**Hoda Vasi Chowdhury & Co**

To
The Managing Director
GPH Ispat Limited
Crown Chamber
325, Asadgonj
Chattogram, Bangladesh.

# Audited Financial Statements

of

# GPH Ispat Limited

For the year ended 30 June 2022

# Hoda Vasi Chowdhury & Co
## Chartered Accountants

**INDEPENDENT AUDITORS' REPORT**
**to the Shareholders of**
**GPH ISPAT LIMITED**

### Opinion

We have audited the accompanying financial statements of **GPH ISPAT LIMITED** (the Company), which comprise the Statement of Financial Position as at 30 June 2022, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, together with the notes numbering 01 to 43 annexed thereto.

In our opinion and to the best of our information and according to explanations given to us, the accompanying Financial Statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2022 and of its financial performance and cash flows for the period from 1 July 2021 to 30 June 2022 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

### Basis of opinion

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

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

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| SL. No. | Key Audit Matters | How our audit addressed the key audit matter |
|---|---|---|
| 1 | **Revenue Recognition**<br>(Refer to note 22)<br><br>Revenue of TK. 47,959,934,807 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of GPH ISPAT LIMITED for the year ended 30 June 2022. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.<br><br>As described in the accounting policy 3.15 to the financial statements, the company recognizes revenue upon rendering services to the customers/clients as per IFRS 15 – Revenue from Contract with Customers. | In light of the fact that the high degree of complexity we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this area, our audit approach included testing of the controls and the substantive audit procedure, including: -<br><br>➢ We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 – Revenue from Contracts with Customers.<br>➢ We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customers' invoices and receipts of payment on a sample basis.<br>➢ We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers.<br>➢ Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct recording periods. |
| 2 | **Inventories**<br>(Refer to note 11)<br>Inventories represent about 33.32% of the total revenue of the Company; inventories are thus a material item to the financial statements. Please refer to note 11 to the financial statements.<br><br>As described in the accounting policy note 3.07 to the financial statements, | We verified the appropriateness of management control applied in calculating the value of the inventory provision by:<br><br>➢ Tested the operating effectiveness of key controls over inventories; including observing the process of management's year-end inventory count. |

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|---|---|---|
| 1 | **Revenue Recognition**<br>(Refer to note 22)<br><br>Revenue of TK. 47,959,934,807 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of GPH ISPAT LIMITED for the year ended 30 June 2022. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.<br><br>As described in the accounting policy 3.15 to the financial statements, the company recognizes revenue upon rendering services to the customers/clients as per IFRS 15 – Revenue from Contract with Customers. | In light of the fact that the high degree of complexity we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this area, our audit approach included testing of the controls and the substantive audit procedure, including: -<br><br>➢ We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 – Revenue from Contracts with Customers.<br>➢ We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customers' invoices and receipts of payment on a sample basis.<br>➢ We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers.<br>➢ Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct recording periods. |
| 2 | **Inventories**<br>(Refer to note 11)<br><br>Inventories represent about 33.32% of the total revenue of the Company; inventories are thus a material item to the financial statements. Please refer to note 11 to the financial statements.<br><br>As described in the accounting policy note 3.07 to the financial statements, | We verified the appropriateness of management control applied in calculating the value of the inventory provision by:<br><br>➢ Tested the operating effectiveness of key controls over inventories; including observing the process of management's year-end inventory count. |

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|---|---|---|
| | inventories are valued at the lower of the cost or net realizable values. As such, management is required to make judgments in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required.<br><br>Due to the value and volume of inventories being held by the Company at the reporting date and complexities involved in the accounting and presentation thereof, inventories have been considered as a key audit matter. | ➢ Verified a sample of inventory items to ensure that costs have been appropriately recorded.<br><br>➢ Tested on a sample basis the net realizable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.<br><br>➢ Assessed whether appropriate provision have been recognized for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories.<br><br>➢ Performed cut-off tests to determine that the purchase and sales of the inventories have been considered in the correct accounting period.<br><br>➢ Reviewed the historical accuracy of inventory provision and the level of write downs. |
| 3 | **Property Plant and Equipment**<br>(Refer to note 04)<br><br>The company has a large number of Property, Plant and Equipment items. In view of availability of latest machinery due to improved technology, the obsolescence & impairment may be noticed in existing machineries.<br><br>Management has concluded that there is no impairment in respect of all assets. This conclusion required significant management judgment. Hence, we considered this to be key audit matter. | Our audit procedure in this area included, among others;<br><br>➢ Assessing the consistency of methodologies use for depreciating the assets;<br><br>➢ Checking on a sample basis, the accuracy and relevance of the accounting of PPE by management; and<br><br>➢ For selected samples, performing physical observation to assess management's determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost.<br><br>➢ Examining management's periodic review of Property, Plant and Equipment for determination of impairment and obsolescence. |

| SL. No. | Key Audit Matters | How our audit addressed the key audit matter |
|---|---|---|
| 4 | **Measurement of Deferred Tax**<br>(Refer to note 17)<br>The Company recognizes deferred taxes relating to Property, Plant and equipment, Investment in associates and employee benefits (Gratuity), which are very complex in nature.<br><br>As such accounting for deferred taxes involves management in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. Hence, we considered this to be a key audit matter. | Our audit procedure in this area included, among others.<br>➢ Assessing the design, implementation and operating effectiveness of key controls in respect of the company and the process of recognition of deferred taxes.<br>➢ Using our own tax specialist to evaluate the tax bases and Company tax strategy.<br>➢ Assessing the accuracy and completeness of deferred tax, and<br>➢ Evaluating the adequacy of the financial statements disclosure, including disclosures of assumption, judgements and sensitivities. We involved tax specialist to assess key assumptions, control recognition and measurement of deferred tax liabilities (Assets). |
| 5 | **Trade Receivables**<br>(Refer to note 12)<br>Trade receivable is a key audit matter in the audit due to quantum of the trade receivable balance, realization nature of long outstanding invoices and management judgement at the time of impairment test. | Our audit procedures in this area included among others:<br>➢ Obtained trade receivable balance confirmation;<br>➢ Analyzed the ageing of trade receivable;<br>➢ Obtained a list of long outstanding receivable and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusion.<br>➢ Reviewed subsequent status of receivables. |

**Other Matter**

The financial statements of GPH Ispat Limited for the year ended 30 June 2021, were audited by Hussain Farhad & Co who expressed an unmodified opinion on those statements on 08 November 2021

**Reporting on other Information**

Other information consists of the information included in the Company's 30 June 2022 year ended Annual Report other than the financial statements and our auditor's report thereon. We obtained the Director's Report, Management Discussion and Analysis, Financial information, and Corporate Governance report prior to the date of our auditor's report, and we expect to obtain the remaining reports of the Annual Report after the date of our auditor's report. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that we have nothing to report in this respect.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

(a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

(c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

**Report on other legal and regulatory requirements**

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

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

ii) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books and;

iii) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

iv) the expenditure incurred was for the purposes of the company's business.

**For and on behalf of**

**Chattogram,** 07 NOV 2022

**Hoda Vasi Chowdhury & Co**
**Chartered Accountants**

**Showkat Hossain, FCA**
**Senior Partner**
**Enrollment No: 0137**
**DVC: 2211070137AS992221**

**GPH ISPAT LIMITED**
**Statement of Financial Position**
**As at 30 June 2022**

| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | 31,015,518,304 | 32,003,543,122 |
| Right of Use Assets | 5 | 148,898,625 | 155,662,783 |
| Capital work-in-progress | 6 | 3,241,016,198 | 1,497,760,003 |
| Intangible assets | 7 | 2,167,899 | 1,500,954 |
| Investments | 8 | 171,998,290 | 162,549,188 |
| **Total non-current assets** | | **34,579,599,316** | **33,821,016,050** |
| **Current assets** | | | |
| Short term investment | 9 | 2,224,065,981 | 1,424,525,049 |
| Advances, deposits and prepayments | 10 | 6,192,398,719 | 4,850,622,616 |
| Inventories | 11 | 15,979,789,926 | 10,065,165,355 |
| Trade and Other receivables | 12 | 5,466,050,256 | 3,367,753,798 |
| Cash and cash equivalents | 13 | 444,842,678 | 130,184,066 |
| **Total current assets** | | **30,307,147,560** | **19,838,250,884** |
| **Total Assets** | | **64,886,746,876** | **53,659,266,934** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 14 | 4,368,164,800 | 3,971,058,910 |
| Share premium | | 1,136,440,000 | 1,136,440,000 |
| Revaluation Reserve | | 3,850,132,682 | 3,916,698,157 |
| Retained earnings | | 3,221,570,157 | 2,832,720,460 |
| | | **12,576,307,639** | **11,856,917,527** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Long term loan | 15 | 20,648,351,119 | 21,577,930,176 |
| Finance lease obligations | 5 | 109,707,227 | 120,081,209 |
| Defined Benefit Obligation - Gratuity | 16 | 65,079,334 | 50,517,125 |
| Deferred tax liability | 17 | 1,234,261,441 | 682,592,026 |
| | | **22,057,399,121** | **22,431,120,536** |
| **Current liabilities** | | | |
| Current portion of long term loan | 15 | 3,275,776,093 | 2,283,792,410 |
| Current portion of finance lease obligations | 5 | 41,019,367 | 33,245,616 |
| Short term borrowings | 18 | 23,882,391,653 | 14,940,744,433 |
| Creditors and accruals | 19 | 2,329,816,135 | 1,760,281,610 |
| Unclaimed Dividend | 20 | 3,182,912 | 4,954,063 |
| Current tax liability | 21 | 720,853,956 | 348,210,739 |
| **Total current liabilities** | | **30,253,040,116** | **19,371,228,871** |
| **Total liabilities** | | **52,310,439,237** | **41,802,349,407** |
| **TOTAL EQUITY AND LIABILITIES** | | **64,886,746,876** | **53,659,266,934** |
| **NET ASSET VALUE PER SHARE** | 29 | **28.79** | **29.86** |

*These financial statements should be read in conjunction with the annexed notes: 1 to 43*
*and were approved by the Board of Directors on:October 30,2022*
*and were signed on its behalf by:*

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

**Chattogram,** 07 NOV 2022

*For and on behalf of*
**Hoda Vasi Chowdhury & Co**
**Chartered Accountants**

**Showkat Hossain FCA**
**Senior Partner**
**Enrollment No : 0137**
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**GPH ISPAT LIMITED**
**Statement of Profit or Loss and Other Comprehensive Income**
**For the year ended 30 June 2022**

| | Note(s) | 01 July 2021 to 30 June 2022 Taka | 01 July 2020 to 30 June 2021 Taka |
|---|---|---|---|
| Gross Revenue | 22.00 | 47,959,934,807 | 28,949,127,644 |
| Value Added Tax | | (1,132,409,850) | (782,665,572) |
| **Net Revenue** | | **46,827,524,957** | **28,166,462,072** |
| Cost of goods sold | 23.00 | (40,478,446,890) | (23,965,153,963) |
| **Gross Profit** | | **6,349,078,067** | **4,201,308,109** |
| Administrative expenses | 24.00 | (355,960,816) | (278,933,980) |
| Selling and distribution expenses | 25.00 | (1,047,512,874) | (703,992,620) |
| **Profit from operating activities** | | **4,945,604,377** | **3,218,381,509** |
| Finance Cost | 26.00 | (2,160,878,575) | (1,107,221,206) |
| Finance income | 27.00 | 112,396,730 | 90,849,217 |
| **Profit before other income** | | **2,897,122,532** | **2,202,009,520** |
| Other income | 28.00 | 32,669,960 | 22,923,203 |
| Net change in fair value of investment in quoted shares | 8.00 | (1,845,975) | 9,037,892 |
| **Profit before Income Tax and distribution of WPPF and Welfare Fund** | | **2,927,946,517** | **2,233,970,615** |
| Contribution to WPPF and Welfare Fund | 19.03 | (146,397,326) | (111,698,531) |
| **Profit before Income Tax** | | **2,781,549,191** | **2,122,272,084** |
| Income tax expenses | | | |
| -Current | 21.00 | (716,277,882) | (343,634,665) |
| -Deferred | 17.00 | (570,994,876) | (117,743,990) |
| **Profit after Tax** | | **1,494,276,433** | **1,660,893,429** |
| **Other comprehensive income** | | | |
| Deferred tax on revaluation reserve of property, plant and equipment | 17.00 | 19,325,461 | (386,509,208) |
| Revaluation of property, plant and equipment | 14.02 | - | 4,330,383,105 |
| **Total other comprehensive income** | | **1,513,601,894** | **5,604,767,326** |
| **Earning Per Share (Basic)** | **30.00** | **3.42** | **4.18** |
| **Earning Per Share (Restated)** | **30.00** | **-** | **3.80** |

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*and were signed on its behalf by:*

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

**Chattogram,** 07 NOV 2022

*For and on behalf of*
**Hoda Vasi Chowdhury & Co**
**Chartered Accountants**

**Showkat Hossain FCA**
**Senior Partner**
**Enrollment No : 0137**
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# GPH ISPAT LIMITED

**Statement of Changes in Equity**

**For the year ended June 30, 2022**

**Amount in Taka**

| Particulars | Share Capital | Share Premium | Revaluation Reserve | Fair value reserve | Amount to be distributed as Dividend | Retained Earnings | Total Equity |
|---|---|---|---|---|---|---|---|
| Balance as on 01 July 2020 | **3,781,960,870** | **1,136,440,000** | - | **(21,226,941)** | **89,825,267** | **1,446,359,318** | **6,433,358,514** |
| Revaluation Reserve | - | - | 3,943,873,897 | - | - | - | 3,943,873,897 |
| Transfer of difference in depreciation between cost and revalued amount | - | - | (27,175,740) | - | - | 35,065,471 | 7,889,731 |
| Change in fair value of investment in quoted shares | - | - | - | 21,226,941 | - | (21,226,941) | - |
| Dividend (Stock) | 189,098,040 | - | | - | - | (189,098,040) | - |
| Dividend (Cash) | | | | | (89,825,267) | (99,272,777) | (189,098,044) |
| Net profit after tax | - | - | | - | - | 1,660,893,429 | 1,660,893,429 |
| **Balance as at 30 June 2021** | **3,971,058,910** | **1,136,440,000** | **3,916,698,157** | - | - | **2,832,720,460** | **11,856,917,527** |
| Balance as on 01 July 2021 | **3,971,058,910** | **1,136,440,000** | **3,916,698,157** | - | - | **2,832,720,460** | **11,856,917,527** |
| Revaluation Reserve | - | - | - | - | - | - | - |
| Transfer of difference in depreciation between cost and revalued amount | - | - | (66,565,475) | - | - | 85,890,936 | 19,325,461 |
| Unrealized foreign currency exchange gain/(loss) | - | - | - | - | | | - |
| Dividend (Stock) | 397,105,890 | - | | - | - | (397,105,890) | - |
| Dividend (Cash) | - | - | | - | - | (794,211,782) | (794,211,782) |
| Net profit after tax | - | - | | - | - | 1,494,276,433 | 1,494,276,433 |
| **Balance as at 30 June 2022** | **4,368,164,800** | **1,136,440,000** | **3,850,132,682** | - | - | **3,221,570,157** | **12,576,307,639** |

*These financial statements should be read in conjunction with the annexed notes: 1 to 43*
*and were approved by the Board of Directors on: October 30,2022*
*and were signed on its behalf by:*

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

HODA VASI CHOWDHURY & CO. CHATTOGRAM

# GPH ISPAT LIMITED

## Statement of Cash Flows

## For the year ended 30 June 2022

| | Note(s) | 01 July 2021 to 30 June 2022 | 01 July 2020 to 30 June 2021 |
|---|---|---|---|
| | | Taka | Taka |
| **a. Operating activities** | | | |
| Receipts from customers against sales | 33.02.01 | 44,682,258,869 | 27,687,540,959 |
| Cash Paid to suppliers, operating and other expenses | 33.02.02 | (47,195,390,373) | (28,513,410,372) |
| Foreign currency exchange gain/(loss) | 33.02.03 | (282,457,184) | 29,734,772 |
| Income from forfeited account | 33.02.04 | 311,904 | 226,886 |
| Income tax paid | 33.02.05 | (326,759,988) | (812,087,768) |
| **Net cash flows generated by operating activities** | 33.01 | **(3,122,036,772)** | **(1,607,995,523)** |
| **b. Investing activities** | | | |
| Acquisition of property, plant and equipment | 33.02.06 | (2,163,875,416) | (2,845,306,294) |
| Acquisition of right of use asset | 33.02.07 | (38,811,385) | (127,395,280) |
| Acquisition of Intangible asset | 33.02.08 | (1,059,075) | (720,000) |
| Investment in quoted shares | 33.02.09 | (2,401,965) | (7,496,771) |
| Investment in private equity | 33.02.10 | - | (63,500,000) |
| Dividend received (net of tax) | 33.02.11 | 2,940,136 | 2,021,002 |
| Interest received from bank deposits and others | 33.02.12 | 68,999,337 | 51,617,917 |
| Other investments | 33.02.13 | (756,143,539) | (502,721,435) |
| **Net cash flows used in investing activities** | | **(2,890,351,907)** | **(3,493,500,861)** |
| **c. Financing activities** | | | |
| Receipts from long term loans | 33.02.14 | 62,404,626 | 3,172,238,090 |
| Repayments of finance lease obligation | 33.02.15 | (2,600,231) | 103,019,021 |
| (Repayment) / Receipt of short term borrowings | 33.02.16 | 8,941,647,220 | 3,243,163,049 |
| Dividend paid | 33.02.17 | (795,982,933) | (188,545,260) |
| Interest and bank charges paid | 33.02.18 | (1,878,420,936) | (1,136,957,477) |
| **Net cash flows used in financing activities** | | **6,327,047,746** | **5,192,917,423** |
| **d. Net increase in cash and cash equivalents (a+b+c)** | | **314,659,067** | **91,421,039** |
| **e. Opening cash and cash equivalents** | | 130,184,066 | 38,761,528 |
| **f.** Effect of foreign exchange rate changes | 33.02.19 | (455) | 1,499 |
| **g. Cash and cash equivalents at the end of the period (d+e+f)** | | **444,842,678** | **130,184,066** |
| **Net operating cash flows per share** | **31.00** | **(7.15)** | **(4.05)** |

*These financial statements should be read in conjunction with the annexed notes 1 to 43*
*and were approved by the Board of Directors on: October 30,2022*
*and were signed on its behalf by:*

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

# GPH ISPAT LIMITED

**Notes to the Financial Statements**

**For the year ended 30 June 2022**

## 1.00 REPORTING ENTITY

### 1.01 Formation and Legal Status

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

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

### 1.02 Nature of Business

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

## 2.00 BASIS OF PREPARATION AND PRESENTATION

### 2.01 Statement of Compliance

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

### 2.02 Basis of Reporting

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

a) A statement of Financial Position as at 30 June 2022;
b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022;
c) A statement of Changes in Equity for the year ended 30 June 2022;
d) A statement of Cash Flows for the year ended 30 June 2022; and
e) Notes, comprising a summary of significant accounting policies and explanatory information.

### 2.03 Other Regulatory Compliances

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

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

### 2.04 Authorization for Issue

The financial statements were authorized for issue by the Board of Directors on 30 October 2022.

### 2.05 Basis of Measurement

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

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**2.06 Functional and Presentation Currency**

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

**2.07 Cash Flows Statement**

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

**2.08 Going Concern**

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

**2.09 Reporting Period**

The financial statements of the company covers one year from 01 July 2021 to 30 June 2022 and is followed consistently.

**2.10 Application of Accounting Standards**

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

**Accounting Standards**

IAS-1-Preparation of Financial Statements

IAS-2-Inventories

IAS-7-Statement of Cash Flows

IAS-8-Accounting Policies, Changes in Accounting Estimates and Errors

IAS-10-Events after the Reporting Period

IAS-12-Income Taxes

IAS-16-Property, Plant and Equipment

IAS-19-Employee Benefits

IAS-21-The Effects of Changes in Foreign Exchange Rate

IAS-23-Borrowing Cost

IAS-24-Related Party Disclosures

IAS-33-Earning Per Share

IAS-36-Impairment of Assets

IAS-37-Provisions, Contingent Liabilities and Contingent Assets

IAS-38-Intangible Assets

IAS-7-Financial Instruments: Disclosures

IAS-9-Financial Instruments

IAS-13-Fair Value Measurement

IAS-15-Revenue from Contract with Customers

IAS-16-Leases

**2.11 Initial application of new standards**

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

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

**2.12 Use of Estimates and Judgements**

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

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

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

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

**2.13 Classification of current and non-current**

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

**An asset is current when it is:**

- Expected to be realised or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period
  Or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

**A liability is current when:**

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

The company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**2.14 Comparative Information and reclassification**

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

**3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

**3.01 Consistency**

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2022 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2021.

**3.02 Property, Plant and Equipment**

**i) Recognition and Measurement**

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

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

**ii) Pre-Operating Expenses and Borrowing Costs**

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

**iii) Subsequent Costs and Maintenance Activities**

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

**iv) Depreciation**

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

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

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**The depreciation rate(s) are as follows:**

| Rate of Depreciation for the year | | |
|---|---|---|
| **Class of assets** | **30 June 2022** | **30 June 2021** |
| Land & Land development | - | - |
| Plant and Machinery | 5% | 5% |
| Factory Building | 5% | 5% |
| Furniture, Fixture and Decoration | 10% | 10% |
| Computer and Accessories | 20% | 20% |
| Motor Vehicles | 10% | 10% |
| Logistic Vehicles | 7.50% | 7.50% |
| Electric and Gas Line Installation | 5% | 5% |
| Lab Equipment | 10% | 10% |
| Office Equipment | 20% | 20% |

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

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

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

**Total depreciation is distributed as under:**

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

**v) Impairment of Assets**

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

**vi) Retirement and Disposals**

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

**v) Revaluation of Property, Plant and Equipment**

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

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

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**3.03 Intangible Assets**

**i) Recognition and Measurement**

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

**ii) Amortization**

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

**iii) Subsequent Costs**

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

**3.04 Capital Work-in-Progress**

Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of 30 June 2022 and these are stated at cost.

**3.05 Leases**

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

**3.05.01 Finance Lease**

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

**3.05.02 Operating Lease**

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

**3.05.03 Leasehold Assets**

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

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

**3.06 Investment**

i. Investment in unquoted shares are initially recognized at cost. After initial recognition these are carried at cost less impairment losses, if any.

ii. Investment in quoted shares are recognized at fair value through other comprehensive income. Changes in fair value are recognized under other comprehensive income in the financial statements. Fair values of investment in quoted shares are determined by reference to their quoted price less cost to sale in active market at the reporting date. Dividend and gain /(loss) from sale are recognised in the profit or loss.

**3.07 Inventories**

**i) Nature of Inventories**

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

**ii) Valuation of Inventories**

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

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

**3.08 Financial Instruments**

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

**3.08.01 Financial Assets**

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

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

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

**Loans and Receivables**

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

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

**a) Trade Receivables**

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

**b) Advances, Deposits and Prepayments**

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

Deposits are measured at payment value.

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

**c) Cash and Cash Equivalents**

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

**Available-for-sale**

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

**3.08.02 Financial Liabilities**

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

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

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

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

**a) Trade and Other Payables**

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

**b) Interest-bearing borrowings**

Interest-bearing borrowings comprise loans and operational overdraft.

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### 3.09 Impairment

#### 3.09.01 Financial Assets

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

#### 3.09.02 Non-Financial Assets

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

### 3.10 Share Capital

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

### 3.11 Employee Benefits

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

#### 3.11.01 Defined Contribution Plan

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

#### 3.11.02 Defined Benefit Plan

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

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

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

#### 3.11.03 Workers' Profit Participation and Welfare Funds

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

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### 3.12 Taxation

#### 3.12.01 Current Tax

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

#### 3.12.02 Deferred Tax

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

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

### 3.13 Loans and Borrowings

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

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

### 3.14 Provisions, Contingent Liabilities and Contingent Assets

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

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

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

### 3.15 Revenue Recognition

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

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

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

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

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

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

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### 3.16 Other Income

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

### 3.17 Finance Income and Cost

#### 3.17.01 Finance Income

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

#### 3.17.02 Finance Cost

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

#### 3.17.03 Transactions in Foreign Currencies

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

### 3.18 Earnings Per Share

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

#### 3.18.01 Basis of Earnings

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

#### 3.18.02 Basic Earnings Per Share

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

#### 3.18.03 Diluted Earnings Per Share

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

#### 3.18.04 Re-stated Earnings Per Share

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

### 3.19 Measurement of Fair Values

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

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

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

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

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

**Property, Plant and Equipment**

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

**Equity and Debt Securities**

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

### 3.20 Events after the Reporting Period

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

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**4.00 Property, plant and equipment - Revalued Model**

Amount in Taka

| | Land & Land development | Plant and Machinery | Factory Building | Furniture, Fixture and Decoration | Computer and Accessories | Motor Vehicles | Logistic Vehicles | Electric and Gas Line Installation | Lab Equipment | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **At cost** | | | | | | | | | | | |
| As at 01 July 2020 | 1,016,238,680 | 1,578,498,585 | 1,034,161,873 | 27,136,078 | 17,585,179 | 123,495,299 | 284,666,090 | 198,281,890 | 22,490,518 | 14,701,438 | 4,317,255,630 |
| Addition during the year | 2,851,387,838 | 16,265,165,883 | 3,325,313,984 | 13,434,895 | 12,734,107 | 261,089 | 236,312,201 | 2,476,565,942 | 9,417,740 | 33,851,510 | 25,224,445,189 |
| Revaluation during the year | 2,612,564,401 | 1,087,418,993 | 630,399,711 | - | - | - | - | - | - | - | 4,330,383,105 |
| Disposal during the year | - | - | - | - | - | - | - | - | - | - | - |
| **At 30 June 2021** | **6,480,190,919** | **18,931,083,461** | **4,989,875,568** | **40,570,973** | **30,319,286** | **123,756,388** | **520,978,291** | **2,674,847,832** | **31,908,258** | **48,552,948** | **33,872,083,924** |
| As at 01 July 2021 | 6,480,190,919 | 18,931,083,461 | 4,989,875,568 | 40,570,973 | 30,319,286 | 123,756,388 | 520,978,291 | 2,674,847,832 | 31,908,258 | 48,552,948 | 33,872,083,924 |
| Addition during the year | 258,162,119 | 7,195,652 | 107,854,173 | 1,544,658 | 7,484,761 | - | 7,207,714 | 26,687,266 | - | 4,482,878 | 420,619,221 |
| Revaluation during the year | - | - | - | - | - | - | - | - | - | - | - |
| Disposal during the year | - | - | - | - | - | - | - | - | - | - | - |
| **At 30 June 2022** | **6,738,353,038** | **18,938,279,113** | **5,097,729,741** | **42,115,631** | **37,804,047** | **123,756,388** | **528,186,005** | **2,701,535,098** | **31,908,258** | **53,035,826** | **34,292,703,145** |
| **Accumulated depreciation** | | | | | | | | | | | |
| As at 01 July 2020 | - | 703,156,752 | 290,528,577 | 11,193,796 | 9,992,835 | 45,645,530 | 115,137,988 | 74,331,488 | 15,545,140 | 8,044,513 | 1,273,576,619 |
| Charged for the year | - | 427,569,509 | 84,424,307 | 1,652,232 | 1,852,418 | 10,854,117 | 28,165,113 | 38,013,428 | 728,115 | 1,704,944 | 594,964,183 |
| Adjustment for disposal during the year | - | - | - | - | - | - | - | - | - | - | - |
| **At 30 June 2021** | **-** | **1,130,726,261** | **374,952,884** | **12,846,028** | **11,845,253** | **56,499,647** | **143,303,101** | **112,344,916** | **16,273,255** | **9,749,457** | **1,868,540,802** |
| As at 01 July 2021 | - | 1,130,726,261 | 374,952,884 | 12,846,028 | 11,845,253 | 56,499,647 | 143,303,101 | 112,344,916 | 16,273,255 | 9,749,457 | 1,868,540,802 |
| Charged for the period | - | 946,742,432 | 251,388,976 | 4,165,684 | 6,789,082 | 12,375,639 | 39,185,568 | 134,578,918 | 3,190,826 | 10,226,914 | 1,408,644,039 |
| Adjustment for disposal during the year | - | - | - | - | - | - | - | - | - | - | - |
| **At 30 June 2022** | **-** | **2,077,468,693** | **626,341,860** | **17,011,712** | **18,634,335** | **68,875,286** | **182,488,669** | **246,923,834** | **19,464,081** | **19,976,371** | **3,277,184,841** |
| **Carrying amount** | | | | | | | | | | | |
| **As at 30 June 2021** | **6,480,190,919** | **17,800,357,200** | **4,614,922,684** | **27,724,945** | **18,474,033** | **67,256,741** | **377,675,190** | **2,562,502,916** | **15,635,003** | **38,803,491** | **32,003,543,122** |
| **As at 30 June 2022** | **6,738,353,038** | **16,860,810,420** | **4,471,387,881** | **25,103,919** | **19,169,712** | **54,881,102** | **345,697,336** | **2,454,611,264** | **12,444,177** | **33,059,455** | **31,015,518,304** |

| **Depreciation allocated to:** | Note(s) | Allocation Basis | 01 July 2021 to 30 June 2022 Taka | 01 July 2020 to 30 June 2021 Taka |
|---|---|---|---|---|
| Direct expenses | 23.02 | 90.00% | 1,267,779,635 | 535,467,765 |
| Administrative expenses | 24.00 | 5.00% | 70,432,202 | 29,748,209 |
| Selling and distribution expenses | 25.00 | 5.00% | 70,432,202 | 29,748,209 |
| | | | **1,408,644,039** | **594,964,183** |

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**4.01 Property, plant and equipment - Cost Model**

Amount in Taka

| | Land & Land development | Plant and Machinery | Factory Building | Furniture, Fixture and Decoration | Computer and Accessories | Motor Vehicles | Logistic Vehicles | Electric and Gas Line Installation | Lab Equipment | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **At cost** | | | | | | | | | | | |
| As at 01 July 2020 | 1,016,238,680 | 1,578,498,585 | 1,034,161,873 | 27,136,078 | 17,585,179 | 123,495,299 | 284,666,090 | 198,281,890 | 22,490,518 | 14,701,438 | 4,317,255,630 |
| Addition during the year | 2,851,387,838 | 16,265,165,883 | 3,325,313,984 | 13,434,895 | 12,734,107 | 261,089 | 236,312,201 | 2,476,565,942 | 9,417,740 | 33,851,510 | 25,224,445,189 |
| Disposal during the year | - | - | - | - | - | - | - | - | - | - | - |
| **As at 30 June 2021** | **3,867,626,518** | **17,843,664,468** | **4,359,475,857** | **40,570,973** | **30,319,286** | **123,756,388** | **520,978,291** | **2,674,847,832** | **31,908,258** | **48,552,948** | **29,541,700,819** |
| As at 01 July 2021 | 3,867,626,518 | 17,843,664,468 | 4,359,475,857 | 40,570,973 | 30,319,286 | 123,756,388 | 520,978,291 | 2,674,847,832 | 31,908,258 | 48,552,948 | 29,541,700,819 |
| Addition during the year | 258,162,119 | 7,195,652 | 107,854,173 | 1,544,658 | 7,484,761 | - | 7,207,714 | 26,687,266 | - | 4,482,878 | 420,619,221 |
| Disposal during the year | - | - | - | - | - | - | - | - | - | - | - |
| **As at 30 June 2022** | **4,125,788,637** | **17,850,860,120** | **4,467,330,030** | **42,115,631** | **37,804,047** | **123,756,388** | **528,186,005** | **2,701,535,098** | **31,908,258** | **53,035,826** | **29,962,320,040** |
| **Accumulated depreciation** | | | | | | | | | | | |
| As at 01 July 2020 | - | 703,156,752 | 290,528,577 | 11,193,796 | 9,992,835 | 45,645,530 | 115,137,988 | 74,331,488 | 15,545,140 | 8,044,513 | 1,273,576,619 |
| Charged for the year | - | 400,384,034 | 76,544,311 | 1,652,232 | 1,852,418 | 10,854,117 | 28,165,113 | 38,013,428 | 728,115 | 1,704,944 | 559,898,712 |
| Adjustment for disposal during the year | - | - | - | - | - | - | - | - | - | - | - |
| **At 30 June 2021** | **-** | **1,103,540,786** | **367,072,888** | **12,846,028** | **11,845,253** | **56,499,647** | **143,303,101** | **112,344,916** | **16,273,255** | **9,749,457** | **1,833,475,331** |
| As at 01 July 2021 | - | 1,103,540,786 | 367,072,888 | 12,846,028 | 11,845,253 | 56,499,647 | 143,303,101 | 112,344,916 | 16,273,255 | 9,749,457 | 1,833,475,331 |
| Charged for the year | - | 892,371,482 | 219,868,990 | 4,165,684 | 6,789,082 | 12,375,639 | 39,185,568 | 134,578,918 | 3,190,826 | 10,226,914 | 1,322,753,103 |
| Adjustment for disposal during the year | - | - | - | - | - | - | - | - | - | - | - |
| **At 30 June 2022** | **-** | **1,995,912,268** | **586,941,878** | **17,011,712** | **18,634,335** | **68,875,286** | **182,488,669** | **246,923,834** | **19,464,081** | **19,976,371** | **3,156,228,434** |
| **Carrying amount** | | | | | | | | | | | |
| **As at 30 June 2021** | **3,867,626,518** | **16,740,123,682** | **3,992,402,969** | **27,724,945** | **18,474,033** | **67,256,741** | **377,675,190** | **2,562,502,916** | **15,635,003** | **38,803,491** | **27,708,225,488** |
| **As at 30 June 2022** | **4,125,788,637** | **15,854,947,852** | **3,880,388,152** | **25,103,919** | **19,169,712** | **54,881,102** | **345,697,336** | **2,454,611,264** | **12,444,177** | **33,059,455** | **26,806,091,606** |

| **Depreciation allocated to:** | Allocation Basis | 01 July 2021 to 30 June 2022 | 01 July 2020 to 30 June 2021 |
|---|---|---|---|
| | | Taka | Taka |
| Direct expenses | 90.00% | 1,190,477,793 | 503,908,840 |
| Administrative expenses | 5.00% | 66,137,655 | 27,994,936 |
| Selling and distribution expenses | 5.00% | 66,137,655 | 27,994,936 |
| | | **1,322,753,103** | **559,898,712** |

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**5.00 Lease**

**5.01 As a Lessee**

**5.01.01 Right of Use Assets**

| | Note(s) | Motor Vehicles | Logistics Vehicles | Total |
|---|---|---|---|---|
| **At 01 July 2020** | | 36,040,000 | 32,474,720 | 68,514,720 |
| Additions during the year | | 4,890,000 | 122,505,280 | 127,395,280 |
| Disposals/adjustment during the year | | - | - | - |
| **At 30 June 2021** | | **40,930,000** | **154,980,000** | **195,910,000** |
| **At 01 July 2021** | | 40,930,000 | 154,980,000 | 195,910,000 |
| Additions during the year | | 25,731,384 | 13,080,001 | 38,811,385 |
| Disposals/adjustment during the year | | - | - | - |
| **At 30 June 2022** | | **66,661,384** | **168,060,001** | **234,721,385** |
| **AMORTISATION** | | | | |
| **At 01 July 2020** | | 7,778,108 | 978,761 | 8,756,869 |
| Charge during the year | | 10,833,598 | 20,656,750 | 31,490,348 |
| Disposals/adjustment during the year | | - | - | - |
| **At 30 June 2021** | | **18,611,706** | **21,635,511** | **40,247,217** |
| **At 01 July 2021** | | 18,611,706 | 21,635,511 | 40,247,217 |
| Charge during the year | | 6,866,495 | 38,709,048 | 45,575,543 |
| Disposals/adjustment during the year | | - | - | - |
| **At 30 June 2022** | | **25,478,201** | **60,344,559** | **85,822,760** |
| **CARRYING AMOUNT** | | | | |
| **At 30 June 2021** | | **22,318,294** | **133,344,489** | **155,662,783** |
| **At 30 June 2022** | | **41,183,183** | **107,715,442** | **148,898,625** |

| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **5.01.02 Lease liabilities** | | | |
| Opening balance | | 153,326,825 | 50,307,804 |
| Lease obligations | | 34,276,200 | 127,395,280 |
| Less: Paid during the year | | (36,876,431) | (24,376,259) |
| | | **150,726,594** | **153,326,825** |
| **5.01.03 Finance Lease Obligation - Maturity analysis** | | | |
| Due within one year | | 41,019,367 | 33,245,616 |
| Due after one year | | 109,707,227 | 120,081,209 |
| | | **150,726,594** | **153,326,825** |
| **5.01.04 Amounts recognised in profit or loss** | | | |
| Interest on lease liabilities | | 15,566,136 | 9,402,174 |
| | | **15,566,136** | **9,402,174** |
| **5.01.05 Amount recognised in the statements of cash flows** | | | |
| Principal paid on lease liabilities | | 36,876,431 | 24,376,259 |
| Interest paid on lease liabilities | | 15,566,136 | 9,402,174 |
| | | **52,442,567** | **33,778,433** |

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| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **5.01.06 Allocation of Depreciation of ROU Asset** | | | |
| Factory overhead | 23.02 | 41,017,989 | 28,341,314 |
| Administrative expenses | 24.00 | 2,278,777 | 1,574,517 |
| Selling and distribution expenses | 25.00 | 2,278,777 | 1,574,517 |
| | | **45,575,543** | **31,490,348** |
| **6.00 Capital work-in-progress** | | | |
| Opening balance | | 1,497,760,003 | 23,876,898,898 |
| Add: Cost incurred during the year | | 1,816,608,702 | 2,651,631,049 |
| | | 3,314,368,705 | 26,528,529,947 |
| Less: Capitalized during the year | | 73,352,507 | 25,030,769,944 |
| **Closing balance** | | **3,241,016,198** | **1,497,760,003** |
| **7.00 Intangible assets** | | | |
| Software | 7.01 | 2,167,899 | 1,500,954 |
| | | **2,167,899** | **1,500,954** |
| **7.01 Intangible assets schedule** | | | |
| **Cost** | | | |
| Opening balance | | 2,950,475 | 2,230,475 |
| Add: Addition during the year | | 1,059,075 | 720,000 |
| **Closing balance** | | **4,009,550** | **2,950,475** |
| **Accumulated amortization** | | | |
| Opening balance | | 1,449,521 | 1,220,473 |
| Add: Charged during the year | 24.00 | 392,130 | 229,048 |
| Closing balance | | **1,841,651** | **1,449,521** |
| **Carrying amount** | | **2,167,899** | **1,500,954** |
| **8.00 Investments** | | | |
| Investment in Un-quoted equity-at cost | 8.01 | 64,500,000 | 64,500,000 |
| Investment in quoted shares - at fair value | 8.02 | 107,498,290 | 98,049,188 |
| | | **171,998,290** | **162,549,188** |
| **8.01 Investment in Un-quoted equity-at cost** | | | |
| GPH Steels Limited | | 1,000,000 | 1,000,000 |
| Star Allied Venture Limited | | 63,500,000 | 63,500,000 |
| | | **64,500,000** | **64,500,000** |

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

| | | | |
|---|---|---|---|
| **8.02 Investment in quoted shares - at fair value** | | | |
| Opening balance | | 98,049,188 | 61,344,461 |
| Add: Purchases during the year | 8.02.01 | 183,544,882 | 142,298,463 |
| | | **281,594,070** | **203,642,924** |
| Less: Sales during the year | 8.02.01 | 181,142,917 | 134,801,692 |
| Add: Gain on sale of shares | 8.02.03 | 8,893,112 | 20,170,064 |
| Net change in fair value of investment in quoted shares | | (1,845,975) | 9,037,892 |
| | | **107,498,290** | **98,049,188** |

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**8.02.01 Details of investment in quoted (tradeable securities) shares**

| Particulars | Cost | Purchase during the year | Number of shares (Present Qty) | Number of shares (Sales Qty) | 30 June 2022 | | | 30 June 2021 |
|---|---|---|---|---|---|---|---|---|
| | | | | | Fair value | Sales Value | Gain/(Loss) | Fair value |
| Alif Manufacturing Company Limited | 1,126,810 | - | - | 100,000 | - | 1,236,900 | 79,800 | 1,157,100 |
| Argon Denim Limited | - | 11,549,194 | 472,500 | - | 9,049,320 | - | (2,499,874) | - |
| Beximco Pharmaceuticals Ltd. | - | 2,200,028 | 10,000 | - | 1,556,100 | - | (643,928) | - |
| British American Tobaco BD. | - | 3,180,607 | 5,000 | - | 2,706,217 | - | (474,390) | - |
| City Bank Limited | 14,780,013 | - | 239,062 | 300,000 | 5,460,834 | 8,737,601 | 855,626 | 13,342,809 |
| Delta Spinners Limited | 5,213,000 | - | - | 500,000 | - | 5,486,250 | 399,000 | 5,087,250 |
| Delta Life Insurance Co. Ltd. | - | 3,039,589 | | 21,000 | - | 3,351,600 | 312,011 | - |
| Doreen Power Generation and Systems Ltd. | - | 24,451,109 | - | 300,000 | - | 26,755,778 | 2,304,669 | - |
| Dutch Bangla Bank Limited | - | 10,149,095 | 137,500 | - | 8,846,578 | - | (1,302,517) | - |
| Eastern Bank Limited | 524,001 | - | 34,374 | - | 1,114,362 | - | 49,215 | 1,065,147 |
| Envoy Textiles Limited | 40,855,472 | - | - | 927,269 | - | 42,735,864 | 15,634,804 | 27,101,060 |
| Esquire Knit Composite Ltd. | - | 8,523,342 | 200,000 | - | 6,982,500 | - | (1,540,842) | - |
| First Security Islami Bank Limited | - | 4,852,100 | - | 400,000 | - | 5,905,200 | 1,053,100 | - |
| Fortune Shoes Ltd. | - | 15,329,000 | | 255,000 | - | 15,775,981 | 446,981 | - |
| IDLC Finance Limited | 5,976,830 | 6,768,188 | - | 200,000 | - | 13,021,944 | 1,024,061 | 5,229,695 |
| IFIC Bank Limited | - | 932,325 | 52,500 | - | 628,425 | - | (303,900) | - |
| Islamic Finance and Investment Limited | 9,003,479 | - | - | 365,000 | - | 9,466,275 | 1,383,533 | 8,082,742 |
| Jamuna Bank Limited | - | 4,880,030 | 200,000 | - | 4,369,050 | - | (510,980) | - |
| Keya Cosmetics Ltd. | - | 9,067,633 | - | 950,000 | - | 9,097,200 | 29,567 | - |
| Lafarge Holcim Bangladesh Ltd | - | 5,398,479 | - | 70,000 | - | 5,798,135 | 399,656 | - |
| Lanka Bangla Finance Limited | - | 22,569,972 | 402,344 | 100,000 | 11,357,869 | 4,419,593 | (6,792,510) | - |
| PHP Mutual Fund 1 | 1,445,760 | - | - | 200,000 | - | 1,497,547 | 160,897 | 1,336,650 |
| Pubali Bank Limited | 13,122,694 | - | 490,568 | - | 12,527,145 | - | 391,474 | 12,135,671 |
| Southeast Bank Limited | - | 16,463,857 | 1,040,000 | - | 14,627,340 | - | (1,836,517) | - |
| Square Pharmaceuticals Ltd | 4,577,590 | 14,182,390 | 95,894 | 20,000 | 20,791,300 | 4,919,587 | (474,046) | 12,002,543 |
| Sumit Power Ltd. | - | 15,572,235 | 200,000 | 130,000 | 7,481,250 | 6,241,846 | (1,849,139) | - |
| Trust Bank 1st Mutual Fund | 1,506,000 | - | - | 200,000 | - | 1,576,050 | 199,500 | 1,376,550 |
| United Commercial Bank Limited | 10,195,450 | - | - | 634,835 | - | 10,558,902 | 426,931 | 10,131,971 |
| United Power Generation & Distr. Co. Ltd. | - | 4,435,709 | - | 15,000 | - | 4,560,664 | 124,955 | - |
| | **108,327,099** | **183,544,882** | **3,579,742** | **5,688,104** | **107,498,290** | **181,142,917** | **7,047,137** | **98,049,188** |

**8.02.02** Investments in quoted shares are carried at fair value net of cost to sale as on 30 June 2022. Changes in fair value are recognized under other comprehensive income in the statement of profit or loss and other comprehensive income.

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

| Name of Company | Net Sales Taka | Cost Taka | Tax Profit/loss Taka |
|---|---|---|---|
| Alif Manufacturing Company Limited | 1,236,900 | 1,126,810 | 110,090 |
| City Bank Limited | 8,737,601 | 8,652,000 | 85,601 |
| Delta Spinners Limited | 5,486,250 | 5,213,000 | 273,250 |
| Delta Life Insurance Co. Ltd. | 3,351,600 | 3,039,540 | 312,060 |
| Doreen Power Generation and Systems Ltd. | 26,755,778 | 24,451,102 | 2,304,676 |
| Envoy Textiles Limited | 42,735,864 | 40,855,472 | 1,880,392 |
| First Security Islami Bank Limited | 5,905,200 | 4,852,000 | 1,053,200 |
| Fortune Shoes Ltd. | 15,775,981 | 15,330,430 | 445,551 |
| IDLC Finance Limited | 13,021,944 | 12,745,019 | 276,925 |
| Islamic Finance and Investment Limited | 9,466,275 | 9,003,478 | 462,797 |
| Keya Cosmetics Ltd. | 9,097,200 | 9,067,633 | 29,567 |
| Lafarge Holcim Bangladesh Ltd | 5,798,135 | 5,398,479 | 399,656 |
| Lanka Bangla Finance Limited | 4,419,593 | 4,070,000 | 349,593 |
| PHP Mutual Fund 1 | 1,497,547 | 1,445,760 | 51,787 |
| Square Pharmaceuticals Ltd | 4,919,587 | 4,727,463 | 192,124 |
| Sumit Power Ltd. | 6,241,846 | 6,134,519 | 107,327 |
| Trust Bank 1st Mutual Fund | 1,576,050 | 1,506,000 | 70,050 |
| United Commercial Bank Limited | 10,558,902 | 10,195,450 | 363,452 |
| United Power Generation & Distr. Co. Ltd. | 4,560,664 | 4,435,650 | 125,014 |
| **For the year 30 June 2022** | **181,142,917** | **172,249,805** | **8,893,112** |
| **For the year 30 June 2021** | **134,801,692** | **118,898,299** | **20,170,064** |

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| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **9.00 Short term investment** | | | |
| Investments in Fixed Deposit Receipts (FDR) | 9.01 | 2,224,065,981 | 1,424,525,049 |
| | | **2,224,065,981** | **1,424,525,049** |

| **9.01 Name of the banks** | **Purpose** | **Tenure** | **Rate of Interest** | | |
|---|---|---|---|---|---|
| AB Bank Limited | Lien against Term Loan | 12 Months | 5.50%-5.75% | 91,081,726 | 88,171,707 |
| Bank Asia Limited | Lien against Overdraft | 12 Months | 6.00% | 8,808,833 | - |
| BRAC Bank Limited | L/C Margin | 12 Months | 6.00% | 76,768,667 | - |
| Dutch Bangla Bank Limited | L/C Margin | 12 Months | 3.00%-3.50% | 122,550,453 | 82,730,685 |
| IPDC Finance Limited | Lien against Term Loan | 12-60 Months | 5.75%-7.00% | 33,979,837 | 22,421,496 |
| Islami Bank Bangladesh Limited | L/C Margin | 1 Month | 3.10% | 100,944,933 | - |
| Jamuna Bank Limited | L/C Margin | 3 Months | 3.00% | 51,639,249 | - |
| Mercantile Bnak Limited | L/C Margin | 3-12 Months | 4.25%-4.75% | 262,612,443 | 252,450,889 |
| Midland Bank Limited | BG Margin | 3-12 Months | 5.00%-6.00% | 34,871,130 | 25,356,778 |
| Modhumoti Bank Limited | Lien against Overdraft | 12 Months | 4.00% | 72,595,997 | 71,530,267 |
| Mutual Trust Bank Limited | L/C Margin | 6-12 Months | 3.25%-6.00% | 93,812,581 | 50,216,519 |
| NCC Bank Limited | L/C Margin | 6-12 Months | 3.75% - 5.50% | 147,647,385 | 83,701,609 |
| NRB Commercial Bank Limited | Lien against Overdraft | 12 Months | 5.25% | 51,822,917 | - |
| One Bank Limited | L/C Margin | 6 Months | 0.00% | - | 33,914,669 |
| Pubali Bank Limited | L/C Margin | 6 Months | 4.00% - 5.50% | 208,466,194 | 165,706,014 |
| SBAC Bank Limited | L/C Margin | 6-12 Months | 5.50% | 52,393,397 | - |
| Southeast Bank Limited | L/C Margin | 3 - 12 Months | 4.00% | 83,176,887 | 80,494,044 |
| Standard Chartered Bank | Lien against Overdraft | 24 Months | 3.00% | 133,925,217 | 130,035,610 |
| State Bank of India | BG Margin | 12 Months | 3.50% | 2,721,027 | 2,636,798 |
| The City Bank Limited | L/C Margin | 3-12 Months | 2.50% - 6.00% | 95,169,473 | 38,788,816 |
| Trust Bank Limited | L/C Margin | 3-6 Months | 2.50% - 6.00% | 183,088,388 | 32,801,224 |
| United Commercial Bank Limited | L/C Margin | 3-24 Months | 3.75% - 4.50% | 291,561,548 | 262,900,437 |
| Uttara Bank Limited | L/C Margin | 3 Months | 4.00% | 24,427,699 | - |
| United Finance Limited | Security against Loan | | | - | 667,487 |
| | | | | **2,224,065,981** | **1,424,525,049** |

| | | | |
|---|---|---|---|
| **10.00 Advances, deposits and prepayments** | | | |
| Advances | 10.01 | 6,073,121,081 | 4,728,946,479 |
| Deposits | 10.02 | 102,644,130 | 102,644,130 |
| Prepayments | 10.03 | 16,633,508 | 19,032,007 |
| | | **6,192,398,719** | **4,850,622,616** |
| **10.01 Advances** | | | |
| Against income tax | 10.01.01 | 1,288,131,870 | 915,488,653 |
| Against VAT | 10.01.02 | 8,023,088 | 397,540,982 |
| Against VAT current account | | 476,448 | 476,448 |
| Against land | | 757,400,000 | 757,400,000 |
| Against LC | | 1,956,491,470 | 1,797,964,514 |
| Against other supply | | 2,047,646,407 | 853,067,294 |
| Against raw material supply | | 11,098,615 | 3,717,405 |
| Against employees | | 3,853,183 | 3,291,183 |
| | | **6,073,121,081** | **4,728,946,479** |
| **10.01.01 Advance income tax** | | | |
| Opening balance | | 915,488,653 | 417,916,951 |
| Addition during the year | | 716,277,882 | 583,485,694 |
| Paid/adjusted during the year | | (343,634,665) | (85,913,992) |
| | | **1,288,131,870** | **915,488,653** |
| **10.01.02 Advance VAT** | | | |
| Opening balance | | 397,540,982 | 168,938,908 |
| Addition during the year | | 166,928,025 | 1,011,267,646 |
| Paid/adjusted during the year | | (556,445,919) | (782,665,572) |
| | | **8,023,088** | **397,540,982** |

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| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **10.02 Deposits** | | | |
| Bangladesh Power Development Board | | 80,000,000 | 80,000,000 |
| Karnaphuli Gas Distribution Company Limited | | 21,738,586 | 21,738,586 |
| Security to Shipping Lines | | 805,544 | 805,544 |
| Bangladesh Railway | | 100,000 | 100,000 |
| | | **102,644,130** | **102,644,130** |
| **10.03 Prepayments** | | | |
| Insurance premium | | 16,633,508 | 17,306,779 |
| Bangladesh Standards and Testing Institution | | - | 1,725,228 |
| | | **16,633,508** | **19,032,007** |

**10.04** The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in kind or in cash and that no provision against those are required at this stage.

| | | | |
|---|---|---|---|
| **11.00 Inventories** | | | |
| Finished goods | 11.01 | 7,534,192,359 | 4,359,884,076 |
| Raw materials | 11.02 | 5,017,002,570 | 3,973,915,432 |
| Spares and other materials | 11.03 | 3,428,594,997 | 1,731,365,847 |
| | | **15,979,789,926** | **10,065,165,355** |
| **11.01 Finished Goods** | | | |
| M. S. Rod | 23.00 | 3,922,974,399 | 3,163,895,266 |
| M. S. Billet | 23.00 | 3,611,217,960 | 1,195,988,810 |
| | | **7,534,192,359** | **4,359,884,076** |
| **11.02 Raw Materials** | | | |
| Melting Scrap | | 3,595,316,160 | 3,094,941,772 |
| Sponge Iron | | 56,428,029 | 142,952,436 |
| Lime | | 118,138,413 | 33,247,660 |
| Dolomite | | 340,097,118 | 83,025,267 |
| Chemicals | | 560,391,427 | 202,503,121 |
| Quartz Powder | | 2,766,695 | 3,007,946 |
| Pet Coke | | 343,864,728 | 414,237,230 |
| | 23.01 | **5,017,002,570** | **3,973,915,432** |
| **11.03 Spares and other materials** | | | |
| Refractory Bricks | | 958,304,393 | 593,144,253 |
| Spares and Consumables | | 2,092,592,036 | 1,040,439,071 |
| Rolls | | 78,441,831 | 35,792,617 |
| Graphite Electrode | | 285,818,840 | 61,821,673 |
| Copper Mould Tube | | 13,437,897 | 168,233 |
| | 23.01 | **3,428,594,997** | **1,731,365,847** |
| **12.00 Trade and other receivables** | | | |
| Trade receivables | 12.01 | 5,010,039,818 | 2,955,859,132 |
| Other receivable | 12.03 | 456,010,438 | 411,894,666 |
| | | **5,466,050,256** | **3,367,753,798** |
| **12.01 Ageing of trade receivables** | | | |
| Dues within 6 Months | | 4,911,714,497 | 2,870,188,712 |
| Dues over 6 months | | 98,325,321 | 85,670,420 |
| | | **5,010,039,818** | **2,955,859,132** |

**12.02** Trade Receivables represent receivable from 1,033 parties as on 30 June 2022 (641 Parties as on 30 June 2021). Receivables are unsecured but considered good and recoverable.Therefore no doubtful debt provision against receivable are required.

**12.03** Interest at 10% per annum has been charged on outstanding balance of other receivable from Arbee Textiles Ltd.

HODA VASI CHOWDHURY & CO. ★ CHATTOGRAM ★

| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **13.00 Cash and cash equivalents** | | | |
| Cash in hand | 13.01 | 3,546,093 | 2,831,936 |
| Cash at bank | 13.02 | 441,296,585 | 127,352,130 |
| | | **444,842,678** | **130,184,066** |

**13.01 Cash in hand**

| | | |
|---|---|---|
| Dhaka office petty cash | 1,378,241 | 1,992,708 |
| Factory petty cash - IF | 799,506 | 152,288 |
| Factory petty cash - QEAF | 1,368,346 | 686,940 |
| | **3,546,093** | **2,831,936** |

**13.02 Cash at Bank**

| Name of the Banks | Branch | Account Type | | |
|---|---|---|---|---|
| AB Bank Limited | Gulshan | Current | 45,910 | 46,748 |
| AB Bank Limited | Sitakunda | Current | 58,938 | 67,466 |
| Agrani Bank Limited | Asadgonj | Current | 746,067 | 1,931,496 |
| Agrani Bank Limited | Principal | Current | 11,478 | 57,925 |
| Al-Arafah Islami Bank Limited | Jubilee Road | Current | 6,228,990 | 3,181,729 |
| Al-Arafah Islami Bank Limited | Khatungonj | Current | 14,328 | 722,093 |
| Bangladesh Development Bank Limited | Khatungonj | Current | 1,231 | 1,231 |
| Bank Al Falah Limited | Agrabad | Current | 15,867 | 15,868 |
| Bank Asia Limited | Anderkilla | Current | 872,035 | 2,949,202 |
| Bank Asia Limited | Banani | Current | 8,143 | 76,381 |
| BASIC Bank Limited | Asadgonj | Current | 10,281 | 21,074 |
| Bengal Commercial Bank Limited | Gulshan | Current | 13,328 | - |
| Bengal Commercial Bank Limited | Agrabad | Current | 9,495 | - |
| BRAC Bank Limited | Agrabad | Current | - | 268,213 |
| Community Bank Bangladesh Limited | Agrabad | Current | 57,482 | 3,930 |
| Dhaka Bank Limited | Khatungonj | Current | 607,689 | 21,240 |
| Dutch Bangla Bank Limited | Khatungonj | Current | 2,892,296 | 1,860,671 |
| Dutch Bangla Bank Limited | Agrabad | Current | 1,068,202 | 52,612,740 |
| Eastern Bank Limited | Agrabad | Current | 30,033 | 2,252,553 |
| EXIM Bank Limited | Khatungonj | Current | 1,424,563 | 217,642 |
| First Security Islami Bank Limited | Khatungonj | Current | 509,774 | 210,708 |
| HSBC | Agrabad | Current | 2,970 | 2,970 |
| IFIC Bank Limited | Khatungonj | Current | 4,902,971 | 1,431,668 |
| Islami Bank Bangladesh Limited | Khatungonj | Current | 13,258,277 | 5,366,792 |
| Jamuna Bank Limited | Khatungonj | Current | 3,871,356 | 9,495,717 |
| Janata Bank Limited | Khatungonj | Current | 1,411,342 | 628,346 |
| Mercantile Bnak Limited | Khatungonj | Current | 42,194 | 287,479 |
| Meghna Bank Limited | Agrabad | Current | 421,340 | 2,008 |
| Midland Bank Limited | Agrabad | Current | 32,360 | 6,187,554 |
| Modhumoti Bank Limited | Agrabad | Current | 34,942 | 20,394 |
| Modhumoti Bank Limited | O.R Nizam Road | Current | 105,147 | 2,688,506 |
| Mutual Trust Bank Limited | Khatungonj | Current | 895,416 | 4,745,944 |
| National Bank Limited | Anderkilla | Current | 2,183,967 | 945,957 |
| National Bank Limited | Jubilee Road | Current | 4,300 | 4,300 |
| NCC Bank Limited | Khatungonj | Current | 87,747 | 39,577 |
| NRB Bank Limited | Agrabad | Current | 17,916 | 411,563 |
| NRB Commercial Bank Limited | Agrabad | Current | 1,125,197 | 27,863 |
| One Bank Limited | Khatungonj | Current | 54,658,584 | 1,916,650 |
| Premier Bank Limited | Khatungonj | Current | 34 | 926,773 |
| Premier Bank Limited | O.R Nizam Road | Current | 14,106 | 25,719 |
| Prime Bank Limited | Khatungonj | Current | 1,630,076 | 1,484,474 |
| Prime Bank Limited | O.R Nizam Road | Current | 164,969 | 165,809 |
| Pubali Bank Limited | Principal | Current | 5,968 | - |
| Pubali Bank Limited | Khatungonj | Current | 4,892,725 | - |
| Shahajalal Islami Bank Limited | Gulshan | Current | 3,550 | 4,940 |
| Shahajalal Islami Bank Limited | Khatungonj | Current | 1,278,983 | 326,712 |
| Shimanto Bank Limited | Agrabad | Current | 2,396,204 | 40,374 |
| Social Islami Bank Limited | Khatungonj | Current | 1,015,642 | 3,383,591 |
| Social Islami Bank Limited | Kawran Bazar | Current | 7,127 | - |

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| | | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|---|
| Sonali Bank Limited | Khatungonj | Current | 3,465,843 | 3,654,244 |
| Sonali Bank Limited | Motijheel F. Ex. | Current | 175,448 | 94,135 |
| South Bangla Agricultural Bank Limited | Agrabad | Current | 28,341 | 23,363 |
| South Bangla Agricultural Bank Limited | Khatungonj | Current | 7,392 | 41,605 |
| Southeast Bank Limited | Khatungonj | Current | 10,367,197 | 124,355 |
| Standard Bank Limited | Khatungonj | Current | 485,240 | 76,514 |
| Standard Bank Limited | Agrabad | Current | 579,721 | - |
| State Bank of India | Jubilee Road | Current | 26,810 | 199,826 |
| The City Bank Limited | Khatungonj | Current | 10,595,155 | 452,041 |
| Trust Bank Limited | Ashulia | Current | 964 | 1,704 |
| Trust Bank Limited | CDA Avenue | Current | 250,076,987 | 162,501 |
| United Commercial Bank Limited | Khatungonj | Current | 2,074,708 | 80,968 |
| United Commercial Bank Limited | Gulshan | Current | 34,918,175 | 7,124,176 |
| United Commercial Bank Limited | Khatungonj | Escrow | 11,676 | 334 |
| United Commercial Bank Limited | Khatungonj | Escrow | 28,594 | - |
| United Commercial Bank Limited | Khatungonj | FC | 344,477 | - |
| Union Bank Limited | Khatungonj | Current | 4,494,470 | 66,444 |
| Uttara Bank Limited | Khatungonj | Current | 223,304 | 2,390,084 |
| Uttara Bank Limited | Laldighi | Current | 3,223,700 | - |
| Uttara Bank Limited | Laldighi | Current | 43,488 | 95,893 |
| **Sub-total** | | | **430,263,230** | **121,668,777** |
| AB Bank Limited | Khatungonj | SND | 49,748 | 494,148 |
| AB Bank Limited | Khatungonj | GBP | 12,842 | 13,297 |
| AB Bank Limited | Khatungonj | USD | - | 46,866 |
| AB Bank Limited | Khatungonj | SND | 3,935,210 | 50,011 |
| Mutual Trust Bank Limited | Khatungonj | SND | 1,093 | 1,093 |
| Standard Chartered Bank | Agrabad | SND | 2,808,178 | 919,875 |
| Standard Chartered Bank | Agrabad | SND | 3,010,866 | 3,016,706 |
| Standard Chartered Bank | Agrabad | SND | 1,215,418 | 1,141,357 |
| **Sub-total** | | | **11,033,355** | **5,683,353** |
| **Total** | | | **441,296,585** | **127,352,130** |

**14.00 Share capital**

**Authorized Capital**

| | | | |
|---|---|---|---|
| 1,000,000,000 | Ordinary Shares of Tk 10 each | **10,000,000,000** | **10,000,000,000** |

Issued, subscribed and paid-up Capital

| | | | |
|---|---|---|---|
| 100,000 | Ordinary Shares of Tk. 10 each as at 17 May 2006 | 1,000,000 | 1,000,000 |
| 1,100,000 | Ordinary Shares of Tk. 10 each as at 28 September 2008 | 11,000,000 | 11,000,000 |
| 17,000 | Ordinary Shares of Tk. 10 each as at 24 January 2010 | 170,000 | 170,000 |
| 36,428,600 | Ordinary Shares of Tk. 10 each as at 28 April 2010 | 364,286,000 | 364,286,000 |
| 12,354,400 | Ordinary Shares of Tk. 10 each as at 28 April 2010 | 123,544,000 | 123,544,000 |
| 20,000,000 | Ordinary Shares of Tk. 10 each as at 20 August 2011 | 200,000,000 | 200,000,000 |
| 20,000,000 | Ordinary Shares of Tk.10 each issued through IPO 07 March 2012 | 200,000,000 | 200,000,000 |
| 18,000,000 | Ordinary Shares of Tk. 10 each as at 13 November 2012 | 180,000,000 | 180,000,000 |
| 10,800,000 | Ordinary Shares of Tk. 10 each as at 09 november 2013 | 108,000,000 | 108,000,000 |
| 5,940,000 | Ordinary Shares of Tk. 10 each as at 10 November 2014 | 59,400,000 | 59,400,000 |
| 187,110,000 | Rights Shares of Tk. 10 each as at 01 June 2016 | 1,871,100,000 | 1,871,100,000 |
| 15,592,500 | Ordinary Shares of Tk. 10 each as at 10 December 2017 | 155,925,000 | 155,925,000 |
| 32,744,250 | Ordinary Shares of Tk. 10 each as at 19 January 2019 | 327,442,500 | 327,442,500 |
| 18,009,337 | Ordinary Shares of Tk. 10 each as at 26 December 2019 | 180,093,370 | 180,093,370 |
| 18,909,804 | Ordinary Shares of Tk. 10 each as at 21 December 2020 | 189,098,040 | 189,098,040 |
| 39,710,589 | Ordinary Shares of Tk. 10 each as at 20 December 2021 | 397,105,890 | - |
| **436,816,480** | | **4,368,164,800** | **3,971,058,910** |

HODA VASI CHOWDHURY & CO. CHATTOGRAM

**Position of share holding**

| Shareholders | 30 June 2022 | | 30 June 2021 | |
|---|---|---|---|---|
| | Percentage of holding | Amount in Taka | Percentage of holding | Amount in Taka |
| Mr. Mohammed Jahangir Alam | 23.58% | 1,029,883,960 | 23.58% | 936,258,150 |
| Mr. Md. Abdur Rouf | 3.00% | 131,044,930 | 3.00% | 119,131,760 |
| Mr. Md. Alamgir Kabir | 4.81% | 210,164,960 | 4.81% | 191,059,060 |
| Mr. Md. Almas Shimul | 10.83% | 472,871,160 | 10.83% | 429,882,880 |
| Mr. Md. Ashrafuzzaman | 3.00% | 131,044,930 | 3.00% | 119,131,760 |
| Mr. Md. Abdul Ahad | 2.40% | 104,835,950 | 2.40% | 95,305,410 |
| Mr. Md. Azizul Haque Raju | 2.00% | 87,363,280 | 2.00% | 79,421,170 |
| General Shareholders | 50.38% | 2,200,955,630 | 50.38% | 2,000,868,720 |
| **TOTAL** | **100%** | **4,368,164,800** | **100%** | **3,971,058,910** |

**Classification of shares by holding**

| Slab by number of shares | 30 June 2022 | | | 30 June 2021 |
|---|---|---|---|---|
| | No. of Holders | No. of Shares | Holding(%) | Holding(%) |
| Less than 500 | 7,601 | 1,626,501 | 0.37% | 0.10% |
| 500-5,000 | 9,422 | 16,984,040 | 3.89% | 2.17% |
| 5,001-10,000 | 1,502 | 11,420,455 | 2.61% | 1.31% |
| 10,001-20,000 | 850 | 12,363,053 | 2.83% | 1.58% |
| 20,001-30,000 | 305 | 7,633,884 | 1.75% | 0.84% |
| 30,001-40,000 | 151 | 5,297,208 | 1.21% | 0.60% |
| 40,001-50,000 | 104 | 4,803,453 | 1.10% | 0.52% |
| 50,001-100,000 | 175 | 12,950,124 | 2.96% | 1.58% |
| 100,001-1,000,000 | 169 | 43,464,620 | 9.95% | 6.58% |
| Above 1,000,000 | 36 | 320,273,142 | 73.33% | 84.72% |
| | **20,315** | **436,816,480** | **100%** | **100%** |

| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **15.00 Long Term Loan** | | | |
| Term Loan | 15.02 | 189,645,957 | 3,541,602,718 |
| Long Term Financing Facility | 15.03 | 4,127,725,290 | 4,172,073,648 |
| Syndication Term Loan | 15.04 | 8,802,405,383 | 5,636,262,212 |
| ECA Backed Finance | 15.05 | 7,763,099,354 | 7,776,663,815 |
| Non-Banking Financial Institutions | 15.06 | 1,967,429,608 | 1,661,298,573 |
| Loan From Directors | 15.07 | 1,073,821,620 | 1,073,821,620 |
| | | **23,924,127,212** | **23,861,722,586** |
| **15.01 Long Term Loan - Maturity analysis** | | | |
| Due within one year | | 3,275,776,093 | 2,283,792,410 |
| Due after one year | | 20,648,351,119 | 21,577,930,176 |
| | | **23,924,127,212** | **23,861,722,586** |
| **15.02 Term Loan** | | | |
| AB Bank Limited | | - | 294,557,671 |
| Eastern Bank Limited | | - | 1,704,486,053 |
| Meghna Bank Limited | | - | 204,687,047 |
| Midland Bank Limited | | - | 208,126,269 |
| Pubali Bank Limited | | 189,645,957 | 243,626,159 |
| State Bank of India | | - | 7,565,533 |
| Trust Bank Limited | | - | 475,519,337 |
| United Commercial Bank Limited | | - | 403,034,649 |
| | | **189,645,957** | **3,541,602,718** |

HODA VASI CHOWDHURY & CO. ★ CHATTOGRAM ★

**15.02.01 Terms of Long Term Loan Facility**

**Security:**

i) Post dated Cheques covering full credit facility.
ii) Corporate Guarantee of Jahangir & Others Limited and GPH Power Generation Limited.
iii) Personal Guarantee of all sponsor director of GPH Ispat Limited.
iv) Charge over insurance benefit (Assignment) in favor of the term loan lenders as per their respective participation and demand promissory note along with the letter of continuity.
v) First Priority Fixed and Floating Hypothecation Charge on the assets acquired out of bank finance to be created with RJSC and the vehicle will also be registered in the name of GPH Ispat Limited.
vi) 2nd ranking fixed and floating charge over all assets (present and future) of GPH Ispat Limited in Pari passu basis.
vii) An irrevocable general power of attorney to self the hypothecated assets notarized with the Notary Public of Bangladesh.

**Rate of Interest:**

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

| | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|
| **15.03 Long Term Financing Facility** | | |
| Eastern Bank Limited | 550,534,709 | 556,993,564 |
| Mutual Trust Bank Limited | 418,495,567 | 422,063,422 |
| NCC Bank Limited | 1,108,830,271 | 1,122,348,083 |
| One Bank Limited | 167,971,162 | 169,389,756 |
| Pubali Bank Limited | 837,977,717 | 845,073,211 |
| Southeast Bank Limited | 209,266,578 | 211,031,712 |
| United Commercial Bank Limited | 834,649,286 | 845,173,900 |
| | **4,127,725,290** | **4,172,073,648** |

**15.03.01 Terms of Long Term Financing Facility**

**Lenders:**

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

**Total loan facilities:**

The long term financing facility comprises USD 44.2 million.

**Interest rate:**

Margin 4.25% + 6 months LIBOR

**Interest payable:**

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

**Disbursement:**

First Disbursment of USD on 13 February 2019.

**Repayments:**

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

**Securities:**

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

**Purpose:**

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

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| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **15.04 Syndication Term Loan** | | | |
| AB Bank Limited | | 97,324,137 | 108,950,602 |
| Agrani Bank Limited | | 1,103,076,166 | 1,195,855,147 |
| Basic Bank Limited | | 277,177,832 | 308,272,430 |
| Bangal Commercial Bank Limited | | 351,242,976 | - |
| Community Bank Bangladesh Limited | | 350,798,828 | - |
| Dutch Bangla Bank Limited | | 438,717,803 | 269,296,452 |
| Jamuna Bank Limited | | 99,603,649 | 110,986,763 |
| Janata Bank Limited | | 1,108,052,692 | 1,217,209,517 |
| Mercantile Bank Limited | | 659,577,698 | 99,767,123 |
| Midland Bank Limited | | 451,130,694 | 109,506,856 |
| NRB Bank Limited | | 175,399,422 | - |
| NRB Commercial Bank Limited | | 439,001,550 | - |
| One Bank Limited | | 92,605,700 | 104,204,097 |
| Pubali Bank Limited | | 630,363,806 | 210,780,218 |
| Sonali Bank Limited | | 913,118,891 | 1,008,081,370 |
| Southeast Bank Limited | | 74,552,271 | 82,036,141 |
| The City Bank Limited | | 69,683,290 | 81,827,106 |
| United Commercial Bank Limited | | 856,773,285 | 221,514,046 |
| Uttara Bank Limited | | 614,204,693 | 507,974,344 |
| | | **8,802,405,383** | **5,636,262,212** |

**15.04.01 Terms of Syndicate term borrowings**

**Lenders:**

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

**Total loan facilities:**

The syndication financing comprises BDT. 9968 million only for implementation of the steel melting plant.

**Interest rate:**

| BDT | 30 June 2022 |
|---|---|
| Government Banking Institutions | 9.00% |
| Non-government Banking Institutions | 9.00% |

**Interest payable:**

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

**Disbursement:**

First Disbursment of BDT made on 31 March 2018.

**Repayments:**

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

**Securities:**

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

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

**Purpose:**

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

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| | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|
| **15.05 ECA Backed Finance** | | |
| ODDO BHF Aktiengesellschaft, Germany | 7,763,099,354 | 7,776,663,815 |
| | **7,763,099,354** | **7,776,663,815** |

**15.05.01 Terms of ECA Backed Finance borrowings**

**Lenders:**

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

**Total loan facilities:**

The syndication financing comprises of USD 94.84 million only.

**Interest rate:**

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

**Interest payable:**

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

**Disbursement:**

First Disbursment made on 09 August 2017

**Repayments:**

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

**Securities:**

Registered Mortgage on 28 acres land,personal guarantee and corporate guarantee along with first ranking pari passu basis and hypothecation of machineries.

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

**Purpose:**

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

| | | |
|---|---|---|
| **15.06 Non-Banking Financial Institutions** | | |
| Industrial and Infrastructure Development Finance Company Limited | - | 25,321,591 |
| Bangladesh Infrastructure Finance Fund Limited | 910,249,175 | 999,764,634 |
| IPDC Finance Limited | 731,991,639 | 412,778,572 |
| United Finance Limited | 325,188,794 | 223,433,776 |
| | **1,967,429,608** | **1,661,298,573** |

**Security :**

i) Post dated cheques
ii) FDR lien Tk 30 million against loan from IPDC Finance Limited
iii) Personal Guarantee of Directors

**Rate of Interest:**

Interest rate is 8.75% to 12.5% per annum and will be calculated on quarterly basis and variable depending on the situation of money market.

| | | |
|---|---|---|
| **15.07 Loan From Directors** | | |
| Mr. Mohammed Jahangir Alam | 723,525,125 | 723,525,125 |
| Mr. Md. Almas Shimul | 350,296,495 | 350,296,495 |
| | **1,073,821,620** | **1,073,821,620** |

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| | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|
| **16.00 Defined Benefit Obligation (Gratuity)** | | |
| Opening Balance | 50,517,125 | 41,460,605 |
| Add: Provision made during the year | 17,093,125 | 9,313,660 |
| | 67,610,250 | 50,774,265 |
| Less: Paid during the year | (2,530,916) | (257,140) |
| Closing balance | **65,079,334** | **50,517,125** |

**17.00 Deferred tax liability**

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

| | | |
|---|---|---|
| Opening Balance | 682,592,026 | 186,228,559 |
| **Add: Provided/(adjusted) during the year** | | |
| Taxable/(deductible) temporary difference of PPE (excluding land) | 574,305,897 | 117,329,243 |
| Intangible asset | 150,062 | 85,214 |
| Provision for Gratuity | (3,276,497) | (1,001,202) |
| Investment in quoted shares | (184,586) | 1,330,735 |
| | **570,994,876** | **117,743,990** |
| On revaluation reserve | - | 386,509,208 |
| Adjustment for impact of depreciation on revaluation reserve | (19,325,461) | (7,889,731) |
| Closing Balance | **1,234,261,441** | **682,592,026** |

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

| As on 30 June 2022 | Carrying amount Taka | Tax base Taka | Rate Applied (%) | Temporary difference Taka | Deferred tax liability /(asset) Taka |
|---|---|---|---|---|---|
| Property, plant and equipment | 24,277,165,266 | 18,872,157,087 | 22.50% | 5,405,008,179 | 1,216,126,840 |
| Right of use asset | 148,898,625 | - | 22.50% | 148,898,625 | 33,502,191 |
| Intangible asset | 2,167,899 | - | 22.50% | 2,167,899 | 487,777 |
| Provision for gratuity | (65,079,334) | - | 22.50% | (65,079,334) | (14,642,850) |
| Investment in quoted shares | 107,498,290 | 119,623,463 | 10.00% | (12,125,173) | (1,212,517) |
| | | | | | **1,234,261,441** |

| As on 30 June 2021 | Carrying amount Taka | Tax base Taka | Rate Applied (%) | Temporary difference Taka | Deferred tax liability /(asset) Taka |
|---|---|---|---|---|---|
| Property, plant and equipment | 25,523,352,203 | 22,591,687,897 | 22.50% | 2,931,664,306 | 659,624,469 |
| Right of use asset | 155,662,783 | - | 22.50% | 155,662,783 | 35,024,126 |
| Intangible asset | 1,500,954 | - | 22.50% | 1,500,954 | 337,715 |
| Provision for gratuity | (50,517,125) | - | 22.50% | (50,517,125) | (11,366,353) |
| Investment in quoted shares | 98,049,188 | 108,328,497 | 10.00% | (10,279,309) | (1,027,931) |
| | | | | | **682,592,026** |

| | | | |
|---|---|---|---|
| **18.00 Short term borrowings** | | | |
| Loan against Trust Receipt (LATR) | 18.01 | 433,863,025 | 955,195,653 |
| Time loan | 18.02 | 9,901,146,597 | 7,004,480,988 |
| Bank overdraft and cash credit | 18.03 | 2,876,496,491 | 3,858,696,223 |
| Accepted Bill for Payment | 18.04 | 10,670,885,540 | 3,122,371,569 |
| | | **23,882,391,653** | **14,940,744,433** |

| | | |
|---|---|---|
| **18.01 Loan against Trust Receipt (LATR)** | | |
| AB Bank Limited | 77,159,595 | 102,112,814 |
| Islami Bank Bangladesh Limited | - | 847,391,094 |
| NRB Bank Limited | 3,031,161 | - |
| Premier Bank Limited | 5,715,623 | - |
| Pubali Bank Limited | 60,593,665 | 749,684 |
| South Bangla Agriculture & Commerce Bank Limited | 9,420,449 | - |
| The City Bank Limited | 269,173,297 | - |
| Trust Bank Limited | 8,769,235 | 4,942,061 |
| | **433,863,025** | **955,195,653** |

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| | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|
| **18.02 Time loan** | | |
| AB Bank Limited | - | 52,344,344 |
| Al-Arafah Islami Bank Limited | 201,328,926 | 223,196,800 |
| Bank Asia Limited | 1,497,854,588 | 395,509,696 |
| Basic Bank Limited | - | 233,350,483 |
| Bengal Commercial Bank Limited | 101,137,509 | - |
| BRAC Bank Limited | 730,156,494 | - |
| Dutch Bangla Bank Limited | 1,238,221,849 | 230,162,917 |
| Eastern Bank Limited | 749,136,519 | 622,274,091 |
| Islami Bank Bangladesh Limited | 125,671,875 | - |
| Meghna Bank Limited | 449,613,348 | 252,141,242 |
| Mercantile Bank Limited | 230,467,481 | 917,193,948 |
| Midland Bank Limited | 190,971,023 | 201,474,859 |
| Modhumoti Bank Ltd | - | 122,100,000 |
| NCC Bank Limited | - | 120,405,377 |
| NRB Bank Limited | 703,740,124 | - |
| One Bank Limited | 188,359,597 | 1,113,178,723 |
| Pubali Bank Limited | 64,137,634 | - |
| Standard Bank Limited | 202,951,389 | - |
| Standard Chartered Bank | 415,098,499 | 711,404,094 |
| State Bank of India | 121,215,000 | - |
| The City Bank Limited | 1,523,066,241 | 277,172,731 |
| Trust Bank Limited | 1,035,918,268 | 714,551,579 |
| United Commercial Bank Limited | 132,100,233 | 818,020,104 |
| | **9,901,146,597** | **7,004,480,988** |
| **18.03 Bank overdraft and cash credit** | | |
| AB Bank Limited | 28,909,605 | 34,549,181 |
| Agrani Bank Limited | 227,848,092 | 1,132,155,941 |
| Bank Asia Limited | 2,433,854 | 46,609,921 |
| Basic Bank Limited | 42,878,133 | 45,894,615 |
| BRAC Bank Limited | 85,537,989 | - |
| Community Bank Bangladesh Limited | 113,755,989 | 184,938,015 |
| Eastern Bank Limited | 86,424,915 | 50,000,000 |
| Meghna Bank Limited | 18,769,735 | 49,787,659 |
| Mercantile Bank Limited | 13,046,663 | 34,052,695 |
| Midland Bank Limited | 122,729,096 | 406,254,366 |
| Modhumoti Bank Limited | 393,906,620 | 152,545,658 |
| NCC Bank Limited | 157,670,660 | 73,869,891 |
| Premier Bank Limited | 2,391,398 | 297,184,267 |
| Pubali Bank Limited | - | 555,907,901 |
| Sonali Bank Limited | 778,515,418 | - |
| South Bangla Agriculture & Commerce Bank Limited | 95,980,245 | - |
| Standard Chartered Bank | 133,174,686 | 53,716,293 |
| State Bank of India | 399,104,061 | 404,889,499 |
| The City Bank Limited | 41,377,002 | 42,468,277 |
| Trust Bank Limited | 58,974,629 | 95,484,794 |
| United Commercial Bank Limited | 73,067,701 | 46,681,200 |
| Uttara Bank Limited | - | 151,706,050 |
| | **2,876,496,491** | **3,858,696,223** |
| **18.04 Accepted Bill for Payment (ABP)** | | |
| AB Bank Limited | 621,432,543 | - |
| Al-Arafah Islami Bank Limited | 229,058,446 | - |
| Bank Asia Limited | 371,487,543 | - |
| BRAC Bank Limited | 528,539,153 | - |
| Dutch Bangla Bank Limited | 1,062,709,257 | 188,319,303 |
| Eastern Bank Limited | 659,644,477 | - |
| Islami Bank Bangladesh Limited | 392,294,605 | - |
| Mercantile Bank Limited | 705,609,945 | 70,294,810 |
| Midland Bank Limited | 95,588,279 | - |
| NCC Bank Limited | 304,465,643 | 349,662,269 |
| One Bank Limited | 717,866,276 | 128,209,983 |

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| | | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| Pubali Bank Limited | | 820,459,702 | 126,356,394 |
| SBAC Bank Limited | | 167,684,662 | - |
| Southeast Bank Limited | | 440,779,026 | - |
| Standard Chartered Bank | | 237,604,320 | - |
| The City Bank Limited | | 527,574,721 | 428,146,734 |
| Trust Bank Limited | | 586,055,523 | 464,859,679 |
| United Commercial Bank Limited | | 1,669,603,822 | 1,366,522,397 |
| Uttara Bank Limited | | 532,427,597 | - |
| | | **10,670,885,540** | **3,122,371,569** |

**18.05 Terms of Short term borrowings**

**Security**

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

**Rate of Interest:**

Interest rate is 7.00% to 9.00% per annum with quarterly basis.

**19.00 Creditors and accruals**

| | | | |
|---|---|---|---|
| For Revenue Expenses | 19.01 | 447,623,470 | 419,974,401 |
| For Other Finance | 19.02 | 145,162,655 | 65,492,954 |
| For Supplies | | 710,805,491 | 708,897,489 |
| GPH Power Generation Limited | | 745,362,467 | 208,878,333 |
| Advance Against Sales | | 134,464,726 | 245,339,902 |
| Workers' Profit Participation Fund | 19.03 | 146,397,326 | 111,698,531 |
| | | **2,329,816,135** | **1,760,281,610** |

**19.01 Revenue Expenses**

| | | | |
|---|---|---|---|
| Salary Payable | | 76,081,515 | 58,550,000 |
| Audit Fee Payable | | 575,000 | 450,000 |
| Utility Bill Payable | | 367,880,895 | 358,285,968 |
| Provident Fund | 19.01.01 | 1,811,060 | 1,513,433 |
| Directors' Remuneration Payable | | 1,275,000 | 1,175,000 |
| | | **447,623,470** | **419,974,401** |

**19.01.01 Provident Fund**

| | | |
|---|---|---|
| Opening Balance | 1,513,433 | 1,174,973 |
| Add: Addition during the year | 22,991,155 | 14,901,852 |
| | 24,504,588 | 16,076,825 |
| Less: Paid during the year | (22,693,528) | (14,563,392) |
| Closing balance | **1,811,060** | **1,513,433** |

**19.02 Other Finance**

| | | |
|---|---|---|
| Advance Income Tax Payable | 36,688,800 | 47,018,164 |
| VAT Deducted at Source | 34,292,065 | 18,021,120 |
| Sales VAT Payable | 74,133,120 | - |
| Unpaid Refund Warrant | 48,670 | 453,670 |
| | **145,162,655** | **65,492,954** |

**19.03 Workers' Profit Participation Fund**

| | | |
|---|---|---|
| Opening Balance | 111,698,531 | 20,978,155 |
| Add: Addition during the year | 146,397,326 | 111,698,531 |
| | **258,095,857** | **132,676,686** |
| Less: Paid during the year | (111,698,531) | (20,978,155) |
| Closing balance | **146,397,326** | **111,698,531** |

Company Paid Taka 10,611,360.42 to Bangaldesh Labor Welfare Fund, Ramna Corporate Branch, Sonali Bank Limited through United Commercial Bank Limited cheque no 1527143 to comply with Bangladesh Labor Act 2006, 234 (Kha).

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| 20.00 Unclaimed Dividend | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|
| Opening Balance | 4,954,063 | 4,401,279 |
| Add: Dividend Declared during the year | 794,211,782 | 189,098,044 |
| Less: Paid during the year | (795,982,933) | (188,545,260) |
| Closing Balance | **3,182,912** | **4,954,063** |

As per the Directive No BSEC/CMRRCD/2021-386/03 and Bangladesh Securities and Commission Rules (Capital Market Stabilization Fund) Rules, 2021, if cash dividend remains unpaid or unclaimed for a period of three years from the date of decleration or approval or record date, shall be transferred to CMSF (Capital Market Stabilisation Fund). The Company transferred the dividend of Taka 9,827 for the year ended 30 June 2018 has been paid through cheque No 3791784 dated 30 June 2022, Standard Chartered Bank, Agrabad Branch, Chattogram.

**20.01 Year wise details of unclaimed dividend**

| For year ended on | | |
|---|---|---|
| 30 June 2012 (Final) | - | 511,800 |
| 30 June 2013 (Final) | - | 519,180 |
| 30 June 2014 (Final) | - | 775,745 |
| 30 June 2015 (Final) | - | 538,168 |
| 30 June 2016 (Final) | - | 909,416 |
| 30 June 2017 (Final) | - | 506,371 |
| 30 June 2018 (Final) | - | 9,827 |
| 30 June 2019 (Final) | 551,533 | 579,474 |
| 30 June 2020 (Final) | 589,088 | 604,082 |
| 31 June 2021 (Final) | 2,042,291 | - |
| | **3,182,912** | **4,954,063** |

| 21.00 Current tax liability | | |
|---|---|---|
| Opening Balance | 348,210,739 | 90,490,066 |
| Add: Provision made during the year | 716,277,882 | 343,634,665 |
| | 1,064,488,621 | 434,124,731 |
| Less: Paid/adjusted during the year | (343,634,665) | (85,913,992) |
| Closing balance | **720,853,956** | **348,210,739** |

**21.01 Year wise income tax assessment status is as follows:**

| Accounting Year | Assessment Year | Opening balance | Provided during the year | Adjusted during the year | Balance | Remarks |
|---|---|---|---|---|---|---|
| Prior to 2015-2016 | | | - | - | - | Assessment completed |
| 2016-2017 | 2017-2018 | 111,031,009 | 179,191,873 | (106,839,951) | 183,382,931 | Assessment in Appeal (Second) |
| 2017-2018 | 2018-2019 | 183,382,931 | 169,979,806 | (177,186,575) | 176,176,162 | Assessment in Appeal (Second) |
| 2018-2019 | 2019-2020 | 176,176,162 | 248,877,693 | (170,552,518) | 254,501,337 | Assessment in Appeal (Second) |
| 2019-2020 | 2020-2021 | 254,501,337 | 84,721,754 | (248,733,025) | 90,490,066 | Assessment in Appeal (Second) |
| 2020-2021 | 2021-2022 | 90,490,066 | 343,634,665 | (85,913,992) | 348,210,739 | Assessment in Appeal (First) |
| 2021-2022 | 2022-2023 | 348,210,739 | 716,277,882 | (343,634,665) | 720,853,956 | Return due by 15th January 2023 |

| | 30 June 2022 | | 30 June 2021 | |
|---|---|---|---|---|
| | Rate | Taka | Rate | Taka |
| **21.02 Reconciliation of effective tax rate** | | | | |
| **Profit before tax** | | 2,781,549,191 | | 2,122,272,084 |
| **Total income tax expense** | **25.75%** | **716,277,882** | **16.19%** | **343,634,665** |
| **Factors affecting the tax charge:** | | | | |
| Tax using the applicable rate | 22.50% | 625,848,568 | 22.50% | 477,511,219 |
| Difference between accounting and fiscal depreciation | -19.95% | (554,892,207) | -6.09% | (129,257,964) |
| Difference between gratuity provision and payment | 0.12% | 3,276,497 | 0.10% | 2,037,717 |
| Difference between regular tax and minimum tax u/s 82(C) of ITO-1984 | 22.89% | 636,637,434 | 0.00% | - |
| Difference between WPPF and Welfare Fund provision and payment | 0.28% | 7,807,229 | 0.96% | 20,412,085 |
| Capital gain on sale of shares of listed companies (on the basis of actual cost) | 0.07% | 2,000,950 | 0.00% | - |
| Rebate on export sales | -0.06% | (1,611,465) | -1.04% | (22,023,785) |
| Adjustment of unrealized Gain /(Loss) on sale of Shares in Listed Companies | -0.06% | (1,585,606) | -0.10% | (2,033,526) |
| Adjustment for reduced rated taxable income | -0.04% | (1,203,518) | -0.14% | (3,011,081) |
| | **25.75%** | **716,277,882** | **16.19%** | **343,634,665** |

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| | Note(s) | 01 July 2021 to 30 June 2022 Taka | 01 July 2020 to 30 June 2021 Taka |
|---|---|---|---|
| **22.00 Revenue** | | | |
| Local Sales | 22.01 | 46,093,692,824 | 25,232,841,459 |
| Export Sales | 22.02 | 1,866,241,983 | 3,716,286,185 |
| | | **47,959,934,807** | **28,949,127,644** |
| Value Added Tax | | (1,132,409,850) | (782,665,572) |
| | | **46,827,524,957** | **28,166,462,072** |
| **22.01 Local Sales** | | | |
| M.S. Rod | | 40,530,448,932 | 22,135,037,274 |
| M.S. Billet | | 5,250,002,450 | 2,822,788,038 |
| Cut Pieces | | 93,267,100 | 57,750,540 |
| Miss Roll and Ovel | | 32,046,770 | 44,553,610 |
| Oxygen, Nitrogen and Argon | | 187,927,572 | 172,711,997 |
| | | **46,093,692,824** | **25,232,841,459** |
| **22.02 Export Sales** | | | |
| M.S. Rod | | 48,013,867 | 8,631,000 |
| M.S. Billet | | 1,771,358,052 | 3,699,296,427 |
| APC Dust | | 42,635,969 | - |
| Zinc Oxide | | 4,234,095 | 8,358,758 |
| | | **1,866,241,983** | **3,716,286,185** |
| **23.00 Cost of goods sold** | | | |
| **Opening Finished goods** | | | |
| M.S. Rod - note -11.01 | | 3,163,895,266 | 1,680,512,617 |
| M.S. Billet - note -11.01 | | 1,195,988,810 | 500,936,424 |
| | | **4,359,884,076** | **2,181,449,041** |
| **Add: Cost of Production** | 23.01 | 43,652,755,173 | 26,143,588,998 |
| | | **48,012,639,249** | **28,325,038,039** |
| **Less: Closing Finished goods** | | | |
| M.S. Rod - note -11.01 | | 3,922,974,399 | 3,163,895,266 |
| M.S. Billet - note -11.01 | | 3,611,217,960 | 1,195,988,810 |
| | | **7,534,192,359** | **4,359,884,076** |
| | | **40,478,446,890** | **23,965,153,963** |
| **23.01 Cost of Production** | | | |
| **Opening Stock of:** | | | |
| Raw Material - note-11.02 | | 3,973,915,432 | 4,629,873,049 |
| Spare and Other - note-11.03 | | 1,731,365,847 | 195,352,014 |
| | | **5,705,281,279** | **4,825,225,063** |
| **Add: Purchase** | | | |
| Raw Material | | 36,638,491,557 | 19,756,386,182 |
| Spare and Other | | 2,968,932,784 | 2,064,808,508 |
| | | **39,607,424,341** | **21,821,194,690** |
| **Less: Closing Stock of** | | | |
| Raw Material - note-11.02 | | 5,017,002,570 | 3,973,915,432 |
| Spare and Other materials - note-11.03 | | 3,428,594,997 | 1,731,365,847 |
| | | **8,445,597,567** | **5,705,281,279** |
| **Raw and Other Materials Consumed** | | **36,867,108,053** | **20,941,138,474** |
| Add: Factory overhead | 23.02 | 6,785,647,120 | 5,202,450,524 |
| **Cost of Production** | | **43,652,755,173** | **26,143,588,998** |

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| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **23.02 Factory overhead** | | | |
| Salaries, Wages and Allowances | | 564,656,540 | 446,016,199 |
| Overtime | | 36,040,101 | 33,425,172 |
| Bonus | | 3,978,602 | 4,443,155 |
| Depreciation | 4 | 1,267,779,635 | 535,467,765 |
| Amortization on right of use assets | 5 | 41,017,989 | 28,341,314 |
| Carriage Inward | | 17,067,384 | 17,652,775 |
| Daily Labour Bill | | 58,800,834 | 68,699,596 |
| Electricity Bill | | 4,410,900,484 | 3,647,241,932 |
| Factory Canteen | | 28,460,379 | 16,091,608 |
| Fuel, Oil and Lubricant | | 34,160,349 | 100,232,373 |
| Gas Bill | | 224,375,502 | 203,542,865 |
| Insurance | | 21,058,443 | 8,012,598 |
| Mobile, Telephone and Internet Charges | | 1,742,853 | 1,633,519 |
| Loading and Unloading Expenses | | 24,657,221 | 23,679,233 |
| Medical Expenses | | 1,350,368 | 2,053,140 |
| Oxygen and LP Gas Charges | | 4,333,057 | 25,499,210 |
| Repair and Maintenance | | 18,773,844 | 17,883,289 |
| Staff Uniform | | 4,237,255 | 5,636,845 |
| Testing Expenses | | 1,699,816 | 1,511,858 |
| Vehicle Fuel and Maintenance | | 20,556,464 | 15,386,078 |
| | | **6,785,647,120** | **5,202,450,524** |
| **24.00 Administrative expenses** | | | |
| Directors' Remuneration | | 17,895,000 | 17,220,000 |
| Salary and Allowances | | 144,995,449 | 115,657,409 |
| Depreciation | 4 | 70,432,202 | 29,748,209 |
| Amortization on right of use assets | 5 | 2,278,777 | 1,574,517 |
| Amortization of Software | 7 | 392,130 | 229,048 |
| Audit fee | | 1,092,500 | 575,000 |
| BIS Certificate Expenses | | - | 333,584 |
| BO Account Expenses | | 1,050 | 26,749 |
| Board Meeting Expenses | | 692,895 | 990,750 |
| Bonus | | 18,588,650 | 16,074,503 |
| Electricity and Other Utility Expenses | | 41,639,517 | 37,522,463 |
| Entertainment | | 13,479,309 | 11,277,990 |
| Fees and Renewal | | 3,435,434 | 3,617,259 |
| General Meeting Expenses | | 258,500 | 295,240 |
| Group Insurance Premium | | 1,136,735 | 1,006,537 |
| Legal and Professional Fee | | 3,257,300 | 6,984,500 |
| Medical Expenses | | 142,950 | 371,045 |
| Miscellaneous Expenses | | 1,457,313 | 1,403,489 |
| Mobile, Telephone and Internet Charges | | 3,891,455 | 3,678,106 |
| Newspaper and Periodicals | | 37,544 | 23,416 |
| Office Maintenance | | 1,406,103 | 781,524 |
| Office Rent | | 4,140,000 | 4,140,000 |
| Postage and Stamps | | 936,806 | 770,379 |
| Recruitment Expenses | | 88,650 | 85,130 |
| Rent, Rate & Taxes | | 703,196 | 595,920 |
| Share Management Expenses | | 3,481,158 | 2,778,067 |
| Software & Data Connectivity Expenses | | 631,550 | 414,306 |
| Stationery and Printing Charges | | 2,224,065 | 3,949,712 |
| Training Fee | | 128,690 | 206,560 |
| Travelling and Conveyance | | 7,043,902 | 6,152,940 |
| Vehicle Expenses | | 10,071,986 | 10,449,628 |
| | | **355,960,816** | **278,933,980** |

HODA VASI CHOWDHURY & CO.

| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **25.00 Selling and distribution expenses** | | | |
| Advertisement Expenses | | 127,376,030 | 97,255,553 |
| Carriage Outward | | 467,323,611 | 357,762,220 |
| Salary and Allowances | | 82,540,444 | 77,423,109 |
| Loading & Delivery Expenses | | 47,791,533 | 46,367,622 |
| Bonus | | 9,735,933 | 8,885,230 |
| Travelling and Conveyance | | 13,705,610 | 13,618,225 |
| Commission on Sales | | 36,382,150 | 5,198,000 |
| Promotional Expenses | | 56,770,436 | 32,494,311 |
| Depreciation | 4 | 70,432,202 | 29,748,209 |
| Amortization on right of use assets | 5 | 2,278,777 | 1,574,517 |
| Marketing Collection Expenses | | 114,100 | 209,085 |
| Export Expenses | | 123,911,795 | 26,965,209 |
| Vehicle Expenses | | 6,244,005 | 4,598,760 |
| Mobile, Telephone and Internet Charges | | 2,496,031 | 1,875,390 |
| Postage and Stamps | | 410,217 | 17,180 |
| | | **1,047,512,874** | **703,992,620** |
| **26.00 Finance Cost** | | | |
| Interest on Bank Loan | | 1,838,037,248 | 1,094,980,998 |
| Bank Charge | | 19,981,329 | 16,473,491 |
| Loan Processing Fee | | 20,402,359 | 25,502,988 |
| Foreign Currency Exchange (Gain)/Loss | | 282,457,639 | (29,736,271) |
| | | **2,160,878,575** | **1,107,221,206** |
| **27.00 Finance income** | | | |
| Interest Earned from FDR | | 68,612,095 | 51,555,369 |
| Interest Income from SND Account | | 387,242 | 62,548 |
| Interest Income from Arbee Textiles Limited | | 43,397,393 | 39,231,300 |
| | | **112,396,730** | **90,849,217** |
| **28.00 Other income** | | | |
| Dividend Income | | 3,675,170 | 2,526,253 |
| PF Forfeitured | | 311,904 | 226,886 |
| Rebate on Export Sales | | 19,789,774 | - |
| Realised Gain/(Loss) on Sale of Shares in Listed Companies- note- 8.02.03 | | 8,893,112 | 20,170,064 |
| | | **32,669,960** | **22,923,203** |

HODA VASI CHOWDHURY & CO. ★ CHATTOGRAM ★

| | Note(s) | 30 June 2022<br>Taka | 30 June 2021<br>Taka |
|---|---|---|---|
| **29.00 Net Asset Value Per Share (NAV)** | | | |
| Total Assets | | 64,886,746,876 | 53,659,266,934 |
| Less: Liabilities | | 52,310,439,237 | 41,802,349,407 |
| Net Asset Value (NAV) | | 12,576,307,639 | 11,856,917,527 |
| Number of ordinary shares outstanding during the year | | 436,816,480 | 397,105,891 |
| **Net Assets Value (NAV) per share** | | **28.79** | **29.86** |

| | 01 July 2021<br>to<br>30 June 2022<br>Taka | 01 July 2020<br>to<br>30 June 2021<br>Taka |
|---|---|---|
| **30.00 Earnings per share (EPS)** | | |
| **30.01 Basic Earnings per share** | | |
| The composition of Earnings per share (EPS) is given below : | | |
| Total earnings attributable to the ordinary shareholders | 1,494,276,433 | 1,660,893,429 |
| Number of ordinary shares outstanding during the year | 436,816,480 | 397,105,891 |
| Weighted average number of ordinary shares outstanding during the year | 436,816,480 | 397,105,891 |
| **Basic Earnings Per Share** | **3.42** | **4.18** |
| **Restated Earnings Per Share*** | **-** | **3.80** |

*EPS for the year 01 July 2020 to 30 June 2021 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of IAS 33.

**Reason For Significant Deviation of EPS**

EPS has been decreased at the end of the period compared with the previous period. This difference is due to significant increase of exchange loss in foreign currency transactions. On the other hand price of all imported raw materials, international shipping, freight charges has increased due to dull economic condition as after effect of COVID- 19 and Russia-Ukraine war.

**30.02 Diluted EPS**

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

**30.03** The production capacity of the company has been gradually increased due to completion of its expansion plant, as a result sales capacity has also been increased steadily which shown positive impact in sales/revenue of the company compared with corresponding last year revenue/sales. The sales price per metric ton has also increased compared with corresponding last year sales rate per metric ton.

| | | |
|---|---|---|
| **31.00 Net operating cash flow per share** | | |
| Net operating cash flows (from statement of cash flows) | (3,122,036,772) | (1,607,995,523) |
| Number of ordinary shares outstanding during the period | 436,816,480 | 397,105,891 |
| **Net operating cash flow per share** | **(7.15)** | **(4.05)** |

**Reason For Significant Deviation of Net Operating Cash Flow Per Share**

NOCPS decreased by 76.51% from previous year due to increase in Cash payment to suppliers, operating expenses, administrative expenses.

HODA VASI CHOWDHURY & CO. CHATTOGRAM

| | 30 June 2022 | 30 June 2021 |
|---|---|---|
| | Person | Person |
| **32.00 Number of employees** | | |
| Employees drawing salary Tk 3,000 or below per month | - | - |
| Employees drawing salary above Tk 3,000 per month | 2,122 | 1,991 |
| | **2,122** | **1,991** |

| | 30 June 2022 | 30 June 2021 |
|---|---|---|
| | Taka | Taka |
| **33.00 Related Notes for Statements of Cash Flows** | | |
| **33.01 Reconciliation of cash flows from operating activities** | | |
| Profit before income tax | 2,781,549,191 | 2,122,272,084 |
| **Adjustment for** | | |
| Depreciation charged | 1,408,644,039 | 594,964,183 |
| Amortization charged | 392,130 | 229,048 |
| Amortization on right of use asset | 45,575,543 | 31,490,348 |
| Finance Cost | 1,878,420,936 | 1,136,957,477 |
| Finance income | (112,396,730) | (90,849,217) |
| Realised Gain/(Loss) on Sale of Shares in Listed Companies | (8,893,112) | (20,170,064) |
| Canges in fair value | 1,845,975 | (9,037,892) |
| Dividend Income (net of tax) | (2,940,136) | (2,021,002) |
| | **5,992,197,836** | **3,763,834,965** |
| **(Increase)/decrease in Current Assets** | | |
| Advances, deposits and prepayments | (1,358,650,780) | (1,727,663,842) |
| Inventories | (5,914,624,571) | (3,058,491,251) |
| Trade and other receivables | (2,098,296,458) | (746,741,652) |
| **Increase/(decrease) in Current Assets** | | |
| Defined benefit obligation - gratuity | 14,562,209 | 9,056,520 |
| Creditors and accruals | 569,534,980 | 964,097,505 |
| | **(2,795,276,784)** | **(795,907,755)** |
| **Income tax paid** | (326,759,988) | (812,087,768) |
| **Net cash flows generated by operating activities** | **(3,122,036,772)** | **(1,607,995,523)** |

HODA VASI CHOWDHURY & CO. ★ CHATTOGRAM ★

## 33.02 Notes for Statement of Cash Flows

| | | Note(s) | 30 June 2022 | 30 June 2021 |
|---|---|---|---|---|
| | | | Taka | Taka |
| **33.02.01** | **Receipts from customers against sales** | | | |
| | Revenue | 22 | 46,827,524,957 | 28,166,462,072 |
| | Increase in Trade Receivables | 12 & 19 | (2,165,055,862) | (478,921,113) |
| | Rebat on Export Sales | 28 | 19,789,774 | - |
| | | | **44,682,258,869** | **27,687,540,959** |
| **33.02.02** | **Paid to suppliers, operating and other expenses** | | | |
| | Cost of Sales | 23 | (40,478,446,890) | (23,965,153,963) |
| | General & Administrative Costs | 24 | (355,960,816) | (278,933,980) |
| | Selling & Distribution expenses | 25 | (1,047,512,874) | (703,992,620) |
| | Paid to workers participation and welfare fund | IS | (111,698,531) | (20,978,155) |
| | Depreciation | 4 | 1,408,644,039 | 594,964,183 |
| | Amortization of Software | 7 | 392,130 | 229,048 |
| | Increase in Inventories | 11 | (5,914,624,571) | (3,058,491,251) |
| | Other receivable | 12 | (44,115,772) | (39,477,670) |
| | (Increase) / Decrease in Advances, Deposits and Pre-payments | 10 | (1,358,650,780) | (1,727,663,842) |
| | Tax on dividend income | 28 | 735,034 | 505,251 |
| | Provision for gratuity | 16 | 14,562,209 | 9,056,520 |
| | Amortization on right of use asset | 5 | 45,575,543 | 31,490,348 |
| | Increase in Creditors and accruals | 19 | 645,710,906 | 645,035,759 |
| | | | **(47,195,390,373)** | **(28,513,410,372)** |
| **33.02.03** | **Foreign currency exchange gain/(loss)** | | | |
| | Gain/(loss) on currency fluctuation | 26 | (282,457,184) | 29,734,772 |
| | | | **(282,457,184)** | **29,734,772** |
| **33.02.04** | **Income from forfeited account** | | | |
| | PF Forfeitured | 28 | 311,904 | 226,886 |
| | | | **311,904** | **226,886** |
| **33.02.05** | **Income tax paid** | | | |
| | Provided during the period | 21 | (716,277,882) | (343,634,665) |
| | Increase/(decrease) in Advance income tax | 10 | (372,643,217) | (497,571,702) |
| | Increase/(decrease) in Advance VAT | 10 | 389,517,894 | (228,602,074) |
| | (Increase)/decrease in current tax liability | 21 | 372,643,217 | 257,720,673 |
| | | | **(326,759,988)** | **(812,087,768)** |
| **33.02.06** | **Acquisition of property, plant and equipment** | | | |
| | Addition of property, plant and equipment during the period | 4 | (420,619,221) | (25,224,445,189) |
| | Capitalized during the year | 6 | 73,352,507 | 25,030,769,944 |
| | Addition in capital work-in-progress | 6 | (1,816,608,702) | (2,651,631,049) |
| | | | **(2,163,875,416)** | **(2,845,306,294)** |
| **33.02.07** | **Acquisition of right of use asset** | | | |
| | Addition of right of use asset during the period | 5 | (38,811,385) | (127,395,280) |
| | | | **(38,811,385)** | **(127,395,280)** |
| **33.02.08** | **Addition to intangible assets** | | | |
| | Addition of intangible assets during the period | 7 | (1,059,075) | (720,000) |
| | | | **(1,059,075)** | **(720,000)** |
| **33.02.09** | **Investment in quoted shares** | | | |
| | Investment in quoted shares | 8 | (9,449,102) | (36,704,727) |
| | Gain on sale of investment in quoted shares | 8 | 8,893,112 | 20,170,064 |
| | Net change in fair value of investment in quoted shares | 8 | (1,845,975) | 9,037,892 |
| | | | **(2,401,965)** | **(7,496,771)** |
| **33.02.10** | **Investment in un-quoted shares** | | | |
| | Investment in private equity | 8 | - | (63,500,000) |
| | | | - | **(63,500,000)** |

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| | | Note(s) | 30 June 2022 | 30 June 2021 |
|---|---|---|---|---|
| | | | Taka | Taka |
| **33.02.11** | **Dividend received (net of tax)** | | | |
| | Dividend Received | 28 | 3,675,170 | 2,526,253 |
| | Less: Advance Tax adjustment | 28 | (735,034) | (505,251) |
| | | | **2,940,136** | **2,021,002** |
| **33.02.12** | **Received from other sources** | | | |
| | Interest Earned from FDR | 27 | 68,612,095 | 51,555,369 |
| | Interest Income from SND Account | 27 | 387,242 | 62,548 |
| | | | **68,999,337** | **51,617,917** |
| **33.02.13** | **Other investments** | | | |
| | Short term investment | 9 | (799,540,932) | (541,952,735) |
| | Accrued Interest | 27 | 43,397,393 | 39,231,300 |
| | | | **(756,143,539)** | **(502,721,435)** |
| **33.02.14** | **Receipt/(repayment) of long term borrowings** | 15 | **62,404,626** | **3,172,238,090** |
| **33.02.15** | **Receipt/(repayment) of finance lease obligation** | 5 | **(2,600,231)** | **103,019,021** |
| **33.02.16** | **Receipt/(repayment) of short term borrowings** | 18 | **8,941,647,220** | **3,243,163,049** |
| **33.02.17** | **Dividend paid** | | | |
| | Cash dividend declared & disbursed | 20 | (794,211,782) | (189,098,044) |
| | Increase/(decrease) in unclaimed dividend | 20 | (1,771,151) | 552,784 |
| | | | **(795,982,933)** | **(188,545,260)** |
| **33.02.18** | **Interest paid** | | | |
| | Interest on Bank Loan | 26 | 1,838,037,248 | 1,094,980,998 |
| | Bank Charge | 26 | 19,981,329 | 16,473,491 |
| | Loan Processing Fee | 26 | 20,402,359 | 25,502,988 |
| | | | **1,878,420,936** | **1,136,957,477** |
| **33.02.19** | **Effect of foreign exchange rate changes in cash and cash equivalent** | 26 | **(455)** | **1,499** |

| | | Note(s) | 01 July 2021 to 30 June 2022 | 01 July 2020 to 30 June 2021 |
|---|---|---|---|---|
| | | | M. Ton | M. Ton |
| **34.00** | **Capacity and production** | | | |
| | Production Capacity (In M. Ton) | 34.01 | 1,840,000 | 1,840,000 |
| | Actual Production (In M. Ton) | 34.02 | 1,199,960 | 902,255 |
| | Capacity Utilization (%) | | 65.22 | 49.04 |
| **34.01** | **Production Capacity (In M. Ton)** | | | |
| | M.S. Billet | | 1,050,000 | 1,050,000 |
| | M.S. Rod | | 790,000 | 790,000 |
| | | | **1,840,000** | **1,840,000** |
| **34.02** | **Actual Production (In M. Ton)** | | | |
| | M.S. Billet | | 680,927 | 538,239 |
| | M.S. Rod | | 519,033 | 364,016 |
| | | | **1,199,960** | **902,255** |

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## 35.00 Related Party Transactions

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

| Sl. No | Name of the Party | Relation | Nature of Transactions | Outstanding as on 30 June 2022 | | Outstanding as on 30 June 2021 | |
|---|---|---|---|---|---|---|---|
| 1 | GPH Power Generation Ltd. | Common Directorship | Supply of power at a flat rate | Cr. | 745,362,467 | Cr. | 208,878,333 |
| 2 | Jahangir and Other Ltd. | Common Directorship | Head office rent | Dr. | 1,879,208 | Dr. | 1,510,020 |
| 3 | GPH Steels Ltd. | Investee | Investment in equity shares | Dr. | 1,000,000 | Dr. | 1,000,000 |
| 4 | Asia Insurance Ltd. | Common Directorship | Insurance Policy against Letter of Credit | Cr. | 46,442,134 | Cr. | 4,963,171 |
| 5 | Arbee Textiles Ltd. | Common Directorship | Payment against interest bearing loan | Dr. | 456,010,438 | Dr. | 411,894,666 |
| 6 | LIPD Industries Ltd. | Common Directorship | Advance | Dr. | 185,500 | Dr. | 185,500 |
| 7 | GPH Ship Builders Ltd. | Common Directorship | Advance | Dr. | 1,885,375 | Dr. | 1,619,450 |
| 8 | ECO Ceramics Industries Ltd. | Common Directorship | Advance | Dr. | 68,771,400 | Dr. | 9,175,400 |

## 36.00 Key management personnel compensation

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

| | | |
|---|---|---|
| Short term employee benefits | 150,011,740 | 105,468,300 |
| Post Employment Benefits | 8,699,647 | 6,389,870 |
| Other long Term benefit | - | - |
| Termination Benefit | - | - |
| Share-based Payment | - | - |
| | **158,711,387** | **111,858,170** |

## 37.00 Directors' Remuneration

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

| Name | Designation | 01 July 2021 to 30 June 2022 Taka | 01 July 2020 to 30 June 2021 Taka |
|---|---|---|---|
| Mr. Mohammed Jahangir Alam | Managing Director | 4,200,000 | 4,200,000 |
| Mr. Md. Almas Shimul | Director | 7,500,000 | 7,500,000 |
| Mr. Md. Ashrafuzzaman | Director | 3,435,000 | 2,760,000 |
| Mr. Md. Abdul Ahad | Director | 2,760,000 | 2,760,000 |
| | | **17,895,000** | **17,220,000** |

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

## 38.00 Attendance status of Directors in Board Meetings

During the year ended 30 June 2022, 04 (Four) board meeting were held. The attendence status of all the meetings are as follows:

| Name of the Director | Designation | Meetings Held | Attendance |
|---|---|---|---|
| Mr. Md. Alamgir Kabir | Chairman | 4 | 4 |
| Mr. Mohammed Jahangir Alam | Managing Director | 4 | 4 |
| Mr. Md. Almas Shimul | Director | 4 | 3 |
| Mr. Md. Ashrafuzzaman | Director | 4 | 4 |
| Mr. Md. Abdul Ahad | Director | 4 | 4 |
| Mr. Md. Azizul Haque | Director | 4 | 4 |
| Mr. M. A. Malek | Independent Director | 4 | 3 |
| Mr. Mukhtar Ahmed | Independent Director | 4 | 4 |

| | Note(s) | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|---|
| **39.00 Contingent liabilities** | | | |
| Bank guarantee | 39.01 | 616,611,277 | 723,971,299 |
| L/C liabilities | 39.02 | 7,003,638,069 | 5,273,571,363 |
| Bangladesh Power Development Board | | 14,404,335 | - |
| | | **7,634,653,681** | **5,997,542,662** |
| **39.01 Bank guarantee** | | | |
| AB Bank Limited | | 44,729,759 | 42,729,759 |
| Eastern Bank Limited | | 736,874 | 1,609,228 |
| Mercantile Bank Limited | | 6,759,114 | 169,910,000 |
| Midland Bank Limited | | 56,841,438 | 3,448,115 |
| Southeast Bank Limited | | 19,639,700 | 1,000,000 |
| State Bank of India | | - | 1,688,500 |
| United Commercial Bank Limited | | 487,904,392 | 503,585,697 |
| | | **616,611,277** | **723,971,299** |
| **39.02 L/C liabilities** | | | |
| AB Bank Limited | | 128,203,964 | 126,694,073 |
| Al-Arafah Islami Bank Limited | | 18,886,000 | - |
| Bank Asia Limited | | 47,363,631 | - |
| BRAC Bank Limited | | 1,130,610,724 | - |
| Dutch Bangla Bank Limited | | 207,108,518 | 617,637,168 |
| Eastern Bank Limited | | 92,985,750 | - |
| Islami Bank Bangladesh Limited | | 28,402,600 | - |
| Jamuna Bank Limited | | 166,386,281 | - |
| Mercantile Bank Limited | | 101,140,565 | 270,294,810 |
| Midland Bank Limited | | 99,790,930 | 501,195,531 |
| Modhumoti Bank Ltd | | 20,565,734 | - |
| Mutual Trust Bank Limited | | 1,025,898,546 | - |
| NCC Bank Limited | | 1,893,655,213 | 561,321,857 |
| NRB Bank Limited | | 1,342,657 | - |
| One Bank Limited | | 23,837,076 | 277,375,194 |
| Pubali Bank Limited | | 152,951,812 | 268,453,291 |
| SBAC Bank Limited | | 41,440,386 | - |
| The City Bank Limited | | 38,311,337 | 304,907,341 |
| Southeast Bank Limited | | 148,730,766 | - |
| Standard Bank Limited | | 1,026,990 | - |
| Standard Chartered Bank | | 18,944,046 | - |
| Trust Bank Limited | | 5,664,839 | 656,578,530 |
| United Commercial Bank Limited | | 1,610,389,704 | 1,689,113,568 |
| | | **7,003,638,069** | **5,273,571,363** |

**39.03** A Claim for Taka 14,404,335 from Bangladesh Power Development Board against Surcharge for the month March 2021.

**39.04 Capital expenditure commitment**

There is no capital expenditure commitment as at 30 June 2022.

**40.00 Events after reporting date**

**40.01 Proposed Dividend:**

The Board of Directors at the meeting held on 30 October 2022 has recommended 5.50% stock dividend and 5.50% cash dividend for the year ended 30 June 2022 (2021: 10% stock dividend and 20% cash) which is subject to approval by the shareholders in the Annual General Meeting.

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**41.00 Credit facility not availed**

There was no credit facility available to the company under any contract, but not availed as on 30 June 2022 other than trade credit available in the ordinary course of business.

**42.00 Financial risk management**

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

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

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

**42.01 Credit risk**

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

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

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

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

**a) Exposure to credit risk**

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

| | Note(s) | Amount in Taka<br>30 June 2022 | Amount in Taka<br>30 June 2021 |
|---|---|---|---|
| Trade and other receivables | 12.00 | 5,466,050,256 | 3,367,753,798 |
| Advance and deposits | 10.01 & 10.02 | 6,175,765,211 | 4,831,590,609 |
| Investment in FDRs | 9.00 | 2,224,065,981 | 1,424,525,049 |
| Investment in Un-quoted equity | 8.00 | 64,500,000 | 64,500,000 |
| Investment in quoted shares | 8.00 | 107,498,290 | 98,049,188 |
| Cash at bank | 13.02 | 441,296,585 | 127,352,130 |
| | | **14,479,176,323** | **9,913,770,774** |
| **b) Ageing of receivables** | | | |
| Dues within 6 months | 12.01 | 4,911,714,497 | 2,870,188,712 |
| Dues over 6 months | | 98,325,321 | 85,670,420 |
| | | **5,010,039,818** | **2,955,859,132** |

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### 42.02 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

| Category of Liabilities | Carrying amount Taka | Nominal interest rate | Contractual cash flows | | |
|---|---|---|---|---|---|
| | | | Within 12 months or less Taka | Over 12 months Taka | Total Taka |
| Defined Benefit Obligation - Gratuity | 65,079,334 | N/A | - | 65,079,334 | 65,079,334 |
| Long term loan | 23,924,127,212 | 5.58% - 9.00% | 3,275,776,093 | 20,648,351,119 | 23,924,127,212 |
| Short term loans | 23,882,391,653 | 9.00% | 23,882,391,653 | - | 23,882,391,653 |
| Finance lease obligations | 150,726,594 | 9.00% - 12.00% | 41,019,367 | 109,707,227 | 150,726,594 |
| Creditors and accruals | 2,329,816,135 | N/A | 2,329,816,135 | - | 2,329,816,135 |
| | **50,352,140,928** | | **29,529,003,248** | **20,823,137,680** | **50,352,140,928** |

### 42.03 Market Risk

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

**a) Currency risk**

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

**(i) Exposure to currency risk**

| **As at 30 June 2022** | GBP | USD | Taka |
|---|---|---|---|
| **Foreign currency denominated assets** | | | |
| Cash and cash equivalents | 113.34 | - | 12,842 |
| | **113.34** | **-** | **12,842** |
| **Foreign currency denominated liabilities** | | | |
| ECA Backed Finance | - | 83,072,224 | 7,763,099,354 |
| Long Term Financing Facility | - | 44,170,415 | 4,127,725,290 |
| Liability for Accepted Bills for Payment (ABP) | - | 114,188,181 | 10,670,885,540 |
| | **-** | **241,430,821** | **22,561,710,184** |
| **Net exposure** | **113.34** | **(241,430,821)** | **(22,561,697,342)** |

| **As at 30 June 2021** | | | |
|---|---|---|---|
| **Liquidity risk is the risk that the** | **GBP** | **USD** | **Taka** |
| **Foreign currency denominated assets** | | | |
| Cash and cash equivalents | 113.34 | 552.01 | 60,163 |
| | **113.34** | **552.01** | **60,163** |
| **Foreign currency denominated liabilities** | | | |
| ECA Backed Finance | - | 91,597,925 | 7,776,663,815 |
| Long Term Financing Facility | - | 49,141,032 | 4,172,073,648 |
| Liability for Accepted Bills for Payment (ABP) | - | 36,777,050 | 3,122,371,569 |
| | **-** | **177,516,007** | **15,071,109,032** |
| **Net exposure** | **113.34** | **(177,515,455)** | **(15,071,048,869)** |

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

The following significant exchange rate is applied during the year:

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| | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|
| Exchange rate of US Dollar | 93.45 | 84.90 |
| Exchange rate of GBP | 113.31 | 117.32 |

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

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

| | | 30 June 2022 | | 30 June 2021 | |
|---|---|---|---|---|---|
| | | Profit or loss | | Profit or loss | |
| | | Strengthening | Weakening | Strengthening | Weakening |
| | | Taka | Taka | Taka | Taka |
| USD | (2% movement) | (451,234,204) | 451,234,204 | (301,421,243) | 301,421,243 |
| GBP | (2% movement) | 257 | (257) | 266 | (266) |

**(b) Transaction risk**

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

**(c) Economic risk**

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

**(d) Interest rate risk**

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

**Exposure to interest rate risk**

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

| | 30 June 2022 Taka | 30 June 2021 Taka |
|---|---|---|
| **Fixed- rate instruments** | | |
| Fixed rate instrument | | |
| Financial assets | 14,479,176,323 | 9,913,770,774 |
| Financial liabilities | 47,957,245,459 | 38,955,793,844 |
| | **62,436,421,782** | **48,869,564,618** |
| **Variable- rate instruments** | | |
| Financial assets | Nil | Nil |
| Financial liabilities | Nil | Nil |
| | - | - |

**Cash flow sensitivity analysis for variable rate instruments**

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

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

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

| | Note ref. | Fair value through profit or loss | Financial assets at amortised cost | Other financial liabilities | Total |
|---|---|---|---|---|---|
| **30 June 2022** | | Taka | Taka | Taka | Taka |
| **Financial Assets measured at fair value** | | | | | |
| Investment in quoted shares | 8.02 | **107,498,290** | - | - | **107,498,290** |
| **Financial Assets not measured at fair value** | | | | | |
| Trade and other receivables | 12 | - | 5,466,050,256 | - | 5,466,050,256 |
| Deposits | 10.02 | - | 102,644,130 | - | 102,644,130 |
| Investments in FDR | 9 | - | 2,224,065,981 | - | 2,224,065,981 |
| Cash at banks | 13.02 | - | 441,296,585 | - | 441,296,585 |
| | | - | **8,234,056,952** | - | **8,234,056,952** |
| **Financial Liabilities not measured at fair value** | | | | | |
| Long term borrowings | 15 | - | - | 23,924,127,212 | 23,924,127,212 |
| Finance lease obligations | 5 | - | - | 150,726,594 | 150,726,594 |
| Short term borrowings | 18 | - | - | 23,882,391,653 | 23,882,391,653 |
| Creditors and accruals | 19 | - | - | 2,329,816,135 | 2,329,816,135 |
| | | - | - | **50,287,061,594** | **50,287,061,594** |
| **30 June 2021** | | | | | |
| **Financial Assets measured at fair value** | | | | | |
| Investment in quoted shares | 8.02 | **98,049,188** | - | - | **98,049,188** |
| **Financial Assets not measured at fair value** | | | | | |
| Trade and other receivables | 12 | - | 3,367,753,798 | - | 3,367,753,798 |
| Deposits | 10 | - | 102,644,130 | - | 102,644,130 |
| Investments in FDR | 9.00 | - | 1,424,525,049 | - | 1,424,525,049 |
| Cash at banks | 13.02 | - | 127,352,130 | - | 127,352,130 |
| | | - | **5,022,275,107** | - | **5,022,275,107** |
| **Financial Liabilities not measured at fair value** | | | | | |
| Long term borrowings | 15 | - | - | 23,861,722,586 | 23,861,722,586 |
| Finance lease obligations | 5 | - | - | 153,326,825 | 153,326,825 |
| Short term borrowings | 18 | - | - | 14,940,744,433 | 14,940,744,433 |
| Creditors and accruals | 19 | - | - | 1,760,281,610 | 1,760,281,610 |
| | | - | - | **40,716,075,454** | **40,716,075,454** |

Company Secretary

Director

Managing Director

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