980,901
Dues over 6 months		80,137,970
	2,176,118,871	1,633,664,201

43.02 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount	Nominal interest rate	Contractual cash flows		
			Within 12 months or less	Over 12 months	Total Taka
	Taka		Taka	Taka	
Defined Benefit Obligation - Gratuity	35,919,462	N/A	-	35,919,462	35,919,462
Long term loan	16,891,953,526	4.85%-14.00%	215,522,700	16,676,430,826	16,891,953,526
Short term borrowings	7,120,943,855	9.00%-14.00%	7,120,943,855	-	7,120,943,855
Finance lease obligations	93,033,338	10.00%-14.00%	27,096,780	65,936,558	93,033,338
Creditors and accruals	587,163,924	N/A	587,163,924	-	587,163,924
	24,729,014,105		7,950,727,259	16,778,286,846	24,729,014,105

43.03 Market Risk

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

a) Currency risk

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

(i) Exposure to currency risk

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

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

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

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

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

(b) Transaction risk

Transaction risk is the risk that the Company will 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.

NOTES TO THE FINANCIAL STATEMENTS

Exposure to interest rate risk

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

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

Cash flow sensitivity analysis for variable rate instruments

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

NOTES TO THE FINANCIAL STATEMENTS

44.00 **Financial Instruments- Accounting classifications and fair values**

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

		Carrying amount					
	Note ref.	Fair value through OCI Taka	Held to maturity Taka	Loans and receivables Taka	Available for sale Taka	Other financial liabilities Taka	Total Taka
30 June 2019							
Financial Assets measured at fair value							
Investment in quoted shares	7.02	85,036,796	-	-	-	-	85,036,796
Financial Assets not measured at fair value							
Trade and other receivables	11	-	-	2,505,592,013	-	-	2,505,592,013
Deposits	9,02	-	-	69,167,153	-	-	69,167,153
Investments in FDR	7, 8 & 12,03	-	-	641,649,959	-	-	641,649,959
Cash at banks	12,02	-	-	275,718,575	-	-	275,718,575
Financial Liabilities not measured at fair value							
Long term borrowings	14	-	-	-	-	16,891,953,526	16,891,953,526
Finance lease obligations	15	-	-	-	-	93,033,338	93,033,338
Short term borrowings	18	-	-	-	-	7,120,943,855	7,120,943,855
Creditors and accruals	19	-	-	-	-	587,163,924	587,163,924
30 June 2018							
Financial Assets measured at fair value							
Investment in quoted shares	7.02	81,220,359	-	-	-	-	81,220,359
Financial Assets not measured at fair value							
Trade and other receivables	11	-	-	1,924,806,359	-	-	1,924,806,359
Deposits	9	-	-	54,028,647	-	-	54,028,647
Investments in FDR	7, 8 & 12,03	-	-	2,037,018,420	-	-	2,037,018,420
Cash at banks	12,02	-	-	72,050,839	-	-	72,050,839
Financial Liabilities not measured at fair value							
Long term borrowings	14	-	-	-	-	8,639,892,532	8,639,892,532
Finance lease obligations	15	-	-	-	-	101,344,234	101,344,234
Short term borrowings	18	-	-	-	-	7,254,491,296	7,254,491,296
Creditors and accruals	19	-	-	-	-	811,713,392	811,713,392
						16,807,441,454	16,807,441,454



Managing Director



Director



Company Secretary

CERTIFICATE



Certificate of Registration

This certificate has been awarded to

GPH Ispat Limited

Masjiddah, Kumira, Sitakunda, Chittagong-4000, Bangladesh

in recognition of the organization's Quality Management System which complies with

ISO 9001:2015

The scope of activities covered by this certificate is defined below

Manufacture and Sale of Deformed Steel Bars

Certificate Number:

78034/B/0001/UK/En

Date of Issue: (Original)

18 January 2019

Date of Issue:

18 January 2019

Issue No:

Expiry Date:

17 January 2022

Issued by:



On behalf of the Scheme Manager:



Please refer to page 54 for the authentication of this certificate. Please do not hesitate to contact the URS office for further information. URS is a member of United Registrar of Systems (URS) Ltd, 206, Victoria Road, Bournemouth, BH1 7EE, UK. Company Registration No. 0286661



EVENTS ALBUM



■ The Board of Directors and the High Officials attended in the 12th Annual General Meeting.



■ Partial view of Shareholders attended in the 12th Annual General Meeting.



■ "Accreditation Ceremony" in honor of the Heroic Freedom Fighter arranged by GPH Ispat Limited.



■ Road show for an innovative reality show styled “**GPH Ispat Esho Robot Banai**” sponsored by GPH Group.



■ The Grand Finale ceremony of “**GPH Ispat Esho Robot Banai**” an innovative reality sponsored by GPH Group.



■ Dr. Zaid Bakht, the Chairman of Agrani Bank Limited visited the expansion Plant of GPH Ispat Limited.

EVENTS ALBUM



Teachers' Delegation of BUET visited the expansion Plant of GPH Ispat Limited.



"Recognition Ceremony" for the employees of GPH Ispat Limited in honor of their dedicated services.



Prize distribution Ceremony of "GPH Group Golf Tournament 2019".



■ **"Bangla Borsha Baran-1426"** arranged by GPH Group at Corporate Office.



■ **"Agreement signing ceremony"** between GPH Ispat Limited and Rancon Trucks & Buses Limited for supplying FUSO vehicles.



■ Inauguration ceremony of **"CJKS-GPH Ispat Swimming Competition"**.



ispat ltd.

Registered Office: Crown Chamber, 325 Asadgonj, Chattogram

PROXY FORM

I/We
of being a Shareholder of GPH Ispat Ltd. do hereby appoint
Mr./MS Of as
my/our proxy to attend and vote on my/our behalf at the 13th Annual General Meeting (AGM) of the
Company to be held on Thursday, 26 December, 2019 at 11.00 am at City Hall Convention Center, Agrabad
Access Road, Chatogram-4100 and at any adjournment thereof.

As witness my hand this day of 2019.

(Signature of Shareholder)

(Signature of Proxy)

Affix Revenue
Stamp of
Tk. 20

Number of Shares held

Shareholders BO ID No:

A horizontal row of 15 empty gray rectangular boxes, likely a placeholder for a diagram or a series of items.

Note:

1. The proxy form duly filled up should reach to the Registered Office of the company not less than 48 hours before the time fixed for the meeting.
2. Signature of the Shareholder should agree with the specimen signature registered with the Company or BO Account/CDBL Record.



ispat ltd.

Registered Office: Crown Chamber, 325 Asadgonj, Chattogram

SHAREHOLDER'S ATTENDENCE SLIP

I/We hereby record my/our presence at the 13th Annual General Meeting of the Company to be held on Thursday, 26 December, 2019 at 11.00 am at City Hall Convention Center, Agrabad Access Road, Chattogram-4100.

Name of the Shareholder/Proxy :

Shareholders BO ID No:

A horizontal row of 15 empty rectangular boxes, likely for drawing or sketching, arranged in a single line.

Signature of Shareholder/Proxy

Authorized Signatory
GPH ispat Ltd.

N.B: Please present this slip at the reception desk on the AGM date.

GPH ISPAT LTD.

REGISTERED OFFICE

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