

Annual Report
2013-2014



GPH ispat Ltd.
COMMITTED TO STRENGTH



Annual Report

2013-2014



GPH ispat ltd.

COMMITTED TO STRENGTH

Registered Office:

Crown Chamber, 325 Asadgonj, Chittagong

Phone : +880-31-631460 (PABX),

+880-31-2854997, 633007

Fax : +880-31-610995

Email : info@gphispat.com.bd

Dhaka Office:

Hamid Tower, 3rd Floor, 24 Gulshan C/A,
Circle-2, Dhaka 1212

Phone : +88-02-9840177

Fax : +88-02-9880366

Email : salesdhk@gphispat.com.bd

www.gphispat.com.bd

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GOD FEARING PLAIN LIVING HIGH THINKING

"In the beginning God Created man"

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

GPH ispat Ltd.

one of the leaders of Bangladesh in manufacturing steel, promises a super strong future and economy with its world class products. Not only structural bar, but GPH Ispat 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 being 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.



GPH ispat Ltd.
COMMITTED TO STRENGTH

Transmittal Letter



GPH Ispat Ltd.

Corporate Office:
 Crown Chamber, 325 Asadgonj,
 Chittagong 4000, Bangladesh.
 Phone : +880-31-631460
 PABX : 2854997
 Fax : +880-31-610995
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 Hamid Tower (3rd Floor)
 24 Gulshan C/A,
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 Phone : +88-02-9840177
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 Email : salesdhk@gphispat.com.bd
 www.gphispat.com.bd

October 20, 2014

The Valued Shareholders of GPH Ispat Ltd
 Bangladesh 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, 2014

Dear Sir(s)

We are pleased to enclose the notice of 8th Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at April 30, 2014, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended April 30, 2014 along with the notes thereon of GPH Ispat Ltd for your kind 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 phases 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 responding 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 8th Annual General Meeting



Notice is hereby given that the 8th ANNUAL GENERAL MEETING of the shareholders of GPH Ispat Limited will be held on Monday the 10th November, 2014 at 11.00 am at Ichamoti Hall, Hotel Agrabad, 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, 2014 together with the Auditors' Report & Directors' Report thereon.

Agenda-2: To approve dividend for the year ended April 30, 2014

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.

By order of the Board

Dated: October 20, 2014



(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 (22nd September, 2014) 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 which was 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, Sitakunda, Chittagong.
Dhaka Office : Hamid Tower (3rd Floor), 24 Gulshan C/A, Circle-2, Dhaka-1212

Board of Directors:

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

Audit Committee:

Professor Dr. Mohammad Saleh Jahur	: Chairman
Mr. Mohammed Jahangir Alam	: Member
Mr. Md. Almas Shimul	: Member

Chief Financial Officer : Mr. Kamrul Islam, FCA

Company Secretary : Mr. Arafat Kamal, ACA

Head of Internal Audit : Mr. Atiqur Rahman

Statutory Auditors : Syful Shamsul Alam & Co.
Chartered Accountants

Advisor : Mr. Sidhartha Barua, FCA

Listing:

Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Banker:

AB Bank Ltd
Trust Bank Ltd
Pubali Bank Ltd
Standard Chartered Bank
Islami Bank Bangladesh Ltd
United Commercial Bank Ltd
NCC Bank Ltd
One Bank Ltd
Janata Bank Ltd
Premier Bank Ltd

Insurer:

Asia Insurance Company Limited
Green Delta Insurance Company Limited
Pioneer Insurance Company Limited
Pragati Insurance Company Limited
Peoples Insurance Company Limited

Credit Rating Agency:

Credit Rating Agency of Bangladesh Ltd (CRAB)

Website : www.gphispat.com.bd

E-mail : info@gphispat.com.bd

Board of Directors



Md. Alamgir Kabir
Director & Chairman



Mohammed Jahangir Alam
Director & Managing Director



Md. Abdur Rouf
Director



Md. Almas Shimul
Director & Additional Managing Director



Md. Ashrafuzzaman
Director



Md. Abdul Ahad
Director



Md. Salahuddin Roman
Director



Md. Azizul Haque Raju
Director



Professor Dr. Mohammad Saleh Jahur
Independent Director



Md. Velayet Hossain
Independent Director

Management Team



Mohammed Jahangir Alam
Managing Director



Md. Almas Shimul
Additional Managing Director



Md. Ashrafuzzaman
Director



Abu Bakar Siddique, FCMA
Executive Director



Md. Mustaq Ahmed
Executive Director (Factory)



Engr. Borhan Uddin Ahmed
Sr. GM (Research & Development)



Kamrul Islam, FCA
Chief Financial Officer



Engr. Humayun Kabir
General Manager (Technical)



Engr. Mahmudul Hossain
General Manager-Factory (Current Charge)



Arafat Kamal, ACA
Company Secretary



A.B.M. Sahedul Alam Al Masood
AGM (HR & Admin)



Anamul Islam
AGM, Marketing & Sales
Dhaka Corporate



Jahed Al Asba
AGM, Marketing & Sales
Chittagong Corporate



Md. Hamidul Islam
AGM (Finance & Accounts)



Mohammed Atiqur Rahman
Head of Internal Audit





Chairman's Message

Bismillahir Rahmanir Rahim

Dear Fellow Shareholders of GPH Ispat Limited,
Assalamu Alaikum,

I feel privileged and welcome to all of you at our 8th Annual General Meeting.

The economy of Bangladesh is rapidly developing as the capitalist economy. According to the Bangladesh Bureau of Statistics, per capita income of our country has arisen to USD 1,190 in 2013. The economy has grown at the rate of 6-7% per annum over the past few years and Bangladesh is to be considered as the next Asian Tiger Economy.

Steel is known as the backbone of the modern economy as well as widely used material in society due to its unique combination of strength, formability and versatility. In addition, steel is also the key material which essentially needed for industrialization and urbanization; hence it is strongly associated with the status of a nation's economy. Therefore, steel industries work as a barometer of the economic health of the nation.

Due to global warming and other reasons, the climate of the World has been changing adversely. Natural disasters like flood, cyclone, earthquake etc. are being increased. Especially in our country every year natural calamity often take place. So, structural security has become a major concern at present. Without high quality graded steel structure security arrangement is not possible.

Besides, the necessity of concrete based road will be increased in near future to develop and sustainable infrastructures in our country. To maintain food security we need to keep adequate agricultural land for cultivation. But Bangladesh is an over populated country with small land area. The only way to facilitate food security is to build strong steel basis high rise structure, for commercial and residential purpose with proper drainage system whether it makes easy for utilizing maximum rain water. So, it can be said that steel is the stairs of development of our country.

In the year 2013-14 can be marked as the year of political turmoil and unrest. Political violence, strike hampered the normal business environment. Especially delivery of our product was badly interrupted by strike and violence.

Despite unfavorable situation of politics, your company is able to earn more profit during the year 2013-14. The profit excluding tax was BDT 278.85 million while BDT 250.12 million in the previous year. The Board of Directors of the company is also concerned about the shareholders interest to the fact in 2013-14 the Board recommends 15% cash and 5% Bonus dividend for all its ordinary Shareholders.

The contributions of GPH Ispat Ltd. to national exchequer are also notable. During the year 2013-14, we have paid BDT 394.63 million to National Exchequer against corporate tax, source tax, custom duty, VAT, etc.

Your Company has subscribed 10% equity shares of "GPH steel Ltd", a newly established public limited company. The objective of GPH steel Ltd. is to be the best among others by setting up an integrated steel plant for manufacturing of MS Billet and MS Rod.

Chairman's Message



The Board of Directors of the Company has been called upon meeting 6 times during the year 2013-14 to consider and discuss the various agenda related to company's operation and others.

Bangladesh Securities and Exchange Commission (BSEC) has issued a mandatory Guideline on Corporate Governance vide its notification SEC/CMRRCD/2006-158/129/Admin/43, dated 7th August 2012. This guideline is issued with a view to ensuring good governance, financial transparency etc. Your company ensures compliance with abide by all the conditions of the said Corporate Governance guidelines. Consequently a certificate is obtained from M/S. M. A. Mallik & Co, Chartered Accountants which enclosed with the Directors report of this fiscal year.

A very competent and experienced Management team is leading the company with their best efforts. The Head of Management team Mr. Mohammed Jahangir Alam is the Managing Director of the Company with his wisdom and business ethics.

Finally on behalf of the company and on my personal behalf I would like to offer my heartfelt thanks and gratitude to our valued shareholders, customers, suppliers, employees, distributors, various Government authorities, BSEC, DSE, CSE, CDBL and others for their support to the company.



(Md. Alamgir Kabir)

Chairman



চেয়ারম্যান এর বার্তা

বিস্মিল্লাহির রাহমানির রাহিম

জিপিএইচ ইস্পাত লিমিটেড এর প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম,

আমি আমাদের ৮ম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাই।

বাংলাদেশের অর্থনীতি দ্রুত পুঁজিবাদী অর্থনীতিতে উন্নীত হচ্ছে। বাংলাদেশ পরিসংখ্যান ব্যরোর মতে, ২০১৩ সালে দেশের মাথা পিছু আয় ১,১৯০ মার্কিন ডলারে উন্নীত হয়েছে। গত কয়েক বছর ধরে দেশের অর্থনীতি বছরে ৬-৭ % হারে বৃদ্ধি পাচ্ছে। বাংলাদেশকে পরিবর্তী ‘এশিয়ান ইকোনোমিক টাইগার’ হিসেবে বিবেচনা করা হচ্ছে।

ইস্পাতের শক্তি, বিন্যাস, বহুমুখিতা এবং সেই সাথে সমাজে এর ব্যপক ব্যবহারের কারনে ইহা আধুনিক অর্থনীতির মেরুদণ্ড হিসেবে পরিচিত। শিল্পায়ন ও নগরায়নের জন্য ইস্পাত হচ্ছে প্রধান উপাদান; এই কারনে ইহা একটি জাতির অর্থনীতির সাথে দৃঢ়ভাবে যুক্ত। তাই ইস্পাত শিল্প একটি দেশের অর্থনীতির পরিমাপক হিসেবে বিবেচিত।

বৈশ্বিক উষ্ণতা বৃদ্ধি ও অন্যান্য কারনে বিশ্ব জলবায়ু ব্যাপক হারে পরিবর্তন হচ্ছে। প্রাকৃতিক দূর্যোগ যেমন -বন্যা, ঘূর্ণিঝড়, ভূমিকম্প ইত্যাদি বৃদ্ধি পাচ্ছে। বিশেষ করে আমাদের দেশে প্রায়ই প্রাকৃতিক দূর্যোগ সংগঠিত হয়। সুতরাং নির্মাণ নিরাপত্তা বর্তমান সময়ে আমাদের জন্য একটি প্রধান উদ্বেগের বিষয় হয়ে উঠেছে। উন্নতমানের প্রয়োজন হচ্ছে ইস্পাত ছাড়া নির্মাণ নিরাপত্তা বিধান করা সম্ভব নয়।

এছাড়া অদূর ভবিষ্যতে টেকসই অবকাঠামো উন্নয়নে কনক্রীট ভিত্তিক রাস্তার প্রয়োজনীয়তা বৃদ্ধি পাবে। খাদ্য নিরাপত্তা নিশ্চিত করার জন্য আমাদের পর্যাপ্ত কৃষি জমির প্রয়োজন। কিন্তু বাংলাদেশ সীমিত জমিতে অধিক জনসংখ্যার একটি দেশ। খাদ্য নিরাপত্তা নিশ্চিত করার এক মাত্র উপায় হল শক্তিশালী ইস্পাত নির্তর বাণিজ্যিক ও আবাসিক ভবন নির্মাণ, যাতে বৃষ্টির পানির সর্বোচ্চ ব্যবহারের জন্য উপযুক্ত নালার ব্যবস্থা থাকবে। তাই ইহা বলা যেতে পারে যে, ইস্পাত একটি দেশের উন্নয়নের সোপান।

২০১৩-২০১৪ বছরকে রাজনৈতিক অস্থিতিশীলতা ও অস্থিরতার বছর হিসেবে বিবেচনা করা যেতে পারে। রাজনৈতিক সহিংসতা, হরতাল ব্যবসায়ের স্বাভাবিক পরিবেশকে বাধাগ্রস্ত করেছে। সহিংসতা ও ধর্মঘট বিশেষ করে আমাদের পন্য সরবরাহকে বাধাগ্রস্ত করেছে।

রাজনৈতিক অস্থিতিশীলতা ও প্রতিকূল পরিস্থিতি সত্ত্বেও আপনাদের কোম্পানি ২০১৩-২০১৪ বছরে অধিক মুনাফা অর্জনে সক্ষম হয়েছে। উক্ত বছরে কর পরবর্তী মুনাফা হয়েছে ২৭৮.৮৫ মিলিয়ন যা পূর্ববর্তী বছরে ছিল ২৫০.১২ মিলিয়ন। কোম্পানির পরিচালনা পর্ষদ শেয়ারহোল্ডারদের স্বার্থের প্রতি সচেষ্ট এবং ২০১৩-২০১৪ বছরে পর্ষদ সাধারণ শেয়ারহোল্ডারদের জন্য ১৫% নগদ ও ৫% বোনাস লভ্যাংশ সুপারিশ করেছে।

জিপিএইচ ইস্পাত লিমিটেড রাষ্ট্রীয় কোষাগারে উল্লেখ্যযোগ্য অবদান রেখেছে। ২০১৩-২০১৪ বছরে আমরা কোম্পানি আয়কর, উৎস কর, শুল্ক ও ভ্যাট ইত্যাদি মিলিয়ে সর্বমোট ৩৯৪.৬৩ মিলিয়ন টাকা রাষ্ট্রীয় কোষাগারে জমা করেছি।

আপনাদের কোম্পানী সদ্য প্রতিষ্ঠিত জিপিএইচ স্টীলস লিমিটেড নামক একটি পাবলিক লিমিটেড কোম্পানীতে এর ১০% শেয়ারে বিনিয়োগ করেছে। জিপিএইচ স্টীলস এর উদ্দেশ্য হচ্ছে এম এস বিলেট ও এম এম রড উৎপাদনের জন্য সমর্পিত ইস্পাত প্লাট স্থাপন।

চেয়ারম্যান এর বার্তা



২০১৩-২০১৪ বছরে কোম্পানির পরিচালনা পর্ষদ কোম্পানির কার্যক্রম ও বিভিন্ন বিষয়ে আলোচনার জন্য মোট ৬ বার সভা করেছে।

বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশন (বিএসইসি) ৭ই আগস্ট, ২০১২ইং তারিখে কর্পোরেট সুশাসন এর উপর একটি নোটিফিকেশনঃ এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১২৯/এডমিন/৪৩ জারি করেছে। সুশাসন ও আর্থিক স্বচ্ছতা নিশ্চিত করার জন্য এই নির্দেশনা জারি করা হয়েছে। আপনাদের কোম্পানি সেই নির্দেশনার সকল শর্ত নিশ্চিত করেছে। এই বিষয়ে মেসার্স এম. এ. মাল্টিক এন্ড কোং, চার্টার্ড একাউন্টেন্টস এর নিকট থেকে প্রাপ্ত সনদ ২০১৩-২০১৪ সালের পরিচালক পর্ষদের প্রতিবেদনের সাথে সংযুক্ত করা হয়েছে।

একটি উপযুক্ত ও অভিজ্ঞ ব্যবস্থাপনা দল তাদের সর্বোত্তম প্রচেষ্টার সঙ্গে কোম্পানির নেতৃত্ব দিচ্ছে। ব্যবস্থাপনা দলের প্রধান কোম্পানির ব্যবস্থাপনা পরিচালক জনাব মোহাম্মদ জাহাঙ্গীর আলম তার প্রজ্ঞা ও নেতৃত্বিতার সাথে কাজ করে যাচ্ছেন।

পরিশেষে, কোম্পানির পক্ষ থেকে এবং আমার পক্ষ থেকে কোম্পানিকে সমর্থন ও সহযোগিতা প্রদানের জন্য সকল সম্মানিত শেয়ারহোল্ডারগন, ক্রেতাগন, সরবরাহকারী, কর্মকর্তা/কর্মচারী, বিপণকারী, সরকারী বিভিন্ন কর্তৃপক্ষ, বিএসইসি, ডিএসই, সিএসই, সিডিবিএল এবং অন্যান্য ব্যাক্তি ও প্রতিষ্ঠানসমূহকে আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাই।

(মো: আলমগীর কবির)

চেয়ারম্যান



Message from Managing Director

Bismillahir Rahmanir Rahim

Dear Valued Shareholders,
Assalamu Alaikum,

I feel delighted to welcome you all at the 8th Annual General Meeting of GPH Ispat Ltd.

Economy of Bangladesh is progressing day by day and it is expected that within next few years it will become a country of middle income. Industrialization, infrastructural development, building of skyscrapers are among the major development activities of the country. Industrialization requires setting up new plant and building structures ultimately creates demand for building materials. Construction of multi-storied building for both commercial and residential purpose is an essential condition for development as land is limited. But increased population creates requirement for additional residential buildings. Infrastructural development and construction of multi-storied buildings create demand for building materials like high quality MS Rod.

The year 2013-14 can be marked as the year of political unrest. It was a great challenge for your company to face the said political unrest and by the grace of the Almighty and with the relentless effort of the employees, the company has been able to generate more profit than the previous year.

Your Company contributes to solve the unemployment problem of Bangladesh. About 800 permanent and casual staff/workers are working within the company. Many other people are indirectly involved with this company.

Global warming has become a major concern for the World at present. Especially increase of carbon into air is the main cause of global warming and unhealthy air. The only way to control this global warming is to reduce carbon applying pollution free industrialization. GPH Ispat is always concerned about this global environment issue and has been applying the latest technologies and measures in this regard including 'Effluent Treatment Plant' with a view to keep the environment green.

We are continuously trying to increase efficiency and productivity of the mill, reducing the production cost and above all to maintain the quality of the products. We believe in "**Committed to Strength**", the slogan of GPH Ispat Ltd.

At last, I believe that the confidence & belief of Shareholders, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., Central Depository Bangladesh Ltd., Buyers, Bankers, Insurers, Advisors, Employees, Govt. Authorities & others are the key success factor for the Company & I would like to express my gratitude to all those organizations/persons for their kind support.



(Mohammed Jahangir Alam)

Managing Director



বিস্মিল্লাহির রাহমানির রাহিম

প্রিয় সম্মানিত শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম,

জিপিএইচ ইস্পাত লিমিটেড এর ৮ম বার্ষিক সাধারণ সভায় আনন্দের সাথে আপনাদের সবাইকে স্বাগত জানাই।

বাংলাদেশের অর্থনীতি দিন দিন এগিয়ে চলছে এবং প্রত্যাশা করা যায় যে, পরবর্তী কয়েক বছরের মধ্যে বাংলাদেশ একটি মধ্যম আয়ের দেশে পরিণত হবে। শিল্পায়ন, অবকাঠামোগত উন্নয়ন, বহুতল ভবন ইত্যাদি হচ্ছে দেশের প্রধান উন্নয়ন কর্মকাণ্ড সমূহের অন্যতম। শিল্পায়নের জন্য প্রয়োজন নতুন প্ল্যান্ট ও ভবন নির্মাণ, যার কারনে নির্মাণ সামগ্রীর প্রয়োজন হয়। ভূমি স্থলভার কারনে বাণিজ্যিক ও আবাসিক উদ্দেশ্যে বহুতল ভবন নির্মাণ অত্যাবশ্যক। জনসংখ্যা বৃদ্ধির কারনে অতিরিক্ত আবাসিক ভবনের প্রয়োজনীয়তা দেখা দিচ্ছে। অবকাঠামোগত উন্নয়ন ও বহুতল ভবন নির্মাণের কারনে নির্মাণ সামগ্রী যেমন উচ্চমানসম্পন্ন এমএস রড এর চাহিদা সৃষ্টি হয়েছে।

২০১৩-২০১৪ বছরকে রাজনৈতিক অস্থিরতার বছর হিসেবে চিহ্নিত করা যেতে পারে। এই রাজনৈতিক অস্থিরতা মোকাবেলা করা আপনাদের কোম্পানির জন্য ছিল একটি বিশাল চ্যালেঞ্জ। পরম কর্মনাময়ের অসীম দয়ায় ও কর্মকর্তা/কর্মচারীদের অক্রান্ত পরিশ্রমের কারনে আমরা পূর্ববর্তী বছরের তুলনায় আলোচ্য বছরে অধিক মুনাফা অর্জনে সক্ষম হয়েছি।

আপনাদের কোম্পানি বাংলাদেশের বেকার সমস্যার সমাধানে অবদান রাখছে। প্রায় ৮০০ স্থায়ী ও নৈমিত্তিক কর্মচারী/শ্রমিক কোম্পানিতে কাজ করছে এবং অন্যান্য অনেক লোক পরোক্ষভাবে কোম্পানির সাথে জড়িত রয়েছে।

বৈশ্বিক উষ্ণতা বৃদ্ধি বর্তমান বিশ্বের জন্য একটি প্রধান উদ্দেশের কারণ হয়ে দাঁড়িয়েছে। বৈশ্বিক উষ্ণতা বৃদ্ধি ও ক্ষতিকর বাতাসের প্রধান কারণ হল বাতাসে কার্বনের পরিমাণ বৃদ্ধি। বৈশ্বিক উষ্ণতা বৃদ্ধি রোধের এক মাত্র উপায় হল কার্বন কমানোর মাধ্যমে দূষণ মুক্ত শিল্পায়ন। বিশ্ব পরিবেশের ব্যাপারে জিপিএইচ ইস্পাত লিমিটেড সর্বদা সচেতন রয়েছে এবং সবুজ পরিবেশ রাখার উদ্দেশ্যে আধুনিক প্রযুক্তি ও প্রতিরোধ ব্যবস্থা হিসেবে “ইফ্রয়েন্ট ট্রিটমেন্ট প্লান্ট” যুক্ত করা হয়েছে।

উৎপাদন খরচ কমিয়ে এবং পন্যের মান বজায় রেখে কারখানার দক্ষতা ও উৎপাদনশীলতা বৃদ্ধি করতে আমরা সর্বদা চেষ্টা করে যাচ্ছি। আমরা জিপিএইচ ইস্পাতের প্লেগান “দৃঢ়তর প্রতিশ্রুতি” তে বিশ্বাসী।

পরিশেষে, আমি বিশ্বাস করি যে, শেয়ারহোল্ডারবৃন্দ, বাংলাদেশ সিকিউরিটিজ এবং একচেঙ্গ কমিশন, ঢাকা স্টক একচেঙ্গ লিমিটেড, চট্টগ্রাম স্টক একচেঙ্গ লিমিটেড, সেন্ট্রাল ডিপজিটরী বাংলাদেশ লিমিটেড, ক্রেতাগন, ব্যাংক, বীমা, পরামর্শক, জিপিএইচ এর কর্মকর্তা/কর্মচারী বৃন্দ, সরকারী প্রতিষ্ঠান সমূহ এবং সংশ্লিষ্ট অন্যান্য সকল ব্যাক্তি/প্রতিষ্ঠান সমূহের আশ্বা ও বিশ্বাস কোম্পানির সাফল্যের প্রধান শর্ত এবং আমি উপরোক্ত সকল ব্যাক্তি/প্রতিষ্ঠান সমূহকে তাদের অবদানের জন্য আন্তরিক কৃতজ্ঞতা জানাই।



(মোহাম্মদ জাহাঙ্গীর আলম)
ব্যবস্থাপনা পরিচালক

Directors' Report to the Shareholders

For the year ended 30th April 2014



GPH ispat ltd.
COMMITTED TO STRENGTH

Dear Shareholder(s),

On behalf of the Board of Directors I welcome you all in the 8th Annual General Meeting of GPH Ispat Limited.

It is a matter of immense pleasure to present the Directors' Report together with the Annual Financial Statements of the Company for the year ended on April 30, 2014 to you to consider, adopt and approve of the same.

Industry outlook & possible future developments:

Bangladesh is on its way to become a country of middle income. Country's economy is progressing day by day with satisfactory growth in GDP. Construction sector which is one of the most prospective sectors at present is also growing in line with country's growth. Infrastructural development like flyover setup, bridge, culvert etc significantly contributes to the growth of construction sector.

Although Bangladesh has gone through major political unrest during the year 2013-14, the demand of graded steel is increasing and this positive trend will hopefully be exist in the future years.

Operational & Financial Review:

We have been able to make progress in respect of profit after tax. During the year under review, our profit after tax stands Tk. 278.85 Million which was 250.12 Million in the previous year.

The increase of electricity price has a negative impact on our operation. Despite of this price hike of electricity and some other services, we have been able to make more profit during the year 2013-14 which is a combined success of our officers and workers.

Financial Review:

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

Particulars	2013-2014 Taka	2012-13 Taka	2011-12 Taka	2010-11 Taka	2009-10 Taka
Turnover(net)	4,687,216,381	5,387,428,105	4,386,316,699	3,688,519,184	3,223,787,065
Cost of Goods Sold	3,819,621,077	4,521,129,044	3,572,803,464	3,044,732,767	2,817,640,942
Gross Profit	867,595,304	866,299,061	813,513,235	643,786,417	406,146,123
Operating Profit	711,665,073	718,579,208	672,439,766	526,451,247	325,716,586
Profit before Tax & Reserve	410,054,909	339,171,840	298,976,669	211,232,762	111,429,896
Profit after Tax	278,853,050	250,124,897	254,245,051	182,910,124	110,249,598
Tax Holiday Reserve	9,199,657	42,881,781	55,743,574	54,282,291	42,784,614
Profit after Tax & Reserve	269,653,393	207,243,116	198,501,477	128,627,833	67,464,984

Investment into Shares of GPH Steels Ltd:

We have subscribed 100,000 Ordinary Shares of GPH Steels Ltd @ Tk. 10 each. GPH Steels Ltd is a newly established public limited company having paid up Capital of Tk. 10,000,000. The main objective of this Company is to manufacture, trading and selling of all kinds of steel products.

Renovation of Continuous Casting Machine (CCM):

We have renovated our Continuous Casting Machine with a view to get smooth and quality production from our Billet Plant. Some equipment has been imported from Concast India (Pvt.) Ltd which is a USA based joint venture company. The installation and fine tuning of the imported machineries and parts thereof have done successfully.

Research & Development:

Business in now-a-days is often competitive. Innovative approach is one of the ways to survive in competitive condition. Finding out new products, qualitative changes in product, cost reduction using different quality materials/technology, new product promotion strategy etc are the main weapons to ensure progress among the competitors. During the year under review we have established a Research & Development Department with the objective of both market research and technical research.

Purchase Manual:

A detail Purchase Manual have been prepared and implemented during the year 2013-14. This Purchase Manual facilitates quality purchase with low cost and safeguard of Company's interest.

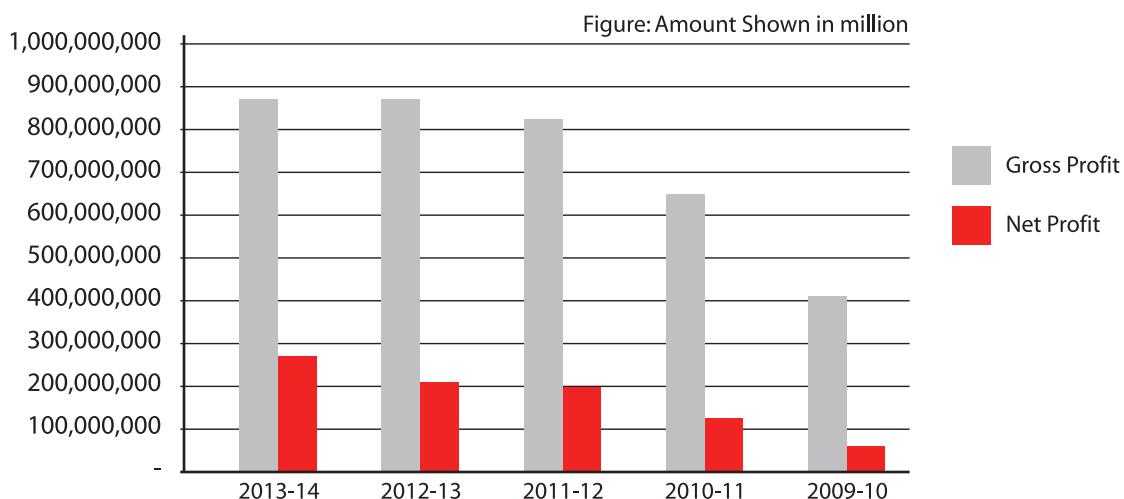
Product wise Performance:

The Company produces two products: M.S. Rod & M.S. Billet. Product wise Sales amount, Sales quantity & production quantity along with previous year's comparison is tabulated below:

Particulars	MS Rod 2013-14	MS Rod 2012-13	MS Billet 2013-14	MS Billet 2012-13
Sales amount(Taka)	4,751,306,767	5,270,408,692	-	183,724,926
Sales quantity(MT)	77,018	80,595	-	3,210
Production quantity(MT)	77,332	84,062	83,533	87,265
Production capacity(MT)	120,000	120,000	168,000	168,000
Utilized Capacity	64.44%	70.05%	49.72%	51.94%

Gross Profit & Net Profit:

The Co.'s Gross profit & Net profit increases from year to year in the following way:



The above profitability figure shows upward trend from year to year.

Quality Product:

About a decade or more ago, people were used to use non-graded Rod in construction. In those days, Rolling Mills in Bangladesh were used to produce non-grade Rod through their manual operating system. These manual/non-grade Rods can't minimize the risk of Earthquake. Based on this risk of earthquake, technologies of Rolling Mills have been developed in recent years applying automation and others. At present out of many Rolling Mills in Bangladesh a few have set out automatic mills and producing graded steel products (60 grade, TMT 500W etc). You may feel happy to know that your company is one of the country's leading Rod producers in respect of Quality.

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 2013-14.

Contribution to National Exchequer

During 2013-14, the company contributed Tk. 394.63 million (approx.) to the National Exchequer in the form of Corporate Tax, Source Tax, Custom duty, VAT etc. This is equivalent to 8.41% of our net sales revenue for the year.

Profit & Dividend

The Company earned Taka 278.85 Million only as Profit after Tax during the year ended 30th April, 2014 out of which Tk. 9.19 Million is transferred to Tax Holiday Reserve in conformity with Tax Holiday condition. The Board of Directors is pleased to recommend 20% dividend (15% Cash Dividend & 5% Stock Dividend) for its shareholders out of accumulated profit & Reserve held on April 30, 2014. The Bonus issue will raise the paid up capital up to Tk. 1,247.40 Million (Paid up Capital before Bonus is Taka 1,188 Million).

It's a matter of pleasure that our company secures its place in "A" category according to Dhaka Stock Exchange Ltd & Chittagong Stock Exchange Ltd categorization based on Dividend payment and other compliances.

Directors' appointment, retirement & re-appointment

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

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

- A) Mr. Md. Alamgir Kabir
- B) Mr. Md. Almas Shimul
- C) Mr. Md. Ashrafuzzaman

The short bio-data of the said Directors are enclosed herewith (Annexure-G).

Auditors

The Directors do hereby report that M/S Syful Shamsul Alam & Co., Chartered Accountants, Paramount Heights (Level-6) 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000 was appointed as Auditors of the Company for the Financial Year ended 30th April, 2014 in the last Annual General Meeting of the Company. The Auditor has carried out the audit for the year ended 30th April 2014 & submitted their Report thereof. Being eligible for re-appointment, they have expressed their willingness to be re-appointed.

Compliance of Corporate Governance

The Compliance status of SEC notification No: SEC/CMRRCD/2006-158/129/Admin/43 dated 7th August 2012 is annexed herewith along with Auditors' Certificate on the issue (Annex -B & Annex-C).

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- D.

Shareholding Information:

The composition of shareholding as on 30th April, 2014 is set out in the Annexure-E.

Utilization of IPO Proceeds and financial results after IPO:

There is no unutilized IPO Proceeds in Company's account as the proceeds was utilized fully during the year 2011-12 and no major financial deterioration took place after IPO.

Extra Ordinary Gain/Loss:

During the previous year (2012-13) the Company earned Tk. 4.12 million as interest income on IPO fund, but during the year under review (2013-14) no such Income was earned.

Internal Control:

The company management has established an effective Internal Control System within the entity with a view to ensure financial transparency and to minimize the scope of fraud, defalcation, misuse etc. The company has a separate Internal Audit Department which is involved with checking the effectiveness of control system and developing the system throughout the year.

Finally, I would like to offer heartfelt Thanks & gratitude to you all.

On behalf of the Board



(MOHAMMED JAHANGIR ALAM)

Managing Director

৩০ এপ্রিল, ২০১৪ ইং তারিখে সমাপ্ত বছরের জন্য
শেয়ারহোল্ডারগণের প্রতি

পরিচালনা পর্ষদের প্রতিবেদন।

সম্মানীত শেয়ারহোল্ডারবৃন্দ,

জিপিএইচ ইস্পাত লিঃ এর ৮ম বার্ষিক সাধারণ সভায় কোম্পানীর পরিচালনা পর্ষদ এর পক্ষ থেকে আপনাদের স্বাগত জানাই।

কোম্পানীর ৩০শে এপ্রিল, ২০১৪ ইং তারিখের সমাপ্ত বছরের আর্থিক বিবরণীসহ পরিচালনা পর্ষদের প্রতিবেদন আপনাদের বিবেচনা, এহন ও অনুমোদন এর জন্য উপস্থাপন করছি।

শিল্পের সার্বিক অবস্থা ও সম্ভাব্য ভবিষ্যত উন্নয়ন :

বাংলাদেশ একটি মধ্যম আয়ের দেশে পরিনত হওয়ার পথে যাত্রা অব্যাহত রেখেছে। জিডিপির সন্তোষজনক বৃদ্ধির মাধ্যমে দেশের অর্থনীতি দিন দিন এগিয়ে যাচ্ছে। দেশের প্রবৃদ্ধির সাথে সাথে বর্তমানে নির্মাণ খাত একটি অন্যতম সম্ভাবনাময় খাত হিসেবে এগিয়ে যাচ্ছে। দেশের অবকাঠামোগত উন্নয়ন যেমন, ফ্লাইওভার, ব্রীজ, কালভার্ট ইত্যাদি নির্মান খাতে গুরুত্বপূর্ণ অবদান রাখছে।

যদিও বাংলাদেশ ২০১৩-১৪ বছরে রাজনৈতিক অস্থিরতার মধ্যে অতিবাহিত করেছে, তথাপি প্রেডেড ইস্পাতের চাহিদা বাড়ছে এবং এই ইতিবাচক প্রবন্ধন ভবিষ্যতেও অব্যাহত থাকবে বলে আশা করা যায়।

কার্যক্রম ও আর্থিক পর্যালোচনা :

আমরা কর পরবর্তী আয়ের ক্ষেত্রে অগ্রগতি করতে সক্ষম হয়েছি। এই বছর পর্যালোচনা করে দেখা যায় যে, আমাদের কর পরবর্তী আয় হয়েছে ২৭৮.৮৫ মিলিয়ন টাকা যা পূর্ববর্তী বছরে ২৫০.১২ মিলিয়ন ছিল।

বিদ্যুতের দাম বৃদ্ধির ফলে আমাদের কার্যক্রমের উপর নেতৃত্বাচক প্রভাব পড়েছে। বিদ্যুৎ এবং অন্যান্য সেবাসমূহের দাম বৃদ্ধি সত্ত্বেও ২০১৩-১৪ বছরে আমরা অধিক মূলাফা অর্জনে সক্ষম হয়েছি, যা আমাদের কর্মকর্তা ও শ্রমিকদের সফলতা।

আর্থিক পর্যালোচনা :

বিগত পাঁচ বছরের কোম্পানীর আর্থিক ফলাফল নিম্নে ছক আকারে দেখানো হল :

বিবরন	২০১৩-২০১৪ টাকা	২০১২-১৩ টাকা	২০১১-১২ টাকা	২০১০-১১ টাকা	২০০৯-১০ টাকা
বিক্রয় (নেট)	৪,৬৮৭,২১৬,৩৮১	৫,৩৮৭,৮২৮,১০৫	৪,৩৮৬,৩১৬,৬৯৯	৩,৬৮৮,৫১৯,১৮৪	৩,২২৩,৭৮৭,০৬৫
বিক্রিত পণ্যের ব্যয়	৩,৮১৯,৬২১,০৭৭	৪,৫২১,১২৯,০৪৪	৩,৫৭২,৮০৩,৮৬৪	৩,০৪৮,৭৩২,৭৬৭	২,৮১৭,৬৪০,৯৪২
মোট মুলাফা	৮৬৭,৫৯৫,৩০৮	৮৬৬,২৯৯,০৬১	৮১৩,৫১৩,২৩৫	৬৪৩,৭৮৬,৮১৭	৪০৬,১৪৬,১২৩
পরিচলন মুলাফা	৭১১,৬৬৫,০৭৩	৭১৮,৫৭৯,২০৮	৬৭২,৪৩৯,৭৬৬	৫২৬,৮৫১,২৪৭	৩২৫,৭১৬,৫৮৬
কর ও সংগঠিত পূর্ব মুলাফা	৮১০,০৫৪,৯০৯	৩৩৯,১৭১,৮৪০	২৯৮,৯৭৬,৬৬৯	২১১,২৩২,৭৬২	১১১,৮২৯,৮৯৬
কর পরবর্তী মুলাফা	২৭৮,৮৫৩,০৫০	২৫০,১২৪,৮৯৭	২৫৪,২৪৫,০৫১	১৮২,৯১০,১২৪	১১০,২৪৯,৫৯৮
কর অবকাশ সংগঠিত	৯,১৯৯,৬৫৭	৮২,৮৮১,৭৮১	৫৫,৭৪৩,৫৭৪	৫৪,২৮২,২৯১	৪২,৭৮৪,৬১৪
কর ও সংগঠিত পরবর্তী মুলাফা	২৬৯,৬৫৩,৩৯৩	২০৭,২৪৩,১১৬	১৯৮,৫০১,৮৭৭	১২৮,৬২৭,৮৩৩	৬৭,৮৬৪,৯৮৪

জিপিএইচ ষ্টীলস্ লিঃ এর শেয়ারে বিনিয়োগ:

আমরা জিপিএইচ ষ্টীলস্ লিঃ এর প্রতি শেয়ার ১০ টাকা হারে ১,০০,০০০ (এক লক্ষ) সাধারণ শেয়ারে বিনিয়োগ করেছি। জিপিএইচ ষ্টীলস্ লিঃ ১,০০,০০,০০০ (এক কোটি) টাকা পরিশোধিত মূলধন নিয়ে সদ্য প্রতিষ্ঠিত একটি পাবলিক লিমিটেড কোম্পানী যার প্রধান উদ্দেশ্য হল সকল প্রকার ইস্পাত জাত পণ্য উৎপাদন, বিপন্ন ও বিক্রয় করা।

কন্টিনিউয়াস কাস্টিং মেশিন (সিসিএম) আধুনিকায়ন:

আমাদের বিলেট প্লাট থেকে সুচারূপে এবং মানসম্মত উৎপাদনের উদ্দেশ্যে কন্টিনিউয়াস কাস্টিং মেশিনকে আধুনিকায়ন করা হয়েছে। কনকাট ইভিয়া প্রাইভেট লিঃ নামক একটি মার্কিন যুক্তরাষ্ট্র ভিত্তিক যৌথ মালিকানাধীন কোম্পানী থেকে কিছু সরঞ্জাম আমদানী করা হয়েছে। আমদানীকৃত যন্ত্রপাতি স্থাপন সফলভাবে সম্পন্ন করা হয়েছে।

গবেষনা ও উন্নয়ন

বর্তমানে ব্যবসা খুবই প্রতিযোগিতামূলক। প্রতিযোগিতামূলক পরিস্থিতিতে টিকে থাকার উপায় হল উদ্ভাবনী কার্যক্রম। প্রতিযোগিদের মধ্যে অগ্রগতি নিশ্চিত করার প্রধান হাতিয়ার হল নতুন পণ্য উদ্ভাবন করা, পণ্যের গুণগত পরিবর্তন, বিভিন্ন ধরনের মানসম্মত উপাদান ও প্রযুক্তি ব্যবহার করে খরচ হ্রাসকরণ, নতুন পণ্য সম্প্রসারণ কৌশল ইত্যাদি। আলোচ্য বছরে আমরা পন্যের বাজার ও প্রযুক্তিগত গবেষনার জন্য একটি গবেষনা ও উন্নয়ন বিভাগ প্রতিষ্ঠা করেছি।

ক্রয় নীতি:

২০১৩-১৪ বছরে আমরা একটি বিস্তারিত ক্রয় নীতি প্রস্তুত ও বাস্তবায়ন করেছি। এ ক্রয় নীতি কম খরচে মানসম্মত ক্রয় করতে সাহায্য করবে এবং কোম্পানীর স্বার্থের রক্ষাকৰ্ত্তব্য হবে বলে আমাদের বিশ্বাস।

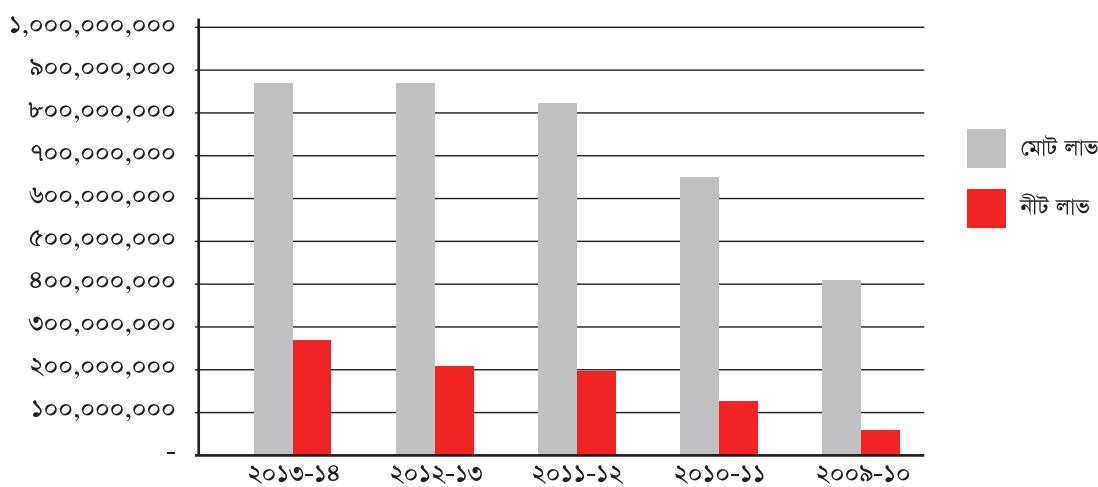
পণ্য অনুযায়ী ফলাফলঃ

আমাদের প্রতিষ্ঠান দুই ধরনের পণ্য উৎপাদন করে :- এম.এস. রড এবং এম.এস. বিলেট। পণ্য অনুযায়ী বিক্রয়ের পরিমাণ, বিক্রয় মূল্য ও উৎপাদনের পরিমাণ আলাদা ছক আকারে নিম্নে দেখানো হল:

বিবরণ	এম.এস. রড ২০১৩-১৪	এম.এস. রড ২০১২-১৩	এম.এস. বিলেট ২০১৩-১৪	এম.এস. বিলেট ২০১২-১৩
বিক্রয়ের অংক (টাকা)	৪,৭৫১,৩০৬,৭৬৭	৫,২৭০,৮০৮,৬৯২	-	১৮৩,৭২৪,৯২৬
বিক্রয়ের পরিমাণ (মে.টন)	৭৭,০১৮	৮০,৫৯৫	-	৩,২১০
উৎপাদনের পরিমাণ (মে.টন)	৭৭,৩৩২	৮৪,০৬২	৮৩,৫৩৩	৮৭,২৬৫
উৎপাদন ক্ষমতা (মে.টন)	১২০,০০০	১২০,০০০	১৬৮,০০০	১৬৮,০০০
উৎপাদন ক্ষমতার ব্যবহার	৬৪.৪৮%	৭০.০৫%	৮৯.৭২%	৫১.৯৪%

মোট মুনাফা ও নেট মুনাফা :

প্রতিষ্ঠানের মোট মুনাফা এবং নেট মুনাফা নিম্নোক্তভাবে বছর বছর বৃদ্ধি পেয়েছে :



মুনাফার ছক বছর প্রতি উর্ধ্বমুখী প্রবণতা নির্দেশ করে।

পণ্যের গুণগত মান :

এক দশক বা আরো আগে, নির্মাণ সামগ্রী হিসেবে মানুষ নন হেড রড ব্যবহার করত। সেই সময় বাংলাদেশের রোলিং মিলে ম্যানুয়াল অপারেটিং পদ্ধতিতে নন হেড রড উৎপাদিত হত। সেই নন হেড রড ভূমিকম্পের বুঁকি মোকাবিলা করতে পারে না। ভূমিকম্পের এই বুঁকি কমানোর জন্য স্বয়ংক্রিয় প্রযুক্তি ও অন্যান্য প্রযুক্তি প্রয়োগের মাধ্যমে সাম্প্রতিক বছর গুলোতে রোলিং মিলের উৎপাদন পদ্ধতি উন্নত করা হয়েছে। বর্তমান বাংলাদেশে অনেক গুলো রোলিং মিলের মধ্যে কেবলমাত্র হাতে গোনা কয়েকটি মিলে স্বয়ংক্রিয় পদ্ধতি স্থাপন করা হয়েছে এবং সেগুলোতে হেডেড স্টীল পণ্য (৬০ হেড, টিএমটি ৫০০ W) উৎপাদন করা হচ্ছে। আপনারা জেনে খুশি হবেন যে, আমাদের প্রতিষ্ঠান বাংলাদেশে গুণগত মানের রড উৎপাদনের ক্ষেত্রে শীর্ষ পর্যায়েই আছে।

খনমান নির্ধারণ :

ক্রেডিট রেটিং এজেন্সি অব বাংলাদেশ লিমিটেড (CRAB) আমাদের খনমান যাচাই সম্প্রস্তুতি করেছে, এবং ২০১৩-২০১৪ অর্থ বছরে দীর্ঘ মেয়াদের জন্য AA3 এবং স্বল্প মেয়াদের জন্য ST-2 নির্ধারণ করেছে।

রাষ্ট্রীয় কোষাগারে অবদান :

২০১৩-২০১৪ অর্থ বছরে আমাদের প্রতিষ্ঠান প্রাতিষ্ঠানিক আয়কর, উৎস কর, মূল্য সংযোজন কর, কাষ্টম শুল্ক ইত্যাদি খাতে রাজস্ব তহবিলে মোট ৩৯৪.৬৩ মিলিয়ন টাকা (গ্রাম) অবদান রেখেছে যা আমাদের নেট বিক্রয়ের ৮.৪১% এর সমপরিমাণ।

মুনাফা এবং লভ্যাংশ :

আমাদের প্রতিষ্ঠান ৩০ শে এপ্রিল, ২০১৪ ইং তারিখের সমাপ্ত বছরের জন্য কর পরিশোধ পরিবর্তী ২৭৮.৮৫ মিলিয়ন টাকা মুনাফা আর্জন করেছে। যার মধ্যে ৯.১৯ মিলিয়ন টাকা কর অবকাশের শর্তানুসারে কর অবকাশ সঞ্চিতিতে স্থানান্তর করা হয়েছে। ৩০ শে এপ্রিল, ২০১৪ ইং তারিখের মুনাফা ও সঞ্চিত থেকে শেয়ার হোল্ডারদের লভ্যাংশ হিসাবে ২০% (১৫% নগদ ও ৫% বোনাস) লভ্যাংশ সুপারিশ করতে পেরে পরিচালনা পর্যবেক্ষণ আনন্দিত। উক্ত বোনাস লভ্যাংশ পরিশোধিত মূলধনকে ১,২৪৭.৮০ মিলিয়নে উন্নীত করবে (বোনাস পূর্ব পরিশোধিত মূলধন ১,১৮৮ মিলিয়ন)।

ইহা অতি আনন্দের বিষয় যে, আমাদের প্রতিষ্ঠান ঢাকা টক এক্সচেঞ্জ লিঃ ও চট্টগ্রাম টক এক্সচেঞ্জ লিঃ এর শ্রেণীবদ্ধ করণ অনুযায়ী “এ” শ্রেণীতে অবস্থান করছে।

পরিচালক নিয়োগ, অবসর ও পুনঃনিয়োগ :

পরিচালক নিয়োগ, অবসর ও পুনরায় নিয়োগ প্রতিষ্ঠানের সংঘবিধি এবং কোম্পানী আইন ১৯৯৪ এর বিধি অনুযায়ী নির্ধারিত হয়। আসন্ন বার্ষিক সাধারণ সভায় নিম্নলিখিত পরিচালকগণ অবসর গ্রহণ করবেন এবং পুনরায় নিয়োগের যোগ্য বিধায় পুনঃনিয়োগের জন্য বিবেচিত হবেন :-

- ক) জনাব মোঃ আলমগীর কবির,
- খ) জনাব মোঃ আলমাস শিমুল এবং
- গ) জনাব মোঃ আশরাফুজ্জামান।

উক্ত পরিচালকগণের সংক্ষিপ্ত বৃত্তান্ত এতদ্সংগে সংযুক্ত করা হলো (সংযুক্তি-জি)।

নিরীক্ষক :

গত বার্ষিক সাধারণ সভায় মেসার্স সাইফুল শামসুল আলম এন্ড কোং, চাটার্ড একাউন্ট্যান্টস্স, প্যারামাট্রিট হাইটস (লেভেল-৬) ৬৫/২/১, বৰু কালভার্ট রোড, পুরানা পল্টন, ঢাকা-১০০০ কে কোম্পানীর ২০১৩-২০১৪ অর্থবছরের নিরীক্ষক হিসেবে নিয়োগ প্রদান করা হয়। নিরীক্ষকগণ ৩০ শে এপ্রিল, ২০১৪ ইং তারিখে সমাপ্ত বছরের নিরীক্ষণ কার্য সম্পাদন করে এর প্রতিবেদন উপস্থাপন করেছেন। পুনরায় নিয়োগ পাওয়ার যোগ্য হিসেবে নিরীক্ষকগণ পুনঃনিয়োগ লাভের আগ্রহ প্রকাশ করেছেন।

কর্পোরেট সু-শাসনের কমপ্লাইয়েন্স :

৭ আগস্ট ২০১২ ইং তারিখের সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর কমপ্লাইয়েন্স স্টাটাস নোটিফিকেশন নং SEC/CMRRCD/2006-158/129/ Admin/43 এবং সংশ্লিষ্ট নিরীক্ষা প্রতিবেদন এই প্রতিবেদন এর সাথে সংযুক্ত করা হল (সংযুক্তি-বি, সি)।

বুঁকি ও ব্যবস্থাপনা :

প্রত্যেক সাধারণ শোয়ারে বিনিয়োগ বুঁকিপূর্ণ। এ সমস্ত বুঁকির মধ্যে কিছু এড়ানো যায়, অন্যান্য গুলো নিয়ন্ত্রন ঘোগ্য নয়। যে কোন বিনিয়োগের সিদ্ধান্ত নেয়ার পূর্বে বিনিয়োগকারীদের বুঁকির বিষয়গুলো বিবেচনায় নেয়া উচিত। জিপিএইচ ইস্পাত লিঃ এ ধরনের সম্ভাব্য প্রধান বুঁকির কারণগুলি এবং সাথে বুঁকি করানোর উদ্যোগ গুলি সংক্ষিপ্ত ভাবে বর্ণনা করা হয়েছে (সংযুক্তি -ডি)।

শেয়ার ধারণের তথ্য :

৩০শে এপ্রিল ২০১৪ ইঁ তারিখে শেয়ার ধারণ সংক্রান্ত তথ্য এতদসঙ্গে যুক্ত করা হল (সংযুক্তি- ই)।

প্রাথমিক গণপ্রস্তাব হতে প্রাপ্ত অর্থের ব্যবহার এবং প্রাথমিক গণপ্রস্তাব এর পরবর্তী আর্থিক ফলাফল :

২০১১-১২ হিসাববর্ষে প্রাথমিক গণপ্রস্তাব হতে প্রাপ্ত অর্থ সম্পূর্ণ ব্যবহারের ফলে কোম্পানীর নিকট এ উৎস হতে প্রাপ্ত আর কোন অর্থ অব্যবহৃত ছিল না এবং প্রাথমিক গণপ্রস্তাব পরবর্তী কোম্পানীর বড় ধরণের কোন আর্থিক ঘাটতি সংঘটিত হয়নি।

অস্বাভাবিক মুনাফা / ক্ষতি :

বিগত বছর (২০১২-১৩) কোম্পানী প্রাথমিক গণ প্রস্তাব তহবিল থেকে ৪.১২ মিলিয়ন সুদ আয় করেছে, কিন্তু আলোচ্য বছরে (২০১৩-১৪) এ ধরনের কোন আয় অর্জিত হয়নি।

অভ্যন্তরীণ নিয়ন্ত্রণ :

কর্তৃপক্ষ কোম্পানীর ব্যবস্থাপনায় আর্থিক স্বচ্ছতা নিশ্চিত করতে এবং জালিয়াতি, তহবিল তচরঞ্চপ, অপব্যয় ইত্যাদি হ্রাস করতে একটি কার্যকর অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা প্রতিষ্ঠা করেছে। কোম্পানীর একটি আলাদা অভ্যন্তরীণ নিরীক্ষণ বিভাগ রয়েছে যেটি কোম্পানীর নিয়ন্ত্রণ ব্যবস্থার কার্যকারিতা পরীক্ষা এবং নিয়ন্ত্রণ ব্যবস্থা উন্নয়নের কাজে বছর ব্যাপী নিয়োজিত থাকে।

পরিশেষে আপনাদের সবাইকে আন্তরিক ধন্যবাদ ও শুভেচ্ছা জানাচ্ছি।

পরিচালনা পর্ষদের পক্ষে



(মোহাম্মদ জাহাঙ্গীর আলম)

ব্যবস্থাপনা পরিচালক

Annexure-A**The Directors also report that:****A) Related Party transactions:**

The Company carried out the following transactions with its sister concerns in the normal course of business on an arm's length basis:

Sl. No	Party name	Relation	Nature of transaction	Outstanding as on 30th April, 2014
1	GPH Power Generation Ltd	Common Directorship	Supply of Power at a flat rate	(241,251,049)
2	Jahangir & Other Ltd	Common Directorship	Head office rent	165,867

B) During the FY 2013-2014, the following Directors were remunerated:

Sl. No	Name of Director	Designation	Annual Remuneration
1	Mr. Mohammed Jahangir Alam	Director & Managing Director	4,200,000
2	Mr. Md. Almas Shimul	Director & Additional Managing Director	4,200,000
3	Mr. Md. Ashrafuzzaman	Director	1,155,000

Managing Directors and directors are provided with transport facilities along with their remuneration.

C) Significant Deviations from the last year's operating result: No significant variance found between quarterly financial performance and Annual Financial Statements during the year under review.

D) Ability to continue as a going concern: There is no significant doubt about the ability of the company to continue as a going concern.

E) Financial Statements:

- 1) 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).
- 2) Proper books of accounts of the company have been maintained.
- 3) 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.
- 4) 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**REPORT OF THE STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE**

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition No: 7)

Condition No.	Title	Compliance Status(Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1	BOARD OF DIRECTORS			
1.1	Board's Size	✓		
1.2	Independent Directors			
1.2 (i)	Minimum Number of Independent Director(s)	✓		
1.2 (ii) (a)	Shareholding by Independent Director(s)	✓		
1.2 (ii) (b)	Relationship with Company's sponsor	✓		
1.2 (ii) (c)	Other relationship with Company or its subsidiary / associated companies	✓		
1.2 (ii) (d)	Member, Director or Officer of any Stock Exchange	✓		
1.2 (ii) (e)	Shareholder/Director/Officer of any member of Stock Exchange or an intermediary of the Capital Market	✓		
1.2 (ii) (f)	Association with statutory audit firm (currently or preceding 3 years)	✓		
1.2 (ii) (g)	Holding same position in other listed companies	✓		
1.2 (ii) (h)	Defaulter in payment of any loan to a Bank / NBFI	✓		
1.2 (ii) (i)	Conviction for Criminal Offence	✓		
1.2 (iii)	Appointment and approval of Independent Director(s) by BOD and AGM	✓		
1.2 (iv)	Vacancy of post of Independent Director(s) for not more than 90 Days	N/A		
1.2 (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)	Tenure of office of an Independent Director(s)	✓		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Knowledge and Integrity of Independent Director(s)	✓		
1.3 (ii)	Academic background and experiences of Independent Director(s)	✓		
1.3 (iii)	Relaxation of qualification of Independent Director(s)	N/A		
1.4	Chairman of the Board & Chief Executive Officer	✓		
1.5	The Directors' Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1.5 (vi)	Basis for Related Party transactions	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	N/A		
1.5 (viii)	Explanation of deterioration of financial results after IPO, RPO, Rights Offer, Direct Listing, etc.	N/A		
1.5 (ix)	Explanation of variance occurs between Quarterly Financial performance and Annual Financial Statements	N/A		
1.5 (x)	Remuneration to Directors including Independent Directors	✓		
1.5 (xi)	Fairness of Financial Statements	✓		

Condition No.	Title	Compliance Status(Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.5 (xii)	Proper books of account of the issuer company have been maintained	✓		
1.5 (xiii)	Adoption of appropriate accounting policies and estimates	✓		
1.5 (xiv)	Compliance with IAS/BAS/IFRS/BFRS	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	Ability to continue as a Going Concern	✓		
1.5 (xvii)	Significant deviations in operating results compared to last year	✓		
1.5 (xviii)	Key operating and financial data of preceding 5 (five) years	✓		
1.5 (xix)	Reasons for not declaring dividend	N/A		
1.5 (xx)	Number of Board meetings held during the year and attendance by each director	✓		
1.5 (xxi) (a)	Shareholding by Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxi) (b)	Shareholding by Directors, CEO, CS, CFO, HIA	✓		
1.5 (xxi) (c)	Shareholding by Executives (Top 5 salaried)	✓		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest	✓		
1.5 (xxii) (a)	A brief resume of the Directors	✓		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas			
1.5 (xxii) (c)	Directorship in other companies	✓		
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)			
2.1	Appointment	✓		
2.2	Requirement to attend the Board Meetings	✓		
3	AUDIT COMMITTEE			
3 (i)	Audit Committee as a sub-committee of the Board of Directors	✓		
3 (ii)	Function of Audit Committee	✓		
3 (iii)	Reporting to the Board of Directors	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	Composition of the Audit Committee	✓		
3.1 (ii)	Appointment of Members	✓		
3.1 (iii)	Qualification of Members	✓		
3.1 (iv)	Filling of Vacancy	N/A		
3.1 (v)	Secretary of the Committee	✓		
3.1 (vi)	Quorum of meeting of the Audit Committee	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	Selection of Chairman of the Audit Committee	✓		
3.2 (ii)	Requirement of presence in the AGM	✓		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review the annual Financial Statements	✓		
3.3 (vi)	Review the quarterly and half yearly Financial Statements	✓		
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review of the significant related party transactions	✓		
3.3 (ix)	Review of the Management Letters / Letter of Internal Control weakness issued by statutory auditors	N/A		

Condition No.	Title	Compliance Status(Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3.3 (x)	Application of fund raised through IPO/RIPO/Right Issue	N/A		
3.4	Reporting of the Audit Committee			
3.4.1 (i)	Reporting to the Board of Directors	✓		
3.4.1 (ii) (a)	Report on conflicts of interests	N/A		
3.4.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	N/A		
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations	N/A		
3.4.1 (ii) d)	Any other matter which shall be immediately disclosed to the BOD	N/A		
3.4.2	Reporting to the Authorities	N/A		
3.5	Reporting to the Shareholders and General Investors	✓		
4	EXTERNAL / STATUTORY AUDITORS			
4 (i)	Appraisal or valuation services or fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping or other services related to the accounting records or Financial Statements	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Any other service that the Audit Committee determines	✓		
4 (viii)	Possess of share by Partner or Employee of Audit Firm	✓		
4 (ix)	Audit/certification services on compliance of Corporate Governance	✓		
5	SUBSIDIARY COMPANY			
5 (i)	Composition of the Board of Directors	N/A		
5 (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)	Submission of minutes to the Board Meeting of holding company	N/A		
5 (iv)	Review of affairs by the holding company	N/A		
5 (v)	Review of Financial Statement in particular Investment activities by the Audit Committee of holding company	N/A		
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)			
6 (i) (a)	Financial Statements do not contain any materially untrue or misleading statement	✓		
6 (i) (b)	Financial Statements presents a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
6 (ii)	Certification that there are no fraudulent, illegal or in violation of the Company's code of conduct	✓		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
7 (i)	Certification on compliance of Corporate Governance	✓		
7 (ii)	Directors' statement on the compliance of the above conditions in the Directors' Report	✓		

Annexure-C

M. A. MALLIK & Co.
CHARTERED ACCOUNTANTS

Head Office :
 Aziz Chamber (2nd Floor)
 6. Jubilee Road, Chittagong.
 Phone : 613331, 2853523

Branch Office :
 Room No. 6, First Floor
 Dost Building, H. S. Surhwardy Road
 Chittagong. Phone No. : 622176

Date :

**Certificate on compliance of conditions of Corporate Governance
 Guidelines of Bangladesh Securities and Exchange Commission
 to the shareholders of GPH Ispat Limited**

We have examined the compliance with Corporate Governance by GPH Ispat Limited (the Company) for the year ended 30th April, 2014 as stipulated in Notification No: SEC/CMRRC/2006-158/134/Admin/44 dated 7th August 2012 and as amended by notification No: SEC/CMRRC/2006-158/147/Admin/48 dated July 21, 2013 of Bangladesh Securities and Exchange Commission.

The compliance of conditions of Corporate Governance Guidelines is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance Guidelines. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned notification.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Dated, Chittagong,
 23rd August 2014



M. A. Mallik & Co.
 Chartered Accountants



GPH ispat ltd.
 COMMITTED TO STRENGTH

Annexure-D**RISKS & CONCERNS****a) 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 5 (five) years for operating in the low profit and highly market sensitive environment establishes its capability.

b) 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.

c) 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 hopefully enjoy this advantage.

d) Sourcing of Raw Materials:

As steel market price is so variable, sourcing of raw material is 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 are 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 has been successfully installed recently.

e) 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 considered the key element of GPH marketing and distribution network.

f) Interest Rate Risk :

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

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.

g) Exchange Rate Risk:

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

Management Concern:

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

h) 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. 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 disturbance are bad for the economy as a whole and also for the company. On the other hand, Government has special attention for the growth of the industry as it is related to infrastructure development of the country.

i) Potential or Existing Government Regulations:

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

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.

j) Operational Risks:

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

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.

k) 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 provide all sorts 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 salary 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.

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

m) 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 27 MW power connections. 15 MW load connection through 132/33 KV substation and 33 KV H.T. line from PDB and 12 MW gas fired captive power plant named GPH Power Generation Limited which ensures uninterrupted power supply. Furthermore, GPH's gas connection is connected with main distribution line of Chittagong zone. So GPH Ispat Limited is enjoying uninterrupted and sufficient electricity and gas supply at present except complying some Govt. special order and it is expected that this availability will remain same in the near future.

Annexure-E**The pattern of Shareholding as on 30 April, 2014**

Name	Status/Position	No of Shares	% of Shareholding
(a) Parent/Subsidiary/Associate Companies and other related parties:	-	Nil	
(b) Directors, CEO, CS, CFO, Head of Internal Audit and their spouses and minor children:			
Mr. Md. Alamgir Kabir	Chairman	7,392,000	6.22%
Mr. Mohammed Jahangir Alam	Managing Director	44,200,000	37.20%
Mr. Md. Almas Shimul	Director & Addl. MD	16,632,000	14%
Mr. Md. Abdur Rouf	Director	4,620,000	3.89%
Mr. Md. Ashrafuzzaman	Director	4,620,000	3.89%
Mr. Md. Salahuddin Roman	Director	4,620,000	3.89%
Mr. Md. Abdul Ahad	Director	3,696,000	3.11%
Mr. Md. Azizul Haque Raju	Director	2,772,000	2.33%
Prof. Dr. Mohammad Saleh Jahur	Independent Director	Nil	0%
Mr. Md. Velayet Hossain Independent	Director	Nil	0%
Mr. Kamrul Islam, FCA	CFO	Nil	0%
Mr. Arafat Kamal, ACA	Company Secretary	Nil	0%
Mr. Mohammed Atiqur Rahman	Head of Internal Audit	Nil	0%
(c) Executives			
Mr. Abu Bakar Siddique, FCMA	Executive Director	Nil	0%
Mr. Mustaq Ahamed	Executive Director-Factory	Nil	0%
Eng. Borhan Uddin Ahmed	Sr. GM (R & D)	Nil	0%
Eng. Humayan Kabir	GM-Technical	Nil	0%
Eng. Mahamudul Hossain	GM-Factory(CC)	Nil	0%
(d) Shareholders holding 10% or more voting interest in the Company	-	Nil	0%
Mr. Mohammed Jahangir Alam	Managing Director	44,200,000	37.20%
Mr. Md. Almas Shimul	Director & Addl. MD	16,632,000	14%

Annexure-F**Board Meeting & Attendance during the year ended April 30, 2014**

Name	Meeting held while a member	No of meetings attended in person or in alternative
1. Mr. Md. Alamgir Kabir	6	5
2. Mr. Mohammed Jahangir Alam	6	6
3. Mr. Md. Abdur Rouf	6	5
4. Mr. Md. Almas Shimul	6	6
5. Mr. Md. Salahuddin Roman	6	4
6. Mr. Md. Ashrafuzzaman	6	5
7. Mr. Md. Abdul Ahad	6	5
8. Mr. Md. Azizul Haque Raju	6	5
9. Professor Dr. Mohammad Saleh Jahur	6	6
10. Mr. Velayet Hossain	6	6



Annexure-G**Short Bio-data of Directors eligible for re-appointment****Mr. Md. Alamgir Kabir**

Mr. Md. Alamgir Kabir (48) having educational background in MBA in Marketing is a sponsor Director & present Chairman of GPH Ispat Ltd. Having about three decades of business experience in both trading and manufacturing sectors, he has proved his wisdom & leadership in business. At present he is serving M. I. Cement Factory Ltd. as its Additional Managing Director. He holds the position of Chairman in Crown Cement Concrete & Building Products Ltd. He is also the Director of the following companies: Premier Cement Mills Ltd., GPH Steels Ltd., GPH Power Generation Ltd., Jahangir & Others Ltd., Chittagong Capital Limited, Indo Steel Re-Rolling Industries Limited, Crown Power Generation Ltd., Premier Power Generation Ltd., National Cement Mills Limited, Crown Polymer Bagging Ltd. Crown Mariners Ltd., Crown Transportation & Logistics Ltd., GPH Shipbuilders Ltd., GPH Engineers & Development Ltd. and actively participating into their management. He is also running his trading house, engaged in trading of cement and other construction materials.

Besides success in business Mr. Kabir has also been proving his commitment to the society by attaching himself in Social activities like:-

- Vice President, Bangladesh Cement Manufacturers Association,
- Member, Army Golf Club,
- President, Munshigonj Unnyon Forum.
- Life Member, Bangladesh Red Crescent Society

Mr. Md. Almas Shimul

He is a sponsor Director & the Additional Managing Director of GPH Ispat Limited. He is also one of the members of the Board Audit Committee of the Company.

Mr. Shimul also holds important positions into a number of limited liability companies such as : Chairman of Indo Steel Re-Rolling Industries Limited, Director of M. I. Cement Factory Ltd., GPH Steels Ltd., GPH Shipbuilders Ltd., Chittagong Capital Ltd., GPH Power Generation Ltd., Jahangir & Others Ltd., Crown Polymer Bagging Ltd., Crown Mariners Ltd., Crown Power Generation Ltd. and Crown Transportation & Logistics Ltd. Together with his brothers, he has been carrying out the trading of construction materials like Cement, MS Rod, CI Sheet etc. from their different trading houses from Chittagong Centre.

As a part of social activities he holds various prestigious positions in a number of Social Welfare Organizations such as:

- Zone Chairperson, Lions District 315-B4, Bangladesh
- Joint Secretary, Chittagong Steel Merchant Association

Mr. Md. Ashrafuzzaman

He was born in 1970, graduated from commerce; has gathered 20 years of experience in trading of C.I. Sheet, Cement, M.S. Rod, Industrial Ventures, etc. Presently, he is holding Directorship of Jahangir & Others Limited, Indo Steel Re-Rolling Industries Limited, GPH Ispat Limited, GPH Shipbuilders Ltd and GPH Power Generation Limited.

Annexure-H

**GPH Ispat Ltd.**

Corporate Office:
 Crown Chamber, 325 Asadgonj,
 Chittagong 4000, Bangladesh.
 Phone :+880-31-631460
 PABX : 2854997
 Fax : +880-31-610995
 E-mail : info@gphispat.com.bd

Dhaka Office:
 Hamid Tower (3rd Floor)
 24 Gulshan C/A,
 Circle 2, Dhaka 1212
 Phone :+88-02-9840177
 Fax : +88-02-9880366
 Email : salesdhk@gphispat.com.bd
www.gphispat.com.bd

August 20, 2014

**The Board of Directors
 GPH Ispat Limited.**

Subject: CEO and CFO's Declaration to the Board.

Dear Sirs,

Compliance with the condition no.6 imposed by Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby certify to the Board that:

- i) We have reviewed the Financial Statements of the Company for the year ended on 30 April, 2014 and that to the best of our knowledge and belief,
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,



Mohammed Jahangir Alam
 Managing Director



Kamrul Islam, FCA
 Chief Financial Officer



GPH Ispat Ltd.
 COMMITTED TO STRENGTH

Audit Committee Report

For the year 2013-2014

The Audit Committee

The Audit Committee of **GPH Ispat Limited** consists of three members nominated by the Board of Directors as follows:

1. Professor Dr. Mohammad Saleh Jahur, Independent Director & Chairman of Audit Committee
2. Mr. Mohammed Jahangir Alam, Director and Managing Director & Member of Audit Committee
3. Mr. Md. Almas Shimul, Director and Additional Managing Director & Member of Audit Committee

Governance

During the accounting year 2013-14, four meetings of the Audit committee were held. The Audit Committee met at the end each quarter of accounting year for reviewing quarterly report and finally annual report. Executive Director, Chief Financial Officer, Company Secretary, and Head of Internal Audit Department attended all four meetings of audit committee on invitation of Chairman of Board Audit Committee.

Role of Audit Committee

Audit Committee has been playing a significant role in bringing transparency, enforcing good governance, and protecting the interest of all stakeholders in general and minority in particular. The Board of Directors of GPH Ispat Limited has recognized the efforts of the Audit Committee. The key role being played by the audit committee is to enable the Board in discharging its responsibilities for bringing financial discipline into different functional activities, financial reporting, and internal control, and thereby increasing the degree of regulatory compliance at all financial and operating levels of GPH Ispat Limited. The fundamental responsibilities of the Audit Committee are as follows:

1. To evaluate whether management is setting the ideal compliance culture of internal control in order to ensure that all employees have good understanding of their roles and responsibilities;
2. To review the existing risk management policies and process in order to ensure workings of effective internal check and control system for managing both systematic and unsystematic risk;
3. To review quarterly and annual financial reports, and find whether they have been prepared in line with the relevant laws & regulations of concerned regulatory authority, and accounting standards adopted by ICAB for implementation in the accounting and reporting practices;
4. To review the effectiveness and efficacy of internal audit function;
5. To review the findings and recommendations made by the internal auditors for bringing regularities and removing inconsistencies in the accounting and internal control practices; and
6. To review the audit performance of external auditors and their audit reports

Activities

During the accounting year 2013-14, the audit committee has specially focused on the following activities amongst activities performed:

1. Reviewed quarterly financial statements of the company in order to evaluate the financial, accounting, and reporting performance of the company;
2. Reviewed findings and recommendations of internal audit for making corrective measures on time, and thereby keeping the company on the right track of compliance; and
3. Reviewed and evaluated the audited Annual Financial Statements for 2013-14, and recommended to place the same before the Board Meetings of Directors for consideration.

Development of Corporate Culture

The BODs and Corporate Level Executives have been found very keen to the recommendations of Audit Committee during the financial year 2013-14. According to recommendations of the Audit Committee, the BODs and Corporate Level Executives have prepared and implemented credit policy and sales/marketing policy; Purchase Manual and formed cost efficiency committee. As a result, a corporate culture has been developed in executing financial, accounting, and reporting activities most effectively and efficiently. Besides, the responsibility of all and proper allocation & use of resources are ensured to a higher extent.

Acknowledgement

The Audit Committee would like to express its heartfelt thanks to the members of the Board, key management executives, internal audit division, and all other employees for their utmost cooperation and dedication to discharge of responsibilities in the accounting year 2013-14.



(Professor Dr. Mohammad Saleh Jahur)

Chairman

Board Audit Committee.

Value Added Statement

Value Added:

Revenue
Other Income

Less: Cost of materials & services

	2013-2014 Taka	%	2012-2013 Taka	%
Revenue	4,751,306,767		5,454,133,618	
Other Income	50,163,736		23,616,399	
	<hr/>		<hr/>	
Less: Cost of materials & services	4,801,470,503		5,477,750,017	
	<hr/>		<hr/>	
	3,685,308,414		4,398,816,158	
	<hr/>		<hr/>	
	1,116,162,089		1,078,933,859	
	<hr/>		<hr/>	

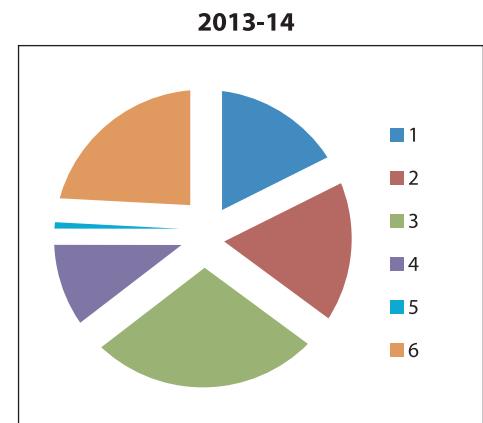
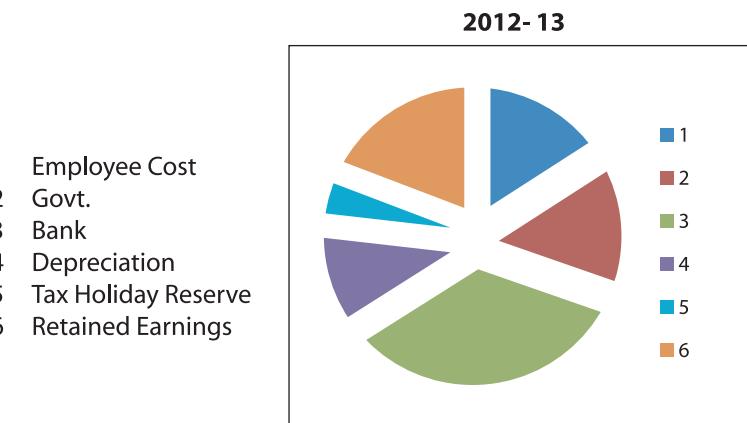
Distribution:

Employee Cost
Govt.
Bank

196,552,729	17.61	171,449,763	15.89
195,292,245	17.50	155,752,456	14.44
329,037,017	29.48	385,172,618	35.70
720,881,991	64.59	712,374,837	66.03
<hr/>		<hr/>	
116,427,048	10.43	116,434,125	10.79
9,199,657	0.82	42,881,781	3.97
269,653,393	24.16	207,243,116	19.21
395,280,098	35.41	366,559,022	33.97
<hr/>		<hr/>	
1,116,162,089	100	1,078,933,859	100
<hr/>		<hr/>	

Retained for re-investment & future growth

Depreciation
Tax Holiday Reserve
Retained Earnings



- 1
- 2
- 3
- 4
- 5
- 6

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



**Auditors' report and
Financial Statements of
GPH ispat Ltd.**

As at and for the year ended on 30 April 2014

AUDITORS' REPORT

TO THE SHAREHOLDERS OF GPH ISPAT LIMITED

We have audited the accompanying financial statements of GPH Ispat Limited, which comprise of the statement of financial position as at 30 April 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the period from 1 May 2013 to 30 April 2014, and a summary of significant accounting policies and other explanatory information.

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 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 auditors' 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, we consider 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 financial position of the company as at 30 April 2014 and of their financial performance and cash flows for the period from 1 May 2013 to 30 April 2014 and comply with the Companies Act 1994, Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

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

Chittagong, 23 August 2014

Syful Shamsul Alam M
Syful Shamsul Alam & Co.
 Chartered Accountants



GPH ispat Ltd.
 COMMITTED TO STRENGTH

GPH ispat Ltd.
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2014

	Note(s)	2013-2014 Taka	2012-2013 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,653,993,556	1,655,865,208
Intangible asset	5	720,000	810,000
Investments	6	176,717,739	40,167,956
		1,831,431,295	1,696,843,164
Current assets			
Advances, deposits and prepayments	7	255,000,648	263,286,650
Inventories	8	2,488,344,541	1,920,270,684
Trade receivables	9	1,029,049,013	778,858,786
Cash and cash equivalents	10	242,653,880	205,785,767
		4,015,048,082	3,168,201,887
TOTAL ASSETS		5,846,479,377	4,865,045,051
EQUITY AND LIABILITIES			
Equity			
Share capital	11	1,188,000,000	1,080,000,000
Share premium		388,000,000	388,000,000
Tax holiday reserve		13,554,021	112,354,364
Retained earnings		341,413,754	233,760,361
		1,930,967,775	1,814,114,725
Non-current liabilities			
Long term loan	12	126,356,058	146,795,759
Finance lease obligations	13	50,498,231	41,642,977
Deferred tax liability	16	103,251,169	61,472,103
		280,105,458	249,910,839
Current liabilities			
Current portion of long term loan	12	53,977,759	38,471,440
Current portion of finance lease obligations	13	21,732,892	19,713,535
Short term borrowings	14	3,100,852,139	2,655,646,109
Creditors and accruals	15	367,374,612	41,356,313
Provision for tax	16	91,468,742	45,832,090
		3,635,406,144	2,801,019,487
Total liabilities		3,915,511,602	3,050,930,326
TOTAL EQUITY AND LIABILITIES		5,846,479,377	4,865,045,051
NET ASSET VALUE PER SHARE	23	16.25	16.80

The annexed notes 1 to 34 form an integral part of these financial statements.


Company Secretary


Director
As per our annexed report of same date.


Managing Director

Chittagong, 23 August 2014


Syful Shamsul Alam & Co.
Chartered Accountants

GPH ispat Ltd.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2014

	Note(s)	25% Tax Holiday 01.05.13 - 31.07.13	Taxable Period 01.08.13 - 30.04.14	2013-2014 Taka	2012-2013 Taka
Revenue	17	1,079,504,544	3,607,711,837	4,687,216,381	5,387,428,105
Cost of sales	18	(863,838,123)	(2,955,782,954)	(3,819,621,077)	(4,510,928,504)
Gross Profit		215,666,421	651,928,883	867,595,304	876,499,601
Administrative expenses	19	(15,564,061)	(62,392,171)	(77,956,232)	(70,422,608)
Selling and distribution expenses	20	(18,098,085)	(59,875,914)	(77,973,999)	(87,497,785)
Profit from operating activities		182,004,275	529,660,798	711,665,073	718,579,208
Financial expenses	21	(84,558,262)	(244,478,755)	(329,037,017)	(385,172,618)
Non-operating income	22	11,542,747	38,620,989	50,163,736	23,616,399
Loss on Investment	6	-	(1,155,046)	(1,155,046)	-
Profit before WPPF		108,988,760	322,647,986	431,636,746	357,022,989
Contribution to WPPF		(5,449,438)	(16,132,399)	(21,581,837)	(17,851,149)
Profit before Income Tax		103,539,322	306,515,587	410,054,909	339,171,840
Income tax expenses					
-Current	16.1.3	(18,718,375)	(70,704,418)	(89,422,793)	(46,283,045)
-Deferred	16.2	(10,444,767)	(31,334,299)	(41,779,066)	(42,763,898)
Profit after Tax for the year		74,376,180	204,476,870	278,853,050	250,124,897
Tax holiday reserve		(9,199,657)	-	(9,199,657)	(42,881,781)
Total Comprehensive Income for the year		65,176,523	204,476,870	269,653,393	207,243,116
Earning Per Share (Basic)	24			2.35	2.32
Restated Earning Per Share (Basic)	24				2.11

The annexed notes 1 to 34 form an integral part of these financial statements.


Company Secretary


Director
As per our annexed report of same date.


Managing Director

Chittagong, 23 August 2014

Syful Shamsul Alam & Co.
Syful Shamsul Alam & Co.
Chartered Accountants

GPH ispat Ltd.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2014

	Amount in Taka				
	Share Capital	Tax Holiday Reserve	Share Premium	Retained Earnings	Total Equity
Balance as on 01 May 2012	900,000,000	159,472,583	388,000,000	206,517,245	1,653,989,828
Dividend (Stock)	180,000,000	-	-	(180,000,000)	-
Dividend (Cash)	-	(90,000,000)	-	-	(90,000,000)
Tax holiday reserve	-	42,881,781	-	-	42,881,781
Net profit (after tax and reserve)	-	-	-	207,243,116	207,243,116
Balance as at 30 April 2013	1,080,000,000	112,354,364	388,000,000	233,760,361	1,814,114,725
Balance as on 01 May 2013	1,080,000,000	112,354,364	388,000,000	233,760,361	1,814,114,725
Dividend (Stock)	108,000,000	-	-	(108,000,000)	-
Dividend (Cash)	-	(108,000,000)	-	(54,000,000)	(162,000,000)
Tax holiday reserve	-	9,199,657	-	-	9,199,657
Net profit (after tax and reserve)	-	-	-	269,653,393	269,653,393
Balance as at 30 April 2014	1,188,000,000	13,554,021	388,000,000	341,413,754	1,930,967,775


Company Secretary


Director


Managing Director

GPH ispat Ltd.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2014

	2013-2014 Taka	2012-2013 Taka
Cash Flows from Operating Activities		
Collection from sales and other income	4,487,189,890	5,347,078,300
Payment for cost and other expenses	(4,158,171,793)	(4,244,019,649)
Net cash generated from operating activities	329,018,097	1,103,058,651
Cash Flows from Investing Activities		
Acquisition of Property, plant and equipment	(114,555,397)	(130,517,506)
Investment in shares	(137,704,829)	(12,422,686)
Net cash used in investing activities	(252,260,226)	(142,940,192)
Cash Flows from Financing Activities		
Short term loan	445,206,030	(192,319,856)
Long term loan	(4,933,382)	(233,243,756)
Lease obligation	10,874,611	(15,729,115)
Cash dividend paid	(162,000,000)	(90,000,000)
Finance costs	(329,037,017)	(385,172,618)
Income tax paid	-	(10,248,002)
Net cash used in financing activities	(39,889,758)	(926,713,347)
Net increase in Cash and Cash Equivalents	36,868,113	33,405,112
Opening Cash and Cash Equivalents	205,785,767	172,380,655
Closing Cash and Cash Equivalents	242,653,880	205,785,767



Company Secretary



Director



Managing Director



GPH ispat Ltd.
 COMMITTED TO STRENGTH

GPH ISPAT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2014

1.00 THE REPORTING ENTITY

1.01 Formation and legal status

GPH Ispat Limited (hereinafter referred to as "GPH" or "the company") was incorporated in Bangladesh as a Private Limited company on 17 May 2006 under the Companies Act 1994. The company, subsequently, was converted into a Public Limited company on 18 December 2009 along with the subdivision of face value of shares from Tk 100 to Tk 10 each and enhancement of Authorized Capital from Tk 1,000,000,000 to Tk 2,500,000,000.

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

1.02 Nature of business

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

2.00 BASIS OF PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.01 Statement of compliance

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

2.02 Basis of reporting

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

- a) A statement of financial position as at 30 April, 2014
- b) A statement of comprehensive income for the year ended 30 April, 2014
- c) A statement of changes in equity for the year ended 30 April, 2014
- d) A statement of cash flows for the year ended 30 April, 2014
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Basis of measurement

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

2.04 Authorization for issue

The Financial Statements have been authorized for issue by the Board of Directors on 23 August 2014.

2.05 Other regulatory compliances

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

- The Income Tax Ordinance, 1984
- The Income Tax Rules, 1984
- The Value Added Tax Act, 1991
- The Value Added Tax Rules, 1991
- The Customs Act, 1969

Bangladesh Labour Law, 2006
 The Securities and Exchange Ordinance, 1969
 The Securities and Exchange Rules, 1987
 Securities and Exchange Commission Act, 1993

2.06 Functional and presentation currency

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

2.07 Going concern

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

2.08 Applicable financial reporting standards

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

2.09 Use of estimates and Judgments

The preparation of the Financial Statements in conformity with BAS and BFRS requires management to make judgments, estimates and assumptions that affect the application of results may differ from these estimates.

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

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

- Note 4 Property, plant and equipment
- Note 8 Inventories
- Note 9 Trade Receivables
- Note 16 Deferred tax liabilities
- Note 15 Creditors and accruals (Defined benefit obligation)
- Note 16 Provision for tax
- Note 32 Contingent liabilities
- Note 5 Intangible asset

2.10 Reporting period

The accounting period of the company covers one financial year from 1st May to 30th April consistently.

3.00 PRINCIPAL ACCOUNTING POLICIES

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

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

3.01 Consistency

The accounting policies and methods of computation used in preparation of financial statements for the period ended 30 April 2014 are consistent except investment (Note 3.05) with those policies and methods adopted in preparing the financial statements for the year ended 30 April 2013.

3.02 Transactions in foreign currencies

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

3.03 Property, plant and equipment

Recognition and measurement

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

Measurement subsequent to initial recognition

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

Subsequent costs

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

Depreciation

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

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

Item of Property, plant equipment	Rate
Land and Land Development	-
Plant and Machinery	10%
Factory Building	5%
Furniture, Fixture and Decoration	10%
Computer and 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:

Category	Rate
Direct expenses	90%
Administrative expenses	5%
Selling and distribution expenses	5%

Disposal

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

3.04 Leasehold assets

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

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

3.05 Investments

Investments in quoted shares were carried at cost till last year. This was valued at cost rather than fair value to comply the requirements of section 46 (B) of Income Tax Ordinance 1984. The company was entitled to tax holiday under this section till 31.07.2013 but the tax advantage was subject to condition of making investments of 10% of its exempted income each year before the expiry of three months from the end of the income year in the purchase of shares of a company listed with any stock exchange. Since the tax holiday has expired on 31.07.2013, the company valued its investments in quoted shares at fair value through profit or loss in compliance with BAS-39.

3.06 Intangible assets

Recognition

Intangible assets are recognized when:

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

Measurement subsequent to initial recognition

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

Subsequent costs

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

Amortization

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

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

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

3.07 Inventories

Nature of inventories

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

Valuation of inventories

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

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

Basis of valuation are as follows:

Category	Basis of valuation
Raw materials	Average cost/Net realizable value
Finished goods	At cost/Net realizable value
Goods in transit	At cost
Stores and spares	Average cost

3.08 Financial assets

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

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

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

3.08.01 Trade receivables

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

3.08.02 Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

3.08.03 Cash and cash equivalents

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

3.09 Financial liabilities

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

3.09.01 Trade payables and accruals

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

3.10 Impairment

3.10.01 Financial assets

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

3.10.02 Non-financial assets

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

3.11 Statement of cash flows

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

3.12 Provisions, contingent liabilities and contingent assets

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

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

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

3.13 Taxation

3.13.01 Tax holiday

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

3.13.02 Current tax

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

3.13.03 Deferred tax

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

3.13.04 Tax holiday reserve

Tax holiday reserve is made according to the requirement of section 46B of Income Tax Ordinance 1984 which requires companies to keep 40% of tax exempted income as tax holiday reserve.

3.14 Revenue

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

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

3.15 Employee benefits

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

3.15.01 Defined contribution plan

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

3.15.02 Defined benefit plan

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

Service length	Payment basis
Less than Five (5) years	Nil amounts.
Above Five (5) years but below Ten (10) years	Half (0.5) times of last month basic salary x year(s) of service(s)
Above Ten (10) years but below Fifteen (15) years	One (1) times of last month basic salary x year(s) of service(s)
Above Fifteen (15) years	One and half(1.5) times of last month basic salary x year(s) of service(s)

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

3.15.03 Workers' profit participation and 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.

3.16 Earnings per share

The company calculates Earnings per share (EPS) in accordance with BAS 33 "Earnings per share" which has been shown on the face of Statement of Comprehensive Income and the computation of EPS is stated in note 24 of the financial statements.

3.16.01 Basis of earnings

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

3.16.02 Basic earnings per share

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

3.16.03 Diluted earnings per share

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

3.16.04 Re-stated earnings per Share

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

3.17 Share capital

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

3.18 Events after reporting period

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

3.19 Comparative information and re-arrangement thereof

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

4.00 Property, plant and equipment - at cost model

	Amount in Taka										
	Land & Land development	Plant and Machinery	Factory Building	Furniture, Fixture & Decoration	Computer & Accessories	Motor Vehicles	Logistic Vehicles	Gas, Electric Line Installation	Lab Equipment	Office Equipment	Total
<u>Property, plant and equipment at cost</u>											
Balance as on 1 May 2012	209,080,229	507,366,393	395,031,535	9,437,646	3,282,452	39,903,789	114,887,268	130,978,605	19,683,150	2,736,024	1,432,387,091
Addition during 2012-13	30,107,026	295,118,022	212,595,712	943,101	2,850,570	8,027,629	14,562,082	34,894,587	2,807,368	349,685	602,255,782
Disposal during 2012-13	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 April 2013	239,187,255	802,484,415	607,627,247	10,380,747	6,133,022	47,931,418	129,449,350	165,873,192	22,490,518	3,085,709	2,034,642,873
Balance as on 1 May 2013	239,187,255	802,484,415	607,627,247	10,380,747	6,133,022	47,931,418	129,449,350	165,873,192	22,490,518	3,085,709	2,034,642,873
Addition during 2013-14	10,820,752	58,321,093	2,264,052	1,316,265	804,050	8,561,075	27,247,000	2,402,150	-	2,818,960	114,555,397
Disposal during 2013-14	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 April 2014	250,008,007	860,805,508	609,891,299	11,697,012	6,937,072	56,492,493	156,696,350	168,275,342	22,490,518	5,904,669	2,149,198,270
<u>Accumulated depreciation</u>											
Balance as on 1 May 2012	-	147,495,833	58,469,426	1,969,246	1,398,789	7,113,075	18,804,148	19,751,654	6,051,583	1,289,786	262,343,540
Charged for the year 2012-13	-	65,498,858	27,457,890	841,150	946,847	4,081,834	8,298,390	7,306,077	1,643,894	359,185	116,434,125
Adjustment for disposal during 2012-13	-	-	-	-	-	-	-	-	-	-	-
Balance at 30 April 2013	-	212,994,691	85,927,316	2,810,396	2,345,636	11,194,909	27,102,538	27,057,731	7,695,477	1,648,971	378,777,665
Balance as on 1 May 2013	-	212,994,691	85,927,316	2,810,396	2,345,636	11,194,909	27,102,538	27,057,731	7,695,477	1,648,971	378,777,665
Depreciation Rate	-	0.10	0.05	0.10	0.20	0.10	0.10	0.08	0.05	0.10	0.20
Charged for the year 2013-14	-	64,781,082	26,198,199	888,662	918,287	4,529,758	9,719,536	7,060,881	1,479,504	851,140	116,427,049
Adjustment for disposal during 2013-14	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 April 2014	-	277,775,773	112,125,515	3,699,058	3,263,923	15,724,667	36,822,074	34,118,612	9,174,981	2,500,111	495,204,714
<u>Carrying amount</u>											
<u>As at 30 April, 2013</u>	<u>239,187,255,589,489,724.00</u>	<u>521,699,931</u>	<u>7,570,351</u>	<u>3,787,386</u>	<u>36,736,509</u>	<u>102,346,812</u>	<u>138,815,461</u>	<u>14,795,041</u>	<u>1,436,738</u>	<u>1,655,865,208</u>	
<u>As at 30 April, 2014</u>	<u>250,008,007,583,029,735.00</u>	<u>497,765,784</u>	<u>7,997,954</u>	<u>3,673,149</u>	<u>40,767,826</u>	<u>119,874,276</u>	<u>134,156,73</u>	<u>13,315,537</u>	<u>3,404,558</u>	<u>1,653,993,556</u>	

4.01 Depreciation allocated to:

Note	2013 - 2014	2012 - 2013
Direct expenses (90%)	18,02	104,784,344
Administrative expenses (5%)	19,00	5,821,352
Selling and distribution expenses (5%)	20,00	5,821,352
	<u>116,427,048</u>	<u>116,434,125</u>

	Notes	2013-2014 Taka	2012-2013 Taka
5.00 Intangible asset			
Software			
At Cost			
Opening balance		900,000	-
Addition during the year		-	900,000
Closing balance		900,000	900,000
Accumulated amortization			
Opening balance		90,000	-
Addition during the year		90,000	90,000
Closing balance		180,000	90,000
Written down value		720,000	810,000
6.00 Investments			
Investment in private equity	6.01	1,000,000	-
Investment in quoted shares	6.03	175,717,739	40,167,956
6.01 Investment in private equity		176,717,739	40,167,956
GPH Steels Limited		1,000,000	-
		1,000,000	-
6.02	GPH Ispat Limited has acquired 10% equity in GPH Steels Limited i.e. 100,000 ordinary shares of Tk 10 each. GPH Steels Limited has yet not started its commercial operation till the date of Statement of Financial Position.		
6.03 Investment in quoted shares			

Particulars	"Number of shares"	2013-2014			2012-2013 Cost
		Cost	"Gain/(Loss)"	"Fair value"	
AB Bank Limited	120,394	8,137,474	(4,814,600)	3,322,874	8,137,474
Bank Asia Limited	877,250	14,283,046	2,027,754	16,310,800	4,089,342
Brac Bank Limited	6,325	176,202	(16,812)	159,390	176,202
City Bank Limited	600,000	9,344,309	1,875,691	11,220,000	-
DESCO Limited	11,818	1,829,027	(1,137,674)	691,353	1,829,027
Eastern Bank Limited	740,000	19,724,142	(112,142)	19,612,000	6,421,042
Envoy Textiles Limited	777,238	40,857,900	(5,959,914)	34,897,986	-
Meghna Cement	82,400	10,070,367	122,513	10,192,880	-
Mercantile Bank Limited	10,800	238,952	(60,752)	178,200	238,952
National Bank Limited	8,500	326,400	(214,200)	112,200	326,400
One Bank Limited	1,223,172	19,071,046	(852,735)	18,218,311	726,206
Peoples Insurance	303,400	9,522,405	(1,725,025)	7,797,380	-
Prime Bank Limited	279,185	6,920,225	(531,781)	6,388,444	1,813,052
Pubali Bank Limited	420,000	13,122,235	(564,235)	12,558,000	-
Rupali Bank Limited	12,804	1,460,097	(563,817)	896,280	1,460,097
Southeast Bank Limited	483,000	7,756,402	2,772,998	10,529,400	917,606
Square Pharmaceuticals Limited	76,968	11,591,156	10,067,357	21,658,513	11,591,156
United Air Limited	81,144	2,441,400	(1,467,672)	973,728	2,441,400
	6,114,398	176,872,785	(1,155,046)	175,717,739	40,167,956

6.04 Investments in quoted shares are carried at fair value as on April 30, 2014. Net gain/(loss) thereon has been charged to Statement of Comprehensive Income.

	Notes	2013-2014 Taka	2012-2013 Taka
7.00 Advances, deposits and prepayments			
Advances	7.01	235,132,225	245,020,993
Deposits	7.02	18,426,534	16,453,027
Prepayments	7.03	1,441,889	1,812,630
		255,000,648	263,286,650
7.01 Advances			
For Income tax		126,801,677	62,779,078
For VAT current account		4,000,646	4,091,032
For LC		58,761,239	129,498,108
For Other supply		40,889,588	36,635,217
For Raw material supply		783,128	9,630,245
For Employees		3,895,947	2,387,313
		235,132,225	245,020,993
7.02 Deposits			
Bangladesh Power Development Board		9,000,000	9,000,000
Bakhrabad Gas Systems Limited		2,490,793	2,490,793
Security to shipping lines		6,588,741	4,615,234
Lease deposit		347,000	347,000
		18,426,534	16,453,027
7.03 Prepayments			
Insurance premium		1,441,889	1,812,630
		1,441,889	1,812,630
The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in kind or in cash and that no provision against them are required at this stage.			
8.00 Inventories			
Finished goods	8.01	1,726,300,250	1,633,889,215
Raw materials	8.02	511,018,405	161,963,617
Chemicals	8.03	118,777,836	22,383,030
Spares and other materials	8.04	132,248,050	102,034,822
		2,488,344,541	1,920,270,684
8.01 Finished Goods			
M. S. Rod		1,424,103,300	1,536,002,875
M. S. Billet		302,196,950	97,886,340
		1,726,300,250	1,633,889,215
8.02 Raw Materials			
Melting Scrap		454,208,845	153,058,534
Sponge Iron		56,809,560	8,905,083
		511,018,405	161,963,617
8.03 Chemicals			
Ferro Alloy		112,974,654	15,498,091
Quartz Powder		1,267,372	2,393,688
Pet Coke		4,535,810	4,491,251
		118,777,836	22,383,030
8.04 Spares and Other Materials			
Refractory Bricks		23,148,516	15,241,435
Spares and Consumables		105,196,042	80,624,548
Rolls		3,393,998	4,446,755
Copper Mould Tube		509,494	1,722,084
		132,248,050	102,034,822

	Notes	2013-2014 Taka	2012-2013 Taka
9.00 Trade receivables		1,029,049,013	778,858,786
Receivables against sale of M.S. Rod/Billet			
a) Trade Receivables represent receivable from 430 Parties in 2014 (2013:234 Parties)."			
b) Receivables are unsecured but considered good and recoverable			
c) Ageing of trade receivables			
Up to 6 months		941,005,611	739,318,153
Over 6 months		88,043,402	39,540,633
		1,029,049,013	778,858,786
10.00 Cash and cash equivalents			
Cash in hand	10.01	991,613	884,711
Cash at bank	10.02	14,484,622	2,462,123
FDR Account	10.03	227,177,645	202,438,933
		242,653,880	205,785,767
10.01 Cash in hand			
Dhaka office petty cash		466,465	119,376
Factory petty cash		525,148	765,335
		991,613	884,711
10.02 Cash at Bank			
Name of the Banks	Branch	A/C Type	
AB Bank Limited	Gulshan	Current	50,000
AB Bank Limited	Khatungonj	SND	3,808
AB Bank Limited	Sitakunda	SND	3,981
Agrani Bank Limited	Asadgonj	Current	9,000
Bank Al Falah Limited	Agrabad	Current	11,783
Bank Asia Limited	Anderkilla	Current	210,653
BASIC Bank Limited	Asadgonj	Current	8,421
BRAC Bank Limited	Agrabad	Current	16,083
Dhaka Bank Limited	Khatungonj	Current	9,230
Dutch Bangla Bank Limited	Khatungonj	Current	607,475
Eastern Bank Limited	Agrabad	Current	10,694
EXIM Bank Limited	Khatungonj	Current	7,571
First Security Islami Bank Ltd	Khatungonj	Current	12,380
HSBC	Agrabad	Current	49,870
IFIC Bank Limited	Khatungonj	Current	57,778
Islami Bank Bangladesh Limited	Khatungonj	Current	648,334
Jamuna Bank Limited	Khatungonj	Current	14,654
Janata Bank Limited	Khatungonj	Current	10,007
Mercantile Bank Limited	Khatungonj	Current	45,559
Mutual Trust Bank Limited	Khatungonj	Current	173,095
Mutual Trust Bank Limited	Khatungonj	SND	4,453
National Bank Limited	Anderkilla	Current	1,009,113
NCC Bank Limited	Khatungonj	Current	230,216
One Bank Limited	Khatungonj	Current	221,838
Premier Bank Limited	O.R.Nizam Road	Current	57,487
Prime Bank Limited	Khatungonj	Current	511,484
Prime Bank Limited	O.R.Nizam Road	Current	10,225
Shahjalal Islami Bank Limited	Khatungonj	Current	9,188
Sonali Bank Limited	Khatungonj	Current	11,517

			2013-2014 Taka	2012-2013 Taka
Name of the Banks	Branch	A/C Type		
Southeast Bank Limited	Khatungonj	Current	10,371	6,977
Standard Bank Limited	Khatungonj	Current	2,416,643	3,335
State Bank of India	Agrabad	Current	8,539	2,408
The City Bank Limited	Khatungonj	Current	10,036	14,011
Trust Bank Limited	CDA Avenue	Current	41,564	111,696
United Commercial Bank Limited	Khatungonj	Current	8,613	27,621
United Commercial Bank Limited	Gulshan	Current	6,331,918	2,523
Union Bank Limited	Khatungonj	Current	4,885	-
Uttara Bank Limited	Khatungonj	Current	9,784	27,792
Sub-total			12,868,250	1,251,960
AB Bank Limited	Khatungonj	SND	479,131	488,105
AB Bank Limited	Khatungonj	GBP	15,000	15,000
AB Bank Limited	Khatungonj	USD	49,748	109,748
Southeast Bank Limited	Agrabad	SND	557,138	-
Standard Chartered Bank Limited	Agrabad	SND	515,355	597,310
Sub-total			1,616,372	1,210,163
Total			14,484,622	2,462,123

10.03 FDR Account

Name of the banks	Purpose	Rate of Interest(%)		
AB Bank Ltd	L/C Margin	9.50-12.50	41,633,951	37,379,627
Jamuna Bank Ltd	L/C Margin	10.75-12.50	2,348,928	2,118,542
NCC Bank Ltd	L/C Margin	10.50-12.50	4,486,443	4,065,166
Pubali Bank Ltd			-	9,581,106
Southeast Bank Ltd	BG Margin	11.25-12.50	446,416	403,199
Standard Chartered Bank	L/C Margin	7.00-11.00	147,071,898	133,989,853
State Bank of India	BG Margin	10.50	932,257	850,850
Trust Bank Ltd	L/C Margin	9.50 - 12.50	28,666,292	14,050,590
Premier Bank Ltd	L/C Margin	11	1,591,460	-
			227,177,645	202,438,933

11.00 Share capital

Authorized			
250,000,000 (2013: 250,000,000) Ordinary Shares of Tk 10 (2013 Tk. 10) each		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up			
Paid-up in cash			
57,645,600 Ordinary Shares of Tk 10 (2013: Tk 10) each		576,456,000	576,456,000
For consideration other than cash			
12,354,400 Ordinary Shares of Tk 10 each as exchange of land		123,544,000	123,544,000
48,800,000 Ordinary Shares of Tk 10 each as Bonus Share		488,000,000	380,000,000
118,800,000 Ordinary Shares of Tk 10 each		1,188,000,000	1,080,000,000

11.01 Position of share holding**Shareholders**

Mr. Mohammed Jahangir Alam
 Mr. Md. Abdur Rouf
 Mr. Md. Alamgir Kabir
 Mr. Md. Almas Shimul
 Mr. Md. Ashrafuzzaman
 Mr. Md. Salahuddin Roman
 Mr. Md. Abdul Ahad
 Mr. Md. Azizul Haque Raju
 Mr. Md. Iqbal Hussain
 General Shareholders
TOTAL

	2013-2014		2012-2013	
	"Position of share holding (%)"	Taka	"Position of share holding (%)"	Taka
Mr. Mohammed Jahangir Alam	37.20	442,000,000	38.89	420,000,000
Mr. Md. Abdur Rouf	3.89	46,200,000	3.89	42,000,000
Mr. Md. Alamgir Kabir	6.22	73,920,000	6.22	67,200,000
Mr. Md. Almas Shimul	14.00	166,320,000	14.00	151,200,000
Mr. Md. Ashrafuzzaman	3.89	46,200,000	3.89	42,000,000
Mr. Md. Salahuddin Roman	3.89	46,200,000	3.89	42,000,000
Mr. Md. Abdul Ahad	3.11	36,960,000	3.11	33,600,000
Mr. Md. Azizul Haque Raju	2.33	27,720,000	2.33	25,200,000
Mr. Md. Iqbal Hussain	1.56	18,480,000	1.56	16,800,000
General Shareholders	23.91	284,000,000	22.22	240,000,000
TOTAL	100.00	1,188,000,000	100	1,080,000,000

11.02 Classification of shares by holding**Class by number of shares**

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

No of Shareholders	No of Shares	Holding(%)
1,780	247,580	0.21%
5,586	5,720,740	4.82%
251	1,899,410	1.60%
98	1,451,260	1.22%
37	934,490	0.79%
23	797,240	0.67%
13	595,400	0.50%
26	1,823,770	1.54%
28	8,256,800	6.95%
12	97,073,310	81.71%
7,854	118,800,000	100.00%

12.00 Long term loan

AB Bank Ltd

12.01 Ageing of long term loan

Due within one year
 Due after one year

2013-2014 Taka	2012-2013 Taka
180,333,817	185,267,199
180,333,817	185,267,199
53,977,759	38,471,440
126,356,058	146,795,759
180,333,817	185,267,199

12.02 Terms of Long term loan facility**AB Bank Ltd****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 and 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:

Interest rate is ranging from 13.00%-15.50% per annum and will be calculated on quarterly basis.

	2013-2014 Taka	2012-2013 Taka
13.00 Lease liabilities		
Due within one year	21,732,892	19,713,535
Due after one year	50,498,231	41,642,977
	72,231,123	61,356,512

13.01 Pubali Bank Ltd

	Current portion	Long term portion
Lease Financing Scheme # 13	80,281	-
Lease Financing Scheme # 16	338,340	250,112
Lease Financing Scheme # 17	3,041,975	2,248,610
Lease Financing Scheme # 18	811,171	599,635
Lease Financing Scheme # 19	1,441,179	1,065,309
Lease Financing Scheme # 20	968,370	904,203
Lease Financing Scheme # 21	1,626,354	2,761,308
Lease Financing Scheme # 22	375,422	836,413
Lease Financing Scheme # 23	2,795,127	6,823,976
Lease Financing Scheme # 25	1,408,244	4,527,144
Lease Financing Scheme # 26	3,979,115	21,995,885
Lease Financing Scheme # 27	703,314	5,730,560
	17,568,892	47,743,155

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

- i) Principal amount of finance: Tk 89,164,397 - Repaid till 30.04.2014: Tk 23,852,350.
- ii) Repayment Term is 4 -5 years
- iii) Security :
 - a) Post dated cheques
 - b) Ownership of Lease Assets
 - c) Corporate guarantee from Jahangir and Others Limited and personal guarantee of Directors

Prime Bank Ltd

	Current portion	Long term portion
Lease # 1030800004	3,696,000	2,497,586
Lease # 1029800004	240,000	137,814
Lease # 1031100006	228,000	119,676
	4,164,000	2,755,076

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

- i) Principal amount of finance: Tk 13,640,000 - Repaid till 30.04.2014: Tk 7,120,792.
- ii) Balance as at 30 April 2014 included Tk 399,868 as accrued interest
- iii) Repayment Term is 5 years
- iv) Security :
 - a) Post dated cheques
 - b) Ownership of Lease Assets
 - c) Corporate guarantee from Jahangir and Others Limited and personal guarantee of Directors

	Notes	2013-2014 Taka	2012-2013 Taka
14.00 Short term borrowings			
Loan against Trust Receipt (LTR)	14.01	583,647,729	151,624,920
Time loan	14.02	2,121,352,691	1,799,832,997
Bank overdraft and cash credit	14.03	395,851,719	704,188,192
		3,100,852,139	2,655,646,109
14.01 Loan against Trust Receipt (LTR)			
AB Bank Ltd		2,628,711	10,193,568
Islami Bank Ltd		189,788,141	124,830,000
Pubali Bank Ltd		155,203,339	-
Trust Bank Ltd		233,927,074	9,284,259
United Commercial Bank Ltd		2,100,464	7,317,093
		583,647,729	151,624,920
14.02 Time loan			
AB Bank Ltd		554,287,353	404,205,473
One Bank Ltd		133,936,277	284,556,566
Premier Bank Ltd		199,095,652	-
Standard Chartered Bank		550,112,946	393,080,550
Trust Bank Ltd		683,920,463	530,837,767
United Commercial Bank Ltd		-	187,152,641
		2,121,352,691	1,799,832,997
14.03 Bank overdraft and cash credit			
AB Bank Ltd		11,300,370	20,096,751
Janata Bank Ltd		12,724,850	99,426,772
Premier Bank Ltd		198,930,291	-
Pubali Bank Ltd		66,226,488	442,066,958
Standard Chartered Bank		24,304,681	54,788,476
Trust Bank Ltd		5,208,552	33,052,287
United Commercial Bank Ltd		77,156,487	54,756,948
		395,851,719	704,188,192

14.04 Terms of Short term borrowings

(a) Security

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

(b) Rate of Interest:

Interest rate is ranging from 13.00%-16.00% per annum and will be calculated on quarterly basis.

	Notes	2013-2014 Taka	2012-2013 Taka
15.00 Creditors and accruals			
For Revenue Expenses	15.1	39,383,629	28,096,741
For Other Finance	15.2	4,676,359	5,670,564
For Supplies		16,512,343	22,958,177
GPH Power Generation Ltd		241,251,049	(42,232,783)
Advance Against Sales		36,368,246	9,262,465
Workers' Profit Participation Fund	15.3	29,182,986	17,601,149
		367,374,612	41,356,313
15.1 Revenue Expenses			
Salary Payable		10,090,000	8,255,841
Audit Fee Payable		200,000	200,000
Utility Bill Payable		23,800,000	15,105,500
Provident Fund	15.1.1	528,404	1,105,693
Defined benefit obligations (Gratuity)	15.1.2	4,415,225	2,829,707
Directors' Remuneration Payable		350,000	600,000
		39,383,629	28,096,741
15.1.1 Provident Fund			
Opening Balance		1,105,693	524,556
Add: Addition during the year		3,805,340	3,325,310
Less: Paid during the year		4,911,033	3,849,866
Closing balance		(4,382,629)	(2,744,173)
		528,404	1,105,693
15.1.2 Defined Benefit Obligation (Gratuity)			
Opening Balance		2,829,707	1,631,484
Add: Provision made during the year		1,585,518	1,198,223
Less: Paid during the year		4,415,225	2,829,707
Closing balance		4,415,225	2,829,707
15.2 Other Finance			
AIT Payable		843,324	636,107
VAT Deducted at Source		2,308,065	2,638,066
Chittagong Capital Limited		-	1,251,271
Unpaid Refund Warrant		453,670	543,670
Unpaid Dividend		1,071,300	601,450
		4,676,359	5,670,564
15.3 Workers' Profit Participation Fund			
Opening Balance		17,601,149	15,895,756
Add: Addition during the year @ 5%		21,581,837	17,851,149
Less: Paid during the year		39,182,986	33,746,905
Closing balance		(10,000,000)	(16,145,756)
		29,182,986	17,601,149
16.00 Income Tax			
Provision for income tax	16.1	91,468,742	45,832,090
Deferred tax liabilities	16.2	103,251,169	61,472,103
		194,719,911	107,304,193

	Notes	2013-2014 Taka	2012-2013 Taka
16.1 Provision for Current Tax			
Opening Balance		45,832,090	33,583,432
Add: Provision made during the year	16.1.3	89,422,793	46,283,045
Less: Adjusted during the year	16.1.1	135,254,883	79,866,477
Closing balance		(43,786,141)	(34,034,387)
		91,468,742	45,832,090
16.1.1 Adjustment made during the year			
Tax paid in cash		-	10,248,002
Adjusted with Advance Income Tax		43,786,141	23,786,385
		43,786,141	34,034,387

16.1.2 Year wise income tax assessment status is as follows:

Accounting Year	Assessment Year	Opening balance	Provided during the Year	Adjusted during the Year	Balance	Remarks
Prior to 2009-2010		-	-	-		Assessment completed
2010-2011	2011-2012	-	18,735,287	-	18,735,287	Assessment completed
2011-2012	2012-2013	-	37,969,548	(23,121,403)	33,583,432	Assessment completed
2012-2013	2013-2014	-	46,283,045	(34,034,387)	45,832,090	Assessment completed
2013-2014	2014-2015	-	89,422,793	(43,786,141)	91,468,742	Return due by 31st October 2014

16.1.3 Provision for income tax during the year

	25% Tax Holiday	Taxable Period	Total
		01.05.13 - 31.07.13	
Profit before tax	103,539,322	306,515,587	410,054,909
Add: Expenses for separate consideration			
Accounting Depreciation	29,106,762	87,320,286	116,427,048
Amortization	22,500	67,500	90,000
Loss on Investment	-	1,155,046	1,155,046
Gratuity	396,380	1,189,138	1,585,518
	29,525,642	89,731,970	119,257,612
Less: Tax depreciation	(46,154,244)	(138,462,731)	(184,616,975)
Less: Non operating income			
Dividend Income	(7,000)	(2,485,445)	(2,492,445)
Other Non-operating income	(11,535,747)	(36,135,544)	(47,671,291)
	75,367,973	219,163,837	294,531,810
Tax Exemption (25%, 0%)	18,841,993.00	-	18,841,993
Taxable income from operation	56,525,980.00	219,163,837.00	275,689,817
Tax on Other Non-operating income	3,172,331	9,937,275	13,109,605
Tax on Dividend income	1,400	497,088	498,489
Tax on Operational income	15,544,644	60,270,055	75,814,699
Tax on Total Taxable income	18,718,375	70,704,418	89,422,793

16.2 Deferred tax liability

a) As at 30 April 2014

	Carrying amount Taka	Tax base Taka	Temporary difference Taka
Property, plant and equipment	1,653,993,556	1,274,839,536	379,154,020
Intangible asset	720,000	-	720,000
Provision for gratuity	(4,415,225)	-	(4,415,225)
Net taxable temporary difference	1,650,298,331	1,274,839,536	375,458,795
Applicable tax rate			0.275
Deferred tax liability			103,251,169

As at 30 April 2013

Increase/(Decrease) in deferred tax liability

61,472,103

41,779,066

	Notes	25% Tax Holiday 01.05.13 - 31.07.13	Taxable Period 01.08.13 - 30.04.14	2013-2014 Taka	2012-2013 Taka
17.00 Revenue					
Local		1,094,307,812	3,656,998,955	4,751,306,767	5,349,733,258
Export		-	-	-	104,400,360
Gross Proceeds from Sales		1,094,307,812	3,656,998,955	4,751,306,767	5,454,133,618
Value added tax (VAT)		(14,803,268)	(49,287,118)	(64,090,386)	(66,705,513)
		1,079,504,544	3,607,711,837	4,687,216,381	5,387,428,105
18.00 Cost of sales					
Opening Finished goods					
M.S. Rod		1,536,002,875	1,708,328,180	1,536,002,875	1,389,895,808
M.S. Billet		97,886,340	351,416,340	97,886,340	227,014,470
		1,633,889,215	2,059,744,520	1,633,889,215	1,616,910,278
Add: Cost of Production	18.01	1,289,693,428	2,622,338,684	3,912,032,112	4,527,907,441
		2,923,582,643	4,682,083,204	5,545,921,327	6,144,817,719
Less: Closing Finished goods					
M.S. Rod		1,708,328,180	1,424,103,300	1,424,103,300	1,536,002,875
M.S. Billet		351,416,340	302,196,950	302,196,950	97,886,340
		2,059,744,520	1,726,300,250	1,726,300,250	1,633,889,215
		863,838,123	2,955,782,954	3,819,621,077	4,510,928,504
18.01 Cost of Production					
Opening Stock of:					
Raw Material		161,963,617	302,781,373	161,963,617	405,202,051
Chemical		22,383,030	29,418,542	22,383,030	49,600,388
Spare and Other		102,034,822	92,946,685	102,034,822	80,798,697
		286,381,469	425,146,600	286,381,469	535,601,136
Add: Purchase					
Raw Material		1,111,149,204	2,115,937,690	3,227,086,894	3,184,948,550
Chemical		53,028,073	99,497,577	152,525,650	122,072,537
Spare and Other		45,176,954	119,707,976	164,884,930	189,895,289
		1,209,354,231	2,335,143,243	3,544,497,474	3,496,916,376
Less: Closing Stock of:					
Raw Material	8.02	302,781,373	511,018,405	511,018,405	161,963,617
Chemical	8.03	29,418,542	118,777,836	118,777,836	22,383,030
Spare and Other materials	8.04	92,946,686	132,248,050	132,248,050	102,034,822
		425,146,601	762,044,291	762,044,291	286,381,469
Raw and Other Materials Consumed		1,070,589,099	1,998,245,552	3,068,834,652	3,746,136,043
Add: Factory overhead	18.02	219,104,329	624,093,132	843,197,461	781,771,398
Cost of Production		1,289,693,428	2,622,338,684	3,912,032,112	4,527,907,441

	Notes	25% Tax Holiday 01.05.13 - 31.07.13	Taxable Period 01.08.13 - 30.04.14	2013-2014 Taka	2012-2013 Taka
18.02 Factory overhead					
Salaries, Wages and Allowances		26,020,413	66,120,125	92,140,538	78,744,730
Overtime Bill		2,135,604	4,497,974	6,633,578	7,078,588
Bonus		-	14,085,916	14,085,916	8,269,780
Electricity Bill		135,864,263	375,981,517	511,845,780	460,938,333
Gas Bill		6,828,612	17,611,576	24,440,188	30,367,098
Daily Labour Bill		4,914,197	11,562,289	16,476,486	20,370,512
Carriage Inward		635,484	769,425	1,404,909	350,798
Fuel, Oil and Lubricant		5,633,497	16,050,260	21,683,757	18,155,925
Depreciation	4.01	26,196,086	78,588,258	104,784,344	104,790,713
Repair and Maintenance		904,663	4,742,426	5,647,089	9,433,447
Testing Expenses		-	194,400	194,400	161,152
Water Expenses		20,000	144,274	164,274	230,000
Oxygen and LP Gas Charges		4,176,124	11,788,979	15,965,103	18,114,083
Loading and Unloading Expenses		656,739	1,492,537	2,149,276	2,776,664
Staff Uniform		150,300	1,420,880	1,571,180	2,079,340
Factory House Rent		25,200	56,933	82,133	22,400
Factory Canteen		664,985	1,994,956	2,659,941	6,576,337
Vehicle Fuel and Maintenance		2,328,505	9,128,616	11,457,121	8,606,807
Land Rent		60,000	180,000	240,000	240,000
Medical Expenses		123,993	227,559	351,552	515,154
Internet Expenses		7,116	37,403	44,519	41,304
Insurance		776,841	2,065,711	2,842,552	3,461,467
Labour Compensation and Welfare		-	-	-	442,866
Guest House Maintenance		-	-	-	3,900
Hot Charging System Expenses		-	1,458,200	1,458,200	-
Factory Maintenance		981,707	3,892,918	4,874,625	-
		219,104,329	624,093,132	843,197,461	781,771,398
19.00 Administrative expenses					
Directors' Remuneration	30.00	2,100,000	7,455,000	9,555,000	7,200,000
Salary and Allowances		8,078,205	25,080,059	33,158,264	28,864,256
Entertainment		177,493	548,838	726,331	688,591
Office Maintenance		131,221	122,803	254,024	615,996
Mobile, Telephone and Internet Charges		304,701	1,073,780	1,378,481	1,244,038
Office Rent		849,000	2,394,000	3,243,000	2,619,000
Newspaper and Periodicals		3,845	10,616	14,461	6,346
Postage and Stamps		13,996	132,688	146,684	172,241
Stationery and Printing Charges		325,904	796,741	1,122,645	1,197,582
Canteen		336,759	1,010,276	1,347,035	266,563
Vehicle Expenses		649,706	1,791,852	2,441,558	2,229,793
Rent, Rate and Tax		-	82,762	82,762	251,589
Travelling and Conveyance		377,132	5,673,235	6,050,367	5,420,052
Audit Fee		-	241,500	241,500	230,000
Fees and Renewal		68,630	401,987	470,617	772,460
Legal and Professional Fee		12,963	200,000	212,963	163,500
Festival Bonus		-	2,921,110	2,921,110	3,070,748
Misc. Expenses		138,520	1,396,942	1,535,462	1,998,821
ISO Certificate		-	-	-	77,620
Electricity and Other Utility Expenses		299,648	838,578	1,138,226	933,460
Training Fee		10,000	220,724	230,724	75,800

	Notes	25% Tax Holiday 01.05.13 - 31.07.13	Taxable Period 01.08.13 - 30.04.14	2013-2014 Taka	2012-2013 Taka
Board Meeting Exp.			514,475	514,475	286,327
Picnic Exp.			-	-	1,696,239
Iftar Party			1,726,200	1,726,200	1,188,900
Website Maintenance Cost			-	-	20,000
BO Account Maintenance Expense			-	-	3,098
Depreciation	4.01	1,455,338	4,366,014	5,821,352	5,821,706
Amortization of Software	5.00	22,500	67,500	90,000	90,000
Recruitment Expenses		30,000	33,670	63,670	37,802
Share Management Expenses		151,000	1,984,647	2,135,647	1,245,133
BIS Certificate Expenses		27,500	267,946	295,446	337,223
AGM Expenses		-	1,038,228	1,038,228	1,597,724
		15,564,061	62,392,171	77,956,232	70,422,608
20.00 Selling and distribution expenses					
Advertisement Expenses		3,935,505	26,003,128	29,938,633	32,260,542
Carriage Outward		7,307,568	15,537,746	22,845,314	31,262,645
Dealer and Distributor		-	-	-	454,130
Travelling and Conveyance		312,045	1,391,370	1,703,415	918,335
Commission on Sales		1,860,750	6,047,887	7,908,637	5,529,000
Promotional Expenses		3,193,672	5,258,306	8,451,978	9,464,150
Depreciation	4.01	1,455,338	4,366,014	5,821,352	5,821,706
Sales Centre Maintenance		-	-	-	673,868
Warehouse Rent		-	960,000	960,000	640,000
Sales LC Expenses		33,207	311,463	344,670	473,409
		18,098,085	59,875,914	77,973,999	87,497,785
21.00 Financial expenses					
Finance Costs		82,643,250	255,787,676	338,430,926	385,277,016
Bank Charge		349,138	1,845,902	2,195,040	6,796,275
Loan Processing Fee		1,565,874	7,539,463	9,105,337	9,838,422
Exchange Gain		-	(20,694,286)	(20,694,286)	(16,739,095)
		84,558,262	244,478,755	329,037,017	385,172,618
22.00 Non-operating income					
Interest Earned from FDR		5,578,984	18,265,256	23,844,240	19,305,799
Sales of Miss Rolls		5,956,763	17,870,288	23,827,051	-
Interest on IPO deposit		-	-	-	4,119,585
Dividend Income		7,000	2,485,445	2,492,445	191,015
		11,542,747	38,620,989	50,163,736	23,616,399
23.00 Net Assets Value per share				16.25	16.80
The Composition of Net Assets Value (NAV) per share is given below :					
a) Net Assets Value				1,930,967,775	1,814,114,725
b) Number of Ordinary Shares at the year end				118,800,000	108,000,000
24.00 Earnings per share (EPS)					
The composition of Earnings per share (EPS) is given below :					
a) Earnings attributed to ordinary shareholders during the year				278,853,050	250,124,897
b) Number of ordinary shares at the year end				118,800,000	108,000,000
c) Weighted average number of outstanding ordinary shares during the year				118,800,000	118,800,000
Basic EPS				2.35	2.32
Restated EPS*					2.11

2013-2014
Taka

2012-2013
Taka

*EPS for the year 2012-2013 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of BAS 33.

Diluted EPS

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

25.00 Operating cash flow per share

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

- a) Operating cash inflow/(outflow) during the year
- b) Number of ordinary shares at the year end

	2.77	10.21
329,018,097	1,103,058,651	
118,800,000	108,000,000	
200,000	200,000	
200,000	200,000	

26.00 Auditors' remuneration

Audit Fee - Statutory

	2013-2014	2012-2013
	Persons	Persons
Employees drawing salary above Tk 3,000 per month	680	604
Employees drawing salary Tk 3,000 or below per month	-	-
	680	604

28.00 Capacity and production

	Notes	2013-2014	2012-2013
		M.Ton	M.Ton
Production Capacity (In M.Ton)	28.01	288,000	288,000
Actual Production (In M.Ton)	28.02	160,865	171,327
Capacity Utilization (%)		55.86	59.49
28.01 Production Capacity (In M.Ton)			
MS Billet		168,000	168,000
MS Rod		120,000	120,000
		288,000	288,000
28.02 Actual Production (In M.Ton)			
MS Billet		83,533	87,265
MS Rod		77,332	84,062
		160,865	171,327

29.00 RELATED PARTY TRANSACTIONS

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

Sl. No	Name of the Party	Relation	Nature of Transactions	Outstanding as on 30 April 2014	Outstanding as on 30 April 2013
1	GPH Power Generation Ltd	Common Directorship	Supply of power at a flat rate	(241,251,049)	42,232,783
2	Chittagong Capital Ltd	Common Directorship	Share brokerage	-	1,251,273
3	Jahangir and Other Ltd	Common Directorship	Head office rent	165,867	36,200

30.00 Directors' Remuneration

Details of directors' remuneration paid during the year are as follows:

Name	Remuneration
Mr. Mohammed Jahangir Alam - Managing Director	4,200,000
Mr. Md. Almas Shimul - Director	4,200,000
Mr. Md. Ashrafuzzaman - Director	1,155,000
	<u>9,555,000</u>

Managing director and directors are provided with transport facilities along with their remuneration.

31.00 Events after reporting period

The Board of Directors in their meeting held on 23 August 2014 recommended 15% cash and 5% stock dividend for the year 2013-2014.

Notes	2013-2014 Taka	2012-2013 Taka
32.00 Contingent liabilities		
Bank guarantee	32.01 5,831,200	5,831,200
L/C liabilities	32.02 1,034,564,807	797,858,022
	<u>1,040,396,007</u>	<u>803,689,222</u>

Contingent liabilities at the balance sheet date are as follows:

32.01 Bank guarantee

AB Bank Limited	1,108,500	1,108,500
Southeast Bank Limited	3,872,700	3,872,700
State Bank of India	850,000	850,000
	<u>5,831,200</u>	<u>5,831,200</u>

32.02 L/C liabilities

AB Bank Limited	273,906,071	142,624,716
Premier Bank Limited	31,200,000	-
Pubali Bank Limited	30,420,000	186,966,000
Standard Chartered Bank Limited	62,334,293	88,062,000
Trust Bank Limited	632,927,443	360,223,032
United Commercial Bank Limited	3,777,000	19,982,274
	<u>1,034,564,807</u>	<u>797,858,022</u>

32.03 There were no claims legal or otherwise, not acknowledged as debt, outstanding as of the end of the reporting period. There was no unprovided committed expenditure as at 30 April 2014.

33.00 Financial risk management

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

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

	Note(s)
a) Credit risk	33.01
b) Liquidity risk	33.02
c) Market risk	33.03

33.01 Credit risk

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

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

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

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

a) Exposure to credit risk

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

Trade receivable-Local customer
Advance, deposit and prepayments
Cash and bank balance

Amount in Taka 30-Apr-14	Amount in Taka 30-Apr-13
1,029,049,013	778,858,786
255,000,648	305,519,433
242,653,880	205,785,767
1,526,703,541	1,290,163,986
941,005,611	739,318,153
88,043,402	39,540,633
1,029,049,013	778,858,786

b) Ageing of receivables

Dues up to 6 months
Dues over 6 months

c) Credit exposure by credit rating

	As on 30 April 2014		
	Credit rating	Amount	(%)
Trade receivable	NR	1,029,049,013	67.40%
Advance, deposit and prepayments	NR	255,000,648	16.70%
Cash and bank balances			
Cash in hand	NR	991,613	0.06%
Cash at bank		241,662,267	15.83%
AB Bank Limited	AA3	42,235,619	2.77%
Agrani Bank Limited	AAA	9,000	0.00%
Bank Alfalah Limited	A2	11,783	0.00%
Bank Asia Limited	AA3	210,653	0.01%
Basic Bank Limited	A2	8,421	0.00%
Brac Bank Limited	AA3	16,083	0.00%
Dhaka Bank Limited	A1	9,230	0.00%
Dutch Bangla Bank Limited	AA1	607,475	0.04%

	Credit rating	Amount	(%)
Eastern Bank Limited	AA	10,694	0.00%
Exim Bank Limited	AA-	7,571	0.00%
First Security Islami Bank Limited	A+	12,380	0.00%
HSBC	AAA	49,870	0.00%
IFIC Bank Limited	AA2	57,778	0.00%
Islami Bank Bangladesh Limited	AA+	648,334	0.04%
Jamuna Bank Limited	A1	2,363,582	0.15%
Janata Bank Limited	A+	10,007	0.00%
Mercantile Bank Limited	AA-	45,559	0.00%
Mutual Trust Bank Limited	AA-	177,548	0.01%
National Bank Limited	AA-	1,009,113	0.07%
NCC Bank Limited	AA	4,716,659	0.31%
One Bank Limited	AA-	221,838	0.01%
Premier Bank Limited	AA	1,648,947	0.11%
Prime Bank Limited	AA2	521,709	0.03%
Standard Chartered Bank Limited	AAA	147,587,253	9.67%
Shahjalal Islami Bank Limited	AA	9,188	0.00%
Sonali Bank Limited	AAA	11,517	0.00%
Southeast Bank Limited	AA-	1,013,925	0.07%
Standard Bank Limited	AA3	2,416,643	0.16%
State Bank of India	AA+	940,796	0.06%
The City Bank Limited	AA3	10,036	0.00%
Trust Bank Limited	AA3	28,707,856	1.88%
United Commercial Bank Limited	A+	6,340,531	0.42%
Union Bank Limited	NR	4,885	
Uttara Bank Limited	AA3	9,784	0.00%

33.02 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount Taka	Maturity period	Nominal Interest rate	Contractual cash flows Taka	Within 6 months or less Taka	Within 6-12 months Taka
Creditors and accruals	367,374,612	Oct. 2014	N/A	367,374,612	367,374,612	-
Short term borrowings	3,100,852,139	Oct. 2014	13.00 ~ 16.00%	3,100,852,139	3,100,852,139	-
Current portion of finance lease obligations	21,732,892	Apr. 2015	12.50 ~ 17.00%	21,732,892	10,866,446	10,866,446
Current portion of long term loan	53,977,759	Apr. 2015	13.00~15.5%	53,977,759	26,988,880	26,988,880
	3,543,937,402			3,543,937,402	3,506,082,077	37,855,326

33.03 Market Risk

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

a) Currency risk

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

(i) Exposure to currency risk

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

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

	2013-2014	2012-2013
Exchange rate of US Dollar	78.00	77.95

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

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

b) Interest rate risk

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

(i) Profile

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

	Carrying amount 30-Apr-14
Fixed rate instrument	
Financial asset	227,177,645
Financial liability	3,353,417,079
Variable rate instrument	
Financial asset	Nil
Financial liability	Nil

(ii) Cash flow sensitivity analysis for variable rate instruments

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

33.04 Accounting classification and fair value

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

	Carrying amount (Taka)	Fair value (Taka)
Assets carried at fair value through profit and loss	176,872,785	175,717,739
Held to maturity assets		
FDR with banks	227,177,645	227,177,645
Loans on Receivables		
Trade Receivables	1,029,049,013	1,029,049,013
Security deposit	18,426,534	18,426,534
Cash and bank balances	242,653,880	242,653,880
Available for sale financial assets	Nil	Nil
Liabilities carried at fair value through profit and loss	Nil	Nil
Liabilities carried at amortized cost		
Accounts and other payables	Nil	Nil
Short term bank borrowing	3,100,852,139	*N/A
Current portion of long term borrowing	53,977,759	*N/A

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

34.00 GENERAL

34.1 Wherever considered necessary, previous year's figures & phrases have been re-arranged to conform to this year's presentation.

34.2 Bracket figure denotes negative.

ISO Certificate



Certificate of Registration

This certificate has been awarded to:

GPH Ispat Limited

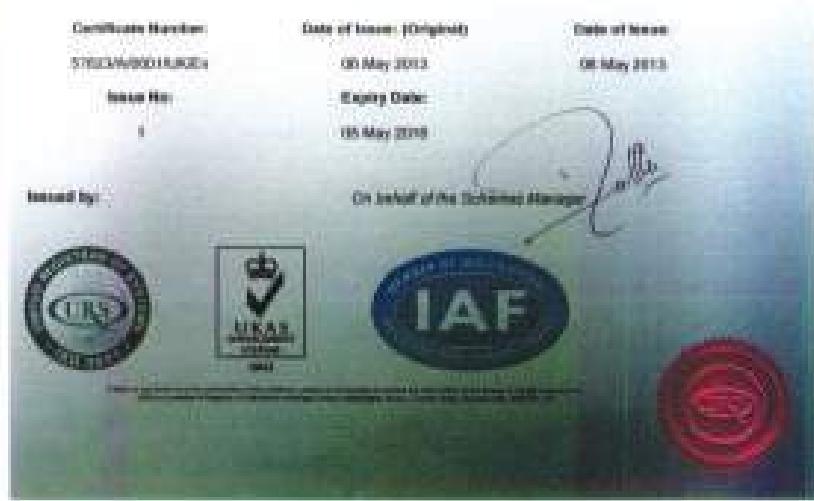
Majiddah, Kumira, Sitakunda, Chittagong-4000, Bangladesh

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

ISO 9001:2008

The scope of activities covered by this certificate is defined below:

Manufacture and Marketing of Structural Steel



Ref ID: Is 0408



GPH Ispat Ltd.
COMMITTED TO STRENGTH

CERTIFICATE OF BUREAU OF INDIAN STANDARDS

भारतीय सारक ब्यूरो
BUREAU OF INDIAN STANDARDS
सारक चिन्ह सामग्री की अनुमति
Licence for the use of STANDARD MARK

18. name of the power conferred on it by the BUREAU OF INDIAN STANDARDS ACT, 1995 (11 of 1995) the BUREAU hereby grants to

Mr. G.P.H. Iqbal Laskar, Muzigcha, Karwan Sitalchandi, Chittagong, Bangladesh.

Authorized Indian Representative
Shri Tapan Chatterjee,
10/II, Mohan Lal Street,
Shyam Bazar, Kolkata-700004,
W. B. India.

hereinafter called "the licensee") this license to use the Standard Mark set out in the first column of the First Schedule hereto, upon the respects of the article/process set out in the second column of the said Schedule, where it is manufactured in accordance with/contains in the related Indian Standard(s) referred to in the third column of the said Schedule as from time to time extended or revised.

2. This licensee carries the rights and obligations stipulated in the Regulations made under the above-mentioned Act. In pursuance of this obligation, the licensee shall pay in due manner and time the schedules Marking Fee set out in the Second Schedule hereto and maintain to the satisfaction of the HUMLAI the Scheme of Testimony and Transaction, a copy of which is attached hereto.

1 預算案 (續) 05.08.2011 8 05.08.2011

બાળ વિષયક પત્રા | બાળ વિષયક પત્રા

3. This license shall be valid from **SIXTEENTH MARCH TWO THOUSAND THIRTEEN** to **SIXTH MARCH TWENTY THOUSAND FORTY-THREE** and may be renewed as prescribed in the Regulations.

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Journal of Health Politics, Policy and Law

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THE BUREAU OF INDIAN STAMPS

28

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News

The Financial Express

Events Album



Directors & Officials are seen at 7th Annual General Meeting of GPH Ispat Ltd.



Shareholders are seen at 7th Annual General Meeting of GPH Ispat Ltd.



Major General Jahangir Kabir Talukder handing over the Crest to the Additional Managing Director of GPH Ispat Ltd. at the 3rd GPH Group Golf Tournament-2014



Mr. Md. Almas Shimul, Additional Managing Director of GPH Ispat Ltd., Major General Jahangir Kabir Talukder & others are seen at the 3rd GPH Group Golf Tournament-2014

Events Album



Directors of GPH Ispat Ltd. & Celebrities are seen at 27th Anniversary of GPH Group



Directors & Officials of GPH Ispat Ltd. & Dealers are seen at Exclusive Dealer Agreement Signing Ceremony



Directors & Officials of GPH Ispat Ltd. & Madona Group are seen at Agreement Signing Ceremony



Guests are seen at the Ifter Mahfil-2014 of GPH Ispat Ltd. at PTI, Munshigonj



Guests are seen at the Ifter Mahfil-2014 of GPH Ispat Ltd. at Army Golf Club, Dhaka



GPH ispat Ltd.

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 8th Annual General Meeting of the
Company to be held on Monday the 10th November 2014 at 11.00 am. at Ichamoti Hall, Hotel Agrabad, Chittagong
and at any adjournment thereof.

As witness my hand this day of 2014.

Affix Revenue
Stamp of
Tk. 20

(Signature of the Proxy)

(Signature of Shareholder)

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.

Signature Verified



GPH ispat ltd.

Registered Office: Crown Chamber, 325 Asadgonj, Chittagong.

SHAREHOLDERS' ATTENDENCE SLIP

I/We hereby record my/our presence at the 8th Annual General Meeting of the Company on 10th November, 2014 at Ichamoti Hall, Hotel Agrabad, Chittagong.

Name of the Shareholder/Proxy:.....

Shareholders BO ID No:

.....
Signature of Shareholder (S)

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

Remarkable Projects

Where GPH Rebar used



Nagar Bhaban, Chittagong



Radisson Bay View Hotel, Chittagong



Gulistan-Jatrabari Flyover, Dhaka



Unique Heights, Eskaton, Dhaka



Walton High-Tech Industries Ltd., Dhaka



Mahananda Bridge, Chanpai Nawabgonj
(Under Construction)



GPH ispat Ltd.

COMMITTED TO STRENGTH

Registered Office:

Crown Chamber,
325 Asadgonj, Chittagong 4000, Bangladesh

Phone : +880-31-631460 (PABX),
+880-31-2854997, 633007

Fax : +880-31-610995

E-mail : info@gphispat.com.bd

Dhaka Office:

Hamid Tower(3rd Floor), 24 Gulshan C/A,
Circle 2, Dhaka 1212.

Phone : +88-02-9840177

Fax : +88-02-9880366

Email : salesdhk@gphispat.com.bd

www.gphispat.com.bd

GPH ispat Ltd.