

Annual Report

2011-2012



GPH ispat Ltd.
COMMITTED TO STRENGTH



Annual Report

2011- 2012



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COMMITTED TO STRENGTH

Registered Office

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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 inventions 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.

GPHispat 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 Ltd. 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 Ltd. has all the potentials to take bangladesh quite a few steps forward to a stronger, brighter tomorrow.



Transmittal *Letter*

October 20, 2012

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

Sub: Annual Report for the year ended April 30, 2012

Dear Sir(s)

We are pleased to enclose the notice of 6th Annual General Meeting, a copy of the Annual Report together with the Directors' Report, Audited Financial Statements including Statement of Financial Position as at April 30, 2012, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended April 30, 2012 along with notes thereon of GPH Ispat Ltd for your information & record.

Yours sincerely

(Arafat Kamal, ACA)
Company Secretary



Vision

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

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 maintain a financially strong, growth-oriented company for the protection of our shareholders & employees through leadership & innovation.
- We will provide products and services of highest quality and value by respond to our customers with promptness, sensitivity, respect & always with integrity.
- We meet the challenges of Earthquake with our quality products in strong infrastructure development to secure the safety of country people.
- We enrich stakeholders' interest where employees are our strength and customers are our Brand Ambassador.
- We ensure that our production process is free from environmental pollution.



Notice of the

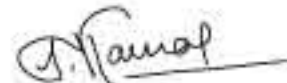
6th Annual General Meeting

Notice is hereby given that the 6th ANNUAL GENERAL MEETING of the shareholders of GPH Ispat Limited will be held on Tuesday the 13th November, 2012 at 11:00 a.m. at the Institution of Engineers, S.S. Khaled Road, Chittagong to transact the following businesses:

- Agenda -1: To receive, consider and adopt the Audited Financial Statements of the Company for the year ended April 30, 2012 together with the Auditors' Report & Directors' Report thereon.
- Agenda -2: To approve dividend for the year ended April 30, 2012
- Agenda -3: To elect Directors in terms of the relevant provision of Articles of Association.
- Agenda -4: To appoint Auditors and to fix their remuneration
- Agenda -5: To approve appointment of Independent Director

Dated: October 20, 2012

By order of the Board



(Arafat Kamal, ACA)
Company Secretary

Notes

The Shareholders, whose name appears in the Share Register of the Company or in the Depository Register on the Record Date (13th September, 2012) will be entitled to attend the Annual General Meeting and to receive the Dividend.

A Shareholder entitled to attend & vote at the meeting may appoint a proxy to attend & vote in his/her stead. The Proxy Form duly stamped must be deposited to the Company's registered office, Crown Chamber, 325 Asadgonj, Chittagong not later than 48 hours before the time fixed for the meeting.



Corporate Information

Company Name	: GPH Ispat Limited
Company Registration No	: CH-5853 of 2006

Legal Form: The Company was incorporated in Bangladesh as a Private Limited Company on May 17, 2006 as a Company limited by shares under the Companies Act, 1994. The Company subsequently was converted into a Public limited Company along with the subdivision of face value of shares from TK 100 to TK 10 each and enhancement of Authorized Capital from Tk. 1,000 million to Tk.2,500 million dated December 18, 2009.

Registered Office	: Crown Chamber, 325 Asadgonj, Chittagong-4000
Factory	: Masjiddah, Kumira, Sitakund, Chittagong
Dhaka Office	: Hamid Tower, 24 Gulshan, Circle-2, Dhaka-1212

Board of Directors :

Mr. Mohammed Jahangir Alam	: Director & Managing Director
Mr. Md. Abdur Rouf	: Director
Mr. Md. Alamgir Kabir	: Director & Additional Managing Director
Mr. Md. Almas Shimul	: Director & Additional Managing Director
Mr. Md. Ashrafuzzaman	: Director
Mr. Md. Salahuddin Roman	: Director
Mr. Md. Abdul Ahad	: Director
Mr. Md. Azizul Haque Raju	: Director
Professor Dr. Mohammad Saleh Jahur	: Independent Director

Audit Committee :

1. Professor Dr. Mohammad Saleh Jahur-Chairman
2. Mr. Md. Alamgir Kabir-Member
3. Mr. Md. Almas Shimul-Member

Company Secretary	: Mr. Arafat Kamal, ACA
Head of Internal Audit	: Mr. Atiqur Rahman
Statutory Auditors	: Hoda Vasi Chowdhury & Co. Chartered Accountants
Advisor	: Mr. Sidhartha Barua, FCA

Listing :

Dhaka Stock Exchange Ltd
Chittagong Stock Exchange Ltd

Bankers :

AB Bank Ltd	Islami Bank Bangladesh Ltd
Trust Bank Ltd	Mercantile Bank Ltd
Pubali Bank Ltd	NCC Bank Ltd
United Commercial Bank Ltd	Prime Bank Ltd
Standard Chartered Bank	State Bank of India
Janata Bank Ltd	

Insurer :

Green Delta Insurance Co. Ltd
Asia Insurance Ltd

Credit Rating Agency :

Credit Rating Agency of Bangladesh Ltd (CRAB)

Website : www.gphispac.com.bd
E-mail : info@gphispac.com.bd

Board of Directors



Mohammed Jahangir Alam
Managing Director



Md. Abdur Rouf
Director



Md. Alamgir Kabir
Director & Additional Managing Director



Md. Almas Shimul
Director & Additional Managing Director



Md. Ashrafuzzman
Director



Md. Salahuddin Roman
Director



Md. Abdul Ahad
Director



Md. Azizul Hoque Raju
Director



Prof. Dr. Mohammad Saleh Jahur
Independent Director

Management Team :

Mr. Mohammed Jahangir Alam	Managing Director
Mr. Md. Alamgir Kabir	Additional Managing Director
Mr. Md. Almas Shimul	Additional Managing Director
Mr. Abu Bakar Siddique, FCMA	Executive Director
Mr. Md. Mustaq Ahmed	Executive Director (Factory)
Engr. Borhan Uddin Ahmed	Sr. GM (Research & Development)
Mr. Kamrul Islam, FCA	Chief Financial Officer
Engr. Humayun Kabir	General Manager (Factory)
Engr. Mahmudul Hasan Rajib	Deputy General Manager (Factory)
Mr. Arafat Kamal, ACA	Company Secretary
Mr. A.B.M. Shahedul Alam Al Masud	AGM (HR & Admin)
Mr. Anamul Islam	AGM (Marketing & Sales)
Mr. Jahed Al Asba	AGM (Marketing & Sales)
Mr. Atiqur Rahman	Head of Internal Audit

GPH Ispat Ltd. Directors' Report to The **Shareholders**



BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

For the year ended 30th April 2012

It is a matter of immense pleasure on the part of the Board of Directors & also to me to present the Directors' Report together with the Annual Financial Statements of the Company for the year ended on April 30, 2012.

Industry outlook & possible future developments in the industry:

The Steel Sector in Bangladesh has achieved a substantial growth during the year 2011. The sector is considered prospective at this moment and for at least next few years due to the following reasons:

- Building construction for both residential and commercial purpose has increased up to a great extent all over the country.
- Flyovers are being built at many places of Dhaka and Chittagong.

Moreover, it is expected that the building of Padma Multipurpose Bridge will be started soon.

The plant of GPH is considered as one of the most modern and automated plant in the country. During the year under review, the Company was in the process of test production & fine tuning of its new plant for Billet making of 84,000 MT capacities per annum. Operation of this plant will increase the Company's billet making capacity up to 168,000 MT per annum. The Board of Directors also thinks for establishing another Rolling Mill of more capacity than the existing (120,000 MT per annum) with a view to become one of the market leaders in this sector.

Operational Review:

We have been able to make progress from last year to current year in respect of Sales & Production. During the year under review, our Sales (Net) amount was Tk. 4,386.32 million which is 19% higher than the last year's (Tk. 3,688.52 Million). The year was also positive in respect of production capacity utilization in which we were able to utilize 75.83% of rated capacity while it was 74.18% during the prior year.

GPH is always in the process of development and modernization of its products and factory. In the year under review it has successfully introduced 'TMT 500W M.S. Rod' which is the result of latest technology in the Steel sector. At present we offer our customers both '60 Grade' & 'TMT 500W M.S Rod'.

৩০ এপ্রিল ২০১২ইং তারিখে সমাপ্ত বছরের জন্য শেয়ার হোল্ডারগণের প্রতি পরিচালনা পর্ষদের প্রতিবেদন

কোম্পানির ৩০ এপ্রিল, ২০১২ইং তারিখে সমাপ্ত বছরের বার্ষিক আর্থিক বিবরণীসহ পরিচালনা পর্ষদের প্রতিবেদন উপস্থাপন করা পরিচালনা পর্ষদ এবং আমার কাছে এক বিশাল আনন্দের বিষয়।

শিল্পের সার্বিক অবস্থা ও সম্ভাব্য উন্নয়ন :

বাংলাদেশের ইস্পাত খাত ২০১১ সালে উল্লেখযোগ্য প্রবৃদ্ধি অর্জন করেছে। নিম্নলিখিত কারণে এ খাত বর্তমানে এবং অন্তত পক্ষে আগামী কয়েক বছরের জন্য সম্ভাবনাময় খাত হিসেবে বিবেচিত :

ক) সারাদেশে আবাসিক ও বাণিজ্যিক ভবন উত্তরের নির্মাণ চাহিদা ব্যাপকভাবে বৃদ্ধি পেয়েছে।

খ) ঢাকা ও চট্টগ্রামের অনেক জায়গায় উড়াল সেতু নির্মাণ করা হচ্ছে।

তাছাড়া, শীঘ্রই পদ্মা বহুমুখী সেতুর নির্মাণ কাজ শুরু হবে বলে আশা করা হচ্ছে।

জিপিএইচ ইস্পাতের প্রাক্তি দেশের সবচেয়ে আধুনিক এবং স্বয়ংক্রিয় প্রাক্তিসমূহের একটি হিসাবে বিবেচিত। আলোচ্য বছর আমাদের প্রতিষ্ঠান বার্ষিক ৮৪ হাজার মে. টন বিলেট উৎপাদন ক্ষমতা সম্পন্ন একটি নতুন প্রাক্তির পরীক্ষামূলক উৎপাদন ও ফাইন টিউনিং এর প্রক্রিয়াধীন ছিল। উক্ত প্রাক্তির উৎপাদন ক্ষমতা যোগ্য হলে আমাদের প্রতিষ্ঠানের বিলেট উৎপাদন ক্ষমতা বার্ষিক ১,৬৮,০০০ মে. টনে উন্নীত হবে। এ সেটের অন্যতম বাজার নেতৃত্ব দানকারী প্রতিষ্ঠান হবার লক্ষ্যে বর্তমান বার্ষিক উৎপাদন (১,২০,০০০ মে. টন) ক্ষমতার চেয়ে আরো অধিক উৎপাদন ক্ষমতাসম্পন্ন আর একটি রোলিং মিল স্থাপনের পরিকল্পনা আমাদের পরিচালনা পর্ষদের বিবেচনাধীন আছে।

কার্যক্রম পর্যালোচনা :

আমরা বিক্রয় ও উৎপাদনের ক্ষেত্রে গত বছর থেকে চলতি বছরে উন্নতি করতে সক্ষম হয়েছি। এ বছর পর্যালোচনায় দেখা যায় যে, নীট বিক্রয়ের পরিমাণ ছিল ৪,৩৮৬.৩২ মিলিয়ন টাকা যা গত বছরের চেয়ে ১৯% বেশি। উৎপাদন ক্ষমতা ব্যবহারের ক্ষেত্রেও এ বছর ইতিবাচক ছিল যেখানে আমরা উৎপাদন ক্ষমতার ৭৫.৮৩% ব্যবহারে সমর্থ হয়েছি যা পূর্ববর্তী বছরে ছিল ৭৪.১৮%।

জিপিএইচ সর্বনা-এর উৎপাদিত পণ্য ও নিজস্ব কারখানার উন্নয়ন ও আধুনিকায়নের ব্যাপারে সচেষ্ট। আলোচ্য বছরে এ প্রতিষ্ঠান সফলভাবে "TMT 500W M.S. Rod" উৎপাদনের সূচনা করেছে যা ইস্পাত শিল্প জগতে অত্যাধুনিক প্রযুক্তির প্রতিফলন। বর্তমানে আমাদের ক্রেতাদেরকে "60 Grade" ও "TMT 500W" M.S. Rod উভয় ধরনের পণ্য সরবরাহ করা হচ্ছে।

Operation of 2011-12 can be marked as the year of Electricity problem, devaluation of Taka against US Dollar, fluctuation of price of raw material in International & local market, Gas staggering etc. Scarcity of Electricity creates a barrier for this Industry. Especially in the season of irrigation (March-May) supply of electricity to Industries seriously interrupted due to supplying to irrigation. Again, in the month of Holy Ramadan, severe interruption in power supply took place in our factory as the Govt. tried to provide more electricity in household use. Besides, our major part of raw material comes from foreign sources & devaluation of taka against foreign currency increased our purchase cost significantly. Price of electricity has been increased several times during the year which caused excess electricity cost.

A major part of our Capital employed is financed by Commercial Banks. In the year 2011-12 the rate of bank interest has also shown upward trend (due to inflation & other economic factors) which caused us high finance cost along with high overhead cost.

Product wise Performance: The Company produces two products: M.S. Rod & M.S. Billet. Product wise sales amount, sales quantity & production quantity along with prior year comparative is tabulated below:

Particulars	MS Rod		MS Billet	
	2011-12	2010-11	2011-12	2010-11
Sales amount(Taka)	4,350,905,635	3,687,523,987	90,863,210	57,125,360
Sales quantity(MT)	70,005	69,536	1,490	1,121
Production quantity(MT)	80,508	75,099	84,807	76,221
Production capacity(MT)	120,000	120,000	98,000	84,000
Utilized Capacity(MT)	67.09%	62.58%	86.53%	90.74%

Financial Review: The Financial performance of the Company over last four years is tabulated below:

Particulars	30 April 12 Taka	30 April 11 Taka	30 April 10 Taka	30 April 09 Taka
Turnover(net)	4,386,316,699	3,688,519,184	3,223,787,065	1,277,035,276
Cost of Goods Sold	3,572,803,464	3,040,772,580	2,817,640,942	1,166,847,178
Gross Profit	813,513,235	647,746,604	406,146,123	110,188,098
Operating Profit	672,439,766	526,451,249	325,716,586	16,655,260
Profit before Tax				
Reserve	302,019,364	211,232,764	111,429,896	19,248,297
Profit after Tax	257,287,746	182,910,126	110,249,598	18,275,908
Tax Holiday Reserve	55,743,574	54,282,291	42,784,614	6,662,104
Profit after Tax & Reserve	201,544,172	128,627,835	67,464,985	11,613,804

২০১১-২০১২ অর্থ বছরের কার্যক্রমকে বৈদ্যুতিক সমস্যার, মার্কিন ডলারের বিপরীতে টাকার অবমূল্যায়নের, আন্তর্জাতিক ও স্থানীয় বাজারে কাঁচামালের মূল্যের ওঠানামার, অনিয়মিত গ্যাস সরবরাহ ইত্যাদির বছর হিসেবে চিহ্নিত করা যায়। বিদ্যুতের দুপ্রাপ্যতা এ শিল্পের জন্য প্রতিবন্ধকতা সৃষ্টি করে। বিশেষ করে সেচ মৌসুমে (মার্চ হতে মে) সেচ কার্যে বিদ্যুৎ সরবরাহের কারণে শিল্প কারখানায় বিদ্যুৎ সরবরাহ মারাত্মকভাবে বাধাগ্রস্ত হয়। আবার পবিত্র রমজান মাসে সরকার গৃহস্থালী ক্ষেত্রে বিদ্যুৎ সরবরাহ বৃদ্ধির কারণে আমাদের কারখানায় বিদ্যুৎ সরবরাহে তীব্র বাধা সৃষ্টি হয়। তাছাড়া আমাদের সিংহভাগ কাঁচামাল বিদেশ হতে আমদানি করা হয় বিধায় টাকার অবমূল্যায়নের কারণে আমাদের ক্রয়জনিত ব্যয় উল্লেখযোগ্যভাবে বেড়ে যায়। বিদ্যুতের মূল্য বছরে কয়েকবার বাড়ার ফলে প্রতিষ্ঠানকে অতিরিক্ত বিদ্যুৎ খরচ বহন করতে হয়।

বাণিজ্যিক ব্যাংক আমাদের বিনিয়োগকৃত মূলধনের সিংহভাগ যোগান দিয়েছে। ২০১১-২০১২ অর্থ বছরে ব্যাংক সুদের হারের বৃদ্ধির কারণে (মুদ্রাস্ফীতি ও অন্যান্য অর্থনৈতিক পরিস্থিতির কারণে) সুদ বাবদ ব্যয় এবং উপরি ব্যয় বৃদ্ধি পেয়েছে।

পণ্য অনুযায়ী ফলাফল :

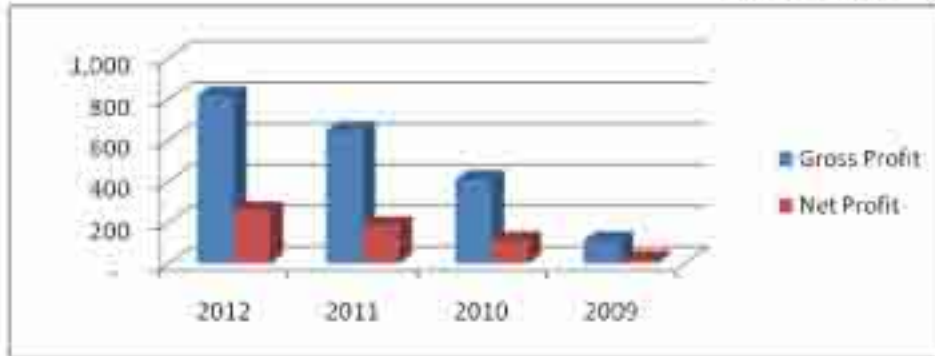
আমাদের প্রতিষ্ঠান দু-ধরনের পণ্য উৎপাদন করে: এম.এস. রড এবং এম.এস. বিলেট। পণ্য অনুযায়ী বিক্রয়ের আংক, বিক্রয়ের পরিমাণ এবং উৎপাদনের পরিমাণ আলোচনা ছক আকারে নিম্নে দেখানো হল :

আর্থিক পর্যালোচনা : আমাদের প্রতিষ্ঠানের গত চার বছরের আর্থিক ফলাফল নিম্নে তালিকাভুক্ত করা হয়েছে:-

The Company's Gross profit & Net profit increased from year to year in the following way:

কোম্পানির মোট লাভ ও নিট লাভ নিম্নোক্তভাবে বছর বছর বৃদ্ধি পেয়েছে :-

Figure: Amount Shown in million



Steady upward trend in profitability from year to year make us feel that the organization is on track.

মুনাফা অর্জনের ক্ষেত্রে স্থিতিশীল উৎকর্ষামী প্রবণতা বুঝায় যে, আমাদের প্রতিষ্ঠান সঠিকপথে আছে।

Product Quality :

GPH provides top priority to ensure best product quality and we may declare it with pleasure that out of many semi-auto & auto re-rolling mills in Bangladesh we are one of the best quality steel manufacturer which is also proved through BUET test. We assure quality in every steps of our production process through 'Spectro Lab' and UTM. Being Committed to Quality we have also obtained 'ISO' Certificate and 'BSTI' approval.

পণ্যের গুণগত মান :

পণ্যের সর্বোত্তম গুণগত মান নিশ্চিত করার জন্য জিপিএইচ সর্বোচ্চ অগ্রাধিকার প্রদান করে এবং আমরা আশ্বিনের সাথে বলতে পারি যে, বাংলাদেশে অনেক আধা-স্বয়ংক্রিয় ও স্বয়ংক্রিয় রি-রোলিং মিলের মধ্যে আমরা সেরা গুণগত মানসম্পন্ন ইস্পাত প্রস্তুতকারকগণের মধ্যে একটি যা কুয়েট টেস্ট এর মাধ্যমেও প্রমাণিত। 'স্পেকট্রো ল্যাব' ও 'ইউটিএম' -এর মাধ্যমে আমাদের উৎপাদন প্রক্রিয়ার প্রত্যেক স্তরে আমরা গুণগত মান নিশ্চিত করি। গুণগত মানের প্রতি প্রতিশ্রুতিবদ্ধ হবার কারণে আমরা ISO এবং BSTI এর সনদ পেয়েছি।

Export :

In case of Billet export, GPH is the pioneer in Bangladesh. From the beginning of commercial operation we have attention to export both rod & billet to earn foreign currency which is the main driver of the economy of our Country. At present, we are trying to develop a market of our product in seven sisters of West India. During the year under review, the export stands for Taka 64.03 million.

রপ্তানি :

বাংলাদেশ থেকে বিলেট রপ্তানিতে জিপিএইচ ইস্পাত লি: অগ্রদূত। আমাদের প্রতিষ্ঠান বাণিজ্যিক কার্যক্রম শুরু থেকে রড ও বিলেট উভয় পণ্য রপ্তানির মাধ্যমে বৈদেশিক মুদ্রার্নের উপর জোর দিয়েছে যা দেশের প্রধান অর্থনৈতিক চালিকা শক্তি। বর্তমানে আমরা পশ্চিম ভারতে আমাদের পণ্যের বাজার উন্ময়নের চেষ্টা করছি। অতীতের বছরে আমাদের প্রতিষ্ঠানের রপ্তানি দাঁড়িয়েছে ৬৪.০৩ মিলিয়ন টাকা।

GPH in the Capital Market :

Year 2011-12 is a memorable year for GPH Ispat Ltd in which it entered into Capital Market by issuing Initial Public Offer (IPO) of 20,000,000 nos of Ordinary Shares of Taka 10 each at an issue price of Taka 30 per share including a premium of Taka 20 per share. GPH received Taka 600,000,000 from general shareholders by this way.

শেয়ার বাজারে জিপিএইচ :

২০ টাকা প্রিমিয়ামসহ ১০ টাকা অতিরিক্ত মূল্যের ২ কোটি সংখ্যক সাধারণ শেয়ার ইস্যুর প্রাথমিক গণ প্রজ্ঞাব-এর মাধ্যমে শেয়ার বাজারে তালিকাভুক্ত হওয়ায় ২০১১-২০১২ অর্থ বছর জিপিএইচ ইস্পাত লি: এর জন্য স্বরণীয়। এভাবে জিপিএইচ সাধারণ শেয়ারহোল্ডারদের নিকট হতে ৬০ কোটি টাকা সংগ্রহ করেছে।

After successful completion of all IPO formalities including compliance with all legal requirements the Company became listed with Dhaka Stock Exchange Ltd & Chittagong Stock Exchange Ltd. During April 2012 the trading of shares of GPH Ispat Ltd started at both the Stock Exchanges.

প্রাথমিক গণপ্রজ্ঞাব (আই.পি.ও) এর জন্য কমপ্রাইয়েক্সসহ প্রয়োজনীয় সকল আইনি কাজ ও সকল আনুষ্ঠানিকতা সফলভাবে সম্পন্নের পর আমাদের প্রতিষ্ঠান ঢাকা স্টক এক্সচেঞ্জ লি: ও চট্টগ্রাম স্টক এক্সচেঞ্জ লি: উভয় শেয়ার বাজারে তালিকাভুক্ত হয়। ২০১২ সালের এপ্রিল মাসে উভয় শেয়ার বাজারে জিপিএইচ ইস্পাত লি: এর শেয়ার লেনদেন শুরু হয়।

Utilization of IPO Proceeds :

GPH Ispat Limited raised paid-up capital through Initial Public Offering (IPO) in order to meet the present business needs for the purpose of business augmentation and repayment of its debt to enhance profitability in the following way:

Utilization of Fund	Amount in BDT (Crore)
A Loan Repayment:	
a)United Commercial Bank, Khatungonj Br.	34.50
b)Janata Bank, Khatungonj Br.	24.30
B. Payment of Tax @ 3% on Share Premium	1.20
Total	60.00

Credit Rating :

Credit Rating Agency of Bangladesh Ltd (CRAB) has performed our rating and assigned 'AA3' for long term & 'ST-2' for short term for the year 2012-13. It may be noted that in case of long term loan rating has been improved from last year (A1) to current year (AA3).

Green Environment:

Environment has become a matter of great concern for the World at present due to pollution caused by a number of ways. Pollution in environment would cause it difficult to live in the World.GPH Ispat Ltd also feels the importance of green environment and accordingly has set out an Effluent Treatment Plant (ETP) to make pollution free environment, which facilitates company's existing production process. Please be noted that if we will set any new plant, ETP system would ensure in the process for green earth.

Health, Safety & Security :

We have a great concern to ensure safety & security of the workers and officers working inside the factory. Full set safety equipments are available for each person working inside the factory. A safety policy has been established and all are bound to follow the policy. Training at a regular interval is being arranged for the workers and officers to keep them alert about safety. Fire alarm system, First Aid Box etc. are also ensured.

Contribution to National Exchequer

During 2011-12, the company contributed Tk.209.68 million to the National Exchequer in the form of corporate tax, custom duty, VAT etc. This is equivalent to 4.78% of our net sales revenue for the year.

প্রাথমিক গণপ্রস্তাব (আই.পি.ও) হতে প্রাপ্ত অর্থের ব্যবহার :

জিপিএইচ ইস্পাত লি: স্বাধীন পরিশোধের লক্ষ্যে এবং বর্তমান ব্যবসায়িক চাহিদা পূরণের জন্য প্রাথমিক গণ প্রস্তাব (আই.পি.ও)-এর মাধ্যমে অর্থ সংগ্রহ করে যা নিম্নোক্ত খাতে ব্যবহৃত হয় :

ক্রেডিট রেটিং :

Credit Rating Agency Of Bangladesh Ltd(CRAB) আমাদের রেটিং সম্পন্ন করেছে এবং ২০১২-২০১৩ অর্থ বছরে দীর্ঘ মেয়াদের জন্য AA3 এবং স্বল্প মেয়াদের জন্য ST-2 নির্ধারণ করেছে। এটা লক্ষ্যবীয় যে, গত বছর (A1) থেকে দীর্ঘ মেয়াদী স্বপ্ন মানের ক্ষেত্রে উন্নতি হয়েছে (AA3)।

সবুজ পরিবেশ:

বিভিন্ন কারণে সৃষ্ট দূষণের জন্য পরিবেশ বর্তমানে বিশ্বের জন্য বড় উদ্বেগের বিষয়ে পরিণত হয়েছে। পরিবেশ দূষণ পৃথিবীতে বসবাস করা কঠিন করে দিতে পারে। জিপিএইচ ইস্পাত লি: সবুজ পরিবেশের তত্ত্ব অনুভব করে এবং তদনুসারে দূষণমুক্ত পরিবেশ বজায় রাখার জন্য আমরা একটি 'ইফ্লুয়েন্ট ট্রিটমেন্ট প্ল্যান্ট (ইটিপি)' স্থাপন করেছি। উল্লেখ্য যে, ভবিষ্যতে নতুন কোন প্ল্যান্ট স্থাপন করার ক্ষেত্রেও সবুজ পৃথিবী গড়ার প্রত্যয়ে উক্ত ইটিপি স্থাপন করা হবে।

স্বাস্থ্য, নিরাপত্তা ও সুরক্ষা

কারখানার অন্তর্ভুক্ত শ্রমিক-কর্মকর্তাদের সুরক্ষা ও নিরাপত্তা নিশ্চিত করার জন্য আমাদের একটি বিশেষ উদ্যোগ কার্যকর আছে। কর্মরত প্রত্যেকের জন্য ব্যবহারযোগ্য নিরাপত্তা সরঞ্জামাদির সম্পূর্ণ সেট মজুদ আছে। একটি নিরাপত্তা নীতিমালা প্রতিষ্ঠা করা হয়েছে এবং সবাই এই নীতিমালা অনুসরণ করতে বাধ্য। সকল শ্রমিক-কর্মকর্তাদের নিরাপত্তা সম্পর্কে সতর্ক করার জন্য নিয়মিত বিরতিতে প্রশিক্ষণ আয়োজন করা হয়। কারখানায় প্রয়োজনীয় অগ্নি নির্বাপক ব্যবস্থা, প্রাথমিক চিকিৎসা বক্স ইত্যাদিও নিশ্চিত করা হয়েছে।

রাজ্যীয় কোষাগারে অবদান:

২০১১-২০১২ অর্থ বছরে আমাদের প্রতিষ্ঠান কর্পোরেট ট্যাক্স, কাস্টমস ডিউ, ভ্যাট ইত্যাদি খাতে রাজ্যীয় কোষাগারে ২০৯.৬৮ মিলিয়ন টাকা পরিশোধ করে জাতীয় অর্থনীতিতে অবদান রেখেছে যা আমাদের প্রতিষ্ঠানের এ বছরের নীট বিক্রয়ের শতকরা ৪.৭৮ ভাগ এর সমান।

Profit & Dividend

The Company earned Taka 257.29 Million only as Profit after Tax for the year ended 30th April, 2012 out of which Tk. 55.74 Million is transferred to Tax Holiday Reserve in conformity with Tax Holiday condition. The Board of Directors is pleased to recommend 20% Stock Dividend & 10% Cash Dividend for its shareholders out of accumulated profit & Reserve held on 30.04.2012. The Bonus issue will raise the paid up capital up to Tk. 1,080 million (Paid up Capital before Bonus is Tk. 900 Million).

Human Resource :

We believe that skilled, competent & dedicated human resource is one of the key pre-requisite for Company's success. At the end of the year 2011-12, we had 564 permanent officers and workers. GPH Ispat Ltd has been taking initiatives to develop its workers and officers by arranging in house training, sending them to participate in outside training, recruiting skilled & educated employees etc.

We are not in behind in case of providing employee facilities. A Human Resource policy has been introduced which ensures pay scale 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, Workers' profit participation fund etc.

Internal Control :

Internal Control is another essential measure to ensure Corporate Governance & Sustainable growth of a business organization. The Board of Directors of GPH Ispat Ltd has established an effective control system over its entire operation to ensure financial transparency and to minimize the opportunity of fraud, defalcation, misuse etc.

Directors' Appointment, retirement & re-appointment

Directors' appointment, retirement & re-appointment are governed by the Articles of Association of the Company & the Companies Act 1994. The following persons have been nominated by the Board of Directors as the Directors of the Company:

- A) Mr. Md. Abdul Ahad-Shareholder Director
- B) Mr. Md. Azizul Hoque Raju-Shareholder Director
- C) Professor Dr. Mohammad Saleh Jahur - Independent Director

Their appointment as Directors will be approved in the forthcoming AGM. The brief resume of the aforesaid directors are annexed with this report (Annexure-F).

মুনাফা ও লভ্যাংশ:

আমাদের প্রতিষ্ঠান ৩০ এপ্রিল, ২০১২ইং তারিখে সমাজ বছরের কর পরিশোধ পরবর্তী ২৫৭.২৯ মিলিয়ন টাকা মুনাফা অর্জন করেছে যার মধ্যে ৫৫.৭৪ মিলিয়ন টাকা কর অবকাশের শর্তানুসারে কর অবকাশ সঞ্চিত হতে স্থানান্তর করা হয়েছে। ২০১১-২০১২ অর্থ বছরে শেয়ারহোল্ডারদের লভ্যাংশ হিসেবে ২০% বোনাস লভ্যাংশ ও ১০% নগদ লভ্যাংশ সুপারিশ করতে পেরে পরিচালনা পর্ষদ সন্তুষ্ট। উক্ত বোনাস লভ্যাংশ পরিশোধিত মূলধনকে ১,০৮০ মিলিয়নে উন্নীত করবে (বোনাস পূর্ব পরিশোধিত মূলধন হচ্ছে ৯০০ মিলিয়ন)।

মানব সম্পদ:

আমরা বিশ্বাস করি যে, কোম্পানির সাফল্যের পূর্বশর্ত হচ্ছে দক্ষ, যোগ্য ও নিবেদিত মানব সম্পদ। ২০১১-২০১২ সমাজ বছরে আমাদের ৫৬৪ জন স্থায়ী কর্মকর্তা-কর্মচারী ছিল। জিপিএইচ ইস্পাত লিঃ কর্মকর্তা-কর্মচারীদের কল্যাণে বিভিন্ন কার্যক্রম গ্রহণ করেছে, যেমন- প্রতিষ্ঠানের অভ্যন্তরে ও বাহিরে বিভিন্ন প্রশিক্ষণের আয়োজন করা এবং দক্ষ ও শিক্ষিত কর্মকর্তা-কর্মচারী নিয়োগ করা ইত্যাদি।

কর্মকর্তা-কর্মচারীদেরকে সুযোগ-সুবিধা প্রদানে আমরা পিছিয়ে নেই। একটি মানব সম্পদ নীতিমালা প্রবর্তন করা হয়েছে যা সকল স্থায়ী কর্মকর্তা-কর্মচারীদের বেতন কাঠামো নিশ্চিত করেছে। কর্মকর্তা-কর্মচারীদেরকে বেতন কাঠামো অনুযায়ী মূল বেতন, বাড়ি ভাড়া ভাতা, ঘাতায়াত ভাতা/ সুবিধা, চিকিৎসা, ইউটিলিটি ও অন্যান্য ভাতা দেওয়া হয়। কর্মকর্তা-কর্মচারীদেরকে দীর্ঘ মেয়াদী সুবিধাও দেওয়া হয় যেমন- ভবিষ্য তহবিল, গ্র্যাচুয়িটি, প্রতিষ্ঠানের মূল্যায়ন শ্রমিকদের অংশগ্রহণ তহবিল ইত্যাদি।

অত্যন্তরীণ নিয়ন্ত্রণ:

ব্যবসায় সুশাসন ও দীর্ঘস্থায়ী প্রবৃদ্ধি নিশ্চিত করার জন্য অত্যন্তরীণ নিয়ন্ত্রণ একটি অপরিহার্য নিয়ামক। জিপিএইচ ইস্পাত লিঃ এর পরিচালনা পর্ষদ প্রতিষ্ঠানের আর্থিক স্বচ্ছতা নিশ্চিতকরণে ও জালিয়াতি, অর্থ-আত্মসাৎ, অপব্যবহার ইত্যাদি রোধ করতে সমস্ত কার্যক্রমের উপর একটি কার্যকর নিয়ন্ত্রণ ব্যবস্থা প্রতিষ্ঠা করেছে।

পরিচালক নিয়োগ, অবসর ও পুনঃনিয়োগ:

কোম্পানির পরিচালক নিয়মাবলি এবং ১৯৯৪ সনের কোম্পানি আইনের বিধি অনুযায়ী পরিচালক নিয়োগ, অবসর ও পুনঃনিয়োগ করা হয়। পরিচালনা পর্ষদ নিজে উল্লেখিত ব্যক্তিগণকে আমাদের প্রতিষ্ঠানে পরিচালক হিসেবে মনোনীত করেছেন:

- ক) জনাব মো: আব্দুল আহাদ- শেয়ারহোল্ডার পরিচালক
- খ) জনাব মো: আজিজুল হক রাজু- শেয়ারহোল্ডার পরিচালক
- গ) অধ্যাপক ডক্টর মোহাম্মদ সালেহ জাহুর- স্বতন্ত্র পরিচালক

পরিচালক হিসেবে তাদের নিয়োগ আসন্ন বার্ষিক সাধারণ সভায় অনুমোদন করা হবে। উপরে উল্লেখিত পরিচালকদের সংশ্লিষ্ট জীবনবৃত্তান্ত এ প্রতিবেদনের সাথে সংযুক্ত করা হয়েছে। (সংযুক্ত-এফ)

Accordingly in the forthcoming Annual General Meeting the following Directors will retire and will be eligible for re-appointment and they expressed their intention for re-election:

- A) Mr. Md. Almas Shimul
- B) Mr. Md. Ashrafuzzaman
- C) Mr. Md. Salahuddin Roman

Appointment of Independent Director

The Board of Directors has nominated Professor Dr. Mohammad Saleh Jahur, Chairman of Finance & Banking Department, University of Chittagong as Independent Director of GPH Ispat Ltd. This appointment as Independent Director will be approved in the forthcoming AGM. Professor Jahur is a scholar person who got his Ph.D degree in Finance Discipline from Panjab University of India. He is also involved with a number of commercial organizations as consultant & researcher. His short resume is annexed with this report (Annex- F).

Auditors

The Directors hereby report that M/S Hoda Vasi Chowdhury & Co., Chartered Accountants, Delwar Bhaban (4th Floor), 104, Agrabad, Chittagong, was appointed as Auditors of the Company for the Financial Year ended 30.04.2012 in the last Annual General Meeting of the Company. The auditor has carried out the audit for the year ended 30th April 2012 & submitted their Report thereof. According to Securities & Exchange Commission guideline no auditor is allowed to carry audit for more than consecutive three years in case of a Listed Company. M/S Hoda Vasi Chowdhury & Co., Chartered Accountants has already completed audit of three consecutive years of our company & hence is not eligible for re-appointment. The Auditor for the year 2012-13 will be appointed at the forthcoming AGM.

Compliance of Corporate Governance

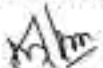
The Compliance status of SEC notification No: SEC/CMRRCD/2006-158/129/Admin/43 dated 03 July 2012 is annexed herewith. (Annex -B)

Risks & Concerns:

Every equity investment is associated with risks. Among those risks some can be averted, others are beyond control. Before making any investment decision, investors should take the risk factors into consideration. Major such risk factors along with concerns are described in brief as in the annexure- E.

Thank you all.

On behalf of the Board



(MOHAMMED JAHANGIR ALAM)
Managing Director

একইভাবে আসন্ন বার্ষিক সাধারণ সভায় নিম্নে উল্লেখিত পরিচালকগণ অবসর গ্রহণ করবেন এবং যোগ্য বিধায় পুনর্নিয়োগের জন্য বিবেচিত হবেন এবং তারা পুনর্নিয়োগের ইচ্ছা ব্যক্ত করেছেন:

- ক) জনাব মো: আলমাস শিমুল
- খ) জনাব মো: অশ্রাফুজ্জামান
- গ) জনাব মো: সালাউদ্দিন রোমান

স্বতন্ত্র পরিচালক নিয়োগ:

পরিচালনা পর্ষদ চট্টগ্রাম বিশ্ববিদ্যালয়ের অর্থ ও ব্যাংকিং বিভাগের চেয়ারম্যান অধ্যাপক ডক্টর মোহাম্মদ সাহেব জাহুরকে জিপিএইচ ইস্পাত লি: এর স্বতন্ত্র পরিচালক হিসেবে মনোনীত করেছেন। স্বতন্ত্র পরিচালক হিসেবে এ নিয়োগ আসন্ন বার্ষিক সাধারণ সভায় অনুমোদন করা হবে। অধ্যাপক জাহুর একজন বিজ্ঞ ব্যক্তি যিনি ভারতের পাঞ্জাব বিশ্ববিদ্যালয় হতে অর্থ বিষয়ে পি.এইচ.ডি. ডিগ্রী লাভ করেন। তিনি পরামর্শক ও পরবেক্ষক হিসেবে কিছু সংখ্যক বিনিয়োগ প্রতিষ্ঠানের সাথে জড়িত আছেন। তাঁর সংক্ষিপ্ত জীবনবৃত্তান্ত এ প্রতিবেদনের সাথে সংযুক্ত করা হয়েছে। (সংযুক্ত-এফ)

নিরীক্ষক

পরিচালনা পর্ষদ আপনাদের অবগতির জন্য জানাচ্ছে যে, প্রতিষ্ঠানের বিত্ত বার্ষিক সাধারণ সভায় ৩০ এপ্রিল, ২০১২ইং তারিখে সমাপ্ত অর্থ বছরের জন্য নিরীক্ষক হিসেবে মেসার্স হুদা ভাসী চৌধুরী এন্ড কোং, চার্টার্ড অ্যাকাউন্টেন্টস দেলবার ভবন (৫ম তলা), ১০৪, অগ্রাবাদ, চট্টগ্রামকে নিয়োগ দেওয়া হয়। উক্ত নিরীক্ষক ৩০ এপ্রিল ২০১২ইং তারিখ সমাপ্ত বছরের নিরীক্ষা সম্পন্ন করেছেন এবং তাদের প্রতিবেদন জমা দিয়েছেন। সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর গাইডলাইন অনুসারে তালিকাভুক্ত কোম্পানি হিসাবে তিন বছরের বেশী একই নিরীক্ষকের নিরীক্ষা চালিয়ে যাওয়ার অনুমতি নেই। মেসার্স হুদা ভাসী চৌধুরী এন্ড কোং, চার্টার্ড অ্যাকাউন্টেন্টস ইতিমধ্যে আমাদের প্রতিষ্ঠানের তিন বছরের নিরীক্ষা সম্পন্ন করেছেন এবং তাই পুনঃ নিয়োগের জন্য বিবেচিত হবেননা। আসন্ন বার্ষিক সাধারণ সভায় ২০১২-২০১৩ইং বছরের জন্য নতুন নিরীক্ষক নিয়োগ এর সিদ্ধান্ত নেওয়া হবে।

কর্পোরেট সুশাসনের কমপ্লাইয়েন্স:

৩ জুলাই ২০১২ তারিখের Securities & Exchange Commission-এর কমপ্লাইয়েন্স স্ট্যাটিস নটিফিকেশন নং SEC / CMRRCD / 2006-158 / 129/ Admin / 43 এ প্রতিবেদনের সাথে সংযুক্ত করা হয়েছে (সংযুক্ত-বি)।

স্টকি ব্যবস্থাপনা:

প্রত্যেক সাধারণ শেয়ারে বিনিয়োগ স্টকিপূর্ণ। এ সমস্ত স্টকের মধ্যে কিছু এড়ানো যায়, অন্যান্য গুলো নিয়ন্ত্রণ যোগ্য নয়। যেকোন বিনিয়োগের সিদ্ধান্ত নেয়ার পূর্বে বিনিয়োগকারীদের স্টকের কারণগুলো বিবেচনায় নেওয়া উচিত। জিপিএইচ ইস্পাত লিমিটেড এ ধরনের প্রধান স্টকের কারণগুলি এবং সাথে স্টকি কমানোর উদ্যোগগুলি সংযুক্তিতে সংক্ষিপ্ত ভাবে বর্ণনা করা হয়েছে। (সংযুক্ত-ই)

The Directors also report that:-**Annexure-A**

a) Extra-ordinary gain or loss: During the Year 2011-2012 the Company earned 18.2 million interest income which arose due to depositing IPO application money to Bank. The Company incurred expenses of Taka 18.9 Million for IPO issue. Both the Income & Expenditure related to IPO is expected to be ceased in the future years.

b) Related party transactions: The Company carried out the following transaction with a sister concern in the normal course of business on arms length basis.

Party name	Relation	Nature of transaction	2011-2012(Taka)
GPH Power Generation Ltd	Common Directorship	Supply of Power at a flat rate	307,814,718.67

GPH Power Generation Ltd. Supplied 84,710,336 KWH Electricity throughout the year for total amount of Tk. 307,814,718.67(Average rate per KWH=4.2604 approximately)

c) No deterioration of financial results took place after IPO.

d) No significant variance found between quarterly financial performance and Annual Financial Statements during the year under review.

e) During the FY 2011-2012, the following directors were remunerated:

Name of Director	Designation	Annual Remuneration
Mohammed Jahangir Alam	Director & Managing Director	4,200,000
Md. Almas Shimul	Director & Additional Managing Director	3,000,000

The above directors were provided with Company transport along with their remuneration and except the above no other directors were remunerated. Director Mr. Md. Alamgir Kabir is working as Additional Managing Director-Sales & Marketing and Director Mr. Salahuddin Roman is actively involved with Company's operation & remuneration of these two director is under consideration of Board of Directors

f) There is no significant doubt about the ability of the Company to continue as a going concern.

g) Financial Statements;

i. The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules, 1987. These statements present fairly the Company's statement of affairs, the result of its operation, cash flow and statement of changes in equity & comply in all material respect with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standard (BFRS).

ii. Proper books of accounts of the company have been maintained.

iii. Appropriate Accounting Policies have been consistently applied in preparation of the financial statements except those referred to in the financial statements and that the accounting estimates are based on reasonable and prudent judgment.

iv. The International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements.

Annexure B

Status of compliance with the conditions imposed by the Commission's Notification No SEC/CMRRCD/2006-158/129/Admin/43 dated 03 July 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status(Put in the appropriate column)		Remarks(if any)
		Complied	Not complied	
1.1	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty);	✓		
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		Nomination of 2nd Independent Director is under process.
1.2 (ii) a)	For the purpose of this clause "independent director" means a director (a) 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 (ii) b)	b) Who is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	✓		
1.2 (ii) c)	c) who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		
1.2 (ii) d)	d) who is not a member, director or officer of any stock exchange;	✓		
1.2 (ii) e)	e) who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	f) who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm;	✓		
1.2 (ii) g)	g) who shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	h) who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (ii) i)	i) Who has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (iii)	(iii) the independent director(s) shall be nominated by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1.2 (iv)	(iv) The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		
1.2 (v)	(v) The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		
1.2 (vi)	(vi) the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		

1.3 (ii)	(ii) The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The Independent director must have at least 12 (twelve) years of corporate management/professional experiences.	✓		
1.3 (iii)	(iii) In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	N/A		
1.4	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals.	✓		
1.5 (i)	The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994:- (i) Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	(ii) Segment-wise or product-wise performance.	✓		
1.5 (iii)	(iii) Risks and concerns.	✓		
1.5 (iv)	(iv) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	(v) Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1.5 (vi)	(vi) Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	(vii) Utilization of proceeds from public issues, rights issues and/or through any others instruments.	✓		
1.5 (viii)	(viii) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	N/A		
1.5 (ix)	(ix) If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	N/A		
1.5 (x)	(x) Remuneration to directors including independent directors.	✓		
1.5 (xi)	(xi) 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)	(xii) Proper books of account of the issuer company have been maintained.	✓		
1.5 (xiii)	(xiii) 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)	(xiv) International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), 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)	(xv) The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	(xvi) There are no significant doubts 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 should be disclosed.	✓		

1.5 (xvii)	(xvii) Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	N/A		
1.5 (xviii)	(xviii) Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5 (xix)	(xix) If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		
1.5 (xx)	(xx) The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi) a)	(xxi) The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- (a) Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5 (xxi) b)	b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5 (xxi) c)	c) Executives;	✓		
1.5 (xxi) d)	d) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
1.5 (xxii) a)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:- a) a brief resume of the director;	✓		
1.5 (xxii) b)	b) nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	c) Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS).	✓		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		
3 (i)	(i) The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	(ii) The Audit Committee shall assist the Board of Directors 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.	✓		
3 (iii)	(iii) The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1 (i)	(i) The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	(ii) The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1 (iii)	(iii) All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		

3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		
3.1 (v)	(v) The company secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	(vi) The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2 (ii)	(ii) Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		Will remain present at AGM
3.3 (i)	Role of audit committee shall include the following: - (i) Oversee the financial reporting process.	✓		
3.3 (ii)	(ii) Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	(iii) Monitor Internal Control Risk management process.	✓		
3.3 (iv)	(iv) Oversee hiring and performance of external auditors.	✓		
3.3 (v)	(v) Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	(vi) Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	(vii) Review the adequacy of internal audit function.	✓		
3.3 (viii)	(viii) Review statement of significant related party transactions submitted by the management.	✓		
3.3 (ix)	(ix) Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	(x) When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	✓		
3.4.1 (i)	(i) The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii) a)	(ii) The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:- a) report on conflicts of interests;	✓		
3.4.1 (ii) b)	b) suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		
3.4.1 (ii) c)	c) suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1 (ii) d)	d) Any other matter which shall be disclosed to the Board of Directors immediately.	✓		

3.4.2.	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors 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 of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	N/A		
3.5	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
4 (i)	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:- (i) Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	(ii) Financial information systems design and implementation.	✓		
4 (iii)	(iii) Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	(iv) Broker-dealer services.	✓		
4 (v)	(v) Actuarial services.	✓		
4 (vi)	(vi) Internal audit services.	✓		
4 (vii)	(vii) Any other service that the Audit Committee determines.	✓		
4 (viii)	(viii) 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.	✓		
5 (i)	(i) Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	N/A		
5 (ii)	(ii) At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	N/A		
5 (iii)	(iii) The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		
5 (iv)	(iv) The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	N/A		
5 (v)	(v) The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		
6 (i) a)	The CEO and CFO shall certify to the Board that:- (i) They have reviewed financial statements for the year and that to the best of their 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;	✓		
6 (i) b)	b) 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.	✓		
6 (ii)	(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 violation of the company's code of conduct.	✓		
7 (i)	(i) The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		See Annexure-G
7 (ii)	(ii) The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		

Annexure- C**Board Meeting & Attendance during the year ended April 30, 2012**

Name	Meeting held while a member	No of meetings attended in person or in alternative
Mr. Mohammed Jahangir Alam	4	4
Mr. Md. Abdur Rouf	4	4
Mr. Md. Alamgir Kabir	4	4
Mr. Md. Almas Shimul	4	4
Mr. Md. Salahuddin Roman	4	2
Mr. Md. Ashrafuzzaman	4	3

Annexure - D**PATTERN OF SHAREHOLDING**

Shareholder	No of Shares
a) Parent/Subsidiary/ Associate Companies and other related parties	-
b) Directors, CEO, CS,CFO, Head of Internal Audit and their spouses and minor children:	
Mr. Mohammed Jahangir Alam	35,000,000
Mr. Md. Abdur Rouf	3,500,000
Mr. Md. Alamgir Kabir	5,600,000
Mr. Md. Almas Shimul	12,600,000
Mr. Md. Ashrafuzzaman	3,500,000
Mr. Md. Salahuddin Roman	3,500,000
Mr. Md. Abdul Ahad	2,800,000
Mr. Md. Azizul Haque Raju	2,100,000
Mr. Md. Iqbal Hussain	1,400,000
c) Executives	-
d) Shareholders holding 10% or more voting interest in the Company	-
e) Others	20,000,000
	90,000,000

Annexure -E**RISKS & CONCERNS****a) 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 tend to increase the interest rates. Such rises in interest rates mostly affect Companies having floating rate loans or Companies investing in debt securities.

Management Concern:

In order to manage this risk and overcome it, the Company shall exercise good management in its cash flows, coupled with continued strength in sales and marketing. GPH is very careful in forecasting the prices of International steels and manage 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.

b) Exchange Rate Risk :

Exchange rate risk occurs due to changes in exchange rates. As the Company imports equipment from abroad and earns revenue in local currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate is decreased against local currency opportunity will be created for generating more profit.

Management Concern:

Appropriate and responsible hedging mechanisms are employed 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 phenomena experienced by the whole industry. In such a scenario, there will be a market adjustment in end product prices.

c) Profitability reduction risk :

The Company is operating in a highly competitive industry with low profit & highly sensitive to the market. 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 will hinder the Company's growth potential.

Management Concern :

The Company has successfully accessed the market till date and is working on offering new and better quality products at competitive terms. Moreover the group's track records of last 4 (four) years for operating in the low profit and highly market sensitive environment establishes its capability.

d) Risk of new entrants:

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

Management Concern

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 higher capital-intensive industry and therefore, barriers to entry are high. Hence, first-mover's advantage is big and GPH, with its past experience and performance, will enjoy this advantage.

e) Market and Technology Related Risks

Technology always plays a vital role for each and every type 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 used by the company which may cause technological obsolescence and negative operational efficiency.

Management Concern

The company is aware of technological changes and has adopted new technology according to its needs. Furthermore, routine and proper maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

f) Potential or Existing Government Regulations

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

Management Concern

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.

g) 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 would 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.

Management Concern

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. Due to the 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 potential 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 the disturbance are bad for the economy as a whole and so also for the company. On the other hand, Government have special of the growth of the industry as it is related to infrastructure development of the country.

h) History of Non-Operation, if any

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

Management Concern

GPH Ispat Limited was incorporated in Bangladesh as Private Limited Company with limited liability as on the 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 has an independent body that is operated by its Memorandum & Articles of Association and other 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 low.

i) Operational Risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Concern

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 equipment also reduce/eliminate the operational risk.

j) 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.

Management Concern

The Company has 24 MW power connections. 12 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. Furthermore, GPH 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 and near future.

k) Sourcing of Raw Materials

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

Management Concern

The main raw materials of the company are melting scrap, which available both in international market and local market through 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. In addition a new billet making plant is in under process which will be in operation within short time.

l) Distribution Risks

For any company, the most crucial wing is the distribution channel. Wide distribution network and control over the network is essential to make the quality product available to the consumer at right time and price.

Management concern:

GPH Group has strong presence all over the country since 1987. Sponsors'/ Directors' experience of more than two decades in this sector is consider the key of GPH marketing and distribution network.

m) 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.

Management concern:

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 healthy remuneration and welfare policies for its human resources, which reduces the risk of labor unrest. Again, to meet unique situations, company has alternative ways to overcome such critical circumstances.

Short Bio-data of Newly Nominated Directors & Independent Director**Mr. Md. Abdul Ahad, Director**

He was born in 1977, has been involved in the business for last 12 years in trading of C.I. Sheet, cement, M.S. Rod, Angle, Flat Bar and all other Steel products etc. Currently, he is holding directorship of the following Organizations:

- a) Jahangir & Others Ltd.
- b) GPH Ship Builders Ltd
- c) GPH Engineers & Development Ltd
- d) Metal Marketing(Pvt.) Limited

He is also a sponsor shareholder of M. I. Cement Factory Ltd and proprietor of a trading house named 'A. Ahad Corporation'.

Mr. Md. Azizul Hoque Raju, Director

He was born in 1977, has been involved in the business for last 18 years in trading of C.I. Sheet, cement, M.S. Rod, Bitumen, Zink, Ingot etc. Currently, he is holding directorship of the following Organizations:

- a) Jahangir & Others Limited
- b) Metal Marketing(Pvt.) Limited

And proprietor of a trading house named 'Steel & Cement Corporation'.

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

Prof. Dr. Mohammad Saleh Jahur, Independent Director

Dr. Mohammad Saleh Jahur is a Ph. D. in finance and at present he is serving as the Chairman of Finance & Banking Dept at University of Chittagong, Chittagong. He is a researcher as well as trainer on Capital Market, Finance, and Banking etc. A good number of his articles have already been published at home and abroad. Having excellent academic track record (all first classes in every public exam) Professor Jahur also enriched his knowledge by participating in a certificate course on IFRS at the Institute of Chartered Accountants of England & Wales (ICAEW), UK.

Professor Jahur was also a Syndicate member of Southern University Bangladesh.

Over last 17 years he is working as a business consultant in different business houses like Super Refineries Ltd, Elite Group of Companies etc.

He is also involved with social activities, like member of Chittagong Club Limited, Life member of Ma O Shishu Hospital, Life member of Chittagong Diabetics Association, Chittagong.

Annexure-G

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF
CORPORATE GOVERNANCE GUIDELINES.**

To the Members of GPH Ispat Ltd.

This is to certify that GPH Ispat Ltd. has complied with the conditions of Corporate Governance Guidelines imposed by the Securities and Exchange Commission vide their Notification No. SEC/CMRRCD/2006-158/129/Admin/43 dated 03 July 2012.

Dated : 30 September 2012
Chittagong

Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Audit Committee Report

According to authorities and responsibilities vested with Audit Committee in pursuance of Corporate Governance Guideline, 2012, the audit committee has performed its activities. The activities are: a) to see whether business is conducted ethically or not; b) to enhance good practices in financial reporting, risk management and ethical conduct; c) to ensure establishing adequate internal controls and compliance with laws and regulations; and d) to ensure that preparation, presentation, and submission of financial statements have been made in accordance with the prevailing laws, standards and regulations.

Internal Control

Based on review of the effectiveness of the internal controls and the procedures established for identifying, assessing and managing risks, the Committee is of the view that adequate controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and that the funds have been utilized for maximization of shareholders wealth. Besides, both operating and financial risk of the company are being effectively controlled and managed so as to accomplish expected return on investment.

Internal Audit

The Committee reviewed the internal audit reports, audit recommendations made and management responses to these recommendations and actions taken to improve the system of internal control and procedures & monitored the implementation of the audit recommendations to ensure that all key risks and controls have been addressed properly. For this, the company has separate internal audit department of professional accountants who are conducting internal audit activities for managing risks relentlessly.

Review of Annual Financial Statements

The Committee reviewed the annual financial statements of the company prior to submission to the Board for their approval. The committee found that financial statements for the year 2011-2012 have been prepared in accordance with BFRs, the Companies Act 1994, SEC Rules 1987, and other applicable laws and regulations. Moreover, the financial statements for the year 2011-2012 are giving true and fair view of state of affairs of the company. The state of affairs in financial statements of the company has also been found free from material misstatement.

Financial Activities

The financial performances of GPH management in the current year have been phenomenal. The company has experienced growth in 2011-2012 over the year 2010-2011 with respect to sales-18.92%, EAT-40.66%, NAV per share-50.53%, total assets-30%. This growth could have been more if company received adequate supply of electricity and gas across the year. The government embargo on supply of utilities is creating an impediment to the use of full plan capacity for production and sales. Moreover this has caused an increase in cost of funding activities and finally reducing the profitability of the company. However, the BODs has offered 30% dividend(stock dividend 20%, and cash dividend 10%) in the year 2011-2012 which is the highest industry dividend payment of similar companies in Bangladesh.

With best wishes for all shareholders and GPH Ispat Limited for future vigorous prospect and phenomenal growth in the industry and market,



Prof. Dr. Mohammad Saleh Jahur,

Chairman

Audit Committee

Dated, October 15, 2012

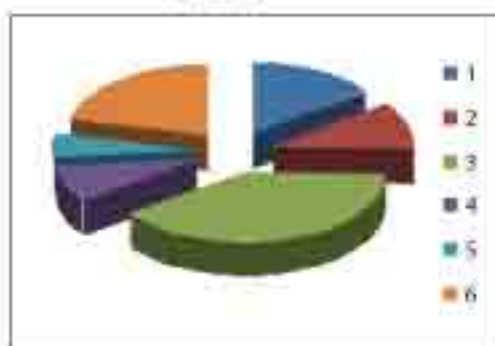


GPH Ispat Ltd.
COMMITTED TO EXCELLENCE

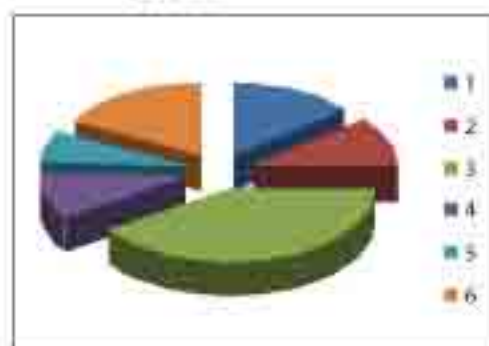
Value Added Statement

	2011-2012 Taka	%	2010-2011 Taka	%
Value Added:				
Revenue	4,441,768,846		3,744,649,346	
Other Income	23,301,493		3,121,013	
	4,465,070,339		3,747,770,359	
Less: Cost of materials & services	3,506,665,239		2,988,341,833	
	958,405,101		759,428,526	
Distribution:				
Employee Cost	144,943,136	15.12	105,084,031	13.84
VAT & Tax for Govt.	100,183,764	10.45	84,452,801	11.12
Interest & charges for Bank	377,826,139	39.42	307,777,860	40.53
	622,953,038	65.00	497,314,692	65.49
Retained for re-investment & future growth:				
Depreciation	78,164,315	8.16	79,203,709	10.43
Tax Holiday Reserve	55,743,575	5.82	54,282,291	7.15
Retained Earnings	201,544,173	21.03	128,627,834	16.94
	335,452,063	35.00	262,113,834	34.51
	958,405,101	100	759,428,526	100

2011-12



2010-11



- 1 Employee Cost
- 2 Govt
- 3 Bank
- 4 Depreciation
- 5 Tax Holiday Reserve
- 6 Retained Earnings

AUDITORS' REPORT TO THE SHAREHOLDERS OF GPH ISPAT LIMITED

We have audited the accompanying financial statements of GPH ISPAT LIMITED, which comprises the Statement of Financial Position as at 30 April 2012 and the related Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion :

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as at 30 April 2012 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, proper books of account as required by law have been kept by GPH ISPAT LIMITED so far as it appeared from our examination of those books;
- (iii) The Company's Statement of Financial Position, Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditure incurred was for the purpose of the Company's business.

Chittagong, 25 August 2012

Hoda Vasi Chowdhury
Hoda Vasi Chowdhury & Co.
Chartered Accountants

GPH ISPAT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2012

	Note(s)	2011-2012 Taka	2010-2011 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES			
Property, Plant & Equipment	5	1,669,527,097	1,427,022,724
Capital Work-in-Progress	4	1,170,043,551	1,110,647,506
Investments	5	471,738,276	301,488,186
		27,745,270	14,887,032
CURRENT ASSETS & PROPERTIES			
Advances, Deposits & Prepayments	6	3,530,111,103	2,567,289,192
Inventory	7	490,326,453	449,451,790
Trade Receivables	8	2,152,511,414	1,591,242,389
Cash and Cash Equivalents	9	714,892,582	462,647,365
		172,380,655	63,947,648
TOTAL ASSETS & PROPERTIES	Taka	5,199,638,200	3,994,311,916
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	10.2	1,657,032,524	611,744,777
Share Premium	11	900,000,000	500,000,000
Tax Holiday Reserve	2.12	388,000,000	-
Retained Earnings		159,472,583	103,729,009
		209,559,941	8,015,768
NON CURRENT LIABILITIES			
Long term portion of Term Loan	12	1,054,226,009	871,969,867
Long term portion of Lease Liabilities	13	983,615,470	805,477,668
Provision for Deferred Tax	16.2	51,902,334	54,546,064
		18,708,205	11,946,135
CURRENT LIABILITIES AND PROVISIONS			
Current portion of Long Term Loan	12	2,488,379,667	2,510,597,272
Current portion of Lease Liabilities	13	134,185,014	120,312,595
Short Term Loan	14	24,497,701	17,465,991
Creditors & Accruals	15	2,146,319,332	2,115,349,096
Provision for Current Tax	16.1	149,794,188	38,734,303
Proposed Dividend	32	33,583,432	18,735,287
		-	200,000,000
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	Taka	5,199,638,200	3,994,311,916
CONTINGENT LIABILITIES AND COMMITMENTS			
	17	-	-
NET ASSET VALUE PER SHARE	24	18.41	12.23

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 02 August 2012
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 25 August 2012


Hoda Vasi Chowdhury & Co.
Chartered Accountants

GPH ISPAT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2012

	Note(s)	2011-2012 Taka	2010-2011 Taka
Net Turnover	18	4,386,316,699	3,688,519,184
Cost of Sales	19	(3,572,803,464)	(3,040,772,580)
Gross Profit/ (Loss)		813,513,235	647,746,604
Operating Expenses			
Administrative Expenses	20	(74,388,621)	(50,935,771)
Selling & Distribution Expenses	21	(66,684,848)	(70,359,584)
		(141,073,469)	(121,295,355)
Trading profit		672,439,766	526,451,249
Financial Expenses	22	(377,826,138)	(307,777,860)
Profit before non-operating income		294,613,628	218,673,389
Non-operating Income	23	23,301,493	3,121,013
		317,915,121	221,794,402
Contribution to WPPF @ 5% after charging WPPF	15.3	(15,895,756)	(10,561,638)
Profit before Tax & Reserve		302,019,365	211,232,764
Provision for Tax			
Current	16.1	(37,969,548)	(16,376,503)
Deferred	16.2	(6,762,070)	(11,946,135)
		(44,731,618)	(28,322,638)
Profit after Tax		257,287,747	182,910,126
Tax Holiday Reserves		(55,743,574)	(54,282,291)
Profit after Tax & Reserve	Taka	201,544,173	128,627,835
Earning Per Share (Basic)	25	3.53	3.66
Restated Earning Per Share (Basic)	25		2.61

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 02 August 2012
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 25 August 2012


Hoda Vasi Chowdhury & Co.
Chartered Accountants

GPH ISPAT LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2012

	Note(s)	2011-2012 Taka	2010-2011 Taka
CASH FLOW FROM OPERATING ACTIVITIES			
Collection from Sales and Other Income	8,18,23	4,157,372,975	3,526,637,462
Payment for Cost and Other Expenses	6,7,15,19.1,19.2,20,21	(4,142,692,175)	(4,061,109,272)
Net cash inflow / (outflow) from Operating Activities		14,680,800	(534,471,810)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Expenditures	3,4	(307,810,450)	(447,319,922)
Investment in Shares	5	(12,858,238)	(12,275,597)
Income Tax Paid	16.1	(23,121,403)	-
Net cash inflow / (outflow) from Investing Activities		(343,790,091)	(459,595,519)
CASH FLOW FROM FINANCING ACTIVITIES			
Short term Loan	14	30,970,235	1,120,857,833
Long term Loan	12	192,010,221	169,381,631
Lease Obligation	13	4,387,980	39,633,811
Proceeds of Ordinary Share Capital	10	200,000,000	-
Share Premium	11	388,000,000	-
Interest & Bank Charge Paid	22	(377,826,138)	(307,769,060)
Net cash inflow / (outflow) from Financing Activities		437,542,298	1,022,104,215
Net increase in Cash and Cash Equivalents	Tk	108,433,007	28,036,886
Cash and Cash Equivalents at the beginning		63,947,648	35,910,762
Cash and Cash Equivalents at the end	Taka	172,380,655	63,947,648

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 02 August 2012
and were signed on its behalf by:


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

Signed in terms of our separate report of even date annexed

Chittagong, 25 August 2012


Hoda Vasi Chowdhury & Co.
Chartered Accountants

GPH ISPAT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2012

Particulars	Amount in Taka				
	Share Capital	Tax Holiday Reserve	Share Premium	Unappropriated Profit/(Loss)	Total Equity
Balance as on 01 May 2010	500,000,000	49,446,718	-	79,387,935	628,834,653
Capital issued	-	-	-	-	-
Tax Holiday Reserve	-	54,282,291	-	-	54,282,291
Share Premium	-	-	-	-	-
Net profit (after tax & reserve)	-	-	-	128,627,833	128,627,833
Proposed Dividend:					
Stock Dividend	-	-	-	(200,000,000)	(200,000,000)
	-	54,282,291	-	(71,372,167)	(17,089,876)
Balance as at 30 April 2011	500,000,000	103,729,009	-	8,015,768	611,744,777
Balance as on 01 May 2011	500,000,000	103,729,009	-	8,015,768	611,744,777
Capital issued	400,000,000	-	-	-	400,000,000
Tax Holiday Reserve	-	55,743,574	-	-	55,743,574
Share Premium	-	-	388,000,000	-	388,000,000
Net profit (after tax & reserve)	-	-	-	201,544,173	201,544,173
	400,000,000	55,743,574	388,000,000	201,544,173	1,045,287,747
Balance as at 30 April 2012	900,000,000	159,472,583	388,000,000	209,559,941	1,657,032,524

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 02 August 2012
and were signed on its behalf by :


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

GPH ISPAT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2012

1 THE COMPANY & ITS OPERATIONS

The Company was incorporated in Bangladesh as a Private Limited Company on 17 May 2006 as Company limited by shares under the Companies Act 1994. 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. The Company subsequently was converted into a Public Limited Company along with the subdivision of face value of shares from Tk 100 to Tk 10 each and enhancement of Authorized Capital from Tk 1,000,000,000 to Tk 2,500,000,000 dated 18.12.2009.

Subsequently the Company becomes listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited during April 2012.

2 SUMMARY OF SIGNIFICANT ACCOUNTING AND VALUATION POLICIES

2.1 Basis of preparation and presentation of the financial statements

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987 and International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standards (BAS) & Bangladesh Financial Reporting Standards (BFRS). The Board of Directors is responsible for preparing and presenting the financial statement including adequate disclosures, who approved and authorized for issue of these financial statements. The Statement of Financial Position and Statement of Comprehensive Income have been prepared according to BAS 1 "Presentation of Financial Statement" based on accrual basis of accounting following going concern assumption and statement of cash flows according to BAS 7 "Statement of Cash Flows".

2.2 Accounting convention and assumption

The financial statements are prepared under the historical cost convention method.

2.3 Principal accounting policies

The specific accounting policies have been selected and applied by the Company's management for significant transactions and events that have a material effect within the Framework for the Preparation and Presentation of Financial Statements. Financial Statements have been prepared and presented in compliance with BAS 1 "Preparation of Financial Statements". The previous year's figures were prepared according to the same accounting principles.

However, due to the custom of the business, the commission on sales was recorded in the accounts on cash basis.

2.4 Application of Accounting Standards

The following BAS are applied to the financial statements for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Cash Flow Statements
BAS 8	Accounting policies, changes in accounting estimates and errors
BAS 10	Events after the Balance Sheet date
BAS 12	Income Taxes
BAS 16	Property, Plant & Equipment
BAS 17	Leases
BAS 18	Revenue Recognition
BAS 19	Employee Benefit
BAS 21	The effect of changes in foreign exchange rates
BAS 23	Borrowing Costs
BAS 24	Related Party Transaction
BAS 28	Investments in Associates
BAS 33	Earnings Per Share
BAS 37	Provisions, Contingent Liabilities and Contingent Assets

2.5 Property, Plant & Equipment

Property, Plant & Equipment are accounted for according to BAS 16 "Property, Plant and Equipment" at historical cost less cumulative depreciation and the capital work-in-progress (when arises) is stated at cost. All assets are depreciated/amortized according to the diminishing balance method. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and it is recognized as non-operating income/ loss.

2.6 Depreciation of the Property, Plant & Equipment

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

Category	Rate %
Plant & machinery	10
Building & other constructions	5
Furniture & fixture	10
Computer & Accessories	20
Motor Vehicle	10
Logistic Vehicle	7.5
Electrical and Gas Line Installation	5
Lab Equipment	10
Office Equipment	20

Full year's depreciation is charged on the assets acquired during the year irrespective of the date of acquisition and no depreciation is charged in the year of disposal/deletion. Total depreciation is distributed as under:

Direct Expenses	90%
Administrative Expenses	5%
Selling & Distribution Expenses	5%

2.7 Investment

This is valued at cost. Market value or intrinsic value of shares was not considered.

2.8 Valuation of inventories

According to the requirement of BAS-2, Inventories are valued at the lower of cost or net realizable value.

Category	Basis of valuation
Raw & Packing Materials	Average Cost
Finished Goods	FIFO Method
Goods-in-transit	At Cost
Stores and spares	Average Cost

2.9 Cash and cash equivalents

Cash in hand and cash at banks have been considered as the cash and cash equivalents for preparation of these financial statements as there was insignificant risk of changes in value of these current assets.

2.10 Creditors and Accruals**2.10.1 Trade and Other Payable**

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Company, whether or not billed by the suppliers.

2.10.2 Provision

The preparation of financial statements is in conformity with Bangladesh Accounting Standards (BAS) 37 "Provisions, contingent liabilities and contingent assets" requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities during and at the date of financial statements.

In accordance with the guidelines as prescribed by BAS 37 provisions were recognized in the following situation:

- When the company has a present obligation as a result of past events;
- When it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the amount of the obligation.

We have shown the provisions in the statement of financial position at an appropriate level with regard to an adequate provision for risks and uncertainties. An amount recorded as a provision represented the best estimate of the probable expenditure required to fulfill the current obligation on the statement of financial position date.

Other provisions are valued at in accordance with BAS 37 Provisions, Contingent Liabilities and Contingent Assets. Other provisions comprise all realizable risks from uncertain liabilities and anticipated losses from pending transactions.

2.11 Taxation

- 2.11.1** The Company was allowed tax holiday for a period of five years from 01 August 2008 vide National Board of Revenue's circular ref. 11(10) ANU - 1/2009 dated 30.03.2009. The benefit was, from 01 August 2008 to 31 July 2010 (first two years) @ 100%, from 01 August 2010 to 31 July 2012 (Third & Fourth Year) @ 50%, from 01 August 2012 to 31 July 2013 (Fifth year) @ 25%.

(i) Current Tax

Provision for taxation is calculated on the basis of applicable current tax rate.

(ii) Deferred Tax

The Company has decided to adopt policy of recognition of deferred tax in accordance with the Bangladesh Accounting Standard 12 (BAS-12). Deferred tax is provided using the liability method for temporary difference between the carrying value of fixed assets as per accounts and the corresponding income tax written down value. Deferred tax is calculated at the effective Income Tax rate prevailing at the Statement of Financial Position date.

2.12 Tax Holiday Reserve

Tax Holiday reserve is Tk 159,472,583 of 40% the estimated accumulated operating profit till 30 April 2012 pursuant to the requirement u/s 46B of ITO 1984.

2.13 Contingent liabilities and assets

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events, which are not within the control of the company. In accordance with BAS 37 Provisions, Contingent Liabilities and Contingent Assets are disclosed in note 17 of the financial statements.

2.14 Foreign Currency Translation

2.14.1 The items in foreign currencies are translated & recorded in Taka currency at the rate of exchange ruling on the relevant date.

2.14.2 Monetary assets or liabilities in terms of foreign currency are translated into local currency at the rate ruling on the date of statement of financial position date.

2.15 Revenue

In compliance with the requirements of BAS 18 "Revenue", revenue is recognized only when:

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

2.16 Employee Benefits

2.16.1 Provident Fund

The Company creates a Contributory Provident Fund for all its permanent employees.

2.16.2 Workers' profit participation & welfare funds

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

2.16.3 Gratuity Fund

An unfunded gratuity scheme is also maintained for the employees, provision in respect of which is provided annually.

2.17 Statement of Cash Flow

Statement of Cash Flow is prepared principally in accordance with BAS 7 "Cash Flow Statement" and the cash flows from operating activities have been presented under direct method.

2.18 Earning per share

The Company calculates Earning Per Share (EPS) in accordance with BAS 33 "Earning Per Share" which has been shown on the face of Statement of Comprehensive Income and the computation of EPS is stated in note 25 of the financial statements.

2.18.1 Basic earnings

The Company calculates earnings for the year attributable of the ordinary shareholders. As there is no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to ordinary shareholders.

2.18.2 Basic earning per share

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

2.18.3 Diluted earning per share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

2.19 Certain Accounting Practices

The following expenditures are charged out to revenue as and when incurred:

2.19.1 Cost of office supplies, publicity materials and services on procurement,

2.19.2 Charges on account of repairs and maintenance

2.19.3 Applicable accrual in respect of creditors for supplies or services is considered only at the time of the year end closing of the Company's books of account.

2.20 Reporting Period

The financial period of the Company covers from 01 May 2011 to 30 April 2012.

3 PROPERTY, PLANT & EQUIPMENT

3.1 Operating Property, Plant & Equipment at Cost less Accumulated Depreciation - note 2.5

Amount in Taka

Particulars	Cost			Depreciation			Written Down Value at 30.04.12
	Opening Balance as on 01.05.11	Addition during the year	Deletion/ Adjustment during the year	Closed during the year	Depreciation as on 30.04.12	Disposal during the year	
Land & Land Development	142,627,636	66,432,593	-	-	-	-	209,060,229
Plant and Machinery	495,727,623	11,636,770	-	39,985,618	147,495,853	-	359,870,560
Factory Building	377,469,621	17,561,914	-	17,713,795	58,469,426	-	336,562,109
Furniture, Fixture & Decoration	6,914,035	2,523,611	-	829,822	1,909,246	-	7,468,400
Computer & Accessories	2,527,503	754,592	-	470,916	1,398,789	-	1,883,663
Motor Vehicle	19,752,545	20,131,244	-	5,663,413	7,113,075	-	32,790,714
Leasing Vehicle	108,995,280	3,891,988	-	7,790,323	18,804,148	-	94,083,120
Electric & Gas Line Installation	118,814,755	12,163,890	-	5,854,080	19,751,654	-	111,226,951
Lab Equipment	19,683,150	-	-	1,514,618	6,051,583	-	13,631,567
Office Equipment	2,314,584	421,440	-	361,560	1,289,786	-	1,446,238
2011-2012 Total Take	1,294,806,731	137,560,360	-	78,364,315	262,343,540	-	1,170,043,551
2010-2011 Total Take	1,148,994,996	145,831,735	-	79,203,709	184,179,225	-	1,110,667,506

3.2 Allocation of Depreciation:

Direct Expenses (90%) - note 19.2

Administrative Expenses (5%) - note 20

Selling & Distribution Expenses (5%) - note 21

2012 Total	2011 Total
70,347,883	71,283,339
3,908,216	3,960,185
3,908,216	3,960,185
78,164,315	79,203,709

4 CAPITAL WORK-IN-PROGRESS

Opening Balance
Expenses incurred during the year

5 INVESTMENT

Investment in Shares are as follows:
AB Bank Ltd. 4,625 Share @ 1,544.39
DISCO Ltd. 715 Share @ 2,558.08
One Bank Ltd. 1,550 Share @ 468.52
Prime Bank Ltd. 29,970 Share @ 42.81
SQPFH Ltd. 500 Share @ 3,829.16
United Air Ltd. Share 30,000 @ 66.38
Rupali Bank Ltd. 1,1640 Share @125.44
Brac Bank Ltd. 5000 Share @35.24
National Bank Ltd. 8500 Share @38.40
Mercantile Bank Ltd. 10000 Share @23.90

5.1 The market value of above Shares as on 19.07.12 was Tk. 17,765,244.90

6 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances - note 6.1
Deposits - note 6.2
Prepayments - note 6.3

6.1 Advances - note 6

For Income Tax
For VAT Current Account
For I/C
For Other Supply
For GPH Power Generation Ltd.
For Raw Material Supply
For Software Expenses
For Employees

6.2 Deposits - note 6

Bangladesh Power Development Board
Bakhrabad Gas Systems Limited
Security to Shipping Lines
Lease Deposits

6.3 Prepayments - note 6

Insurance

7 INVENTORY

Finished Goods - note 7.1
Raw Materials - note 7.2
Chemicals - note 7.3
Spares & Other Materials - note 7.4

7.1 Finished Goods - note 7 & note 19

M. S. Rod
M. S. Billet

7.2 Raw Materials - note 7 & note 19.1

Melting Scrap
Sponge Iron

7.3 Chemicals - note 7 & note 19.1

Ferro Manganese
Ferro Silicon
Silicon Manganese
Quartz Powder
Pet Coke

	2011-2012 Taka	2010-2011 Taka
	301,488,186	-
	170,250,090	301,488,186
Taka	471,738,276	301,488,186
	7,142,791	7,142,804
	1,829,027	1,829,027
	726,206	726,206
	1,813,052	1,283,015
	11,591,143	1,914,589
	2,441,400	1,991,400
	1,460,097	-
	176,202	-
	326,400	-
	238,952	-
Taka	27,745,270	14,687,032
	476,176,676	435,396,658
	11,983,045	12,202,332
	2,166,731	1,852,800
Taka	490,326,452	449,451,790
	23,786,385	16,184,301
	2,230,075	377,273
	338,652,183	256,157,936
	57,151,271	33,806,446
	49,356,483	121,925,142
	826,300	2,029,235
	3,349,525	3,349,525
	944,456	568,800
Tk	476,176,676	435,396,658
	7,200,000	7,200,000
	2,490,793	2,490,793
	1,943,253	2,164,539
	347,000	547,000
Tk	11,983,045	12,202,332
	2,166,731	1,852,800
Tk	2,166,731	1,852,800
	1,616,910,278	775,241,079
	405,202,051	765,975,539
	49,600,388	27,875,346
	80,798,697	42,130,425
Taka	2,152,611,414	1,591,242,389
	1,389,895,808	616,770,000
	227,014,470	158,471,079
Tk	1,616,910,278	775,241,079
	358,498,704	697,325,328
	46,703,347	68,650,211
Tk	405,202,051	765,975,539
	24,679,245	18,232,924
	1,405,181	86,047
	13,130,115	7,663,344
	5,180,862	161,526
	3,203,985	1,731,505
Tk	49,600,388	27,875,346

7.4 Spares & Other Materials - note 7 & note 19.1

Refractory Bricks	
Spares & Consumables	
Rolls	
Copper Moulds Tube	

8 TRADE RECEIVABLES

- a) Trade Receivable represents receivable from 234 Parties (2011: 140 Parties) in 2012.
 b) Receivables are unsecured but considered good.
 c) There have been receivables outstanding for the following period:
 Within 6 months
 6 months to 1 year

d) Out of the aforementioned amount Tk.705,371,087 has been realized till 19.07.2012

9 CASH AND CASH EQUIVALENTS

- Cash In Hand - note 9.1
 Cash at Bank - note 9.2

9.1 Cash In Hand - note 9

- Dhaka Office Petty Cash
 Factory Petty Cash

9.2 Cash at Bank - note 9

- AB Bank Ltd, Gulshan, CD-4019-766672-000
 Agrani Bank Ltd, Asadgonj, CD-33005432
 Bank Asia, Anderkilla Ltd, CD-03033000168
 Bank Alfalah Ltd, Agartabad, CD-01700900
 Jamma Bank Ltd, Khatungonj, CD-0015-0210003034
 Mutual Trust Bank Ltd, Khatungonj, CD-0013-0210004882
 Faim Bank Ltd, Khatungonj, CD-11100008165
 Shaikhat Islami Bank Ltd, Khatungonj, CD-11100003158
 Pubali Bank Ltd, Khatungonj, CD-642-901-80082
 Southeast Bank Ltd, Khatungonj, CD-004-11100009240
 S.C.B. Agrabad, CD-01-3926866-01
 State Bank of India, Agrabad, CD-05220043820001
 Trust Bank Ltd, CDA Avenue, CD-0020-0210000529
 Mercantile Bank Ltd, Khatungonj, CD-11100004231
 Ummar Bank Ltd, Khatungonj, CD-214203
 IFIC Bank Ltd, Khatungonj, CD-2031-266558-001
 UCBL, Gulshan, CD-005411100019329
 One Bank Ltd, Khatungonj, CD-0475069138
 Standard Bank Ltd, Khatungonj, CD-33010061
 National Bank Ltd, Anderkilla, CD-33001914
 Prime Bank Ltd, Khatungonj, CD-10511010005344
 Dutch Bangla Bank Ltd, Khatungonj, CD-155.110.2308
 Dhaka Bank Ltd, Khatungonj, CD-171006577
 Basic Bank Ltd, Asadgonj, CD-1610-01-0002360
 Jamma Bank Ltd, Khatungonj, CD-33015073
 Mutual Trust Bank Ltd, Khatungonj, STD-0320002363
 AB Bank Ltd, Khatungonj, STD-4103-767211-430
 The City Bank Ltd, Khatungonj, CD-1101131487001
 NCC Bank Ltd, Khatungonj, CD-210007835
 AB Bank Ltd, Stokunda, CD-4109-322643-430
 UCBL, Khatungonj, CD-62366
 Islami Bank Bangladesh Ltd, CD- 2965
 Prime Bank Ltd, O.R. Nisam Road, CD- 13658
 Brac Bank Ltd, Agrabad Br, CD-2234082001
 AB Bank Ltd, Khatungonj, STD-4102-777522-430 (BDT)
 AB Bank Ltd, Khatungonj, STD-4102-777522-026 (GBP)
 AB Bank Ltd, Khatungonj, STD-4102-777522-021 (EUR)
 AB Bank Ltd, Khatungonj, STD-4102-777522-040 (USD)
 AB Bank Ltd, Khatungonj Branch (FDR)
 Jamma Bank Ltd, Khatungonj Br, (FDR)
 NCC Bank Ltd, Khatungonj Br, (FDR)
 Standard Chartered Bank Ltd, Agrabad Br, (FDR)

	2011-2012 Taka	2010-2011 Taka
	16,339,958	7,092,487
	55,902,731	30,106,827
	6,833,924	4,742,065
	1,722,084	209,046
Tk	80,798,697	42,150,425
Taka	714,892,582	462,647,365
	699,469,619	445,696,325
	15,422,963	16,951,040
Tk	714,892,582	462,647,365
	920,600	395,418
	171,460,055	63,552,230
Taka	172,380,655	63,947,648
	69,337	150,840
	851,263	244,578
Tk	920,600	395,418
	48,500	44,426
	2,510	9,010
	3,028	30,478
	22,446	21,318
	208,882	753,696
	46,787	13,800
	316,154	324,181
	6,965	95,589
	690	4,803
	811,783	6,300,336
	123,477	2,413
	684,467	119,798
	56,823	55,747
	4,514	31,962
	4,989	5,514
	4,406,652	7,864
	96,296	4,235,278
	10,675	7,294
	5,802	34,775
	4,318	14,040
	211,096	394,173
	29,334	(127,158)
	29,703	9,725
	464	69,009
	7,419	20,105,783
	6,529	8,569
	58,946	8,206
	51,635	6,703
	5,546	108,289
	13,203	1,545
	3,407	155,918
	4,078	31,248
	50,080	5,409
	2,954,311	-
	45,000	-
	15,000	-
	499,828	-
	33,744,817	-
	1,999,682	30,662,303
	3,641,556	-
	121,343,333	-
Tk	171,460,055	63,552,230

10 SHARE CAPITAL

10.1 Authorized
250,000,000 (2011: 250,000,000) Ordinary Shares of Tk 10 (2011 Tk 10) each

Taka

2011-2012
Taka2010-2011
Taka

2,500,000,000

2,500,000,000

10.2 Issued, subscribed and paid-up

Paid-up in cash

57,645,600 Ordinary Shares of Tk 10 (2011: Tk 10) each
No consideration other than cash

576,456,000

376,456,000

12,354,400 Ordinary Shares of Tk 10 each

123,544,000

123,544,000

200,000,000 Ordinary Shares of Tk 10 each as Bonus Share

200,000,000

90,000,000 Ordinary Shares of Tk 10 each

Taka

900,000,000

800,000,000

10.3 Position of share holding**SHAREHOLDERS**

Mr. Mohammad Jahangir Alam

Mr. Md. Abdur Rouf

Mr. Md. Alamgir Kabir

Mr. Md. Aleas Shinnul

Mr. Md. Ashrafuzzaman

Mr. Md. Saibuddin Roman

Mr. Md. Nibul Abed

Mr. Md. Azimul Haque Raja

Mr. Md. Iqbal Hussain

General Shareholders

TOTAL**2011-2012**Position of
share holding
(%)

Taka

38.89

350,000,000

3.89

35,000,000

6.22

56,000,000

14.00

126,000,000

3.89

35,000,000

3.89

35,000,000

3.11

28,000,000

2.33

21,000,000

1.36

14,000,000

22.22

200,000,000

100.00

900,000,000

2010-2011Position of
share holding (%)

Taka

50

250,000,000

5

25,000,000

8

40,000,000

18

90,000,000

5

25,000,000

5

25,000,000

4

20,000,000

3

15,000,000

2

10,000,000

-

-

100

500,000,000

10.4 Range of share holding**Shareholding Range**

Less than 500

500-5,000

5,001-10,000

10,001-20,000

20,001-30,000

30,001-40,000

40,001-50,000

50,001-100,000

100,001-1,000,000

Above 1,000,000

2011-2012No of
Shareholders

No of Shares

% of Shareholding

11,351

7,783,500

8.65

194

1,520,500

1.69

110

1,667,000

1.85

38

934,500

1.04

24

834,000

0.93

25

1,161,500

1.29

36

2,546,500

2.83

17

3,552,500

3.95

9

70,000,000

77.78

11,824

90,000,000

100

11 SHARE PREMIUM

Opening Balance

Collection from 20,000,000 nos. of shares @ Tk 20 each

Paid as Premium Tax @ 3% on Share Premium

400,000,000

(12,000,000)

388,000,000

(1.) During 2011-12 the Company issued Ordinary Shares of scaling 20,000,000 nos & collected Tk 20.00 from each share as premium.

12 LONG TERM BANK LOAN

Due within one year
Due after one year:

	2011-2012 Taka	2010-2011 Taka
	134,185,014	120,312,505
	983,615,470	805,477,668
Taka	1,117,800,484	925,790,173

Break up of Term Loan:**12.1 AB Bank Ltd, Khatungonj Branch, Term Loan & Time Loan**

Due within one year
Due after one year:

	93,343,735	71,712,240
	849,281,927	615,840,910
Tk	942,625,662	687,553,150

Security:

Pari-Passu registered mortgage of industrial land measuring 284.38 decimal (Tk 42,657,000), charge by the way of hypothecation with RJSC on entire Fixed & Floating assets, personal guarantee of all the sponsor director were kept as security for Loan facilities from AB Bank Limited, Khatungonj Branch, Chittagong.

Rate of Interest:

At the rate of 15.5%

12.2 Trust Bank Ltd, Term Loan & Time Loan

Due within one year
Due after one year:

	40,841,270	47,963,160
	134,333,543	180,636,758
Tk	175,174,822	227,899,918

Security:

Pari-Passu 1st charge on entire Fixed & Floating assets, personal guarantee from all the directors, corporate guarantee from GPH Power Generation Ltd.(sister concern) were kept as security for Loan facilities from Trust Bank Limited, Khatungonj Branch, Chittagong.

Rate of Interest:

At the rate of 15.5%

12.3 One Bank Ltd, Term Loan # 75069375

Due within one year
Due after one year:

	-	637,195
	-	-
Tk	-	637,195

Security:

Demand Promissory note for Tk. 400,000,000, Pari-passu charge on Fixed & Floating assets, joint registration with BRYA on two vehicles, personal guarantee from all the directors were kept as security for Long term loan from One Bank Ltd, Khatungonj Branch, Chittagong.

Rate of Interest:

At the rate of 14.5%

13

LEASE LIABILITIES

Due within one year
Due after one year

2011-2012 Taka	2010-2011 Taka
24,497,701	17,465,991
51,902,334	54,546,054
Taka 76,400,035	72,012,045

Break up of Lease Liabilities**Pubali Bank Ltd**

Lease Financing Scheme # 0070
Lease Financing Scheme # 0008
Lease Financing Scheme # 00009/09
Lease Financing Scheme # 000107/09
Lease Financing Scheme # 12
Lease Financing Scheme # 13
Lease Financing Scheme # 16
Lease Financing Scheme # 17
Lease Financing Scheme # 18
Lease Financing Scheme # 19
Lease Financing Scheme # 20
Lease Financing Scheme # 21
Lease Financing Scheme # 22
Lease Financing Scheme # 23

Current Portion	Long term portion
2,775,333	-
630,242	410,254
3,524,444	1,947,793
3,002,145	2,237,402
2,375,376	2,703,252
191,114	297,974
263,854	887,243
2,372,159	7,976,857
632,581	3,127,152
1,123,867	3,739,173
755,148	2,727,710
1,207,073	5,787,617
265,622	1,527,254
1,214,747	11,991,753
Tk 20,333,791	44,693,436

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

- Principal amount of finance: Tk 92,917,926 - Repaid till 30.04.2012: Tk 28,182,789.
- Repayment Term is 4-5 years.
- Security:
 - Post dated cheques
 - Ownership of Lease Assets
 - Corporate Guarantee from Jahangir & Others Limited and personal guarantee of Directors

Prime Bank Ltd

Lease # 1030800004
Lease # 1029800004
Lease # 1031100006

Current Portion	Long term portion
240,000	417,566
3,696,000	6,634,543
228,000	388,759
Tk 4,164,000	7,400,868

The Company has three separate lease agreement with Prime Bank Ltd all of which are under Capital lease with following particulars:

- Principal amount of finance: Tk 13,764,020 - Repaid till 30.04.2012: Tk 2,099,122.
- Repayment Term is 5 years.
- Security:
 - Post dated cheques
 - Ownership of Lease Assets
 - Corporate Guarantee from Jahangir & Others Limited and personal guarantee of Directors

14 SHORT TERM LOAN

AB Bank Ltd, Khatungonj Br. - note 14.1
 Trust Bank Ltd, CDA Br. - note 14.2
 Jamuna Bank Ltd., Khatungonj Br. - note 14.3
 State Bank of India, Agrabad Br. - note 14.4
 United Commercial Bank Ltd, Khatungonj Br. - note 14.5
 One Bank Ltd, Khatungonj Br. - note 14.6
 Mercantile Bank Ltd., Khatungonj Br. - note 14.7
 Pubali Bank Ltd, Khatungonj Br. - note 14.8
 NCC Bank Ltd., Khatungonj Br. - note 14.9
 Islami Bank Bangladesh Ltd., Khatungonj Br. - note 14.10
 Basic Bank Ltd., Asadgonj Br. - note 14.11
 Janata Bank Ltd. Khatungonj Corporate Br. - note 14.12
 Standard Chartered Bank, Agrabad Br. - note 14.13

2011-2012 Taka	2010-2011 Taka
87,398,815	437,515,312
564,550,669	172,638,084
-	52,461,073
-	111,448,854
250,643,990	344,403,248
252,712,500	78,838,898
193,949,766	-
258,999,151	247,464,993
243,375,186	137,219,702
133,312,000	7,547,764
50,382,030	48,185,821
83,666,552	277,605,547
27,128,673	-
Taka 2,146,319,332	2,115,549,096

- 14.1 Pari-Passu Mortgage of land measuring 284.58 decimal industrial landed land (Tk 42,657,000), 2nd charge on entire Fixed & Floating assets for Short Term Loan facilities from AB Bank Ltd., Khatungonj Branch, Chittagong.
- 14.2 Pari-Passu 1st charge on entire Fixed & Floating assets for Short Term Loan facilities from Trust Bank Ltd., CDA Branch, Chittagong.
- 14.3 Trust Receipt duly executed by the authorized directors of GPH Ispat Ltd., Personal Guarantee from all the directors of GPH Ispat Ltd., corporate guarantee of Jahangir & Others Ltd, post dated cheques covering LTR amount to be created for availing the facility for Short Term Loan facilities from Jamuna Bank Ltd., Khatungonj Branch, Chittagong.
- 14.4 Loan agreement, D.P. Note & D.P. Delivery Letter, Intoxicable Power of attorney, Deed of Hypothecation of Floating Assets for Short Term Loan facilities from State Bank of India, Chittagong.
- 14.5 Postdated cheques for Tk 250,000,000 (Twenty Five Crore Taka) favouring the Bank for Short Term Loan facilities from United Commercial Bank Ltd., Khatungonj Branch, Chittagong.
- 14.6 Letter of Trust Receipt, Registered Charge with RJSC on entire present and future fixed and floating assets for Short Term Loan facilities from One Bank Ltd., Khatungonj Branch, Chittagong.
- 14.7 Undated cheques covering loan amount, Hypothecation of goods to be imported, personal guarantee of all Directors for Short Term Loan facilities from Mercantile Bank Ltd., Khatungonj Branch, Chittagong.
- 14.8 Postdated cheques, Personal Guarantee of all the directors of GPH Ispat Ltd., Trust received and charge documents for Short Term Loan facilities from Pubali Bank Ltd., Khatungonj Branch, Chittagong.
- 14.9 Letter of Trust duly signed by all the directors of GPH Ispat Ltd. for Short Term Loan facilities from National Credit & Commerce Bank Ltd., Khatungonj Branch, Chittagong.
- 14.10 Personal guarantee of Directors, Corporate guarantee of Jahangir & Others Ltd. Has been provided for short term loan facilities from Islami Bank Bangladesh Ltd., Khatungonj Branch, Chittagong.
- 14.11 Directors' personal guarantee, Corporate guarantee of GPH Group, DP note and other usual charge document & an undated cheque covering the loan amount. Has been provided for short term loan facilities from Basic Bank Ltd., Asadgonj Branch, Chittagong.
- 14.12 Corporate guarantee, Directors' personal guarantee, undated cheques covering the entire loan amount, floating hypothecation on all madeable stocks of the Company has been signed for short term loan facilities from Janata Bank Ltd., Khatungonj Corporate Branch, Chittagong.
- 14.13 Demand Promissory Note, Undated cheques covering loan amount, Hypothecation of goods to be imported, personal guarantee of all Directors for Short Term Loan facilities from Standard Chartered Bank Ltd., Agrabad Branch, Chittagong.

15 CREDITORS AND ACCRUALS

For Revenue Expenses - note 15.1
 For Other Finance - note 15.2
 For Supplier
 Advance Against Sales
 Worker's Profit Participation Fund - note 15.3

15.1 Revenue Expenses - note 15

Salary Payable
 Audit Fee Payable
 Utility Bill Payable
 Provident Fund - note 15.1.1
 Gratuity Payable - note 15.1.2
 Directors' Remuneration Payable

15.1.1 Provident Fund - note 15.1

Opening Balance
 Add: Addition during the year

 Less: Paid during the year
 Closing balance

15.1.2 Gratuity Payable - note 15.1

Opening Balance
 Add: Provision made during the year

 Less: Paid during the year
 Closing balance

15.2 Other finance - note 15

ATT Payable
 VAT Deducted at Source
 Compensation Against Vehicle Repair
 Chittagong Capital Limited
 Unpaid Refund Warrants

15.3 Worker's Profit Participation Fund - note 2.16.2 and note 15

Opening Balance
 Add: Addition during the year @ 5% of net profit after charging WPPF

 Less: Paid during the year
 Closing balance

16 PROVISION FOR TAX - note 2.11

For Current Tax - note 16.1
 For Deferred Tax - note 16.2

16.1 Provision for Current Tax - note 16

Opening Balance
 Add: Provision made during the year

 Less: Adjusted during the year - note 16.1.1
 Closing balance

16.1.1 Adjustment made during the year - note 16.1

Tax paid in cash
 Adjusted with Advance Income Tax

	2011-2012 Taka	2010-2011 Taka
	20,574,884	13,950,163
	7,505,081	1,216,684
	62,914,614	13,005,818
	42,003,853	-
	15,895,756	10,561,638
Total	149,794,188	38,734,303
	7,789,592	6,176,555
	200,000	150,000
	9,829,252	6,094,876
	524,556	596,852
	1,631,484	231,880
	600,000	700,000
Tk	20,574,884	13,950,163
	596,852	-
	2,638,438	596,852
	3,235,310	596,852
	12,730,754	-
Tk	524,556	596,852
	231,880	-
	1,399,604	231,880
	1,631,484	231,880
Tk	1,631,484	231,880
	1,273,219	323,434
	649,860	600,043
	-	8,250
	671,002	284,957
	4,911,000	-
Tk	7,505,081	1,216,684
	10,561,638	-
	15,895,756	10,561,638
	26,457,394	10,561,638
	(10,561,638)	-
Tk	45,895,756	10,561,638
	33,583,432	18,735,287
	18,708,205	11,946,135
Total	62,291,637	30,681,422
	18,735,287	2,356,784
	37,969,548	16,376,593
	56,704,835	18,735,287
	(23,121,403)	-
Tk	33,583,432	18,735,287
	6,937,102	-
	16,184,301	-
Tk	23,121,403	-

16.2 Provision for Deferred Tax - note 16
 Opening Balance
 Add: Provision made during the year

 Less: Provision realized during the year
 Closing balance

2011-2012 Taka	2010-2011 Taka
11,946,135	-
6,762,070	11,946,135
18,708,205	11,946,135
Tk 18,708,205	11,946,135

17. CONTINGENT LIABILITIES AND COMMITMENTS

17.1 There was no obligation for Capital Commitments as of the end of the reporting period.

17.2 As at the end of the reporting period, no amount was considered as doubtful debts.

17.3 There were no claims legal or otherwise, not acknowledged as debt, outstanding as of the end of the reporting period.

17.4 There is bank guarantee for an amount of Tk. 4,981,200 (all line with AB Bank Ltd) was provided in various authorities as of the end of the reporting period.

18 NET TURNOVER**The make-up****Gross Proceeds from Sales:**

Local

Export

Value Added Tax (VAT)

	2011-2012 Taka	2010-2011 Taka
	4,377,740,695	3,714,498,803
	64,028,150	30,150,544
	4,441,768,845	3,744,649,347
	(55,452,146)	(56,130,163)
Taka	4,386,316,699	3,688,519,184

19 COST OF SALES**Opening Finished Stock**

M.S. Rod

M.S. Billet

Add: Cost of Production - note 19.1**Less: Closing Finished Stock - note 7.1**

M.S. Rod

M.S. Billet

Cost of Sales

	616,770,000	258,922,500
	158,471,079	13,721,534
	775,241,079	272,644,034
	4,414,472,663	3,543,369,625
	5,189,713,742	3,816,013,659
	1,389,895,808	616,770,000
	227,014,470	158,471,079
	1,616,910,278	775,241,079
Taka	3,572,803,464	3,040,772,580

19.1 Cost of Production - note 19**Opening Stock of:**

Raw Material

Raw Billet

Chemical

Spare & Other

Add: Purchase

Raw Material

Raw Billet

Chemical

Spare & Other

Less: Closing Stock of:

Raw Material - note 7.2

Raw Billet

Chemical - note 7.3

Spare & Other materials - note 7.4

Raw and Other Materials Consumed**Add: Direct Expense - note 19.2****Cost of Production**

	745,975,339	465,731,966
	-	-
	27,875,346	73,785,320
	42,150,425	49,050,507
	816,001,310	588,567,793
	3,103,467,980	2,828,167,652
	-	144,749,556
	220,585,119	220,447,827
	166,099,748	118,654,193
	3,490,152,847	3,312,019,228
	403,202,051	745,975,339
	-	-
	49,600,388	27,875,346
	80,798,697	42,150,425
	535,601,136	816,001,310
	3,770,553,021	3,084,585,711
	643,919,642	438,783,915
Tk	4,414,472,663	3,543,369,626

19.2 Direct Expenses - note 19.1

	2011-2012 Taka	2010-2011 Taka
Salaries, Wages & Allowances	68,577,791	47,630,655
Overtime Bill	7,263,228	7,278,102
Bonus	6,842,505	3,599,080
Electricity Bill	384,947,641	253,500,127
Gas Bill	27,425,138	21,850,245
Daily Labour Bill	15,121,058	8,580,229
Carriage Inward	2,475,158	1,094,147
Fuel, Oil & Lubricant	14,230,626	9,678,017
Depreciation - note 3.2	70,347,883	71,283,339
Repair & Maintenance	4,190,919	2,741,012
Testing Expenses	42,636	148,279
Water Expenses	80,000	20,000
Oxygen & LP Gas Charges	12,216,358	10,199,154
Loading & Unloading Expenses	1,971,994	2,160,032
Staff Uniform	899,842	646,395
Factory House Rent	120,000	281,500
Factory Canteen	4,479,631	2,963,313
Vehicle Fuel & Maintenance	7,549,828	4,306,828
Land Rent	240,000	240,000
Medical Expenses	840,249	187,553
Logistic Vehicle Expenses	9,535,399	7,324,746
Internet Expenses	52,824	15,255
Insurance	3,400,465	3,055,907
Labor Compensation & Welfare	796,849	-
Guest House Maintenance	271,620	-
Tk	643,919,642	458,783,915

20 ADMINISTRATIVE EXPENSES

	2011-2012 Taka	2010-2011 Taka
Directors' Remuneration- note 31	7,200,000	6,000,000
Salary & Allowances	22,197,184	20,098,787
Entertainment	1,112,368	1,949,483
Office Maintenance	421,475	522,272
Mobile, Telephone & Internet Charges	1,087,527	1,181,183
Office Rent	823,000	411,400
Newspaper & Periodicals	13,091	11,006
Postage & Stamps	148,192	154,013
Stationery & Printing Charges	1,274,325	842,408
Canteen	2,432,532	1,765,325
Vehicle Expenses	1,619,015	853,514
Rent, Rate & Tax	-	60,587
Travelling & Conveyance	3,005,938	5,309,811
Audit Fee	230,000	172,500
Fees & Renewal	712,940	1,979,557
Legal & Professional Fee	638,625	17,250
Festival Bonus	1,845,613	1,335,540
Misc. Expenses	1,788,102	1,546,963
ISO Certificate	20,000	-
Electricity & Other Utility Expenses	663,251	522,888
Training Fee	28,300	-
Board Meeting Exp.	75,791	146,450
Seminar & Workshop	-	7,950
Picnic Exp.	2,333,294	1,305,699
Uttar Party	1,828,968	-
Research and Development Cost	-	749,000
Website Maintenance Cost	8,200	32,000
BO Account Maintenance Expense	51,795	-
Depreciation - note 3.2	3,908,216	3,960,185
IPO Issue Expense	18,920,879	-
Taka	74,388,621	50,935,771

21 SELLING AND DISTRIBUTION EXPENSES

Advertisement Expenses	16,934,700	17,235,425
Carriage Outward	30,936,941	36,391,261
Export Expenses	1,605,362	149,530
Commission on Sale	6,449,000	5,200,000
Dealer & Distributor	2,165,796	1,145,186
Travelling & Conveyance	786,150	821,942
Promotional Expenses	3,376,316	5,099,535
Depreciation - note 3.2	3,908,216	3,960,185
Sales Centre Maintenance	522,367	356,520
Taka	66,684,848	70,359,584

22 FINANCIAL EXPENSES

Bank Interest	329,192,467	290,525,997
Bank Charge	20,483,678	16,734,863
Loan processing fee	3,464,673	517,000
Exchange Loss	24,685,320	-
Taka	377,826,138	307,777,860

23 NON-OPERATING INCOME

Interest Earned from FDR	4,959,765	2,512,338
Bank Interest Earned	18,231,467	-
Gain on Sale of Shares	-	602,075
Dividend Income	110,261	6,600
Taka	23,301,493	3,121,013

24 NET ASSETS VALUE PER SHARE
 Net Assets Value per Share

	2011-2012 Taka	2010-2011 Taka
Taka	18.41	12.23

The Composition of Net Assets Value per share is given below :

- a) Net Assets Value during the year Tk 1,657,032,524 [2011 : Tk 611,744,777]
 b) Number of Ordinary Shares at the close of business 90,000,000 Nos [2011 : 50,000,000 Nos]

25 EARNING PER SHARE (EPS)
 Earning per share - basic

	2011-2012 Taka	2010-2011 Taka
Taka	3.53	3.66

The composition of Earning Per Share (EPS) is given below :

- a) Earning attributable during the year to the ordinary shareholder Tk 257,287,747 [2011 : Tk 182,910,126]
 b) Number of Ordinary Shares at the close of business 90,000,000 Nos [2011 : 50,000,000 Nos]
 c) Weighted average number of outstanding shares have been calculated in the following break-up:

Particulars	No of Shares	No of days outstanding	Weighted aveg no of outstanding shares(2011-12)	Weighted aveg no of outstanding shares(2010-11)
Ordinary Shares	50,000,000	365	50,000,000	50,000,000
Add: Bonus Issue	20,000,000	365	20,000,000	20,000,000
Add: IPO Issue	20,000,000	54	2,958,904	-
	90,000,000		72,958,904	70,000,000

Restated:

Earning attributable to the ordinary shareholders
 Weighted average number of ordinary shares outstanding during the year
 Earning Per Share

	182,910,124
	70,000,000
	2.61

26 OPERATING CASH FLOW PER SHARE
 Operating cash inflow/(outflow) per share

	2011-2012 Taka	2010-2011 Taka
Taka	0.16	(10.69)

The Composition of Operating Cash Inflow/Outflow Value per share is given below :

- a) Operating Cash Inflow/(Outflow) during the year Tk 14,680,800 [2011 : Tk (534,471,810)]
 b) Number of Ordinary Shares at the close of business 90,000,000 Nos [2011 : 50,000,000 Nos]

27 AUDITOR'S REMUNERATION
 Audit Fee - Statutory

	2011-2012 Taka	2010-2011 Taka
Taka	200,000	150,000

28 NUMBER OF EMPLOYEES

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

	2011-2012 Persons	2010-2011 Persons
	564	529
	564	529

29 CAPACITY & PRODUCTION

Production Capacity (In M. Ton) - note 29.1
 Actual Production (In M. Ton) - note 29.2
 Capacity Utilization (%)

29.1 Production Capacity (In M. Ton) - note 29

MS Billet

MS Rod

2011-2012 M. Ton	2010-2011 M. Ton
218,000	204,000
165,315	151,320
75.83	74.18
<hr/>	
98,000	84,000
120,000	120,000
218,000	204,000

The Company has installed a new Billet Plant (84,000 MT per year) which is under trial production & expected to start production at full capacity. It is assumed that the plant was in operation for two months during the year and accordingly two months production has been added to the production capacity of Billet.

29.2 Actual Production (In M. Ton) - note 29

MS Billet

MS Rod

84,807	76,221
80,508	75,099
165,315	151,320

30 RELATED PARTY TRANSACTIONS

The Company carried out the following transaction with a sister concern in the normal course of business on arms length basis.

Sl. No	Name of the Party	Relation	Nature of Transaction	2011-2012 Taka	2010-2011 Taka
1.	GPH Power Generation Ltd.	Common Directorship	Supply of power at a flat rate	307,814,719	228,662,740

GPH Power Generation Ltd. Supplied 64,710,336 KWH Electricity throughout the year for total amount of Tk. 307,814,718.67
 (Average rate per KWH=4.7568 approximately)

31 REMUNERATION OF DIRECTORS

Particulars	30 April 2012			30 April 2011		
	Managing Director	Other Directors	Total	Managing Director	Other Directors	Total
Salaries and Allowances	4,200,000	3,000,000	7,200,000	3,500,000	2,500,000	6,000,000
Medical Expenses	-	-	-	-	-	-
Taka	4,200,000	3,000,000	7,200,000	3,500,000	2,500,000	6,000,000

Managing Director & Directors are not provided with any other perquisites except remuneration.

32 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Board of Directors recommended 20% Stock Dividend (i.e. one bonus share for every five shares held) and 10% Cash Dividend (i.e. Tk 1.00 per share) out of accumulated unappropriated profit. The payment is subject to the approval of the shareholders in the Annual General Meeting to be held on 13 November 2012.

The proposed dividend is not recognized at the end of the reporting period in accordance with para 12 of BAS 10 'Events after the Reporting Period'.

33 GENERAL

- 33.1 Wherever considered necessary, previous year's figures & phrases have been re-arranged to conform to this year's presentation.
- 33.2 The amounts in these financial statements have been rounded off to the nearest Taka.
- 33.3 Bracket figure denotes negative.

These financial statements should be read in conjunction with the annexed notes
and were approved by the Board of Directors on 13 November 2012
and were signed on its behalf by :


COMPANY SECRETARY


DIRECTOR


MANAGING DIRECTOR

59

5175

TENSION TEST OF DEFORMED M.S. BARS
Sant Ely
Manager, Marketing and Sales
CPI's Steel Division

ORDER NO. 144958-09C8
 ORDER NO. 144958-09C8
 ORDER NO. 144958-09C8

Quesada	1998
Quesada	1998

Project	ID No	Frag. mech.	Nominal maximum diameter (mm)	Actual diameter (mm)	Nominal wet weight (kg)	Actual wet weight (kg)	Average particle size (mm)	Unit prod. rate (kg/m ³ ·hr)	Unit prod. strength (kg/m ³)	Average particle size (mm)	Ultimate strength (kg/m ³)	Average compressive strength (kg/cm ²)	Porosity % (space voids)	Porosity % (space voids)	Average strength (kg/cm ²)	Sieve (mm)	No. tested (kg)	No. tested (kg)
1	1	1	25	34.3	49.1	3.821	20465	4269	4649	34519	566	7400	18	18	17	Subsidiary	1	
	2	1	25	34.3	49.1	3.192	23123	4349	4649	34519	566	7400	18	18	17	Subsidiary	1	
	3	1	25	34.3	49.1	3.742	23178	4349	4649	34519	566	7400	18	18	17	Subsidiary	1	
2	1	1	25	33.3	314	2.632	14822	4376	4749	32542	700	7160	18	18	17	Subsidiary	1	
	2	1	25	33.3	314	2.471	14823	4376	4749	32542	700	7160	18	18	17	Subsidiary	1	
	3	1	25	33.3	314	2.442	14878	4349	4749	32542	700	7160	18	18	17	Subsidiary	1	
3	1	1	14	15.4	201	1.502	8171	4760	4840	14540	230	7400	17	17	17	Subsidiary	1	
	2	1	14	15.4	201	1.672	8171	4820	4840	14540	230	7400	17	17	17	Subsidiary	1	
	3	1	14	15.4	201	1.556	8192	4820	4840	14540	230	7400	17	17	17	Subsidiary	1	
4	1	1	12	13.3	113	0.874	6216	4470	4800	8251	700	7160	14	14	14	Subsidiary	1	
	2	1	12	13.3	113	0.878	6216	4470	4800	8251	700	7160	14	14	14	Subsidiary	1	
	3	1	12	13.3	113	0.878	6174	4500	4800	8168	720	7160	14	14	14	Subsidiary	1	
5	1	1	15	15.3	79	0.619	3479	4590	4619	5352	600	8160	17	17	17	Subsidiary	1	
	2	1	15	15.3	79	0.620	3523	4540	4619	5352	600	8160	17	17	17	Subsidiary	1	
	3	1	15	15.3	79	0.619	3479	4590	4619	5352	600	8160	17	17	17	Subsidiary	1	
6	1	1	8	7.8	80	0.328	2732	4260	4200	3257	800	8160	13	13	13	Subsidiary	1	
	2	1	8	7.8	80	0.317	2687	4170	4200	3251	800	8160	14	14	13	Subsidiary	1	
	3	1	8	7.8	80	0.315	2732	4260	4200	3257	800	8160	13	13	13	Subsidiary	1	

* $\text{kg/m}^3 = 1000 \text{ kg/m}^3$
 * $\text{kg/m}^3 = 1000 \text{ kg/m}^3$
 * $\text{kg/m}^3 = 1000 \text{ kg/m}^3$

from jobs, water and about his immediate community.

Minimum Required Requirements (800) 850-8253 (909) 211			
Grade	Grade Equivalent	Minimum Score	Comparison
500	500	1475	1475
550	550	1500	1500
600	600	1525	1525
650	650	1550	1550
700	700	1575	1575
750	750	1600	1600
800	800	1625	1625
850	850	1650	1650
900	900	1675	1675
950	950	1700	1700
1000	1000	1725	1725

Source: Standard Instruments (4.074, 4.075, 4.076, 4.077)

[illegible]

Countdown Against the

0.001

[Handwritten signature]

[Signature]
Dr. M. S. Srinivasan
Professor, Civil Engg. Dept.

As a result, the authors conclude that the use of the *in vitro* model is a promising approach for the study of the effects of the environment on the development of the embryo.

Certificate

The

Certificate Number:
Date of Issue:
Expires Date:
Issued by:



Calceolarius

Album

IPO LOTTERY



Album

GPH Group GOLF TOURNAMENT-2012



GPH UTS HAB-2012



Registered Office: Crown Chamber, 325 Asadgonj, Chittagong.

PROXY FORM

I / We _____
of _____
being a member of GPH Ispat Ltd. do hereby appoint
Mr/Mrs/ Miss _____
of _____
as my / our proxy to attend and vote for me / us on my / our behalf at the 6th Annual general Meeting of the
Company to be held on Tuesday the 13th November 2012 at 11:00 a. m. at The Institution of Engineers, S.S. Khaled
Road, Chittagong and at any adjournment thereof.

As witness my hand this _____ day of _____ 2012

Affix Revenue Stamp of Tk. 10.

(Signature of the Proxy)

Shareholders BO ID No.

Note: 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.

Authorized Signatory
GPH Ispat Ltd.

Registered Office: Crown Chamber, 325 Asadgonj, Chittagong

SHAREHOLDERS' ATTENDANCE SLIP

I / We hereby record my / our presence at the 6th Annual General Meeting of the Company on 13th November, 2012 at The Institution of Engineers, S.S. Khafed Road, Chittagong

Name of Shareholder / Proxy: _____

Shareholders BCID No:

Signature of Shareholder (s)

N.B. Please present this slip at the reception Desk on the ACM date



GPH 60 Grade & TMT 500W Grade Billet



GPH 60 Grade Deformed Bar



MAXpower 500W TMT Bar



GPH ispat Ltd.
COMMITTED TO STRENGTH



GPH ispat Ltd.
COMMITTED TO STRENGTH

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