

IT IS TIME TO
TOUCH THE SKY!



ANNUAL REPORT
2019-2020



ispat



ANNUAL **REPORT**

2019-2020

GPH ISPAT LTD.

Registered Office

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

Dhaka Office

Hamid Tower (3rd & 11th floor),
24 Gulshan C/A, Circle -2, Dhaka-1212.
Tel: +88 02 222260177, 222280366
Fax: +88 02 9880366
E-mail: salesdhk@gphispat.com.bd

Factory

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

Website: www.gphispat.com.bd



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A large industrial facility, likely a steel mill, featuring a complex network of blue pipes, red steel structures, and yellow safety railings. Several workers in high-visibility vests and hard hats are visible on a platform. The scene is illuminated by warm, yellow lights, creating a dramatic atmosphere.

GOD FEARING **PLAIN LIVING** **HIGH THINKING**



“IN THE BEGINNING, GOD CREATED MAN”

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

GPH ISPAT LTD.

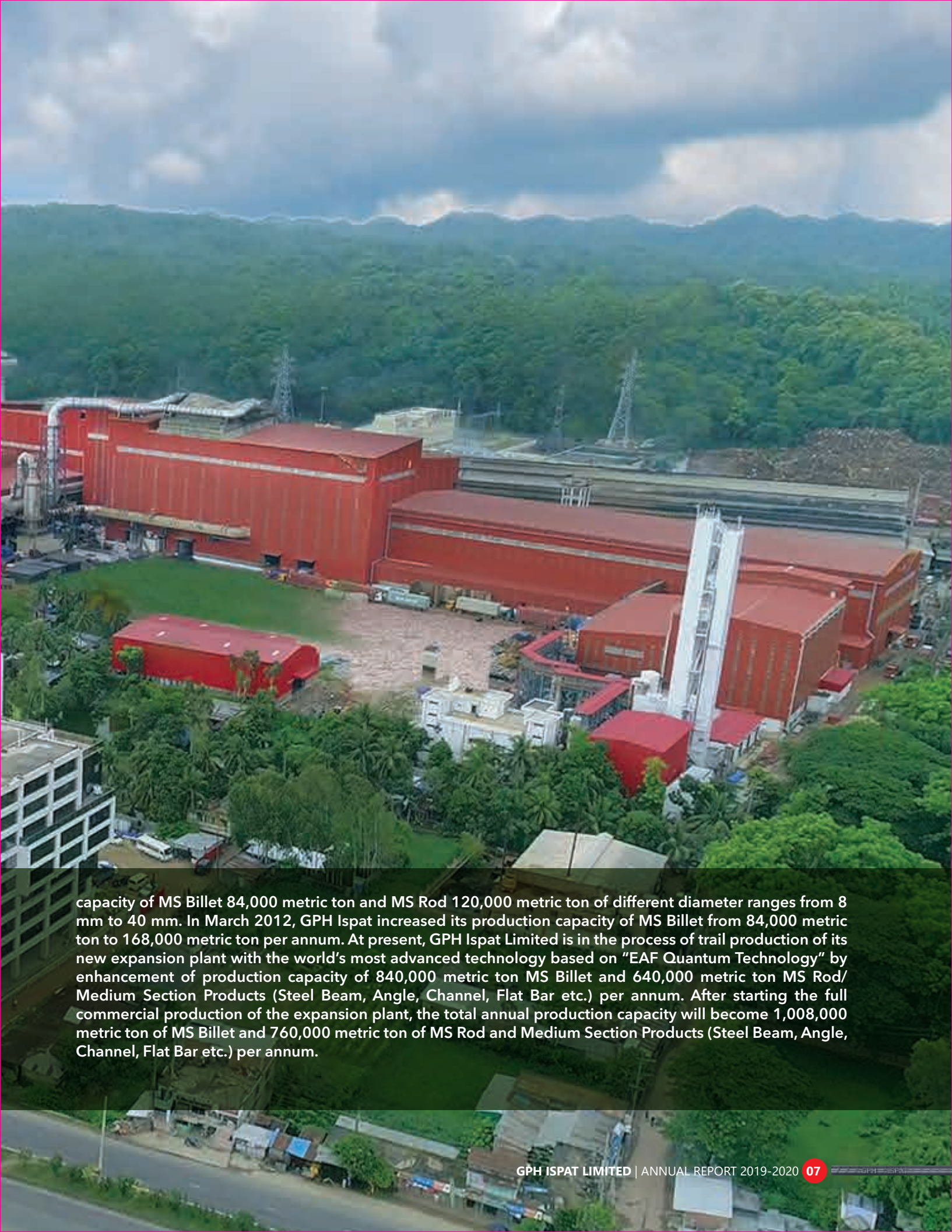
One of the leaders of Bangladesh in manufacturing steel promises a super strong future and economy with its world class products. Not only structural bar, but GPH Ispat Limited is also one of the producers of low & medium carbon and low alloy Steel Billets in Bangladesh, the main ingredients of manufacturing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



ABOUT GPH ISPAT LIMITED

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

The commercial production of the factory commenced on August 21, 2008 with an annual production



capacity of MS Billet 84,000 metric ton and MS Rod 120,000 metric ton of different diameter ranges from 8 mm to 40 mm. In March 2012, GPH Ispat increased its production capacity of MS Billet from 84,000 metric ton to 168,000 metric ton per annum. At present, GPH Ispat Limited is in the process of trial production of its new expansion plant with the world's most advanced technology based on "EAF Quantum Technology" by enhancement of production capacity of 840,000 metric ton MS Billet and 640,000 metric ton MS Rod/ Medium Section Products (Steel Beam, Angle, Channel, Flat Bar etc.) per annum. After starting the full commercial production of the expansion plant, the total annual production capacity will become 1,008,000 metric ton of MS Billet and 760,000 metric ton of MS Rod and Medium Section Products (Steel Beam, Angle, Channel, Flat Bar etc.) per annum.



OUR JOURNEY

2006

Incorporated as a Private Limited Company

2008

Commenced the commercial production of the factory with an annual production capacity of MS Billet 84,000 MT and MS Rod 120,000 MT

2009

- I. Converted into a Public Limited Company
- II. Enhanced Authorized Capital from Tk. 1,000 million to Tk. 2,500 million

2012

- I. Increased production capacity of MS Billet from 84,000 MT to 168,000 MT.
- II. Came to Initial Public Offering (IPO)
- III. Became listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited

2015

Enhanced the Authorized Capital from Tk. 2,500 million to Tk. 10,000 million

2016

- I. Issued 03[R]:02 Right Share
- II. Started large-scale expansion of production with the world's most advanced technology based on "EAF Quantum Technology" by enhancement of production capacity of MS Billet 840,000 MT and MS Rod, Medium Section Products (Steel Beam, Angle, Channel, Flat Bar etc.) 640,000 MT per annum.



OUR VISION

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



OUR MISSION

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

OUR VALUES

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

TRANSMITTAL LETTER



November 30, 2020

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

Subject: Annual Report for the year ended June 30, 2020.

Dear Sir(s),

We are pleased to enclose the notice of 14th Annual General Meeting, a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2020 along with the notes thereon of GPH Ispat Limited for your kind information and record.

It may be mentioned here that as per notification no. BSEC / CMRRCD / 2006 -158 / 208 / Admin/81, dated 20 June, 2018 issued by Bangladesh Securities and Exchange Commission, we are sending the Notice of Annual General Meeting and Annual Report along with Annual Audited Financial Statements to the valued Shareholders through e-mail addresses available in their Beneficial Owner (BO) accounts with the Central Depository System. Moreover, soft copy of the Annual Report will also be available in the company's website at <https://www.gphispat.com.bd/AnnualReports>.

Yours sincerely

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

Abu Bakar Siddique, FCMA

Executive Director-Group and Company Secretary

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

NOTICE OF THE 14TH ANNUAL GENERAL MEETING



NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of the Shareholders of GPH Ispat Limited will be held virtually on **Monday, 21 December, 2020 at 11.30 AM** by using Digital Platform ([link http://gphispat14th.digitalagmbd.net](http://gphispat14th.digitalagmbd.net)) to transact the following businesses:

- Agenda-1: To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June, 2020 together with the Auditors' Report and Directors' Report thereon.
- Agenda-2: To approve the Dividend for the year ended 30 June, 2020.
- Agenda-3: To elect Directors in terms of the relevant provision of Articles of Association.
- Agenda-4: To appoint Statutory Auditors for the year ended 30 June, 2021 and to fix their remuneration.
- Agenda-5: To appoint the Corporate Governance Compliance Auditors for the year ended 30 June, 2021 and to fix remuneration.
- Agenda-6: Any other matter with the consent of the Chair.

By order of the Board

Abu Bakar Siddique, FCMA

Executive Director-Group and Company Secretary

Dated: November 30, 2020

Notes:

1. The Shareholders whose names appeared in the Share Register/Depository Register of the company on the **"Record Date"** i.e **November 18, 2020** will be eligible to attend the 14th Annual General Meeting and receive the Dividend.
2. Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMRC/04-231/25 dated 08 July 2020, the Annual General Meeting will be virtual meeting of the Shareholders, which will be conducted via live webcast by using digital platform.
3. A Shareholder eligible to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her stead. The "Proxy Form" attached with this Annual Report, duly filled, signed and stamped Tk. 20.00 must be submitted to the Company's Registered Office, **Crown Chamber, 325 Asadgonj, Chattogram** or sent through email at share@gphispat.com.bd not later than 48 hours before the time fixed for the Annual General Meeting.
4. Shareholders are requested to submit their queries on the Directors' Report and the Audited Financial Statements for the year ended on June 30, 2020 through above mentioned email or in writing at least 3 (three) working days before the day of AGM.
5. Pursuant to the Bangladesh Securities and Exchange Commission notification no. BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June, 2018, the soft copy of the Annual Report is being sent to the Shareholders through e-mail addresses available in their Beneficial Owner (BO) accounts maintained with the Central Depository System.
6. The soft copy of the Annual Report and proxy form will also be available in the company's website at <https://www.gphispat.com.bd/AnnualReports/>.

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১৪তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, জিপিএইচ ইস্পাত লিমিটেড এর শেয়ারহোল্ডারগণের ১৪তম বার্ষিক সাধারণ সভা নিম্নলিখিত বিষয়াদি সম্পাদনকল্পে ডিজিটাল প্ল্যাটফর্ম এর মাধ্যমে (লিঙ্ক <http://gphispac14th.digitalagmbd.net>) ভার্চুয়ালি আগামী ২১ ডিসেম্বর ২০২০ইং তারিখ রোজ সোমবার সকাল ১১:৩০ ঘটিকায় অনুষ্ঠিত হবে।

- আলোচ্য বিষয়-১: ৩০ জুন ২০২০ইং তারিখে সমাপ্ত বছরের কোম্পানির নিরীক্ষিত আর্থিক হিসাব বিবরণী, সংশ্লিষ্ট নিরীক্ষা প্রতিবেদন এবং পরিচালকমন্ডলীর প্রতিবেদন গ্রহন, বিবেচনা ও অনুমোদন।
- আলোচ্য বিষয়-২: ৩০ জুন ২০২০ইং তারিখে সমাপ্ত বছরের জন্য ঘোষিত লভ্যাংশ অনুমোদন।
- আলোচ্য বিষয়-৩: আর্টিকেলস অব এসোসিয়েশন এর সংশ্লিষ্ট ধারা অনুযায়ী পরিচালকবৃন্দের নির্বাচন।
- আলোচ্য বিষয়-৪: ৩০ জুন ২০২১ইং তারিখে সমাপ্ত আর্থিক বছরের জন্য নিরীক্ষক নিয়োগ এবং তাঁদের পারিশ্রমিক নির্ধারণ।
- আলোচ্য বিষয়-৫: ৩০ জুন ২০২১ইং তারিখে সমাপ্ত আর্থিক বছরের কর্পোরেট গভর্ন্যান্স কমপ্লাইয়েন্সের জন্য নিরীক্ষক নিয়োগ এবং তাঁদের পারিশ্রমিক নির্ধারণ।
- আলোচ্য বিষয়-৬: চেয়ারম্যানের অনুমতিক্রমে অন্য কোনো বিষয়ে আলোচনা।

বোর্ডের আদেশক্রমে

তারিখ: ৩০ নভেম্বর, ২০২০ইং

আবু বক্কর সিদ্দিক, এফসিএমএ
নির্বাহী পরিচালক-গ্রুপ এবং কোম্পানি সচিব

নোট:

১. “রেকর্ড ডেটে” অর্থাৎ ১৮ নভেম্বর ২০২০ইং তারিখে যে সকল শেয়ারহোল্ডারবৃন্দের নাম কোম্পানির শেয়ার রেজিস্ট্রার/ডিপোজিটরি রেজিস্ট্রারে লিপিবদ্ধ থাকবে শুধুমাত্র তারা ১৪তম বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার ও লভ্যাংশ পাওয়ার যোগ্য বলে বিবেচিত হবেন।
২. বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ০৮ জুলাই ২০২০ইং তারিখ এর আদেশ নং SEC/SRMRC/04-231/25 অনুসারে শেয়ারহোল্ডারবৃন্দের বার্ষিক সাধারণ সভা ভার্চুয়াল সভা হবে, যা ডিজিটাল প্ল্যাটফর্ম ব্যবহার করে লাইভ ওয়েবকাস্টের মাধ্যমে পরিচালিত হবে।
৩. বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার যোগ্য শেয়ারহোল্ডার ইচ্ছা করলে তার পক্ষে বার্ষিক সাধারণ সভায় উপস্থিত হওয়া এবং ভোট প্রদানের জন্য একজন প্রতিনিধি নিয়োগ করতে পারবেন। সেক্ষেত্রে বার্ষিক প্রতিবেদনের সাথে সংযুক্ত প্রক্সিফর্ম যথাযথ ভাবে পূরণ করে, স্বাক্ষর ও বিশ টাকার স্টাম্প সহ সভা অনুষ্ঠিত হওয়ার নির্ধারিত সময়ের ৪৮ ঘন্টা পূর্বে অবশ্যই কোম্পানির রেজিস্টার্ড অফিস ক্রাউন চেম্বার, ৩২৫ আসাদগঞ্জ, চট্টগ্রাম-এ জমা দিতে হবে অথবা share@gphispac.com.bd-এ পাঠাতে হবে।
৪. পরিচালক মন্ডলীর প্রতিবেদন এবং ৩০ জুন ২০২০ইং তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণীর উপর শেয়ারহোল্ডারবৃন্দের প্রশ্ন সমূহ বার্ষিক সাধারণ সভার কমপক্ষে ৩ (তিন) কার্যদিবসের পূর্বে উপরে উল্লিখিত ই-মেইল ঠিকানায় অথবা লিখিত ভাবে জমা দেয়ার জন্য অনুরোধ করা হচ্ছে।
৫. বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ২০ জুন ২০১৮ইং তারিখ এর নোটিফিকেশন নং- BSEC / CMRRCD / 2006 -158/208/Admin/81 অনুসারে বার্ষিক প্রতিবেদনের সফট কপি শেয়ারহোল্ডারবৃন্দের সেন্ট্রাল ডিপোজিটরি সিস্টেমে রক্ষিত বেনিফিশিয়াল ওনার্স (বিও) অ্যাকাউন্ট হতে প্রাপ্ত ই-মেইল ঠিকানায় প্রেরণ করা হচ্ছে।
৬. বার্ষিক প্রতিবেদন এবং প্রক্সিফর্ম এর সফট কপি কোম্পানির ওয়েবসাইট <https://www.gphispac.com.bd/AnnualReports>-এ পাওয়া যাবে।

GPH ISPAT LTD.

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VIRTUAL AGM ATTENDANCE PROCEDURE

In order to avoid large gathering at one place and to maintain social distancing the Bangladesh Securities and Exchange Commission issued an Order (No. SEC/SRMRC/04-231/25 dated 08 July 2020) regarding holding AGM/EGM of listed companies and order to use digital platform at different locations considering the geographical dispersal of its members/shareholders. To comply with the said order, the Board of Director of GPH Ispat Limited has decided to hold its 14th Annual General Meeting in virtual manner by using digital platform. The digital platform is expected to make sure shareholder's attendance and take part from any place around the world. The procedure of attendance at virtual AGM are as follows:

- Step-1: Please check whether you are the Shareholder of GPH Ispat Limited as on **"Record Date" i.e. November 18, 2020.**
- Step-2: Please visit **<http://gphispat14th.digitalagmbd.net>** from your laptop, tablet and smartphone.
- Step-3: Please put your 16-digit BO ID number and number of shares on record date as a proof of your identity to login the system.
- Step-4: Please acknowledge regulatory directives and GPH's communication mode to the public for attending the AGM in digital platform.



Sign In

Shareholder Proxy Board Member Admin

BO ID/Folio *

Share Quantity *



GPH Ispat Ltd.

Crown Chamber, 325 Asadgonj, Chattogram.

14th Annual General Meeting

Date : 21 December 2020, Monday, 11:30 AM



CORPORATE INFORMATION

CORPORATE HISTORY

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

BOARD OF DIRECTORS

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

CORPORATE INFORMATION

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

CORPORATE OFFICIALS

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

ADVISORS

Prof. Dr. M. Shamim Z. Bosunia	: Advisor
Mr. Shidhartha Barua, FCA	: Tax Advisor
Engr. Serazul Islam	: Technical Advisor (230 KV T/L & Substation Project)
Mr. Mohammad Osman Gani Chowdhury	: Media Advisor
Mr. Arafat Kamal, FCA	: Internal Audit Advisor
Mr. Mustaq Ahmad	: Civil Engineering Advisor
Mr. Md. Musharraf Hussain	: Technical Advisor (Marketing & Sales)
Mr. Mujibur Rahman, District Judge (Retd.)	: Legal & Compliance Advisor
Mr. Mohammad Amirul Islam	: Process Development Advisor
Colonel Mohammed Showkat Osman (Retd.)	: Admin & Logistics Advisor

LISTING

Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

CORPORATE INFORMATION

LOCAL BANKERS

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

FOREIGN BANKER

ODDO BHF Aktiengesellschaft, Germany

NON-BANKING FINANCIERS

IPDC Finance Ltd.
United Finance Ltd.
IIDFC Ltd.
Bangladesh Infrastructure Finance Fund Ltd.
Uttara Finance and Investments Ltd.

INSURERS

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

CREDIT RATING

Alpha Credit Rating Limited



BOARD OF DIRECTORS



Mr. Md. Alamgir Kabir
Director & Chairman



Mr. Mohammed Jahangir Alam
Director & Managing Director



Mr. Md. Almas Shimul
Director & Additional Managing Director



Mr. Md. Abdur Rouf
Director



Mr. Md. Ashrafuzzaman
Director



Mr. Md. Abdul Ahad
Director



Mr. Md. Azizul Hoque
Director



Mr. M A Malek
Independent Director



Mr. Mukhtar Ahmed
Independent Director

BOARD OF DIRECTORS' COMMITTEE

AUDIT COMMITTEE



Mr. Mukhtar Ahmed
Chairman



Mr. Md. Almas Shimul
Member



Mr. Md. Ashrafuzzaman
Member



Mr. Abu Bakar Siddique, FCMA
Secretary

NOMINATION & REMUNERATION COMMITTEE



Mr. M A Malek
Chairman



Mr. Md. Abdur Rouf
Member



Mr. Md. Almas Shimul
Member



Mr. Abu Bakar Siddique, FCMA
Secretary

MANAGEMENT TEAM



Mr. Mohammed Jahangir Alam
Managing Director



Mr. Md. Almas Shimul
Additional Managing Director



Mr. Md. Ashrafuzzaman
Director



Mr. Md. Abdul Ahad
Director



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



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



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



Mr. Shobhon Mahub Shahabuddin (Raj)
Executive Director
(Marketing and Sales)



Engr. A S M Shumon, Ph.D
Head of Plant



Mr. Madduluri Srinivasa Rao
Head of Plant (Operation)



Ms. Sharmin Sultan
Chief People Officer
(Human Resources)

ADVISORS PANEL



Prof. Dr. M. Shamim Z. Bosunia
Advisor



Mr. Shidhartha Barua, FCA
Tax Advisor



Engr. Serazul Islam
Technical Advisor
(230 KV T/L & Substation Project)



Mr. Mohammad Osman Gani Chowdhury
Media Advisor



Mr. Arafat Kamal, FCA
Internal Audit Advisor



Mr. Mustaq Ahmad
Civil Engineering Advisor



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



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



Mr. Mohammad Amirul Islam
Process Development Advisor



Colonel Mohammed Showkat Osman (Retd.)
Admin & Logistics Advisor

CHAIRMAN'S PROFILE



MR. MD. ALAMGIR KABIR
Director & Chairman

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

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

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

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

MANAGING DIRECTOR'S PROFILE



MR. MOHAMMED JAHANGIR ALAM
Director & Managing Director

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

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

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

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

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

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

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

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

ADDITIONAL MANAGING DIRECTOR'S **PROFILE**



MR. MD. ALMAS SHIMUL
Director & Additional Managing Director

Mr. Md. Almas Shimul went to Japan for his career development after completion of his education. After two years successful completion of job in Asahi High Tech, a Japanese IT Company he returned to Bangladesh and joined in family business.

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

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

Being a prominent social worker, he is actively involved with the following organizations:

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

DIRECTOR'S PROFILE



MR. MD. ABDUR ROUF
Director

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

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

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

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



MR. MD. ASHRAFUZZAMAN
Director

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

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

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

DIRECTOR'S PROFILE



MR. MD. ABDUL AHAD
Director

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

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



MR. MD. AZIZUL HOQUE
Director

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

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

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

- Life Member - Chattogram Ma-O-Shishu Hospital, Chattogram
- Life Member - Kidney Foundation, Chattogram
- Life Member - Brehattar Dhaka Samity
- Member - Lions Club of Chittagong City, Chattogram

INDEPENDENT DIRECTOR'S PROFILE



MR. M. A. MALEK
Independent Director

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

He held the important positions in the following renowned organizations:

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

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



MR. MUKHTAR AHMED
Independent Director

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

Mr. Ahmed has served for long 35 years in banking sector and has gathered extensive knowledge and experiences in banking sector. He was at National Credit and Commerce Bank Limited for 30 years and served in different capacities. On 03 May 2017 he joined at Pubali Bank Limited as the Deputy Managing Director and on 16 August, 2018 he retired from the said post.

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

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

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



MESSAGE FROM THE **CHAIRMAN**

Bismillahir Rahmanir Rahim
Dear Fellow Shareholders,

It is my great pleasure to welcome you all at the 14th Annual General Meeting of GPH Ispat Limited. I would like to express my thanks and gratitude to you all for your kind support to the company during the financial year 2019-2020.

Despite of various challenges and obstacles to accomplish the target of continuous improvement and growth, GPH Ispat continuously facilitating the industry chain, supply chain and value chain in Bangladesh. The underlying key components to success in the steel industry of Bangladesh is to achieve the confidence, respect and trust of the customers and the stakeholders. Regardless of the brand name we use in a given market or the subsidiary at which we are employed, we all must share the same high standards. Due to the heightened competition in the steel market in Bangladesh, GPH Ispat strengthened the organizational

MESSAGE FROM THE CHAIRMAN

capability, agility and innovation for its sustainability. Looking ahead, I believe GPH Ispat sets the right direction towards focused growth, modernization and innovation to serve the customers by better quality products and make a difference by responsible business conduct. We have further strengthened our commitment to establish a sustainable growth. In this connection, the large-scale expansion of production capacity with the world's most advanced technology based on "EAF Quantum Technology" has almost completed and trial production has been successfully started.

The COVID-19 pandemic and the economic shutdown in advanced economies and other parts of the globe have disrupted billions of lives and are jeopardizing decades of development progress. At the same time global economy as well as Bangladesh economy have suffered a devastating blow. Your Company is not out from the impacts of said pandemic. Beyond the staggering economic impacts, the pandemic will also have severe and long - lasting socio-economic impacts that may well weaken long-term growth prospects the plunge in investment. It presents clear actions needed by the global community and national policymakers to limit the harm, recover and rebuild better and stronger than before. The speed and depth with which it has struck suggests the possibility of a sluggish recovery that may require policymakers to consider additional interventions. Moreover, to overcome the pandemic situation the transparency of all government commitments regarding financial incentives will be the key step in creating an attractive investment climate and could make substantial progress in the coming years. This will also allow a quicker return to business creation and sustainable development after the pandemic is over. In 2019-2020, despite of the COVID-19 pandemic challenge GPH Ispat geared up and delivered a reasonable revenue through innovation and execution, which has positively impacted shareholders' returns. It is the pleasure that the Board of Directors of the company proposed lives and are jeopardizing decades of development progress. At the same time global economy as well as Bangladesh economy have suffered a

devastating blow. Your Company is not out from the impacts of said pandemic. Beyond the staggering economic impacts, the pandemic will also have severe and long-lasting socio-economic impacts that may well weaken long-term growth prospects the plunge in investment. It presents clear actions needed by the global community and national policymakers to limit the harm, recover and rebuild better and stronger than before. The speed and depth with which it has struck suggests the possibility of a sluggish recovery that may require policymakers to consider additional interventions. Moreover, to overcome the pandemic situation the transparency of all government commitments regarding financial incentives will be the key step in creating an attractive investment climate and could make substantial progress in the coming years. This will also allow a quicker return to business creation and sustainable development after the pandemic is over.

In 2019-2020, despite of the COVID-19 pandemic challenge GPH Ispat geared up and delivered a reasonable revenue through innovation and execution, which has positively impacted shareholders' returns. It is the pleasure that the Board of Directors of the company proposed 10% Dividend (5% Cash and 5% Stock) for the shareholders of the company for the year ended 30 June, 2020.

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

I extend my gratitude to the Board of Directors for their continued guidance and active engagement. I also extend my sincere thanks to the management team and the employees of GPH Ispat for their tireless efforts.



Md. Alamgir Kabir
Chairman

বিসমিল্লাহির রাহমানির রাহিম

প্রিয় শেয়ারহোল্ডারবৃন্দ,

জিপিএইচ ইস্পাত লিমিটেড এর ১৪তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাই। সেই সাথে ২০১৯-২০২০ অর্থ বছরে কোম্পানির সার্বিক কর্মকাণ্ডে আপনাদের সদয় সমর্থনের জন্য ধন্যবাদ এবং কৃতজ্ঞতা জ্ঞাপন করছি।

ধারাবাহিক উন্নতি ও বিকাশের লক্ষ্য অর্জনে বিভিন্ন চ্যালেঞ্জ এবং প্রতিবন্ধকতা সত্ত্বেও জিপিএইচ ইস্পাত ধারাবাহিকভাবে বাংলাদেশে শিল্প চেইন, সরবরাহ চেইন এবং ভ্যালু চেইনকে সহজতর করে চলেছে। বাংলাদেশের ইস্পাত শিল্পে সাফল্যের অন্তর্নিহিত মূল উপাদান হল গ্রাহক এবং অংশীদারদের কাছ থেকে আস্থা, শ্রদ্ধা ও বিশ্বাস অর্জন করা। মার্কেটে আমরা যে ব্র্যান্ড নামটি ব্যবহার করি না কেন অথবা আমাদের নিয়োগকৃত সহায়ক সংস্থা সহ নির্বিশেষে আমাদের সকলকে একই উচ্চমান বজায় রাখতে হবে। বাংলাদেশের ইস্পাত মার্কেটে তীব্র প্রতিযোগিতার কারণে জিপিএইচ ইস্পাত তার স্থায়িত্বের জন্য প্রাতিষ্ঠানিক সক্ষমতা, কৌশল এবং নতুন পণ্য উদ্ভাবনের বিষয়ে বিশেষ জোর দিয়েছে। আমি বিশ্বাস করি আগামী দিনে জিপিএইচ ইস্পাত তার প্রবৃদ্ধি, আধুনিকায়ন এবং উদ্ভবনী কর্মকাণ্ডের দিকে আরও দৃষ্টি নিবন্ধ করবে এবং উন্নত মানের পণ্য সরবরাহের মাধ্যমে গ্রাহকদের সেবা দিয়ে দায়িত্বশীল ব্যবসায়িক আচরণের মাধ্যমে মার্কেটে একটি পার্থক্য তৈরি করবে। কোম্পানির টেকসই প্রবৃদ্ধি প্রতিষ্ঠায় আমরা আমাদের প্রতিশ্রুতির বাস্তবায়ন করেছি। তারই ফলশ্রুতিতে, বিশ্বের সর্বাধুনিক উন্নত “ইএএফ কোয়ান্টাম প্রযুক্তির” মাধ্যমে উৎপাদন ক্ষমতা বৃহৎ আকারে সম্প্রসারণ প্রকল্পের কাজ প্রায় শেষ হয়েছে এবং পরীক্ষামূলক উৎপাদন সফলভাবে শুরু হয়েছে।

কোভিড-১৯ মহামারী এবং উন্নত অর্থনীতির দেশে অর্থনৈতিক শাট ডাউন এবং বিশ্বের বিভিন্ন দেশের বিভিন্ন অংশের অর্থনৈতিক শাট ডাউনের কারণে কোটি কোটি মানুষের অর্থনৈতিক কর্মকাণ্ড ব্যাহত হয়েছে এবং আগামী কয়েক দশকের উন্নয়ন অগ্রযাত্রাকে ব্যাহত করেছে। একই সাথে বৈশ্বিক অর্থনীতির পাশাপাশি বাংলাদেশের অর্থনীতিও এক বিধ্বংসী আঘাতের মুখোমুখি হয়েছে। আপনাদের কোম্পানিও এই মহামারীর প্রভাব থেকে রেহাই পাচ্ছে না। বিস্ময়কর অর্থনৈতিক প্রভাব ছাড়াও উক্ত মহামারীর কারণে মারাত্মক ও দীর্ঘস্থায়ী আর্থ-সামাজিক প্রভাব পড়বে যা দীর্ঘমেয়াদী প্রবৃদ্ধির ও বিনিয়োগের সম্ভাবনাগুলিকে দুর্বল করতে পারে। কোভিড-১৯ মহামারীর কারণে ক্ষতির

পরিমাণ হ্রাস করা, অর্থনীতিকে পুনরুদ্ধার করা এবং পূর্বের চেয়ে আরও শক্তিশালী ভাবে পুনর্গঠন করার জন্য বিশ্ব সম্প্রদায় এবং জাতীয় নীতি নির্ধারকদের সুস্পষ্ট পদক্ষেপ গ্রহণ করা প্রয়োজন। ইহা যে গতি এবং গভীরতার সাথে অর্থনৈতিক কর্মকাণ্ডকে আঘাত করেছে তা হ্রাস করে পুনরুদ্ধারের জন্য নীতিনির্ধারকদের অতিরিক্ত হস্তক্ষেপও বিবেচনা করতে হবে। তদুপরি, মহামারী পরিস্থিতি কাটিয়ে উঠতে আর্থিক প্রনোদনা সম্পর্কিত সরকারী সকল প্রতিশ্রুতির স্বচ্ছ বাস্তবায়ন নিশ্চিত করতে হবে যা একটি আকর্ষণীয় বিনিয়োগের পরিবেশ তৈরিতে কার্যকর ভূমিকা রাখবে এবং আগামী বছরগুলোতে যথেষ্ট অগ্রগতি অর্জনে সহায়তা করবে। যাহা মহামারী কেটে যাওয়ার পরে ব্যবসায়িক পরিবেশ সৃষ্টি এবং টেকসই উন্নয়নে দ্রুততর ভাবে ফিরে আসতে সাহায্য করবে।

২০১৯-২০২০ সালে কোভিড-১৯ মহামারীর চ্যালেঞ্জ সত্ত্বেও, জিপিএইচ ইস্পাত তার উদ্ভাবনী কর্মকাণ্ড এবং বাস্তবায়নের মাধ্যমে একটি যুক্তিসঙ্গত মুনাফা অর্জন করতে সক্ষম হয়েছে, যা শেয়ারহোল্ডারদের রিটার্নকে ইতিবাচকভাবে প্রভাবিত করেছে। ইহা খুবই আনন্দের বিষয় যে, পরিচালনা পর্ষদ ৩০ জুন, ২০২০ইং তারিখে সমাপ্ত বছরে কোম্পানির শেয়ারহোল্ডারদের জন্য ১০ শতাংশ লভ্যাংশ (৫ শতাংশ নগদ এবং ৫ শতাংশ স্টক) প্রদানের প্রস্তাব করেছেন।

পরিশেষে, আমি সকল সম্মানিত শেয়ারহোল্ডার, ক্রেতা, বিপননকারী, সরবরাহকারী, বিভিন্ন সরকারী ও আধা-সরকারী কর্তৃপক্ষ, ব্যাংকার, পরামর্শক এবং অন্যান্য স্টেকহোল্ডারদের-কে কোম্পানির প্রতি তাদের মূল্যবান সমর্থন ও সহযোগিতার জন্য আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি।

আমি কোম্পানির সামগ্রিক কর্মকাণ্ডে অব্যাহত দিকনির্দেশনা এবং সক্রিয় অংশগ্রহণের জন্য পরিচালনা পর্ষদের প্রতি কৃতজ্ঞতা জানাচ্ছি। আমি জিপিএইচ ইস্পাতের ম্যানেজমেন্ট টিম এবং কর্মীদের অক্লান্ত পরিশ্রমের জন্য আন্তরিক ধন্যবাদ জানাচ্ছি।



মোঃ আলমগীর কবির
চেয়ারম্যান



MESSAGE FROM THE **MANAGING DIRECTOR**

Bismillahir Rahmanir Rahim
Dear Fellow Shareholders,

It is indeed a great honor and privilege for me to greet you all at the 14th Annual General Meeting of GPH Ispat Limited. On behalf of the Board of Directors, it is my pleasure to present the Annual Report of the Company for the financial year ended on 30 June, 2020.

You are aware that due to COVID-19 pandemic, 2019-2020 financial year was one of the most difficult years in recent past posing challenges from both global and local perspectives to a sustainable business growth of the fast-evolving steel industry. The COVID-19 pandemic has disrupted operations globally and impacted almost all supply chains, which includes the steel sector also. This pandemic has, with alarming speed, dealt a heavy blow to

MESSAGE FROM THE MANAGING DIRECTOR

an already weak global economy, which is expected to slide into its deepest economic recession. As a result, economic disruptions are likely to be more severe and protracted in emerging market and developing economies.

We GPH Ispat developed policy initiatives to objectively analyze and systematically address the economic disruption and impact caused by COVID-19 in 2020. These initiatives will guide our endeavors to overcome this crisis wisely with business partners to render our industrial ecosystem even stronger and to fulfill our role as a corporate citizen. As the GPH Ispat grows and expands its operations, it is crucial that we continue to promote a favorable and lasting impression in the minds of everyone with whom we interact. With this goal in mind, the management has been working together to achieve the company's sustainable development. Despite of all adversities, we are committed to taking more effective measures to deal with the COVID-19 pandemic situation so that we could recover from the pandemic more resiliently.

GPH Ispat, highly stringent strategies were put in place to stay firm and cold-headed in coping with COVID-19 in the face of unprecedented uncertainties across the business landscape. Most of all, cost-saving will be our top priority to secure margins in the shrinking market. We will be focused on pursuing market-oriented technology innovation, company required quality innovation and the development of new products with future growth potential to solidify our position as a market leader even amid the on-going crisis. To flexibly respond to market contraction, an emergency response approach is taken to outline scenario-based production and sales plans. We consistently analyzing how external conditions unfold while modifying the set investment priorities to defend our profitability and ensure financial soundness.

In 2019-2020, specially we concentrated to start trial production and commercial production of our expansion plant. But we faced several challenges in several times. Despite of challenges, we successfully started trial

production of our long-expected world's most advanced technology based on "EAF Quantum Technology" steel plant. We also trying our level best to start the commercial production very soon. Besides, to keep our employees free from COVID-19, we have taken various proactive measures and still now it is continuing. Special inspections are conducted during working time. Health check-ups are done on all employees and on-site inspections are performed on a regular basis to doubly ensure that our worksites remain free from the COVID-19.

Finally, I would like to thanks each and every customer for their continued support and for making the GPH's brands as their preferred choices. I would also like to place my thanks and gratitude to the valued Shareholders, Stakeholders, Government Authority, Semi-government Authority, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Central Depository Bangladesh Limited and Registrar of Joint Stock Companies and Firms, Bangladesh Bank, Government and Semi-Government Banks, Commercial Banks, Financial Institutions, Insurances, press and media for their persistent support and guidance during the year.



Mohammed Jahangir Alam
Managing Director

ব্যবস্থাপনা পরিচালকের বক্তব্য

বিসমিল্লাহির রাহমানির রাহিম
প্রিয় শেয়ারহোল্ডারবৃন্দ,

জিপিএইচ ইস্পাত লিমিটেড এর ১৪তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি। পরিচালনা পর্ষদের পক্ষ থেকে ৩০ জুন, ২০২০ইং তারিখে সমাপ্ত আর্থিক বছরের কোম্পানির বার্ষিক প্রতিবেদন আপনাদের নিকট উপস্থাপন করা সত্যিই আমার জন্য এক আনন্দের বিষয়।

আপনারা অবগত আছেন যে কোভিড-১৯ মহামারীর কারণে ২০১৯-২০২০ অর্থবছর দ্রুত বিকাশমান ইস্পাত শিল্পের টেকসই ব্যবসায়িক প্রবৃদ্ধির অর্জনের ক্ষেত্রে বৈশ্বিক ও স্থানীয় উভয় দৃষ্টিকোণ থেকেই চ্যালেঞ্জের মুখোমুখি হয়েছে। কোভিড-১৯ মহামারী বিশ্বব্যাপী সকল কার্যক্রমকে ব্যাহত করেছে এবং প্রায় সকল সাপ্লাই চেইনকে প্রভাবিত করেছে, যার মধ্যে ইস্পাত খাতও অন্তর্ভুক্ত রয়েছে। ইতিমধ্যে উক্ত মহামারী উদ্বেগজনক গতির সাথে দুর্বল বৈশ্বিক অর্থনীতিতে প্রচণ্ড আঘাত করেছে, যা দীর্ঘ মেয়াদী অর্থনৈতিক মন্দা তৈরি হওয়ার সম্ভাবনা দেখা দিয়েছে। ফলস্বরূপ, উদীয়মান বাজার এবং উন্নয়নশীল অর্থনীতিতে অর্থনৈতিক প্রতিবন্ধকতা আরও তীব্র এবং দীর্ঘায়িত হওয়ার সম্ভাবনা রয়েছে।

জিপিএইচ ইস্পাত ২০২০ সালে কোভিড-১৯ দ্বারা সৃষ্ট অর্থনৈতিক বিপর্যয় এবং এর প্রভাব সমূহকে উদ্দেশ্য মূলকভাবে বিশ্লেষণ করে এবং পদ্ধতিগতভাবে সমাধানের জন্য নীতি ও উদ্যোগ গ্রহণ করেছে। এই উদ্যোগগুলি আমাদের শিল্পের ইকোসিস্টেমকে আরও শক্তিশালী করবে এবং কর্পোরেট নাগরিক হিসাবে আমাদের ব্যবসায়িক অংশীদারদের সাথে সঙ্কট কাটিয়ে উঠতে ভূমিকা রাখবে। জিপিএইচ ইস্পাত যখন তার প্রবৃদ্ধির সাথে সাথে কার্যক্রমকেও সম্প্রসারণ করছে, তখন ইহা আমাদের জন্য অত্যন্ত গুরুত্বপূর্ণ যে আমরা যার সাথেই যোগাযোগ করি না কেন প্রত্যেকের মনে অনুকূল এবং স্থায়ী ছাপ রাখার চেষ্টা করে চলেছি। এই লক্ষ্যটিকে সামনে রেখে কোম্পানির টেকসই উন্নয়ন অর্জনে ম্যানেজমেন্ট এক সাথে কাজ করে চলেছে। সমস্ত প্রতিকূলতা সত্ত্বেও, আমরা কোভিড-১৯ মহামারী পরিস্থিতি উত্তরণে আরও কার্যকর ব্যবস্থা গ্রহণে প্রতিশ্রুতিবদ্ধ, যাতে মহামারীর ছোঁবল সামলিয়ে আমরা সন্মুখের পথে দৃঢ়তার সাথে এগিয়ে যেতে পারি।

জিপিএইচ ইস্পাত তার ব্যবসায়িক পরিবেশে অনেক অনিশ্চয়তার মুখোমুখি হয়ে কোভিড-১৯ মহামারী দ্বারা সৃষ্ট সমস্যা দূরীকরণে সময়োপযোগী ও দৃঢ় কৌশল অবলম্বন করে চলেছে। সর্বোপরি, সংকুচিত মার্কেটে আমাদের মার্জিন সুরক্ষিত করার জন্য ব্যয়-সাশ্রয় নীতি হবে আমাদের সর্বোচ্চ অগ্রাধিকার। চলমান সংকটের মধ্যেও আমরা মার্কেটে শীর্ষস্থানীয় হিসাবে আমাদের অবস্থানকে আরও সুদৃঢ় করার জন্য বাজারমুখী প্রযুক্তি উদ্ভাবন, কোম্পানির প্রয়োজনীয় গুণগত মানের উদ্ভাবন এবং ভবিষ্যতে

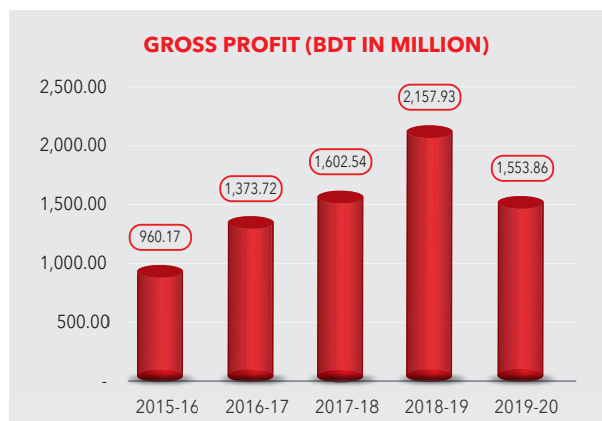
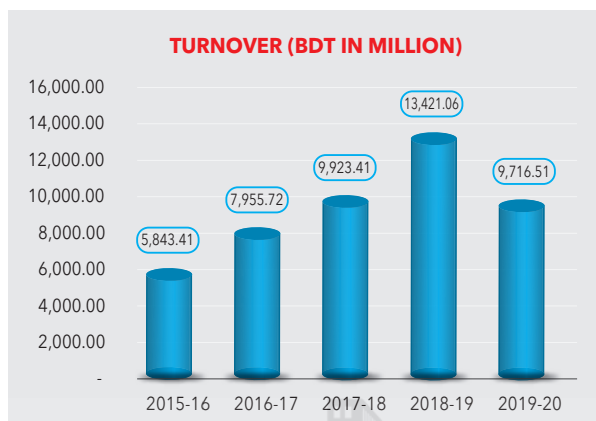
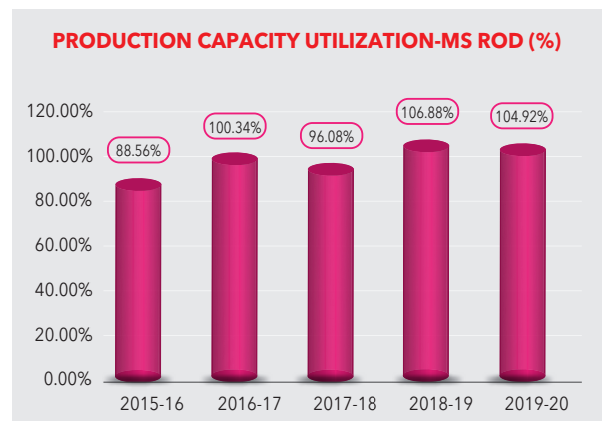
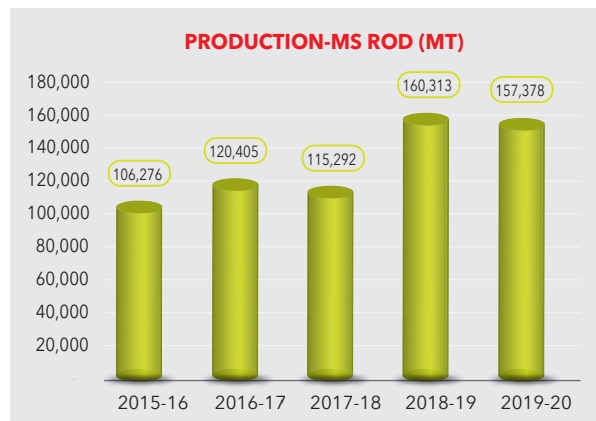
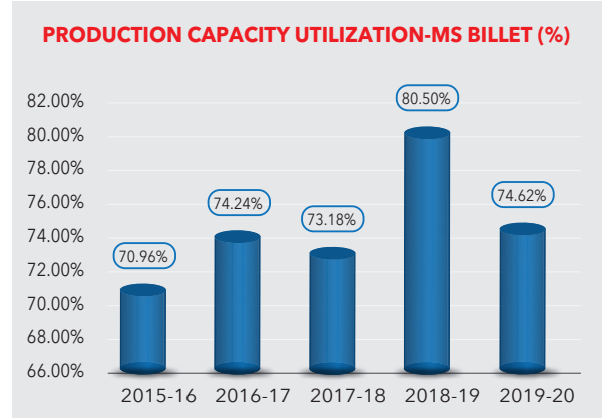
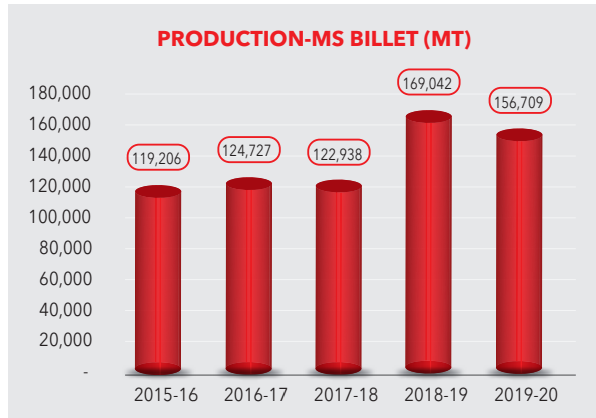
চাহিদা বৃদ্ধির সম্ভাবনা রয়েছে এধরণের সম্ভাব্য নতুন পণ্য উন্নয়নের দিকে মনোনিবেশ করব। মার্কেট সংকোচনের কারণে নমনীয় প্রতিক্রিয়ায় পরিস্থিতি ভিত্তিক উৎপাদন এবং বিক্রয় পরিকল্পনার রূপরেখার জন্য জরুরি পন্থা অবলম্বন করা হয়েছে। আমাদের ব্যবসায়ের লাভজনকতা রক্ষা এবং আর্থিক সাবলীলতা নিশ্চিত করার জন্য বাহ্যিক পরিস্থিতি সমূহ ধারাবাহিকভাবে বিশ্লেষণ করা হচ্ছে এবং বিনিয়োগের বিষয় সমূহ নির্ধারণের সময় যে সকল বিষয়গুলো আমাদের ব্যবসায়ের উপর প্রভাব বিস্তার করছে সে সকল বিষয়গুলোকে অগ্রাধিকার হিসেবে বিবেচনা করা হচ্ছে।

২০১৯-২০২০ সালে, আমরা উৎপাদন সম্প্রসারণ প্ল্যান্টের পরীক্ষামূলক উৎপাদন এবং বাণিজ্যিক উৎপাদন শুরু করার বিষয়ে বিশেষ মনোনিবেশ করেছি। তবে আমরা বিভিন্ন সময়ে বিভিন্ন চ্যালেঞ্জের মুখোমুখি হয়েছি। চ্যালেঞ্জ সত্ত্বেও, আমাদের দীর্ঘ প্রত্যাশিত বিশ্বের সর্বাধুনিক প্রযুক্তির “ইএএফ কোয়ান্টাম প্রযুক্তি” স্টিল প্ল্যান্টের পরীক্ষামূলক উৎপাদন শুরু করেছি। দ্রুত সময়ের মধ্যে বাণিজ্যিক উৎপাদন শুরু করার জন্য আমরা আমাদের সর্বোচ্চ চেষ্টা চালিয়ে যাচ্ছি। এছাড়াও, আমাদের কর্মীদেরকে কোভিড-১৯ থেকে মুক্ত রাখতে আমরা বিভিন্ন কার্যকর ব্যবস্থা গ্রহণ করেছি এবং এখনও তা অব্যাহত রয়েছে। কাজের সময় বিশেষ পরিদর্শনের ব্যবস্থা করা হয়েছে। সকল কর্মচারীদের স্বাস্থ্য পরীক্ষা করা হয়েছে এবং নিয়মিত কাজের সাইট পরিদর্শন করা হয়েছে যাতে কর্মস্থলে কর্মীরা কোভিড-১৯ থেকে মুক্ত থাকতে পারে।

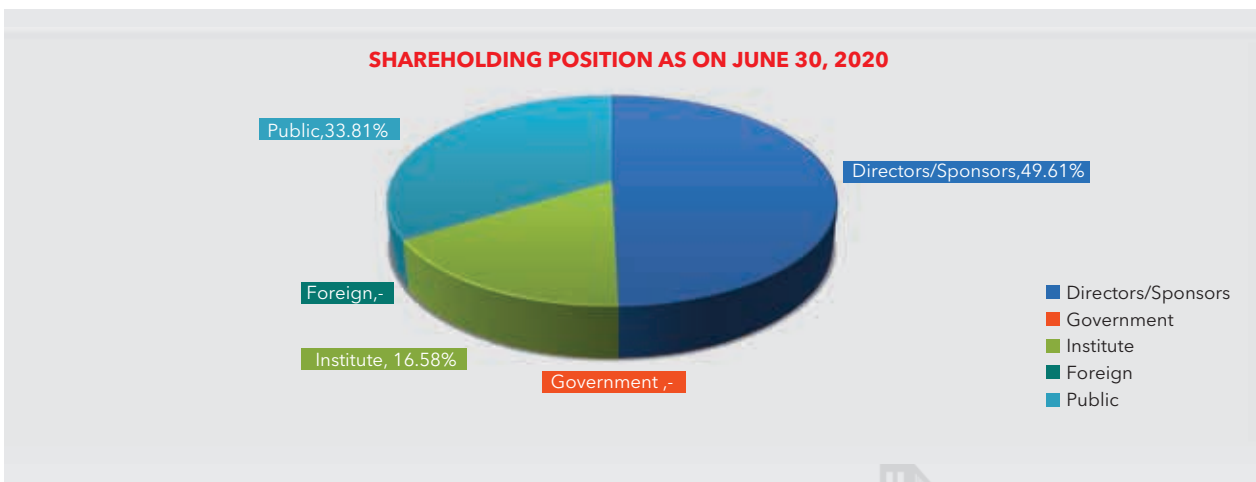
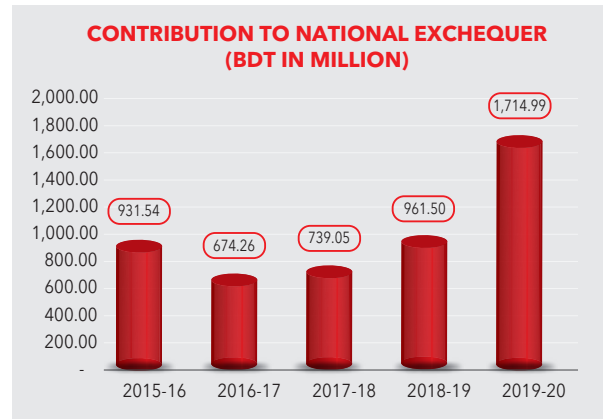
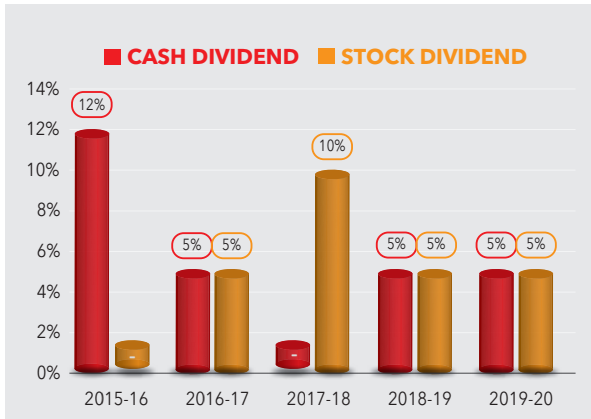
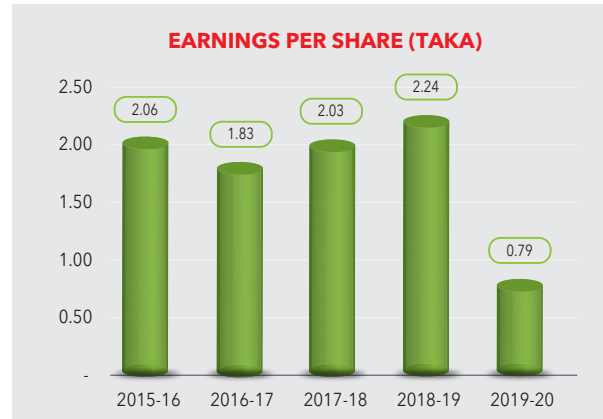
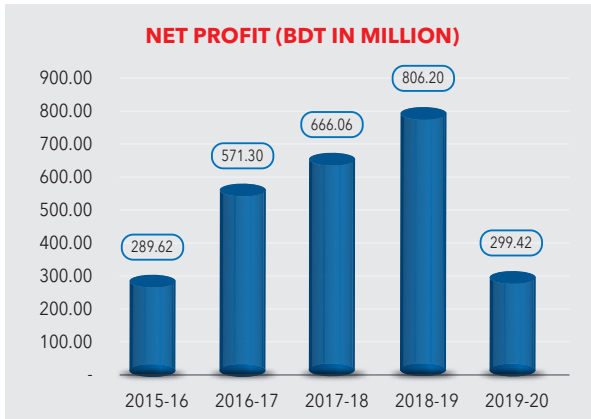
পরিশেষে, জিপিএইচ ইস্পাত লিমিটেডের সকল গ্রাহকদেরকে তাদের অব্যাহত সমর্থন এবং প্রথম পছন্দ হিসেবে জিপিএইচ ব্র্যান্ডকে পছন্দ করার জন্য ধন্যবাদ জানাই। সকল সম্মানিত শেয়ারহোল্ডার, স্টেকহোল্ডার, বিভিন্ন সরকারী ও আধা-সরকারী কর্তৃপক্ষ, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড, সেন্ট্রাল ডিপজিটরী বাংলাদেশ লিমিটেড, রেজিষ্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস্, বাংলাদেশ ব্যাংক, সরকারী ব্যাংক, আধা-সরকারী ব্যাংক, বাণিজ্যিক ব্যাংক, আর্থিক প্রতিষ্ঠান, বীমা কোম্পানি এবং প্রেস ও মিডিয়া-কে কোম্পানির প্রতি তাদের মূল্যবান সমর্থন ও সহযোগিতার জন্য আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি।

মোহাম্মদ জাহাঙ্গীর আলম
ব্যবস্থাপনা পরিচালক

GRAPHICAL VIEW



GRAPHICAL VIEW



EVENTS ALBUM



The Board of Directors and the High Officials attended in the 13th Annual General Meeting.

Partial view of Shareholders attended in the 13th Annual General Meeting.



Mr. Asaduzzaman Khan, MP, Honorable Minister, Ministry of Home Affairs, High Official of Bangladesh Police and the Management of GPH Ispat Limited are seen while visiting the GPH Ispat's New Plant.

Mr. Mohammed Jahangir Alam, Managing Director and Mr. Md. Almas Shimul, Additional Managing Director of GPH Ispat Limited handed over a crest to Mr. Asaduzzaman Khan, MP, Honorable Minister, Ministry of Home Affairs while visiting the GPH Ispat's New Plant.



EVENTS ALBUM



An Agreement Signing Ceremony between BRTC and GPH Ispat Limited regarding to bear the cost of maintenance and operation of 10 double decker BRTC school bus gifted by Honorable Prime Minister for the student of Chittagong city.

Mr. Mohibul Hassan Chowdhury, MP, Honorable Deputy Minister, Ministry of Education, Mr. Mohammad Elius Hossain, Deputy Commissioner, Chattogram District and Mr. Md. Almas Shimul, Additional Managing Director of GPH Ispat Limited are seen in the Inauguration Ceremony of 10 double decker BRTC school bus for the student of Chittagong City.



Former Vice-Chancellor, the University of Asia Pacific and National Professor Late Mr. Jamilur Reza Chowdhury and the Management of GPH Ispat Limited are seen while visiting the GPH Ispat's New Plant.

Letter of Collaboration Signing between the Department of Material and Metallurgical Engineering, BUET and GPH Ispat Limited.



EVENTS ALBUM



Professor Dr. Saiful Islam, Former Vice-Chancellor, Bangladesh University of Engineering & Technology and the Management of GPH Ispat Limited are seen while visiting the GPH Ispat's New Plant.

Mr. Mohammed Jahangir Alam, Managing Director handed over a crest to Mr. Munshi Shahabuddin Ahmed, the Chairman of the Bangladesh Tariff Commission while visiting the GPH Ispat's New Plant.



High Officials of BHF Bank, Germany and Austrian Embassy visited the New Plant of GPH Ispat Limited where the Management of GPH Ispat Limited were present.

Mr. Mohammed Jahangir Alam, Managing Director handed over a crest to Rear Admiral S M Abul Kalam Azad, (G), NGP, ndc, psc, BN, the Chairman of Chittagong Port Authority while visiting the GPH Ispat's New Plant.



EVENTS ALBUM



Major General S M Matiur Rahman, afwc, psc, (standing 4th from right) GOC of 24th Infantry Division and Area Commander of Chattogram area and Mr. Faruq Mainuddin Ahmed (standing 5th from left), Managing Director & CEO of Trust Bank Ltd. visited the New Plant of GPH Ispat Limited where the management of GPH Ispat Limited were present.

High Official of the Institute of Architects Bangladesh (IAB) and the Management of GPH Ispat Limited are seen while visiting the New Plant of GPH Ispat Limited.



High Officials and Engineers team of MI Cement Factory Limited and the Management of GPH Ispat Limited are seen while visiting the New Plant of GPH Ispat Limited.

Mr. Md. Almas Shimul, Additional Managing Director of GPH Ispat Limited handed over one thousand Oxygen Cylinders as donation on behalf of GPH Ispat Limited to the Deputy Commissioner of Chittagong for COVID19 affected people.





BOARD OF DIRECTORS' REPORT

**TO THE SHAREHOLDERS FOR THE
YEAR ENDED 30TH JUNE, 2020**



BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Fellow Shareholder(s)
Assalamu Alaikum,

On behalf of the Board of Directors, it is my pleasure and privilege to present the Annual Report of GPH Ispat Limited which includes Directors' Report along with the Audited Financial Statements and Auditors' Report for the year ended 30 June, 2020 for your kind consideration, adoption and approval.

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

Steel Industry Outlook and Possible Future Developments:

Economic Scenario:

Metals have been one of the core drivers of industrialization. Among metals, steel has historically held a dominant position. As a raw material and intermediate product, production and consumption of steel are widely regarded as indicators of economic progress. Thus, it would not be an overstatement to say that the steel industry has always been at the forefront of industrial development and forms the backbone of any economy. In a true sense, most of Bangladesh's modern infrastructure was built using steel, which cemented the industry's key position in the nation's growth story. With the emergence of economies driven by industrialization at the beginning of the twentieth century, countries with sound steel industries benefited from a first-mover advantage. Currently, the steel industry contributes significantly in the GDP growth of Bangladesh both directly and indirectly. The indirect contributions of steel industry is much larger than direct contributions. Last few years, the steel industry employs huge number of people directly and indirectly.

Amid uncertainty and bleak future of a global economic recovery, the Bangladesh Government has set a target of 8.2% GDP growth for the next fiscal year 2020-21. Meanwhile, Asian Development Bank has also forecasted the economy to grow by 7.5% in the said fiscal year, which makes Bangladesh as the fastest growing economy in Asia Pacific region. According to industry experts, there is a linkage between a country's economic growth and growth in steel consumption. If GDP is expected to grow by 8%, steel industry should grow by at least 16% per year. Though per capita steel consumption of Bangladesh is significantly lower than the global average, the per capita consumption in Bangladesh is 45kg whereas the global average is 224.50kg. It is forecasted that per capita steel consumption in Bangladesh will increase significantly in near future.

At present, the COVID-19 pandemic constitutes an unprecedented challenge with very severe socio-economic consequences. Government should be committed to do everything necessary to meet this challenge in a spirit of solidarity. A coordinated and comprehensive strategy is necessary to deal with health emergency needs, to support economic activity and to prepare the ground for the recovery. Coordinated actions should be taken like relaxation or flexibility in financial rules, monetary policy for financial stability, proper use of the national budget, offering the stimulus packages for emergency support, social safety nets programs and prepare a roadmap for recovery from COVID-19 pandemic. These strategies should combine short, medium and long-term initiatives, taking account of the spill overs and interlinkages between our economies stability and the need to preserve confidence.

Steel Industry in Bangladesh:

Bangladesh's steel industry is especially vulnerable due to price and demand fluctuation. Moreover, growing demand for steel products ensures promising industry prospect. However, high market competition, excessive

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

investments and increased cost of doing business squeezing profitability of the industry players. The slump in domestic steel consumption and decrease in investment across sectors have affected the overall growth and profitability of the steel industry. Measures are needed to increase consumer confidence and the credibility of the financial sector. Moreover, the steel industry needs to evaluate the digital disruption taking place in other industries and how some of its challenges can be mitigated by using emerging technologies. Apart from being a product of the primary sector, steel is probably the most extensively used input in manufacturing. Due to its high corrosion resistance, steel finds wide usage in many complex industries dealing with various reactive/non-reactive elements like immense strength, durability and ductility at a low cost make steel the most valuable raw material of the manufacturing sector.

Steel Industry Growth, Opportunity and Optimism:

Bangladesh is one of Asia's buoyant emerging steel markets and has a growing need for raw materials and steelmaking technologies. The movement towards a progressive national economy strongly depends on how the construction materials especially steel related industries have evolved and such products are readily available. Steel is a basic raw material for infrastructural development and multiple other uses. Some are concerned about the risks of investing in Bangladesh. Yes, we have challenges like many other countries. But in Bangladesh we know how to transform challenges into opportunities. At present, Bangladesh offers the most liberal investment regime in South Asia in terms of legal protection of foreign investment, generous fiscal incentives, concessions on machinery imports, an unrestricted exit policy, full repatriation of dividends and capital on exit. The Government is establishing 100 Special Economic Zones with one-stop service across Bangladesh. Twelve of the zones are already functioning. A number of high-tech parks are also ready for technology and innovative enterprises. In between Eastern and North-East India, China on the west and South-East Asia, Bangladesh merits the attention of global and Indian business as a seamless economic space. We can serve as the economic hub for the sub-region. Beyond our own 162 million people, Bangladesh can be the connecting landmass to a combined market of nearly 3 billion people. We are continuously learning in our journey towards development with our confident people, able leadership and governance. Bangladesh offers a stable and humanitarian state, where leadership is responsive and responsible. That's coupled with sound macro-economic fundamentals and our pragmatic and open economy shall continue to set global trends and the example of a peaceful and progressive nation.

The country's economic activities took a turnaround in recent period. Increased in VAT and other regulatory duties, implementation of new VAT law and strict field level enforcement along with higher market competition, high interest rates and slow private credit growth etc. has significantly affected industry demand and sales of various industries including steel as well. Meanwhile, the global economic downturn has also started which has started to have an impact on our country's economy. However, our long-term view remained positive as the demand for steel will inevitably grow in line with the country's economic and infrastructural development. Implementation of the government's huge infrastructural development plans have been driving the double-digit growth rate in the country's steel industry and we expect that the industry will also be enjoying strong growth in the next decade amid ambitious development initiatives by the government. Besides, growing urbanization, industrialization, increased wage earners' remittance inflows and higher purchasing power of consumers are accelerating the growth in overall construction sector. The sector is expected to grow further driven by the increasing purchasing power and ongoing infrastructural developments by both public and private sector of the country. Moreover, as steel has contributed immensely towards Bangladesh's economic growth and this evident from the similar growth patterns of Bangladesh's GDP and steel production in the country, which also highlights the economy's dependence on steel.

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

The country's annual installed capacity for various long steel products like Rod, Angle, Channel, Bar etc. is around 8 million MT and annual consumption about 7.50 million MT. Even though industry capacity is higher than the domestic demand, the industry is exposed to seasonality. Sales remains sluggish during the rainy season and higher in winter season. So, actual production remains lower in the dull season.

The demand for steel industry is mainly driven by two factors; one is the implementation of the government's ADP plans and government's infrastructure building activities and the other is from the industrial and individual level demand especially from the real estate sector. However, in the last decade Government projects has driven the majority of growth in the steel demand. Currently, the government projects account for nearly 35% to 40% of total steel consumption which was only 15% a decade ago. A lot of infrastructural works are running in the country and it would take another 5-7 years to finish them. Due to the expectation of the undertaking of more mega projects in near future and overall healthy economic growth, there is enough opportunity for steel consumption to grow.

GPH Ispat Driving the Most Advanced Technology in Bangladesh:

GPH Ispat always focuses on the long-term strategic plan for sustainable growth of the Company. In this connection, a large-scale expansion of production capacity is going on with the world's most advanced technology based on "EAF Quantum Technology". This type of technology is being used for the first time in Bangladesh as well as in the Asian region. EAF Quantum Technology will not only ensure world class products but also substantially reduce the consumption of power, gas and water against existing steel production practices in Bangladesh. Moreover, using this technology carbon emission will be 90 percent less than the World Bank's prescribed limit and 96 percent less than the Bangladesh Standards' recommended limit. For transforming the long expected dream into reality, we started our journey in January 2016 and we have signed an agreement with Primetals Technologies, Austria to supply the technology and necessary machineries for the said expansion plant. But we faced several challenges. Despite of the challenges, we worked relentlessly and we successfully started trial production of our long-expected expansion plant. The commercial production will also be started very soon. After starting of successful commercial production of the said expansion plant it will not only provide us with a high production capacity but it will also enable an increase the production of high value-added products.

Product Wise Performance:

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

Particulars	MS Billet		MS Rod	
	2019-20	2018-19	2019-20	2018-19
Installed Capacity (MT)	210,000	210,000	150,000	150,000
Production Quantity (MT)	156,709	169,042	157,378	160,313
Capacity Utilization (%)	74.62	80.50	104.92	106.88

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Risks and Concerns:

Every equity investment is associated with risks. Among those risks some can be averted, others are beyond control. On the other hand, risk assessment and mitigation plans are the integral part of any business. Our operating context is characterized by an environment in which the steel industry is subject to high level risks in availability of power, gas and raw materials. GPH Ispat aims to address all kind of risks including internal and external which threat to business sustainability and negative impact on environment by developing appropriate risk mitigation measures. Moreover, the Board of Directors and Management of the Company are regularly monitoring, assessing and identifying the possible risks and threats on profitability and sustainable growth of the business. In spite of that, Investors should take the risk factors into consideration before making any investment decision. A detailed articulation of some of the major risk factors that impact our business and our adjoining strategy and response are described in the **Annexure-D, page number 76**.

Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

Cost of Goods Sold (COGS) refers to the direct costs of producing the goods sold by a company. This cost includes the cost of direct materials, direct labor and production overheads used to create the goods. During the year under review, Cost of Goods Sold has decreased by 29.32% compare to the last year as caused of bulk quantity of raw materials have been purchased at low prices during the year 2019-20.

Gross Profit Margin is a metric analysts use to assess a company's financial health by calculating the amount of money left over from product sales after subtracting the Cost of Goods Sold (COGS). Sometimes referred to as the gross margin ratio, gross profit margin is frequently expressed as a percentage of sales. During the year under review, it has seen that the Gross Profit Margin of GPH Ispat was 16.52% while it was 16.26% in the previous year.

The Net Profit Margin is equal to how much net income or profit is generated as a percentage of revenue. Net Profit Margin is also the ratio of net profits to revenues for a company or business segment. Net income is also called the bottom line of a company. The net profit margin for the year 2019-20 was 3.18% while it was 6.08% in the previous year.

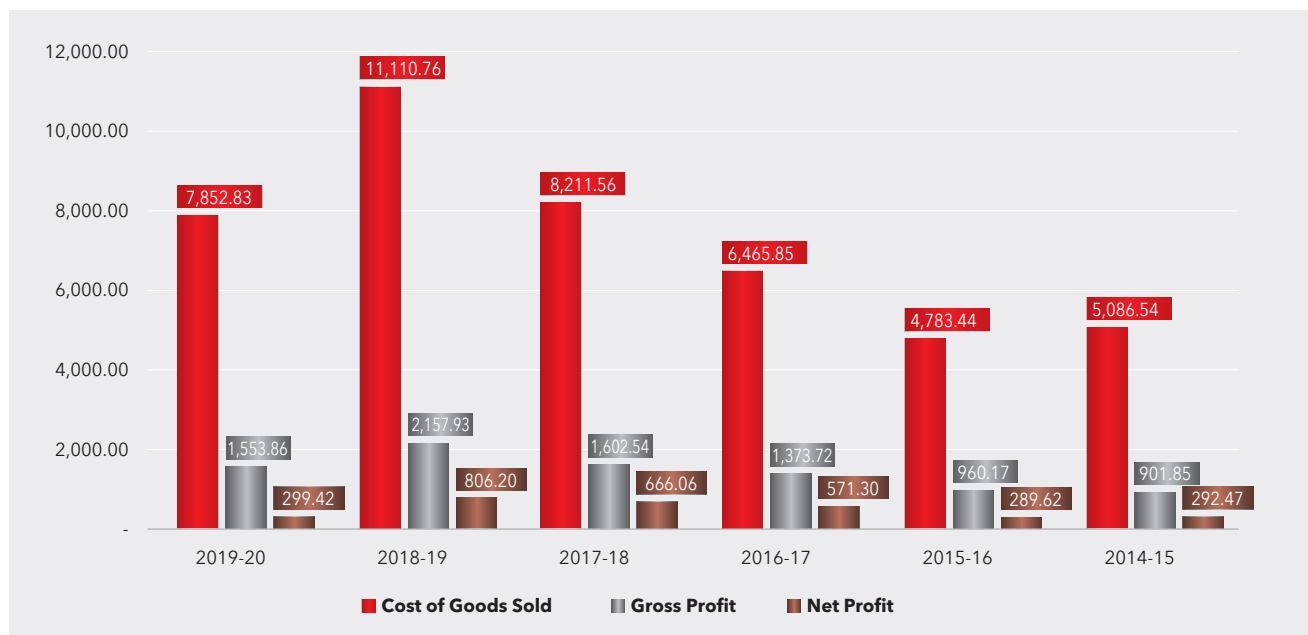
Revenue for the financial year 2019-20 amounting Tk. 9,406.69 million while it was Tk. 13,268.68 million in the previous year and Revenue has decreased by 29.11%. Profits after tax for the financial year 2019-20 amounting Tk. 299.41 million while it was Tk. 806.20 million in the previous year and Profit after tax has decreased by 62.86%. Revenue have been decreased significantly as caused the country was in lockdown due to COVID-19 pandemic from March 2020.

Last six years Cost of Goods Sold, Gross Profit and Net Profit of the Company are tabulated below:

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	Taka	Taka	Taka	Taka	Taka	Taka
Cost of Goods Sold (Million)	7,852.83	11,110.76	8,211.56	6,465.85	4,783.44	5,086.54
Gross Profit (Million)	1,553.86	2,157.93	1,602.54	1,373.72	960.17	901.85
Net Profit (Million)	299.42	806.20	666.06	571.30	289.62	292.47

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Amount BDT in Million



Extra-Ordinary Activities and their Implications (Loss or Gain):

Extraordinary items are gains or losses in a company's financial statements that are infrequent and unusual. Moreover, an item is deemed extraordinary if it is not part of a company's day-to-day operations and it has a material impact on the company. The year under review, GPH Ispat has not been engaged in any kind of extra-ordinary activities and as a result there was no extra-ordinary gain or loss.

Related Party Transaction:

During the year, GPH Ispat Limited carried out a number of transactions with its related parties and all transactions have been made in the normal course of business on an arms' length basis. The details of related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions have been shown in the **Annual Audited Financial Statements Note No. 36, page number 136**.

Utilization of Proceeds raised through Public Issues and Rights Issues:

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

In the year 2015-16, the Company has raised Tk. 2,619.54 million through issuance of 18,71,10,000 nos. Ordinary Share as Rights at the ratio of 03[R]:02 and at an issue price of Tk. 14.00 (including a share premium of Tk. 4.00 each) to meet the project expansion needs. As per implementation schedule of Rights Share Offer Document, the Company utilized full amount of Rights Issue Proceeds as per purposes/heads as specified in the ROD except Tk. 35,051 which was remained un-utilized under the head of "Right Issue Expenses". To utilize the un-utilized amount Tk. 35,051 in Civil Works head was placed in the Company's 13th Annual General Meeting held on 26th December, 2019 for the shareholders' approval. The Shareholders has approved Tk. 35,051 utilize in "Civil Works" in place of "Right Issue Expenses". Accordingly, the Company utilized Tk. 35,051 in "Civil Works" in place of "Right Issue Expenses".

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

The Financial Results Deteriorate after the Company goes for Initial Public Offer (IPO) and Rights Share Offer:

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

Significant Variance between Quarterly Financial Performances and Annual Financial Statements:

In First Quarter (July-19 to September-19), the Earnings Per Share of the company was Tk. 0.46, Second Quarter (October-19 to December-19), the Earnings Per Share was Tk. 0.43 and Third Quarter (January-20 to March-20), the Earnings Per Share was Tk. 0.12. In Annual Financial Statements Earning Per Share was Tk. 0.79. Due to the pandemic COVID-19 in second half of the financial year, revenue has been decreased significantly, consequently this has affected in Annual Earnings Per Share and reduced it from projected EPS. Subsequently, a variance between Quarterly Financial Performances and Annual Financial Statements has been occurred.

Remuneration paid to the Directors including Independent Directors:

Directors were remunerated as per the Nomination and Remuneration Policy of the company and the approval of the Board of Directors meeting. A statement of the Directors' Remuneration have shown in the **Annual Audited Financial Statements Note No. 38, page number 137.**

Preparation of Financial Statements:

The Board is responsible to present a true and fair view of the Company's financial performance and position as a part of good governance. In compliance with the Bangladesh Securities and Exchange Commission's Corporate Governance Code, notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 the Board of Directors confirm to the best of their knowledge as follows:

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

System of Internal Control:

Internal control system includes a set of rules, policies, and procedures that an organization implements to provide direction, increase efficiency and strengthen adherence to policies. The Board of Directors, Management and Employees of the company are responsible to follow the internal control system. Moreover, transparency and accountability can bring the business benefits from improved recognition and reputation, and also by improved customer and stakeholder relationships. To ensure transparency and accountability, GPH Ispat Limited has designed its internal control system with the policies and procedures which provide reasonable assurance that the assets are safeguarded, transactions are authorized and properly recorded. We have also taken proper and adequate care in installing a system of internal control and maintenance of accounting records. We have a separate Internal Audit Department which is regularly conducting audit works that the established policies and procedures of the Company are consistently followed.

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

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

Protection of Minority Shareholders:

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

Ability to Continue as a Going Concern:

The company has adequate resources to continue its operation for foreseeable future. For this reason, the directors continue to adopt going concern principle in preparing the financial statements. The current revenue generations and resources of the company provide sufficient fund to meet the present requirements of its existing business and operations. So, there is no doubt upon the company's ability to continue as a going concern.

Significant Deviations from the last year's Operating Results:

The operating result arising from the profit and loss account, shows what the company has earned from its core business activities. It is also described as Earnings Before Interest and Taxes (EBIT). GPH Ispat was able to maintain a consistent growth and remarkable performances in Operational perspective since its inception. But during the year under review, Operating Profit has decreased by 35.36% comparing with the last year Operating Profit as caused sales have decreased significantly due to COVID-19 pandemic.

Key Operating and Financial Data of Last Six Years:

GPH Ispat Limited has made a significant progress over last few years in respect of Production, Sales and Profit earnings. Last six year's operational and financial data of the Company is tabulated below:

Operational Data:

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
	Taka	Taka	Taka	Taka	Taka	Taka
Net Revenue (Million)	9,406.69	13,268.68	9,814.10	7,839.57	5,743.61	5,988.40
Cost of Goods Sold (Million)	7,852.83	11,110.76	8,211.56	6,465.85	4,783.44	5,086.54
Gross Profit (Million)	1,553.86	2,157.93	1,602.54	1,373.72	960.17	901.85
Operating Profit (Million)	1,121.43	1,735.00	1,276.27	1,094.77	753.74	731.69
Profit before Tax (Million)	398.58	1,075.12	863.66	761.82	388.13	381.15
Profit after Tax (Million)	299.42	806.20	666.06	571.30	289.62	292.47
Earnings per Share (EPS)	0.79	2.24	2.03	1.83	2.06	2.34
Net Operating Cash Flow per Share	(8.10)	1.44	0.49	3.83	1.00	4.67

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Financial Data:

Particulars	As on April 30, 2020	As on April 30, 2019	As on April 30, 2018	As on April 30, 2017	As on April 30, 2016	As on April 30, 2015
	Taka	Taka	Taka	Taka	Taka	Taka
Non-Current Assets (Million)	27,043.69	23,010.70	13,976.55	4,746.15	2,107.53	1,758.28
Current Assets (Million)	12,945.80	8,482.32	8,717.68	8,120.05	8,186.72	4,245.58
Total Assets (Million)	39,989.49	31,493.02	22,694.23	12,866.20	10,294.25	6,003.86
Equity (Million)	6,433.36	6,335.36	5,525.35	5,035.60	4,819.08	2,045.23
Non-Current Liabilities (Million)	20,648.88	16,952.44	8,619.71	1,948.61	457.04	634.36
Current Liabilities (Million)	12,907.25	8,205.22	8,549.17	5,881.99	5,018.13	3,324.27
Total Equity and Liabilities (Million)	39,989.49	31,493.02	22,694.23	12,866.20	10,294.25	6,003.86
Net Asset Value (NAV)	17.01	17.59	16.87	16.15	15.45	16.40

Dividend:

GPH Ispat Limited earned Profit after Tax Tk. 299.41 million and Earnings Per Share stands Tk. 0.79. The Board of Directors proposed 10% Dividend (5% Cash and 5% Stock) for its all Ordinary Shareholders out of Profit earned for the year ended June 30, 2020 and Retained Earnings. Accordingly, capital to be accumulated by an amount of Tk. 189.09 million absorbing Stock Dividend amount. This amount of capital to be utilized for the company's project development works that will be created long term value for the shareholders and sustainable growth of the company.

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

Number of Board Meetings held and Attendance by Directors:

During 2019-20, the Board of Directors of the company has called upon total 06 (six) board meetings to consider and discuss the various agenda related to company's operation and others. The total numbers of Board Meeting and attendance of the Directors have been shown in the **Annual Audited Financial Statements Note No. 39, page number 137**.

Shareholding Information:

The pattern of shareholding of the company as on June 30, 2020 has been set out in the **Annexure-E, page number 80**.

Directors' Appointment, Retirement & Re-appointment:

Directors' appointment, retirement and re-appointment are governed by the Articles of Association of the

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

Company and the Companies Act 1994. Accordingly, in the forthcoming Annual General Meeting the following Directors of the Board will retire and they will also be eligible for re-appointment:

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

A brief resume of the said Directors are set out in **page number 21, 23 & 24.**

Management's Discussion and Analysis:

A detailed analysis presenting the Company's position and operations along with a brief discussion of changes in the Financial Statements and others for the year ended June 30, 2020 is attached in **Annexure-F, page number 81.**

Declaration by the Managing Director and the Chief Financial Officer:

A declaration by the Managing Director and the Chief Financial Officer to the Board regarding the financial statements for the year ended on June 30, 2020 is attached in **Annexure-A, page number 61.**

Report as well as certificate regarding Compliance of the Corporate Governance Code:

In order to ensure the good governance, financial transparency, accountability and to protect the stakeholder's interest, the Bangladesh Securities and Exchange Commission has issued a mandatory Code on Corporate Governance vide its notification BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018. By abiding the conditions of the said Corporate Governance Code, GPH Ispat Limited ensures all related compliances. The Compliance status of your company along with Auditors' Certificate for the year end June 30, 2020 is attached in **Annexure-B, Page number 62 & Annexure-C, Page number 63.**

Marketing & Branding:

Considering as a highly competitive steel market in Bangladesh, the Board of Directors is always proactive concern about marketing and branding strategy of the company. Moreover, effective marketing policy and implementation are the vital factor for securing expected growth of market share. Such a visionary thought induces GPH Ispat's management to introduce world's latest and most advance Quantum Electric Arc Furnace technology in Bangladesh. Along with the best quality products GPH follow the efficient practices of Marketing and Branding activities like Television Commercial, Reality Show with various TV Channel, Press Advertisement, Street Beautification, Billboard, Neon Sign, High-wall Painting, Shop Painting, Shop-Signboard, Shop Merchandizing etc. all over the country.

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

Human Resource Management and Employees Benefits:

We believe that a competent, skilled, and dedicated human resource is one of the key pre-requisites for achieving company's goals. At the same time, proper human resource management brings out the important values like trust, reliability, teamwork, encouragement and relation development between Company's values like trust, reliability, teamwork, encouragement and relation development between Company's management and employees. A high standard Human Resource Department are engaged in job analysis, recruitment

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

of right people in right job, employee's orientation and training, managing salaries & wages and other benefits, evaluating performance, resolving disputes and communicating with all employees at all levels. A propitious Human Resource Policy has been established which ensured long term benefits for all permanent employees. Employees are provided with basic salary, house rent allowance, transport allowance/facility, medical, utility & other allowances as per pay scale. Employees are also provided with long term benefits such as provident fund, gratuity and group insurance etc.

During the year 2019-20, we had total 1,650 permanent officers and workers. We have been taking initiatives for skill development of our officers, staffs and workers by arranging internal, local and foreign training facilities throughout the year.

Green Environment:

As the earth is currently facing lot of environmental concerns and climate change is the biggest issue for the steel industry in the 21st century. The environmental problems like climate change, global warming, air pollution, water pollution, ozone layer depletion, deforestation, increase of carbon, household and industrial waste, nuclear issues and many more affect every human, animal and nation on this planet. Moreover, the exploitation of our planet and degradation of our environment have gone up at an alarming rate.

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

Credit Rating:

Alpha Credit Rating Limited has assigned our Credit Rating for the year 2019-2020 which as follows

Long Term Rating	Short Term Rating
AA	ST-2

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

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

Contribution to National Exchequer:

GPH Ispat Limited has been contributing a notable contribution to the national exchequer since its inception. In 2019-20, the Company contributed BDT 1,714.99 million to the national exchequer as Value Added Tax (VAT), Corporate Tax, Source Tax, Supplementary Duty (SD), Custom Duty and various Registration fee while it was BDT 961.50 million in the previous year. GPH Ispat Limited also paid BDT 886.19 million as Utility Bill.

BOARD OF DIRECTORS' REPORT TO THE SHAREHOLDERS

We aim to support the Government's proposals that enable the establishment of a sustainable level of tax contribution to the national exchequer, while ensuring sustainable growth for the industry and also promoting a level playing field among market players.

Appointment of Auditors:

The Board of Directors hereby notify that M/S Hussain Farhad & Co., Chartered Accountants was appointed as the statutory auditors of the Company for the financial year ended 30 June, 2020 in the last Annual General Meeting. The Auditors have carried out the audit for the year ended 30 June, 2020 and submitted their report thereof. According to the Bangladesh Securities & Exchange Commission's notification: BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, being eligible for re-appointment, they have expressed their willingness to take up the audit for the financial year end 30 June, 2021. The Board of Directors proposed to appoint M/S Hussain Farhad & Co., Chartered Accountants as the statutory auditors of the company for the financial year end 30 June, 2021. This appointment of statutory auditors will be approved by the shareholders in the forthcoming Annual General Meeting of the company.

Acknowledgements:

Finally, on behalf of Board of Directors, I would like to express my thanks, gratitude and sincere appreciation to all the valued shareholders for their wholehearted support to the Company and we expect to continue in the coming years.

On behalf of the Board



Md. Alamgir Kabir
Chairman

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ আসসালামু আলাইকুম,

পরিচালনা পর্ষদের পক্ষ থেকে, জিপিএইচ ইস্পাত লিমিটেড এর বার্ষিক প্রতিবেদন আপনাদের নিকট উপস্থাপন করা আমার জন্য আনন্দের এবং সৌভাগ্যের বিষয়। সেই সাথে ৩০ জুন, ২০২০ইং তারিখে সমাপ্ত বছরের কোম্পানির নিরীক্ষিত আর্থিক বিবরণী, নিরীক্ষকের প্রতিবেদন এবং পরিচালনা পর্ষদের প্রতিবেদন আপনাদের সদয় বিবেচনা, গ্রহণ ও অনুমোদন এর জন্য উপস্থাপন করছি।

উক্ত বার্ষিক প্রতিবেদন কোম্পানি আইন ১৯৯৪ এর ধারা ১৮৪ এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর ০৩ জুন, ২০১৮ইং তারিখের নোটিফিকেশনঃ এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০১৭/এডমিন/৮০ এর আলোকে প্রস্তুত করা হয়েছে।

ইস্পাত শিল্পের সার্বিক অবস্থা ও সম্ভাব্য ভবিষ্যত উন্নয়ন:

অর্থনৈতিক পরিস্থিতি:

ধাতব শিল্পায়নের অন্যতম প্রধান চালক হয়ে উঠেছে। বিভিন্ন ধাতবের মধ্যে, ইস্পাত ঐতিহাসিকভাবে একটি প্রভাবশালী অবস্থান ধরে রেখেছে। কাঁচামাল এবং মধ্যবর্তী পণ্য হিসাবে, ইস্পাত উৎপাদন এবং এর ব্যবহার ব্যাপকভাবে অর্থনৈতিক অগ্রগতির সূচক হিসাবে বিবেচিত হয়। সুতরাং, এটি বলা বাহুল্য হবে না যে ইস্পাত শিল্প, শিল্প বিকাশের ক্ষেত্রে সর্বদাই শীর্ষে ছিল এবং যে কোন অর্থনীতির মেরুদণ্ড গঠনে গুরুত্বপূর্ণ ভূমিকা পালন করে। সত্যিকার অর্থে, বাংলাদেশের বেশিরভাগ আধুনিক অবকাঠামো ইস্পাত ব্যবহার করে নির্মিত হয়েছে, যা দেশের প্রবৃদ্ধি অর্জনের গল্পে এ শিল্পকে মূল অবস্থানে রাখবে। বিংশ শতাব্দীর শুরুতে শিল্পায়নের দ্বারা পরিচালিত অর্থনীতির উত্থানের সাথে সাথে উন্নত ইস্পাত শিল্পের দেশগুলি প্রথম উত্থাপকের সুবিধা থেকে লাভবান হয়েছে। বর্তমানে, ইস্পাত শিল্প বাংলাদেশের জিডিপি প্রবৃদ্ধিতে প্রত্যক্ষ এবং পরোক্ষভাবে উল্লেখযোগ্য অবদান রাখছে। ইস্পাত শিল্পের প্রত্যক্ষ অবদানের চেয়ে পরোক্ষ অবদান অনেক বেশি। গত কয়েক বছর ধরে, ইস্পাত শিল্প প্রত্যক্ষ এবং পরোক্ষভাবে বিপুল সংখ্যক মানুষের কর্মসংস্থানের সুযোগ সৃষ্টি করেছে।

বৈশ্বিক অর্থনৈতিক পুনরুদ্ধারের অনিশ্চয়তা ও আলোকিত ভবিষ্যতের মধ্যে বাংলাদেশ সরকার আগামী ২০২০-২১ অর্থবছরে ৮.২০ শতাংশ জিডিপি প্রবৃদ্ধির লক্ষ্যমাত্রা নির্ধারণ করেছে। অন্যদিকে, এশিয়া উন্নয়ন ব্যাংক উক্ত অর্থবছরে অর্থনৈতিক প্রবৃদ্ধি ৭.৫০ শতাংশে উন্নীত হওয়ার পূর্বাভাস দিয়েছে, যা এশিয়া প্যাসিফিক অঞ্চলে বাংলাদেশকে দ্রুততম প্রবৃদ্ধি অর্জনের অর্থনীতির দেশ হিসাবে পরিণত করেছে। শিল্প বিশেষজ্ঞদের মতে, একটি দেশের অর্থনৈতিক প্রবৃদ্ধি এবং ইস্পাতের ব্যবহার বৃদ্ধির মধ্যে একটি যোগসূত্র রয়েছে। যদি জিডিপি ৮ শতাংশ বৃদ্ধি পায়, তবে ইস্পাত শিল্পের প্রবৃদ্ধি প্রতি বছর কমপক্ষে ১৬ শতাংশ বৃদ্ধি পাবে। যদিও বাংলাদেশের মাথাপিছু ইস্পাতের ব্যবহার বৈশ্বিক গড়ের তুলনায় উল্লেখযোগ্যভাবে কম, যেখানে বিশ্বে গড় ইস্পাতের ব্যবহার ২২৪.৫০ কেজি সেখানে বাংলাদেশে মাথাপিছু ইস্পাতের ব্যবহার মাত্র ৪৫ কেজি। পূর্বাভাস করা হচ্ছে যে নিকট ভবিষ্যতে বাংলাদেশে মাথাপিছু ইস্পাতের ব্যবহার উল্লেখযোগ্য পরিমাণে বৃদ্ধি পাবে।

বর্তমানে, কোভিড-১৯ মহামারী অত্যন্ত মারাত্মক পরিণতির সাথে একটি অভূতপূর্ব আর্থ-সামাজিক চ্যালেঞ্জ তৈরি করেছে। সংহতির চেতনায় এই চ্যালেঞ্জ মোকাবেলা করার জন্য সরকারকে প্রয়োজনীয় সব কিছু করার প্রতিশ্রুতিবদ্ধ হওয়া উচিত। জরুরী স্বাস্থ্য প্রয়োজনীয়তাগুলো মোকাবেলা করতে, অর্থনৈতিক কার্যক্রমকে সমর্থন করা এবং পুনরুদ্ধারের ভিত্তি প্রস্তুত করার জন্য সমন্বিতভাবে ব্যাপক কৌশল গ্রহণ করা প্রয়োজন। আর্থিক সংশ্লিষ্ট নিয়মাবলীর শিথিলতা বা নমনীয়তা, আর্থিক স্থিতিশীলতার জন্য মনিটরি নীতি, জাতীয় বাজেটের যথাযথ ব্যবহার, জরুরী সহায়তার জন্য প্রণোদনা প্যাকেজ গ্রহণ, সামাজিক সুরক্ষা কার্যক্রম গ্রহণ এবং কোভিড-১৯ মহামারী থেকে পুনরুদ্ধারের জন্য একটি রোডম্যাপ তৈরির মতো সমন্বিত পদক্ষেপ গ্রহণ করা উচিত। উক্ত কৌশলগুলো স্বল্প, মধ্য ও দীর্ঘমেয়াদী উদ্যোগের সমন্বয়ে হওয়া উচিত যা আমাদের অর্থনীতির স্থিতিশীলতা রক্ষা এবং আমাদের আত্মবিশ্বাস তৈরির মধ্যে আন্তঃসংযোগ স্থাপনের বিষয়টি বিবেচনা করবে।

বাংলাদেশের ইস্পাত শিল্প:

বাজার মূল্য এবং চাহিদা ওঠানামার কারণে বাংলাদেশের ইস্পাত শিল্প বিশেষত দুর্বল। তদুপরি, ইস্পাত পণ্যের ক্রমবর্ধমান চাহিদা প্রতিশ্রুতিবদ্ধ শিল্পের সম্ভাবনাকে নিশ্চিত করে। তবে, উচ্চ প্রতিযোগিতার বাজার, অত্যধিক বিনিয়োগ এবং ব্যবসায়িক ব্যয় বৃদ্ধির ফলে এই শিল্পের লাভজনকতা হ্রাস পাচ্ছে। অভ্যন্তরীণ ইস্পাত ব্যবহারের মন্দা এবং ইস্পাত ব্যবহারের সেক্টর জুড়ে বিনিয়োগ হ্রাসের ফলে ইস্পাত শিল্পের সামগ্রিক প্রবৃদ্ধি এবং মুনাফাকে প্রভাবিত করেছে। এর জন্য ইস্পাত ব্যবহারকারীদের আস্থা এবং আর্থিক খাতের বিশ্বাসযোগ্যতা বাড়াতে পদক্ষেপ নেয়া প্রয়োজন। তদুপরি, ইস্পাত শিল্পে অন্যান্য শিল্পের দ্বারা সংঘটিত ডিজিটাল ব্যাঘাতের মূল্যায়ন করা দরকার যাতে অত্যাধুনিক প্রযুক্তি ব্যবহার করে এই চ্যালেঞ্জ সমূহ হ্রাস করা যায়। প্রাথমিক খাতের পণ্য হওয়া ছাড়াও ইস্পাত সম্ভবত উৎপাদন ক্ষেত্রে সবচেয়ে বেশি ব্যবহৃত পণ্য। উচ্চতর ক্ষয় প্রতিরোধের কারণে ইস্পাত অনেক জটিল শিল্পে বিভিন্ন প্রতিক্রিয়াশীল/অ-প্রতিক্রিয়াশীল উপাদানগুলির সাথে সম্পর্কিত যেমন প্রচুর শক্তি, স্থায়িত্ব এবং নমনীয়তার কারণে স্বল্প ব্যয়ে ইস্পাতকে উৎপাদন খাতের সর্বাধিক মূল্যবান কাঁচামাল হিসেবে ব্যবহার করা হয়।

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

ইস্পাত শিল্পের প্রবৃদ্ধি, সুযোগ এবং আশাবাদ:

বাংলাদেশ এশিয়ার অন্যতম উদীয়মান ইস্পাত বাজার এবং এখানে কাঁচামাল ও ইস্পাত তৈরির প্রযুক্তির ক্রমবর্ধমান চাহিদা রয়েছে। প্রগতিশীল অর্থনীতির দিকে ধাবিত হয়ে দ্রুততার সাথে নির্ভর করে নির্মাণ সামগ্রী সমূহ বিশেষত ইস্পাত সম্পর্কিত শিল্পগুলি বিকশিত হয়েছে এবং এই জাতীয় পণ্যগুলি সহজলভ্য হয়েছে। অবকাঠামো উন্নয়ন এবং বহুমুখি ব্যবহারের জন্য ইস্পাত হলো একটি মৌলিক কাঁচামাল। কেউ কেউ বাংলাদেশে বিনিয়োগের ঝুঁকি নিয়ে উদ্ভিগ্ন। হ্যাঁ, অন্যান্য অনেক দেশের মতো আমাদেরও চ্যালেঞ্জ রয়েছে। তবে বাংলাদেশে আমরা জানি কীভাবে চ্যালেঞ্জকে সুযোগে রূপান্তরিত করতে হয়। বর্তমানে বিদেশী বিনিয়োগের আইনী সুরক্ষা, উদার অর্থবহ প্রণোদনা, যন্ত্রপাতি আমদানিতে ছাড়, বাধাহীন বহির্গমন নীতি, লভ্যাংশের সম্পূর্ণ প্রত্যাবাসন এবং মূলধনের বহির্গমনের ক্ষেত্রে বাংলাদেশ দক্ষিণ এশিয়ায় সর্বাধিক উদার বিনিয়োগের সুযোগ দিচ্ছে। সরকার দেশ জুড়ে ওয়ান স্টপ সার্ভিস সহ ১০০টি বিশেষ অর্থনৈতিক অঞ্চল প্রতিষ্ঠা করেছে। এর মধ্যে বারোটি জোন ইতিমধ্যে কাজ করেছে। প্রযুক্তি এবং উদ্ভাবনী উদ্যোগের জন্য বেশ কয়েকটি হাই-টেক পার্কও প্রস্তুত রয়েছে। পূর্ব ও উত্তর-পূর্বে ভারত, পশ্চিমে চীন এবং এই দুইয়ের মধ্যে দক্ষিণ-পূর্ব এশিয়ায় বাংলাদেশ একটি বিজোড় অর্থনৈতিক স্থান হিসাবে বৈশ্বিক এবং ভারতীয় ব্যবসায়ের দৃষ্টি আকর্ষণ করেছে। আমরা উপ-অঞ্চলের অর্থনৈতিক কেন্দ্র হিসাবে বিবেচিত হতে পারি। বাংলাদেশ তার নিজস্ব ১৬২ মিলিয়ন মানুষ ছাড়াও প্রায় ৩ বিলিয়ন মানুষের সম্মিলিত বাজারের সাথে সংযোগ স্থাপনের বড় ভূখণ্ড হতে পারে। আমরা আমাদের উন্নয়নের যাত্রা পথে প্রতিনিয়ত শিখছি যেখানে রয়েছে আমাদের আত্মবিশ্বাসী মানুষ, সক্ষম নেতৃত্ব এবং গভর্নেন্স। বাংলাদেশ একটি স্থিতিশীল এবং মানবিক রাষ্ট্র, যেখানে নেতৃত্ব প্রতিক্রিয়াশীল এবং দায়বদ্ধ। এটি সুদৃঢ় ম্যাক্রো-অর্থনৈতিক মৌলিক বিষয়গুলির সাথে আমাদের ব্যবহারিক ও উন্নুক্ত অর্থনীতির মাধ্যমে বিশ্বব্যাপী একটি শান্তিপূর্ণ ও প্রগতিশীল জাতির উদাহরণ স্থাপনে আমাদের কর্মকাণ্ড অব্যাহত থাকবে।

সাম্প্রতিক সময়ে দেশের অর্থনৈতিক কর্মকাণ্ড সমূহের একটি ব্যাপক পরিবর্তন ঘটেছে। ভ্যাট ও অন্যান্য নিয়ন্ত্রক শুল্ক বৃদ্ধি, নতুন ভ্যাট আইন কার্যকর করা এবং মাঠ পর্যায়ে এর কঠোর প্রয়োগ সেই সাথে উচ্চতর বাজার প্রতিযোগিতা, উচ্চ সুদের হার এবং বেসরকারী ঋণের ধীর প্রবৃদ্ধি ইত্যাদির ফলে ইস্পাতসহ বিভিন্ন শিল্পের চাহিদা এবং বিক্রয় উল্লেখযোগ্যভাবে ক্ষতিগ্রস্ত হয়েছে। এরমধ্যে, বৈশ্বিক অর্থনৈতিক মন্দাও শুরু হয়েছে যার প্রভাব আমাদের দেশের অর্থনীতিতে পড়তে শুরু করেছে। তবে, আমাদের দীর্ঘমেয়াদী দৃষ্টিভঙ্গি ইতিবাচক কারণ ইস্পাতের চাহিদা অনিবার্যভাবে দেশের অর্থনীতি এবং অবকাঠামো উন্নয়নের সাথে সামঞ্জস্য বজায় থাকবে। সরকারের বিশাল অবকাঠামো উন্নয়ন পরিকল্পনা সমূহ বাস্তবায়নের ফলে দেশের ইস্পাত শিল্পে দুই-অঙ্কের প্রবৃদ্ধি হবে এবং আমরা আশা করি যে সরকারের উচ্চাভিলাষী উন্নয়নমূলক উদ্যোগের মাধ্যমে আগামী দশকে এই শিল্পটিও শক্তিশালী প্রবৃদ্ধি অর্জন করবে। এছাড়াও, ক্রমবর্ধমান নগরায়ন, শিল্পায়ন, রেমিট্যান্স প্রবাহ বৃদ্ধি এবং গ্রাহকদের উচ্চ ক্রয় ক্ষমতার কারণে সামগ্রিক নির্মাণ খাতে প্রবৃদ্ধিকে ত্বরান্বিত করেছে। দেশের সরকারী ও বেসরকারী উভয় খাতের ক্রমবর্ধমান ক্রয় ক্ষমতা এবং চলমান অবকাঠামো উন্নয়নের ফলে এই খাতটি আরও চালিত হবে বলে আশা করা হচ্ছে। ইস্পাত বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধিতে ব্যাপক অবদান রাখছে যাহা বাংলাদেশের জিডিপি এবং দেশে ইস্পাত উৎপাদনের প্রবৃদ্ধির নিদর্শন থেকে প্রমাণিত হয় এবং এর ফলে ইস্পাতের উপর দেশের অর্থনীতির নির্ভরতাও লক্ষ্য করা যায়।

দেশে বিভিন্ন ধরনের ইস্পাত পণ্য যেমন রড, এঙ্গেল, চ্যানেল, বার ইত্যাদি এর বার্ষিক উৎপাদন ক্ষমতা প্রায় ৮.০ মিলিয়ন মেট্রিক টন এবং বার্ষিক ব্যবহারের পরিমাণ প্রায় ৭.৫০ মিলিয়ন মেট্রিক টন। যদিও দেশের চাহিদার তুলনায় এই শিল্পের উৎপাদন ক্ষমতা বেশি, তবে এই শিল্প কিছুটা মৌসুমতার উপর নির্ভরশীল। বর্ষা মৌসুমে বিক্রি মন্দা ভাব থাকে এবং শীত মৌসুমে বিক্রি বেশি থাকে। সুতরাং, মন্দা মৌসুমে প্রকৃত উৎপাদন কম থাকে।

ইস্পাত শিল্পের চাহিদা মূলত দুটি কারণ দ্বারা চালিত হয়, একটি হল সরকারের এডিপি পরিকল্পনা ও অবকাঠামো নির্মাণ কার্যক্রম বাস্তবায়ন এবং অন্যটি শিল্প ও ব্যক্তি পর্যায়ের চাহিদা যা বিশেষত রিয়েল এস্টেট খাত থেকে আসে। গত দশকে ইস্পাত চাহিদার সিংহভাগ প্রবৃদ্ধি সরকারী প্রকল্প সমূহ দ্বারা চালিত হয়েছে। বর্তমানে ইস্পাত সামগ্রী ব্যবহারের প্রায় ৩৫ শতাংশ থেকে ৪০ শতাংশ সরকারী প্রকল্পে রয়েছে, যা গত এক দশক আগেও ছিল মাত্র ১৫ শতাংশ। দেশে প্রচুর অবকাঠামো উন্নয়নের কাজ চলছে যা শেষ হতে আরও ৫-৭ বছর সময় লাগতে পারে। অদূর ভবিষ্যতে আরও বড় বড় প্রকল্প গ্রহণের প্রত্যাশার কারণে এবং সামগ্রিক উন্নত অর্থনৈতিক প্রবৃদ্ধির ফলে ইস্পাতের ব্যবহার বৃদ্ধির যথেষ্ট সুযোগ রয়েছে।

বাংলাদেশের ইস্পাত শিল্পের ভবিষ্যতের প্রত্যাশা:

জিপিএইচ ইস্পাত সর্বদা কোম্পানির টেকসই প্রবৃদ্ধির জন্য দীর্ঘমেয়াদী কৌশলগত পরিকল্পনার দিকে মনোনিবেশ করেছে। এই প্রেক্ষিতে, “ইএএফ কোয়ান্টাম প্রযুক্তি” ভিত্তিক বিশ্বের সর্বাধুনিক উন্নত প্রযুক্তির সাথে উৎপাদন ক্ষমতা বৃহৎ আকারের সম্প্রসারণ করা হয়েছে। এই ধরনের প্রযুক্তি প্রথমবারের মতো বাংলাদেশে এবং পাশাপাশি এশিয়া অঞ্চলে ব্যবহৃত হচ্ছে। ইএএফ কোয়ান্টাম প্রযুক্তি শুধুমাত্র বিশ্বমানের পণ্য উৎপাদনই নিশ্চিতকরবে না একই সাথে বাংলাদেশের বিদ্যমান ইস্পাত উৎপাদনের পদ্ধতির বিপরীতে বিদ্যুৎ, গ্যাস এবং পানির ব্যবহারকে উল্লেখযোগ্য পরিমাণে হ্রাস করবে। তদুপরি, এই প্রযুক্তি ব্যবহার করে কার্বন নির্গমন বিশ্বব্যাপ্তকের নির্ধারিত সীমা ৯০ শতাংশ এবং বাংলাদেশ স্ট্যান্ডার্ড প্রস্তাবিত সীমা ৯৬ শতাংশ থেকে কম হবে। দীর্ঘ দিনের লালিত স্বপ্নকে বাস্তবে রূপান্তরিত করার জন্য, আমরা ২০১৬ইং সালের জানুয়ারিতে যাত্রা শুরু করেছি এবং উক্ত সম্প্রসারণ প্রকল্পের জন্য প্রযুক্তি এবং প্রয়োজনীয় যন্ত্রপাতি সরবরাহ করার বিষয়ে অস্ট্রিয়ার প্রাইমেটোলস টেকনোলজির সাথে আমরা একটি চুক্তি স্বাক্ষর করি। তবে আমরা বেশ কিছু চ্যালেঞ্জের মুখোমুখি হয়েছি। উক্ত চ্যালেঞ্জ সত্ত্বেও, আমরা নিরলসভাবে কাজ করেছি এবং সফলভাবে আমাদের দীর্ঘ প্রত্যাশিত উৎপাদন সম্প্রসারণ প্রকল্পের পরীক্ষামূলক উৎপাদন শুরু করেছি এবং বাণিজ্যিক উৎপাদনও খুব শিগ্রই শুরু হবে। উক্ত উৎপাদন সম্প্রসারণ প্রকল্পের সফল বাণিজ্যিক উৎপাদন শুরু হলে ইহা কেবল মাত্র আমাদেরকে অধিক উৎপাদন ক্ষমতা প্রদান করবে না সেই সাথে উচ্চ মানের পণ্য উৎপাদন বৃদ্ধি করতে সক্ষম করবে।

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

পণ্য অনুযায়ী ফলাফল:

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

বিবরণ	এম.এস. বিলেট		এম.এস. রড	
	২০১৯-২০	২০১৮-১৯	২০১৯-২০	২০১৮-১৯
উৎপাদন ক্ষমতা (মে.টন)	২১০,০০০	২১০,০০০	১৫০,০০০	১৫০,০০০
উৎপাদনের পরিমাণ (মে.টন)	১৫৬,৭০৯	১৬৯,০৪২	১৫৭,৩৭৮	১৬০,৩১৩
উৎপাদন ক্ষমতার ব্যবহার (%)	৭৪.৬২	৮০.৫০	১০৪.৯২	১০৬.৮৮

ঝুঁকি ও ব্যবস্থাপনা:

যে কোন সাধারণ বিনিয়োগ ঝুঁকিপূর্ণ। এর মধ্যে কিছু ঝুঁকি এড়ানো যায় এবং কিছু ঝুঁকি নিয়ন্ত্রণ যোগ্য নয়। অন্যদিকে, ঝুঁকি মূল্যায়ন এবং তা প্রশমন করা যে কোন ব্যবসায়ের অবিচ্ছেদ্য একটি অংশ। আমাদের উৎপাদন কার্যক্রম এমন একটি পরিবেশ দ্বারা নিয়ন্ত্রিত যেখানে ইস্পাত শিল্প বিদ্যুৎ, গ্যাস এবং কাঁচামালের যথাযথ প্রাপ্যতায় উচ্চস্তরের ঝুঁকির সাথে জড়িত। জিপিএইচ ইস্পাত সঠিক ঝুঁকি প্রশমন ব্যবস্থা গ্রহণের মাধ্যমে সকল অভ্যন্তরীণ ও বাহ্যিক ঝুঁকি, ব্যবসায়ের স্থায়ীত্বের উপর হুমকি এবং পরিবেশের উপর নেতিবাচক প্রভাব মোকাবেলা করার লক্ষ্যে কাজ করে। এছাড়াও, কোম্পানির পরিচালনা পর্ষদ ও ব্যবস্থাপনা কর্তৃপক্ষ কোম্পানির মুনাফা ও টেকসই প্রবৃদ্ধি অর্জনের ক্ষেত্রে সম্ভাব্য ঝুঁকি ও হুমকি সমূহ নিয়মিত পর্যবেক্ষণ, মূল্যায়ন ও চিহ্নিত করে থাকেন। তা সত্ত্বেও, যে কোন বিনিয়োগের সিদ্ধান্ত নেয়ার পূর্বে বিনিয়োগকারীদের সম্ভাব্য ঝুঁকির বিষয়গুলো বিবেচনায় নেয়া উচিত। আমাদের ব্যবসায়কে প্রভাবিত করে এমন কিছু সম্ভাব্য প্রধান ঝুঁকি এবং উক্ত ঝুঁকিগুলো প্রশমনে আমাদের কৌশল বিশদ ভাবে বর্ণনা করা হয়েছে (সংযুক্তি-D, পৃষ্ঠা নং ৭৬)।

বিক্রিত পণ্যের ব্যয়, মোট মুনাফা এবং নীট মুনাফা:

বিক্রিত পণ্য ব্যয় বলতে কোন কোম্পানির পণ্য উৎপাদনের সাথে জড়িত সরাসরি ব্যয়কে বুঝায়। উক্ত উৎপাদন ব্যয়ের মধ্যে পণ্য উৎপাদনের জন্য কাঁচামালের ব্যয়, সরাসরি মজুরী ব্যয় এবং সরাসরি উপরি ব্যয় সমূহ অন্তর্ভুক্ত থাকে। আলোচ্য বছরে, বিক্রিত পণ্য ব্যয় গত বছরের তুলনায় ২৯.৩২ শতাংশ হ্রাস পেয়েছে কারণ ২০১৯-২০ অর্থবছরে স্বল্প মূল্যে প্রচুর পরিমাণে কাঁচামাল ক্রয় করা হয়েছে।

মোট মুনাফা মার্জিন হল এমন একটি পদ্ধতি যা কোন কোম্পানির আর্থিক অবস্থা মূল্যায়নের জন্য কোম্পানির মোট বিক্রয়ের পরিমাণ থেকে বিক্রিত পণ্যের ব্যয় বাদ দেয়ার পরে যে পরিমাণ অর্থ অবশিষ্ট থাকে তা প্রকাশ করতে ব্যবহৃত হয়। কখনো কখনো মোট মুনাফা মার্জিনকে বিক্রয়ের শতকরা হার হিসেবে প্রকাশ করা হয় এবং মোট মার্জিন অনুপাতও বলা হয়। আলোচ্য বছরে জিপিএইচ ইস্পাত এর মোট মুনাফা মার্জিনের পরিমাণ হল ১৬.৫২ শতাংশ যাহা পূর্ববর্তী বছরে ছিল ১৬.২৬ শতাংশ।

নীট মুনাফা মার্জিন হলো আয়ের শতকরা হার যা বিক্রয় হতে মুনাফার অনুপাতকে বুঝায়। তবে, নীট মুনাফা মার্জিন হলো কোনও সংস্থা বা ব্যবসায়িক বিভাগের আয় থেকে নীট মুনাফার অনুপাত। নীট আয়কে কোম্পানির বটম লাইনও বলা হয়। ২০১৯-২০ হিসাব বছরে নীট মুনাফা মার্জিনের পরিমাণ হল ৩.১৮ শতাংশ যাহা পূর্ববর্তী বছরে ছিল ৬.০৮ শতাংশ।

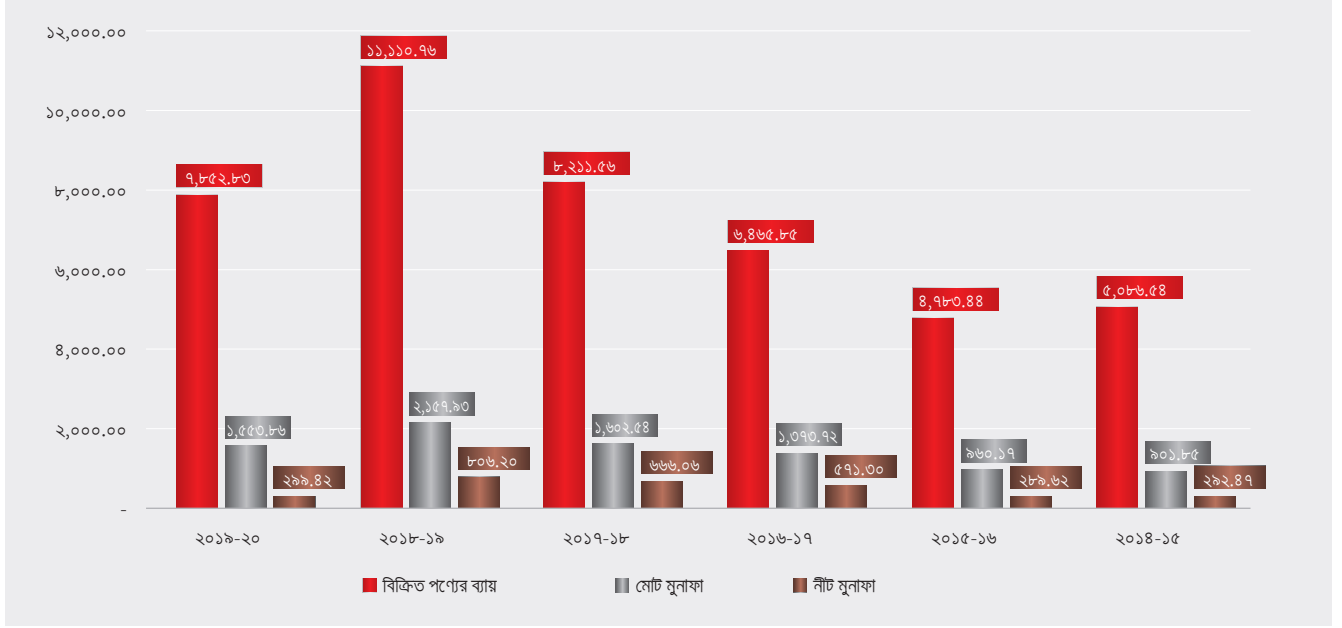
২০১৯-২০ অর্থবছরের বিক্রয়ের পরিমাণ ছিল ৯,৪০৬.৬৯ মিলিয়ন টাকা যাহা পূর্ববর্তী বছরে ছিল ১৩,২৬৮.৬৮ মিলিয়ন টাকা এবং বিক্রয়ের পরিমাণ হ্রাস পেয়েছে ২৯.১১ শতাংশ। ২০১৯-২০ অর্থবছরের কর পরবর্তী মুনাফা হয়েছে ২৯৯.৪১ মিলিয়ন টাকা যাহা পূর্ববর্তী বছরে ছিল ৮০৬.২০ মিলিয়ন টাকা এবং কর পরবর্তী মুনাফা হ্রাস পেয়েছে ৬২.৫২ শতাংশ। ২০২০ সালের মার্চ মাস থেকে কোভিড-১৯ মহামারীর কারণে দেশ ব্যাপি লকডাউন থাকার কারণে বিক্রয় উল্লেখযোগ্য পরিমাণে হ্রাস পেয়েছে।

কোম্পানীর গত ছয় বছরের বিক্রিত পণ্যের ব্যয়, মোট মুনাফা এবং নীট মুনাফার পরিমাণ নিম্নে চক আকারে দেখানো হল:

বিবরণ	২০১৯-২০	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬	২০১৪-১৫
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
বিক্রিত পণ্যের ব্যয় (মিলিয়ন)	৭,৮৫২.৮৩	১১,১১০.৭৬	৮,২১১.৫৬	৬,৪৬৫.৮৫	৪,৭৮৩.৪৪	৫,০৮৬.৫৪
মোট মুনাফা (মিলিয়ন)	১,৫৫৩.৮৬	২,১৫৭.৯৩	১,৬০২.৫৪	১,৩৭৩.৭২	৯৬০.১৭	৯০১.৮৫
নীট মুনাফা (মিলিয়ন)	২৯৯.৪২	৮০৬.২০	৬৬৬.০৬	৫৭১.৩০	২৮৯.৬২	২৯২.৪৭

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

টাকার পরিমাণ মিলিয়নে দেখানো হয়েছে



বিশেষ কার্যক্রম এবং এর প্রভাব (ক্ষতি/লাভ):

বিশেষ কার্যক্রম হলো কোনো কোম্পানির আর্থিক বিবরণীতে লাভ বা ক্ষতি, যা খুব কম এবং অস্বাভাবিক। এছাড়া, কোন কার্যক্রমকে বিশেষ কার্যক্রম হিসেবে গণ্য করা হয় যদি ইহা কোনো কোম্পানির দৈনন্দিন কার্যক্রমের অংশ না হয় কিন্তু ইহা কোম্পানির উপর একটি উপাদানগত প্রভাব ফেলে। আলোচ্য বছরে, জিপিএইচ ইস্পাত কোন ধরনের বিশেষ কার্যক্রমের সাথে জড়িত ছিল না এবং এর ফলে কোন বিশেষ লাভ বা ক্ষতি হয়নি।

সংশ্লিষ্ট পক্ষের সাথে লেনদেন:

আলোচ্য বছরে, জিপিএইচ ইস্পাত লিমিটেড তার সংশ্লিষ্ট পক্ষের সাথে বেশ কিছু লেনদেন সম্পাদন করেছে যা স্বাভাবিক ব্যবসায়িক উদ্দেশ্যে করা হয়েছে। সংশ্লিষ্ট পক্ষের সাথে লেনদেনের পরিমাণ, সংশ্লিষ্ট পক্ষের প্রকৃতি, লেনদেনের প্রকৃতি এবং লেনদেনের ভিত্তি সহ বিস্তারিত বিবরণ নিরীক্ষিত আর্থিক প্রতিবেদনে (নোট নং-৩৬, পৃষ্ঠা নং ১৩৬) সংযুক্ত করা হয়েছে।

আইপিও এবং রাইট শেয়ার ইস্যু হতে প্রাপ্ত অর্থের ব্যবহার:

২০১১-১২ হিসাববর্ষে প্রাথমিক গণপ্রস্তাব হতে প্রাপ্ত অর্থ সম্পূর্ণ ব্যবহারের ফলে কোম্পানির নিকট এ উৎস হতে প্রাপ্ত আর কোন অর্থ অব্যবহৃত নেই।

২০১৫-১৬ হিসাব বর্ষে কোম্পানি প্রকল্প সম্প্রসারণের ব্যয় মিটানোর জন্য রাইট শেয়ার হিসেবে ০৩:০২ হারে প্রতিটি শেয়ার ১৪ টাকা মূল্যে (প্রতিটি শেয়ার ৪ টাকা প্রিমিয়াম সহ) ১৮,৭১,১০,০০০ সংখ্যক সাধারণ শেয়ার ইস্যু করে মোট ২,৬১৯.৫৪ মিলিয়ন টাকা উত্তোলন করে। রাইট শেয়ার অফার ডকুমেন্ট এর বাস্তবায়ন সূচী অনুযায়ী রাইট ইস্যু খরচ বাবদ অব্যবহৃত ৩৫,০৫১ টাকা ব্যাতিত বাকি সম্পূর্ণ অর্থ যথাযথ খাতে ব্যবহার করা হয়েছে। উক্ত রাইট ইস্যু খরচ বাবদ অব্যবহৃত ৩৫,০৫১ টাকা সিভিল ওয়ার্ক খাতে ব্যবহারের অনুমোদনের জন্য ২৬ ডিসেম্বর ২০১৯ইং তারিখে অনুষ্ঠিত কোম্পানির ১৩তম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের নিকট উপস্থাপন করা হয়। শেয়ারহোল্ডারগণ উক্ত ৩৫,০৫১ টাকা রাইট ইস্যু খরচ এর পরিবর্তে সিভিল ওয়ার্ক খাতে ব্যবহারের অনুমোদন প্রদান করে। তদনুসারে, কোম্পানি ৩৫,০৫১ টাকা রাইট ইস্যু খরচ এর পরিবর্তে সিভিল ওয়ার্ক খাতে ব্যবহার করে।

আইপিও এবং রাইট শেয়ার ইস্যু পরবর্তী কোম্পানির আর্থিক ফলাফল:

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

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

ত্রৈমাসিক ও বার্ষিক আর্থিক প্রতিবেদন এর মধ্যে উল্লেখযোগ্য পার্থক্য:

কোম্পানির প্রথম প্রান্তিকে (জুলাই-১৯ হতে সেপ্টেম্বর-১৯) শেয়ার প্রতি আয় ছিল ০.৪৬ টাকা, দ্বিতীয় প্রান্তিকে (অক্টোবর-১৯ হতে ডিসেম্বর-১৯) শেয়ার প্রতি আয় ছিল ০.৪৩ টাকা এবং তৃতীয় প্রান্তিকে (জানুয়ারি-২০ হতে মার্চ-২০) শেয়ার প্রতি আয় ছিল ০.১২ টাকা। বার্ষিক আর্থিক প্রতিবেদনে শেয়ার প্রতি আয় হয়েছে ০.৭৯ টাকা। আর্থিক বছরের দ্বিতীয়ার্ধে কোভিড-১৯ মহামারীর কারণে আয় উল্লেখযোগ্য পরিমাণে হ্রাস পেয়েছে, ফলস্বরূপ বার্ষিক শেয়ার প্রতি আয়ের উপর প্রভাব ফেলেছে এবং সম্ভব হিপিএস থেকে কম হয়েছে। যথাক্রমে, ত্রৈমাসিক আর্থিক ফলাফল এবং বার্ষিক আর্থিক বিবরণীর মধ্যে একটি পার্থক্য সংঘটিত হয়েছে।

স্বতন্ত্র পরিচালক সহ পরিচালকবৃন্দের সম্মানী:

পরিচালকবৃন্দের সম্মানী কোম্পানির নমিনেশন ও রেমনারেশন নীতিমালার আলোকে এবং পরিচালনা পর্ষদের সভায় অনুমোদন সাপেক্ষে প্রদান করা হয়। পরিচালকবৃন্দের সম্মানী প্রদানের বিস্তারিত বিবরণ নিরীক্ষিত আর্থিক প্রতিবেদনে (নোট নং-৩৮, পৃষ্ঠা নং ১৩৭) সংযুক্ত করা হয়েছে।

আর্থিক বিবরণী প্রস্তুতকরণ:

সুশাসনের অংশ হিসাবে কোম্পানির আর্থিক ফলাফল এবং অবস্থা সম্পর্কে সত্য ও ন্যায্য বিষয় উপস্থাপন করতে পরিচালনা পর্ষদ দায়বদ্ধ। বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন নং-বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০, তারিখ ০৩ জুন, ২০১৮ইং মেনে চলার জন্য পরিচালনা পর্ষদ নিম্নোক্ত বিষয় গুলো নিশ্চিত করেছেন:

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

অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি:

অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থায় কতগুলো নিয়ম, নীতি এবং প্রক্রিয়া অন্তর্ভুক্ত থাকে যা কোম্পানি তার নির্দেশনা প্রদান, দক্ষতা বৃদ্ধি এবং নীতিমালা সমূহ মেনে চলার জন্য প্রয়োগ করে থাকে। কোম্পানির পরিচালনা পর্ষদ, ব্যবস্থাপনা কর্তৃপক্ষ এবং কর্মচারীগণ অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা অনুসরণ করার জন্য সর্বদা দায়বদ্ধ থাকে। তদুপরি, স্বচ্ছতা এবং জবাবদিহিতার মাধ্যমে অধিক ব্যবসায়িক সুবিধা পাওয়া যায় একই সাথে গ্রাহক এবং অংশীদারদের সাথে সম্পর্ক উন্নয়ন এবং পরিচালনাগত দক্ষতা বৃদ্ধি করা যায়। স্বচ্ছতা এবং জবাবদিহিতা নিশ্চিত করার জন্য জিপিএইচ ইম্পাত লিমিটেডের অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার নীতিমালা ও পদ্ধতিগুলো এমন ভাবে তৈরি করা হয়েছে যা কোম্পানির সম্পদ সমূহ সুরক্ষিত আছে, লেনদেন সমূহ অনুমোদিত এবং সঠিকভাবে নথিভুক্ত করা হয়েছে তার যথাযথ নিশ্চিত্যতা প্রদান করে। সঠিক ভাবে হিসাব নথিভুক্ত করণ এবং অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার যথাযথ প্রয়োগের জন্য আমরা একটি পদ্ধতি নির্ধারণ করে দিয়েছি। আমাদের একটি পৃথক অভ্যন্তরীণ নিরীক্ষা বিভাগ রয়েছে যা কোম্পানির প্রতিষ্ঠিত নীতিমালা এবং পদ্ধতিগুলো যথাযথ ভাবে অনুসরণ করা হয় কিনা তা নিশ্চিত করার জন্য নিয়মিত ভাবে নিরীক্ষা কার্যক্রম পরিচালনা করে থাকে।

কর্পোরেট গভর্নেন্স কোড অনুসারে, পরিচালনা পর্ষদে আমাদের দুটি উপ-কমিটি রয়েছে, একটি হল নিরীক্ষা কমিটি এবং অন্যটি নমিনেশন এবং রেমনারেশন কমিটি। উভয় কমিটিই কোম্পানির অভ্যন্তরীণ নিয়ন্ত্রণ প্রক্রিয়ার পর্যবেক্ষণে গুরুত্বপূর্ণ ভূমিকা পালন করে। আলোচ্য বছরে কোম্পানির নিরীক্ষা কমিটি ত্রৈমাসিক আর্থিক বিবরণী পর্যালোচনার জন্য প্রতি তিন মাস অন্তর এবং বার্ষিক আর্থিক বিবরণী পর্যালোচনার জন্য বছরে একবার মিলিত হন। উক্ত আর্থিক বিবরণী, আর্থিক প্রতিবেদন তৈরির পদ্ধতি, হিসাব নীতিমালা ও এর পদ্ধতি সম্পর্কে তারা গুরুত্বপূর্ণ নিরীক্ষা পর্যবেক্ষণ প্রদান করেন এবং কোম্পানির দ্বারা অনুসরণকৃত অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা এবং এর কার্যকারিতা সম্পর্কে তাদের মতামত প্রদান করেন। অডিট কমিটির পর্যবেক্ষণ এবং পরামর্শ অনুসারে কোম্পানির ব্যবস্থাপনা কর্তৃপক্ষ কাজ করেন।

সংখ্যালঘু শেয়ারহোল্ডারদের সুরক্ষা:

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

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

চলমান প্রতিষ্ঠান হিসাবে যাত্রা অব্যাহত রাখার ক্ষমতা:

নিকট ভবিষ্যতে কোম্পানির কার্যক্রম পরিচালনা করার জন্য পর্যাপ্ত সম্পদ রয়েছে। এই কারণে, পরিচালনা পর্ষদ কোম্পানির আর্থিক বিবরণী প্রস্তুত করার সময় একটি চলমান প্রতিষ্ঠানের ভিত্তিতে আর্থিক বিবরণী প্রস্তুত করেছে। কোম্পানির বিদ্যমান ব্যবসা এবং এর কার্যক্রম অব্যাহত রাখার জন্য প্রয়োজনীয় তহবিল পূরণে চলমান আয় এবং সম্পদ সমূহ যথেষ্ট। সুতরাং, চলমান প্রতিষ্ঠান হিসাবে চালিয়ে যাওয়া কোম্পানির ক্ষমতার বিষয়ে কোন সন্দেহ নেই।

গত বছর হতে পরিচালনাগত ফলাফলে উল্লেখযোগ্য পরিবর্তন:

লাভ এবং লোকসান হিসাব থেকে উদ্ভূত অপারেটিং ফলাফল দেখা যায় যে কোম্পানি তার মূল ব্যবসায়িক কর্মকাণ্ড থেকে কী অর্জন করেছে। ইহাকে সুদ এবং করের আগের আয় (ইবিআইটি) হিসাবেও বর্ণনা করা হয়। জিপিএইচ ইস্পাত প্রতিষ্ঠান পর থেকেই ব্যবসায়িক কার্যক্রম পরিচালনায় ধারাবাহিক প্রবৃদ্ধি এবং উল্লেখযোগ্য ফলাফল বজায় রাখতে সক্ষম হয়েছে। কিন্তু কোভিড-১৯ মহামারীর কারণে বিক্রয় উল্লেখযোগ্য পরিমাণে হ্রাস পাওয়ার ফলে আলোচ্য বছরের অপারেটিং মুনাফা গত বছরের অপারেটিং মুনাফার তুলনায় ৩৫.৩৬ শতাংশ হ্রাস পেয়েছে।

গত ছয় বছরের পরিচালনাগত তথ্য এবং আর্থিক তথ্য:

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

পরিচালনাগত তথ্য:

বিবরণ	২০১৯-২০	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬	২০১৪-১৫
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
নীট আয় (মিলিয়ন)	৯,৪০৬.৬৯	১৩,২৬৮.৬৮	৯,৮১৪.১০	৭,৮৩৯.৫৭	৫,৭৪৩.৬১	৫,৯৮৮.৪০
বিক্রিত পণ্যের ব্যয় (মিলিয়ন)	৭,৮৫২.৮৩	১১,১১০.৭৬	৮,২১১.৫৬	৬,৪৬৫.৮৫	৪,৭৮৩.৪৪	৫,০৮৬.৫৪
মোট মুনাফা (মিলিয়ন)	১,৫৫৩.৮৬	২,১৫৭.৯৩	১,৬০২.৫৪	১,৩৭৩.৭২	৯৬০.১৭	৯০১.৮৫
পরিচালন মুনাফা (মিলিয়ন)	১,১২১.৪৩	১,৭৩৫.০০	১,২৭৬.২৭	১,০৯৪.৭৭	৭৫৩.৭৪	৭৩১.৬৯
কর পূর্ব মুনাফা (মিলিয়ন)	৩৯৮.৫৮	১,০৭৫.১২	৮৬৩.৬৬	৭৬১.৮২	৩৮৮.১৩	৩৮১.১৫
কর পরবর্তী মুনাফা (মিলিয়ন)	২৯৯.৪২	৮০৬.২০	৬৬৬.০৬	৫৭১.৩০	২৮৯.৬২	২৯২.৪৭
শেয়ার প্রতি আয় (ইপিএস)	০.৭৯	২.২৪	২.০৩	১.৮৩	২.০৬	২.৩৪
শেয়ার প্রতি নেট অপারেটিং ক্যাশ ফ্লো	(৮.১০)	১.৪৪	০.৪৯	৩.৮৩	১.০০	৪.৬৭

আর্থিক তথ্য:

বিবরণ	৩০ জুন ২০২০	৩০ জুন ২০১৯	৩০ জুন ২০১৮	৩০ জুন ২০১৭	৩০ জুন ২০১৬	৩০ জুন ২০১৫
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
নন কারেন্ট সম্পত্তি (মিলিয়ন)	২৭,০৪৩.৬৯	২৩,০১০.৭০	১৩,৯৭৬.৫৫	৪,৭৪৬.১৫	২,১০৭.৫৩	১,৭৫৮.২৮
চলতি সম্পত্তি (মিলিয়ন)	১২,৯৪৫.৮০	৮,৪৮২.৩১	৮,৭১৭.৬৮	৮,১২০.০৫	৮,১৮৬.৭২	৪,২৪৫.৫৮
মোট সম্পত্তি (মিলিয়ন)	৩৯,৯৮৯.৪৯	৩১,৪৯৩.০২	২২,৬৯৪.২৩	১২,৮৬৬.২০	১০,২৯৪.২৫	৬,০০৩.৮৬
ইকুইটি (মিলিয়ন)	৬,৪৩৩.৩৬	৬,৩৩৫.৩৬	৫,৫২৫.৩৫	৫,০৩৫.৬০	৪,৮১৯.০৮	২,০৪৫.২৩
নন কারেন্ট দায় (মিলিয়ন)	২০,৬৪৮.৮৮	১৬,৯৫২.৪৪	৮,৬১৯.৭১	১,৯৪৮.৬১	৪৫৭.০৪	৬৩৪.৩৬
চলতি দায় (মিলিয়ন)	১২,৯০৭.২৫	৮,২০৫.২২	৮,৫৪৯.১৭	৫,৮৮১.৯৯	৫,০১৮.১৩	৩,৩২৪.২৭
মোট ইকুইটি এবং দায় (মিলিয়ন)	৩৯,৯৮৯.৪৯	৩১,৪৯৩.০২	২২,৬৯৪.২৩	১২,৮৬৬.২০	১০,২৯৪.২৫	৬,০০৩.৮৬
শেয়ার প্রতি সম্পদ মূল্য (এনএভি)	১৭.০১	১৭.৫৯	১৬.৮৭	১৬.১৫	১৫.৪৫	১৬.৪০

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

লভ্যাংশ:

জিপিএইচ ইস্পাত লিমিটেড কর পরবর্তী মুনাফা অর্জন করেছে ২৯৯.৪২ মিলিয়ন টাকা এবং শেয়ার প্রতি আয় হয়েছে ০.৭৯ টাকা। কোম্পানির পরিচালনা পর্ষদ ৩০শে জুন, ২০২০ইং তারিখে সমাপ্ত বছরের অর্জিত মুনাফা এবং রিটেইন্ড আর্নিংস থেকে শেয়ারহোল্ডারদের জন্য ১০ শতাংশ লভ্যাংশ (৫ শতাংশ নগদ এবং ৫ শতাংশ স্টক) প্রদানের প্রস্তাব করেছেন। অনুরূপভাবে, মুনাফা হতে স্টক লভ্যাংশের ১৮৯.০৯ মিলিয়ন টাকা কমিয়ে মূলধনে জমা করা হবে। উক্ত মূলধন কোম্পানির প্রকল্প উন্নয়ন কাজে ব্যবহার করা হবে যা শেয়ারহোল্ডারদের জন্য দীর্ঘমেয়াদী সুবিধা এবং কোম্পানির টেকসই প্রবৃদ্ধি নিশ্চিত করবে।

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

অনুষ্ঠিত পর্ষদ সভার সংখ্যা ও পরিচালকদের উপস্থিতি:

২০১৯-২০ সালে কোম্পানির পরিচালনা পর্ষদ কোম্পানির কার্যক্রম ও বিভিন্ন বিষয়ে আলোচনার জন্য মোট ছয় বার পর্ষদ সভা আহ্বান করেছেন। পর্ষদ সভার সংখ্যা ও পরিচালকদের উপস্থিতি নিরীক্ষিত আর্থিক প্রতিবেদনে (নোট নং-৩৯, পৃষ্ঠা নং ১৩৭) সংযুক্ত করা হয়েছে।

শেয়ার ধারণের তথ্য:

৩০ জুন ২০২০ইং তারিখে কোম্পানির শেয়ার ধারণ সংক্রান্ত তথ্য সংযুক্তি-**E**, পৃষ্ঠা নং ৮০-তে সংযুক্ত করা হয়েছে।

পরিচালক নিয়োগ, অবসর ও পুনঃনিয়োগ:

পরিচালক নিয়োগ, অবসর ও পুনঃনিয়োগ কোম্পানির সংঘবিধি এবং কোম্পানি আইন ১৯৯৪ এর বিধি অনুযায়ী নির্ধারিত হয়। সেই অনুসারে, আসন্ন বার্ষিক সাধারণ সভায় নিম্নলিখিত পরিচালকগণ অবসর গ্রহণ করবেন এবং পুনঃরায় নিয়োগের যোগ্য বিধায় পুনঃনিয়োগের জন্য বিবেচিত হবেন:

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

উক্ত পরিচালকগণের সংশ্লিষ্ট জীবন বৃত্তান্ত এই প্রতিবেদনের পৃষ্ঠা নং ২১, ২৩ এবং ২৪-এ যুক্ত করা হয়েছে।

ব্যবস্থাপনা কর্তৃপক্ষের আলোচনা এবং বিশ্লেষণ:

জুন ৩০, ২০২০ইং তারিখে সমাপ্ত বছরে কোম্পানির অবস্থা এবং কার্যক্রম সহ আর্থিক বিবরণীর পরিবর্তন সমূহ এবং অন্যান্য বিষয়ে বিস্তারিত আলোচনা উপস্থাপন করে একটি প্রতিবেদন সংযুক্তি-**F**, পৃষ্ঠা নং ৮১-তে যুক্ত করা হয়েছে।

ব্যবস্থাপনা পরিচালক এবং প্রধান অর্থ কর্মকর্তার ঘোষণা:

জুন ৩০, ২০২০ইং তারিখে সমাপ্ত বছরের আর্থিক বিবরণী সম্পর্কে পরিচালনা পর্ষদের নিকট কোম্পানির ব্যবস্থাপনা পরিচালক এবং প্রধান অর্থ কর্মকর্তার একটি ঘোষণা পত্র সংযুক্তি-**A**, পৃষ্ঠা নং ৬১-তে যুক্ত করা হয়েছে।

কর্পোরেট গভর্নেন্স কোড সম্পর্কিত প্রতিবেদন এবং এ সংক্রান্ত সনদপত্র:

সুশাসন, আর্থিক স্বচ্ছতা, জবাবদিহিতা এবং অংশীদারদের স্বার্থ সুরক্ষা নিশ্চিত করার লক্ষ্যে, বাংলাদেশ সিকিউরিটিজ এন্ড একচেঞ্জ কমিশন ০৩ জুন, ২০১৮ইং তারিখে একটি বাধ্যতামূলক কর্পোরেট গভর্নেন্স কোড (বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০) জারি করেছে। উক্ত কর্পোরেট গভর্নেন্স কোডের শর্তাবলী মেনে চলার মাধ্যমে জিপিএইচ ইস্পাত লিমিটেড সকল কমপ্লাইয়েন্স নিশ্চিত করেছে। জুন ৩০, ২০২০ইং তারিখে সমাপ্ত বছরের কোম্পানির কমপ্লাইয়েন্স স্ট্যাটাস এবং এই বিষয়ে নিরীক্ষক হতে প্রাপ্ত সনদ সংযুক্তি-**B**, পৃষ্ঠা নং ৬২ ও সংযুক্তি-**C**, পৃষ্ঠা নং ৬৩-তে সংযুক্ত করা হয়েছে।

বিপণন ও ব্র্যান্ডিং:

বাংলাদেশের ইস্পাত মার্কেট অত্যন্ত প্রতিযোগিতামূলক বিষয়টি বিবেচনায় নিয়ে, পরিচালনা পর্ষদ কোম্পানির বিপণন এবং ব্র্যান্ডিং কৌশল সম্পর্কে সর্বদা সচেত্ন রয়েছে। তদুপরি, প্রত্যাশিত মার্কেট শেয়ার বৃদ্ধি নিশ্চিত করার জন্য কার্যকর বিপণন নীতিমালা এবং এর বাস্তবায়ন একটি গুরুত্বপূর্ণ বিষয়।

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

উক্ত চিন্তাভাবনা থেকে, জিপিএইচ ইস্পাত কর্তৃপক্ষ বাংলাদেশে বিশ্বের সর্বাধুনিক কোয়ালিটি ইলেকট্রিক আর্ক ফার্নেস প্রযুক্তি স্থাপন করেছে। সেসা মানের পণ্যের পাশাপাশি জিপিএইচ ইস্পাত টেলিভিশন কর্মশালা, বিভিন্ন টিভি চ্যানেলে রিয়েলিটি শো, প্রেস বিজ্ঞাপন, রাস্তার সৌন্দর্য বর্ধন, বিলবোর্ড, নিয়ন সাইন, হাই-ওয়াল পেইন্টিং, শপ পেইন্টিং, শপ-সাইনবোর্ড, সারা দেশে শপ মার্চেন্ডাইজিং ইত্যাদি এর মতো বিপণন ও ব্র্যান্ডিং কার্যক্রম পরিচালনা করেছে।

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

মানব সম্পদ ব্যবস্থাপনা:

আমরা বিশ্বাস করি উপযুক্ত, দক্ষ এবং নিবেদিত মানব সম্পদ কোম্পানির লক্ষ্য অর্জনের একটি পূর্বশর্ত। একই সাথে যথাযথ মানব সম্পদ ব্যবস্থাপনা কোম্পানির ম্যানেজমেন্ট এবং কর্মচারীদের মধ্যে আস্থা, নির্ভরযোগ্যতা, দলবদ্ধতা, উৎসাহ ও সম্পর্ক উন্নয়নে গুরুত্বপূর্ণ ভূমিকা পালন করে। আমাদের উচ্চমানের একটি মানবসম্পদ বিভাগ রয়েছে যারা চাকুরী বিশ্লেষণ, সঠিক স্থানে সঠিক কর্মী নিয়োগ, কর্মীদের দিক নির্দেশনা এবং প্রশিক্ষণ প্রদান, বেতন ও মজুরি এবং অন্যান্য সুযোগ সুবিধা, কর্মীদের কাজের ফলাফল মূল্যায়ন, বিরোধ নিষ্পত্তি এবং সকল পর্যায়ে কর্মীদের সাথে যোগাযোগ রক্ষা করার কাজে নিয়োজিত রয়েছে। একটি সময়োপযোগী ও ভারসাম্য পূর্ণ মানব সম্পদ নীতিমালা প্রতিষ্ঠা করা হয়েছে যা সকল স্থায়ী কর্মকর্তা কর্মচারীদের জন্য দীর্ঘমেয়াদী সুবিধা নিশ্চিত করেছে। বেতন স্কেল অনুযায়ী কর্মচারীদেরকে প্রাথমিক বেতন, বাড়ি ভাড়া ভাতা, পরিবহন ভাতা/সুবিধা, চিকিৎসা ভাতা, উপযোগ এবং অন্যান্য ভাতা প্রদান করা হয়। এছাড়াও, কর্মচারীদেরকে প্রভিডেন্ট ফান্ড, গ্র্যাচুইটি এবং গ্রুপ বীমার মত দীর্ঘমেয়াদী সুবিধা প্রদান করা হয়।

২০১৯-২০ বর্ষে, আমাদের মোট ১,৬৫০ জন স্থায়ী কর্মকর্তা, কর্মচারী ও শ্রমিক ছিল। কর্মকর্তা, কর্মচারী ও শ্রমিকদের দক্ষতা উন্নয়নের জন্য আমরা বছর ব্যাপী বিভিন্ন ধরনের অভ্যন্তরীণ এবং বাহ্যিক প্রশিক্ষণের ব্যবস্থা গ্রহণ করেছি।

পরিবেশ সবুজায়ন:

বর্তমান বিশ্ব প্রচুর পরিবেশগত উদ্বেগের মুখোমুখি হচ্ছে এবং একবিংশ শতাব্দীতে জলবায়ু পরিবর্তন ইস্পাত শিল্পের জন্য সবচেয়ে বড় সমস্যা। পরিবেশগত সমস্যা যেমন জলবায়ু পরিবর্তন, বিশ্ব উষ্ণায়ন, বায়ু দূষণ, পানি দূষণ, ওজন স্তরহ্রাস, বন উজাড়, বাতাসে কার্বনের পরিমাণ বৃদ্ধি, গৃহস্থালি এবং শিল্প বর্জ্য, পারমাণবিক সমস্যা এবং আরও অনেক কিছু যা এই গ্রহের প্রতিটি মানুষ, প্রাণী ও জাতিকে প্রভাবিত করে। ফলস্বরূপ, আমাদের গ্রহের সৌন্দর্য এবং আমাদের পরিবেশের অবক্ষয় একটি উদ্বেগজনক হারে বেড়ে চলেছে।

জিপিএইচ ইস্পাত লিমিটেড সব সময় পরিবেশগত সমস্যার গুরুত্ব অনুভব করে। এই প্রসঙ্গে, আমরা দূষণমুক্ত পরিবেশ নিশ্চিত করার জন্য একটি কার্যকর ইন্সট্রুমেন্ট ট্রিটমেন্ট প্ল্যান্ট (ইটিপি) সিস্টেম স্থাপন করেছি। আমাদের উৎপাদন সম্প্রসারণ প্রকল্পে সর্বাধুনিক প্রযুক্তির এবং আন্তর্জাতিক মান সম্পন্ন একটি এয়ার সেপারেশন প্ল্যান্ট (এএসপি) স্থাপন করেছি। এছাড়া উক্ত প্ল্যান্টে পানি শোধনের ব্যবস্থাও রয়েছে যাতে কোন পানি প্রবাহ থাকবে না এবং জিরো ড্রা প্রযুক্তি সমৃদ্ধ। এর অর্থ হলো দূষিত পানি প্ল্যান্ট থেকে বের হবে না এবং দূষিত পানি প্ল্যান্টের অভ্যন্তরে পুনর্ব্যবহার করা হবে। এর ফলে, প্রাকৃতিক পরিবেশের কোন ক্ষতি হবে না। এছাড়াও, ইস্পাত উৎপাদন থেকে সামগ্রিক কার্বন-ডাই-অক্সাইড নির্গমন উল্লেখযোগ্য হারে হ্রাস করতে হলে অত্যাধুনিক প্রযুক্তির বিকাশ অত্যন্ত গুরুত্বপূর্ণ। বর্তমানে, বিশ্বের বিভিন্ন স্থানে বিপুল সংখ্যক প্রতিশ্রুতিপূর্ণ প্রকল্প চলমান রয়েছে। আমরা আমাদের সম্প্রসারণ প্রকল্পে স্টেট অফ দ্য আর্ট প্রযুক্তি স্থাপন করছি। এই প্রযুক্তি ব্যবহার করে বিশ্ব ব্যাংকের নির্ধারিত কার্বন নির্গমন ৯০ শতাংশের কম এবং বাংলাদেশ স্ট্যান্ডার্ড ৯৬ শতাংশের কম হবে। টেকসই ভবিষ্যতের জন্য দূষণ হ্রাস করণ এবং নবায়নযোগ্য শক্তির ব্যবহার বৃদ্ধি মূল উদ্বেগ হয়ে দাঁড়িয়েছে।

ঋণমান নির্ধারণ:

আলফা ক্রেডিট রেটিং লিমিটেড ২০১৯-২০২০ সালের জন্য আমাদের ঋণমান যাচাই সম্পন্ন করেছে, যা নিম্নরূপ:

দীর্ঘকালীন	স্বল্পকালীন
AA	ST-2

“AA” কোম্পানি আর্থিক অঙ্গীকার পূরণে অত্যন্ত শক্তিশালী সামর্থ্য ইঙ্গিত করে।

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

শেয়ারহোল্ডারগণের নিকট পরিচালনা পর্ষদের প্রতিবেদন

রাষ্ট্রীয় কোষাগারে অবদান:

জিপিএইচ ইস্পাত লিমিটেড প্রতিষ্ঠার পর থেকে রাষ্ট্রীয় কোষাগারে উল্লেখযোগ্য অবদান রেখে চলেছে। ২০১৯-২০ হিসাবকালে আমরা মূল্য সংযোজন কর (ভ্যাট), প্রাতিষ্ঠানিক কর, উৎস কর, সাপ্লিমেন্টারি শুল্ক, কাষ্টম শুল্ক এবং বিবিধ রেজিস্ট্রেশন ফি হিসেবে রাষ্ট্রীয় কোষাগারে প্রায় ১,৭১৪.৯৯ মিলিয়ন টাকা জমা করেছি যা পূর্ববর্তী বছরে ছিল ৯৬১.৫০ মিলিয়ন টাকা। এছাড়াও, জিপিএইচ ইস্পাত লিমিটেড ইউটিলিটি বিল বাবদ ৮৮৬.১৯ মিলিয়ন টাকা পরিশোধ করেছে। আমাদের লক্ষ্য হচ্ছে রাষ্ট্রীয় কোষাগারে কর অবদানের একটি টেকসই স্তর প্রতিষ্ঠা করা যা সরকারের সকল ইতিবাচক কর্মকাণ্ডে সমর্থন যোগাবে এবং এই শিল্পের টেকসই প্রবৃদ্ধি নিশ্চিত করা যাতে এই শিল্পের বাজারে অংশগ্রহনকারী সকল প্রতিযোগী সমান সুযোগ পায়।

নিরীক্ষক নিয়োগ:

গত বার্ষিক সাধারণ সভায় মেসার্স হোসেন ফরহাদ এন্ড কোং, চার্টার্ড অ্যাকাউন্টেন্টস্-কে কোম্পানির ৩০ জুন, ২০২০ইং তারিখে সমাপ্ত হিসাব বছরের নিরীক্ষা কাজের জন্য সংবিধিবদ্ধ নিরীক্ষক হিসেবে নিয়োগ প্রদান করা হয়। নিরীক্ষকগণ ৩০ জুন, ২০২০ইং তারিখে সমাপ্ত বছরের নিরীক্ষাকার্য সম্পাদন করে এর প্রতিবেদন উপস্থাপন করেছেন। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নোটিফিকেশন: বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৮/এডমিন/৮১ তারিখ ২০ জুন ২০১৮ইং, অনুসারে পুনঃরায় নিয়োগ পাওয়ার যোগ্য বিধায় নিরীক্ষকগণ ৩০ জুন, ২০২১ইং তারিখে সমাপ্ত হিসাব বছরের নিরীক্ষা কাজের জন্য পুনঃনিয়োগ লাভের আর্থিক প্রকাশ করেছেন। পরিচালনা পর্ষদ ৩০ জুন ২০২১ইং তারিখে সমাপ্ত হিসাব বছরের নিরীক্ষা কাজের জন্য কোম্পানির সংবিধিবদ্ধ নিরীক্ষক হিসেবে মেসার্স হোসেন ফরহাদ এন্ড কোং, চার্টার্ড অ্যাকাউন্টেন্টস্-কে নিয়োগের জন্য সুপারিশ করেছেন। উক্ত সংবিধিবদ্ধ নিরীক্ষকের নিয়োগ আসন্ন বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদন নেয়া হবে।

ধন্যবাদ জ্ঞাপন:

পরিশেষে, পরিচালনা পর্ষদের পক্ষ থেকে আমি সকল সম্মানিত শেয়ারহোল্ডারকে কোম্পানির প্রতি তাদের আন্তরিক সমর্থনের জন্য ধন্যবাদ এবং কৃতজ্ঞতা জানাচ্ছি এবং আগামী বছরগুলোতে তা অব্যাহত থাকবে বলে আশা করছি।

পরিচালনা পর্ষদের পক্ষে



মোঃ আলমগীর কবির
চেয়ারম্যান



**ANNEXURE
TO THE
DIRECTORS' REPORT**



ANNEXURE-A

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

**DECLARATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER**

Date: 27 October, 2020

The Board of Directors**GPH Ispat Limited**Crown Chamber, 325 Asadgonj
Chattogram-4000.**Subject: Declaration on Financial Statements for the year ended on June 30, 2020.****Dear Sirs,**

Pursuant to the condition No. 1(5)(xxvi) of the Corporate Governance Code, issued by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, we do hereby declare that:

- 1) The Financial Statements of GPH Ispat Limited for the year ended on June 30, 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on June 30, 2020 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

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


Mohammed Jahangir Alam
Managing Director

GPH ISPAT LTD.

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


ANNEXURE-B

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



Rahman Mostafa Alam & Co.
Chartered Accountants

Solution...Begins



INPACT
INTERNATIONAL
AFFILIATE

**Report to the Shareholders of
GPH Ispat Limited
On
Compliance on the Corporate Governance Code
For the year ended on 30 June 2020**

We have examined the compliance status to the Corporate Governance Code by **GPH Ispat Limited** for the year ended on 30 June 2020. This Code relates to the Notification No. **BSEC/CMRCD/2006-158/207/admin/80**, dated **03 June 2018** of the Bangladesh Securities and Exchange Commission.


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

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

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

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

Place: Chattogram
Dated: 16 November 2020



Rahman Mostafa Alam & Co.
Chartered Accountants

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ANNEXURE-C

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

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

(Report under Condition No. 9)

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

ANNEXURE

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

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

ANNEXURE

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

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

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			Not Applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			Not Applicable
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee			
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee.	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors	✓		
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)(a)	The Audit Committee shall immediately report to the Board on the following findings, if any: - Report on conflicts of interests;	✓		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	✓		
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
6(4)	Meeting of NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		

ANNEXURE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)(i)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board: formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	✓		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		

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

ANNEXURE -D

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

RISKS & CONCERNS

Profitability Reduction Risk:

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

Mitigation Plan:

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

Technology Related Risks:

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

Mitigation Plan:

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

Risk of New Entrants:

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

Mitigation Plan:

Implementation of similar project generally have a lead time of 3 (three) years and before the earliest entrant the Company will be able to consolidate its both financial as well as market position. Furthermore, with the track record of GPH and its market reputation, it will be very difficult for new comers to make inroads into the quality steels market. Moreover, Steel is a high capital-intensive industry and therefore, barriers to entry are high. The Company is enhancing its production capacity of MS Billet by 840,000 M. Ton and MS Rod/Medium Section product (Steel Beam, Angle, Channel, Flat Bar etc.) by 640,000 per annum which is in trial production. After starting the full commercial production of the expansion plant, the total annual production capacity will become 10,08,000 MT of MS Billet and 7,60,000 MT MS Rod/Medium Section product (Steel Beam, Angle, Channel, Flat Bar etc.). After establishment of latest technology based production capacity enhancement plant, we would be more capable to face new entrants.

Sourcing of Raw Materials:

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

Mitigation Plan:

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

Interest Rate Risk:

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

Mitigation Plan:

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

Exchange Rate Risk:

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

Mitigation Plan:

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

Potential Changes in Global or National Policies:

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

Mitigation Plan:

The management of GPH Ispat Limited is always concerned about the prevailing and upcoming future changes in the global or national policy and shall response appropriately and timely to safeguard its interest. Strong brand equity of the company in the local market and deep and profound knowledge of the sponsors will

ANNEXURE

always endeavor to withstand the unexpected changes or any such possible threats. Nevertheless, political stability and a congenial business environment is definitely the best situation in which GPH will achieve its maximum potential. Political turmoil and disturbance are bad for the economy as a whole and also for the company. On the other hand, Government has special attention for the growth of the industry as it is related to infrastructure development of the country.

Potential or Existing Government Regulations:

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

Mitigation Plan:

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

History of Non-operation, if any:

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

Mitigation Plan:

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

Operational Risks:

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

Mitigation Plan:

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

Risk Associated with Labor Unrest:

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

Mitigation Plan:

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

Availability of Power and Gas:

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

Mitigation Plan:

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

Impact on Environment:

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

Mitigation Plan:

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

ANNEXURE

ANNEXURE -E

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

The pattern of Shareholding as on 30 June, 2020

Name	Status/Position	No of Shares	% of Shareholding
(a) Parent or Subsidiary or Associate Companies and other related parties:			
	-	-	-
(b) Directors, CEO, CS, CFO, Head of Internal Audit and Compliance and their spouses and minor children:			
Mr. Md. Alamgir Kabir	Chairman	18,196,101	4.81%
Mr. Mohammed Jahangir Alam	Managing Director	89,167,443	23.58%
Mr. Md. Almas Shimul	Additional Managing Director	40,941,227	10.83%
Mr. Md. Abdur Rouf	Director	11,345,882	3.00%
Mr. Md. Ashrafuzzaman	Director	11,345,882	3.00%
Mr. Md. Abdul Ahad	Director	9,076,706	2.40%
Mr. Md. Azizul Haque Raju	Director	7,563,921	2.00%
Mr. M.A Malek	Independent Director	-	-
Mr. Mukhtar Ahmed	Independent Director	-	-
Mr. Abu Bakar Siddique, FCMA	Executive Director-Group & Company Secretary	-	-
Mr. H. M. Ashraf-Uz-Zaman, FCA	Chief Financial Officer	4,000	0.00%
Mr. Mohammed Atiqur Rahman Chowdhury	Head of Internal Audit and Compliance	-	-
Mrs. Masuma Begum	W/O Mr. Mohammed Jahangir Alam	8,085,000	2.14%
Mrs. Sadman Syka Sefa	D/O Mr. Mohammed Jahangir Alam	14,148,750	3.74%
Mr. Salehin Musfique Sadaf	S/O Mr. Mohammed Jahangir Alam	8,085,000	2.14%
Ms. Raisa Kabir	D/O Mr. Md. Alamgir Kabir	3,031,875	0.80%
Mr. Solaiman Kabir	S/O Mr. Md. Alamgir Kabir	2,304,225	0.61%
Mrs. Farjana Sharmin Muktha	W/O Mr. Md. Almas Shimul	5,942,475	1.57%
Mrs. Mamtaz Begum	W/O Mr. Md. Abdur Rouf	3,361,743	0.89%
Mrs. Amina Khanom Roni	W/O Mr. Md. Ashrafuzzaman	3,361,743	0.89%
Mrs. Israt Jahan Najnin	W/O Mr. Md. Abdul Ahad	2,689,394	0.71%
(c) Executives:			
Engr. Madani M. Imtiaz Hossain	Executive Director (Plant)	-	-
Mr. Kamrul Islam, FCA	Executive Director (Finance and Business Development)	44,410	0.01%
Mr. Shobhon Mahbub Shahabuddin (Raj)	Executive Director (Marketing and Sales)	-	-
Engr. A S M Shumon, Ph.D	Head of Plant	-	-
Mr. Madduluri Srinivasa Rao	Head of Plant (Operation)	-	-
(d) Shareholders holding 10% or more voting interest in the Company:			
Mr. Mohammed Jahangir Alam	Managing Director	89,167,443	23.58%
Mr. Md. Almas Shimul	Additional Managing Director	40,941,227	10.83%

Shareholding Position as on June 30, 2020 are as follows:

Directors/Sponsors	Government	Institute	Foreign	Public
49.61%	-	16.58%	-	33.81%

ANNEXURE-F

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Pursuant to the condition No. 1(5)(xxv) of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission, the Management Discussion and Analysis for the year ended 30 June, 2020 presenting the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on as follows:

a) Accounting policies and estimation for preparation of financial statements:

The financial statements of GPH Ispat Limited have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. Detail of the accounting policies and estimation used for preparation of the financial statements of the company are disclosed in the **notes 2 and 3 of the financial statements, page number 95 and 99.**

b) Changes in accounting policies and estimation:

GPH Ispat Limited has been following consistent policies and estimation and there are no such changes in accounting policies and estimation which has material impact on financial statements.

c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years:

Major areas of financial performance, financial position as well as cash flows for current financial year with immediate preceding five years were tabulated in the **Director Reports page number 46 and 47.**

d) Comparison of financial performance and financial position as well as cash flows with the peer industry scenario:

There are a number of steel manufacturing companies in Bangladesh, but only a few companies are listed with the Stock Exchanges. A comparison of financial performance and financial position as well as cash flows of the said companies for the year ended June 30, 2020 compared with GPH Ispat Limited are tabulated below:

Particulars	GPH Ispat Ltd.	BSRM Steels Ltd	BSRM Ltd.	RSRM Ltd.	S.S. Steel Ltd.
	Taka	Taka	Taka	Taka	Taka
Earnings per Share (EPS)	0.79	1.97	3.90	1.05	1.55
Net Asset Value (NAV) per Share	17.01	56.84	99.59	49.69	17.48
Net Operating Cash Flow per Share	(8.10)	5.81	24.05	0.77	1.46

e) Financial and Economic Scenario of the Country and the Globe:

Bangladesh is one of the world's fastest growing economy. The size of the economy of Bangladesh has been growing year by year. In recent year the rate of GDP growth has been hovering around 7-8 percent per annum

ANNEXURE

and per capita income of the country is stood USD 2,064 in the fiscal year 2019-20. According to the International Monetary Fund (IMF), Bangladesh is now the 39th largest economy in the world in terms of nominal GDP while its position is 30th in terms of purchasing power parity. It is classified among the next eleven emerging market middle income economies and a frontier market. The long-term continuous efforts increase the GDP growth, per capita income, export earnings, remittance, foreign exchange reserves etc. The steel industry of Bangladesh is one of the emerging industries and has been contributing significantly in the national economy. Though the history of Steel Industry is not older one but it can make a glorious future.

It now appears that Bangladesh is facing a major economic crisis in the making caused by the COVID-19 pandemic. Economic slowdown in Europe and North America is of particular concern for Bangladesh as these are the principal markets for Bangladesh's principal export product readymade garments (RMG). These two regions are also expected to continue to slow down at least for next few months and that has implications for 4 million workers in the RMG industry in Bangladesh. Bangladesh has a greater reliance on trade relative to the other countries in the region, making the country more exposed to changes in the global economic environment due the current pandemic. The impact on the Bangladesh economy due to fall in export earnings from RMG and other exports and also fall in remittances is likely to be very significant. To become a developing country by 2021, now the economic downturn caused by the COVID-19 pandemic is likely to put that aspiration on hold. The Government has already initiated fiscal responses to mitigate the emerging crisis but the stimulus packages do not look robust enough to meet the current needs.

f) Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company:

GPH Ispat Limited has exposure to the Financial Risk, Credit Risk, Liquidity Risk and Market Risk arising from the financial statements. The detail explanation of risk and concerns are explained in the **Note 43 of the financial statements page number 139**. Moreover, GPH Ispat Limited having sufficient and effective measures/controls to mitigate the risk and concerns. A detailed report on risks and concerns mitigation plan are discussed in **Annexure-D, Page 76**.

g) Future plan for company's operation, performance and financial position:

The Management of GPH Ispat Limited is very sincere in adoption of necessary feasible plans and strategy in respect of operations, performance, financial and sustainability for its foreseeable future. As Bangladesh is moving forward for middle income country, GPH Ispat wants to take strong participation to achieve this goal. In this regard, there is no scope of compromise with the quality of products for the sustainability of any infrastructure development of the country. GPH Ispat Limited has an ambition to provide the best quality products to its numerous brand users. We always concentrate on to reduce the operational costs through the adoption of new processes with low environmental impact plants with higher flexibility and higher level of automation for ever increasing competitiveness and better customer service. We also focusing on the strategy of increasing the market share, enhancing production and sales of products, exploring new markets locally and internationally and enhancing the customer relationship.



Mohammed Jahangir Alam
Managing Director

AUDIT COMMITTEE REPORT

For the year ended on June 30, 2020

The Audit Committee:

The Audit Committee of GPH Ispat Limited is a sub-committee of the Board and formed as per the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission. The Committee assist the Board of Directors and plays a key role in ensuring the governance of the company as mentioned in the Corporate Governance Code.

The Audit Committee consists by the following persons:

Mr. Mukhtar Ahmed - Chairman

Mr. Md. Almas Shimul - Member

Mr. Md. Asrafuzzaman - Member

Mr. Abu Bakar Siddique - Secretary

Meeting of the Audit Committee:

The Audit Committee has conducted four meetings during the year 2019-20 to perform various activities in order to meet the regulatory requirements as mentioned in the Corporate Governance Code. The Company Secretary acted as the Secretary of the Committee. Executive Director-Finance and Business Development, Chief Financial Officer and Head of Internal Audit & Compliance attended all four meetings on invitation of Chairman of the Audit Committee.

Major activities of the Audit Committee during the reporting period:

- a) Reviewed the financial reporting process and accounting policies and principles;
- b) Reviewed the internal audit and compliance process and the adequacy of internal audit function;
- c) Hold a meeting with the statutory auditors for review of the annual financial statements before submission to the board for approval or adoption;
- d) Reviewed the quarterly, half yearly and annual financial statements before submission to the board for approval;
- e) Reviewed the management discussion and analysis before disclosing in the Annual Report;
- f) Reviewed statement of all related party transactions submitted by the management;
- g) Reviewed the management letter issued by statutory auditors;
- h) Considered and made recommendation to the Board on the appointment and remuneration of statutory auditors; and
- i) Reviewed the proceeds raised through Rights Share Offer have been utilized as per the purposes stated in relevant offer document approved by the Commission:

The Audit Committee found the adequate arrangement to present a true and fair view of the financial statements that reflects state of affairs of the company and in ensuring a good monitoring system within the business.

Acknowledgement:

The Audit Committee would like to express its heartfelt thanks to the members of the Board, key management executives, internal audit division and all other employees for their utmost cooperation and dedication to discharge of responsibilities in the accounting year 2019-20.



Mukhtar Ahmed
Chairman
Audit Committee

NOMINATION AND REMUNERATION COMMITTEE REPORT

NOMINATION AND REMUNERATION COMMITTEE REPORT

For the year ended on June 30, 2020

The Nomination and Remuneration Committee (NRC):

The Nomination and Remuneration Committee of GPH Ispat Limited is a sub-committee of the Board and formed as per the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission. The Committee consists by the following persons:

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

Role and Responsibility of the Nomination and Remuneration Committee:

The role and responsibility of the Nomination and Remuneration Committee have been determined by the Board as per BSEC notification. The NRC assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experience and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors and top-level executive.

Meeting of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee has conducted one meeting during the year 2019-20 to perform various activities in order to meet the regulatory requirements as mentioned in the Corporate Governance Code. The Company Secretary acted as the Secretary of the NRC Committee.

Activities of the Nomination and Remuneration Committee carried out during the reporting period:

During the reporting period the NRC of GPH Ispat Limited reviewed the following activities:

- a) Set up an organization structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement.
- b) Set up standard pay structure for each job level based on education, experience and competency.
- c) A target based on-line performance management system to evaluate performance of employees. This KPI based PMS leads to yearly increment, promotion of individual.
- d) Employee benefit policy to attract the job seekers and retain internal talents. Succession planning of the company to have our future leaders ready according to the requirements. Ensuring extensive training and development plant for the individual or group of people.
- e) A transparent recruitment and selection policy where competent candidates get hired.
- f) Practicing a clear career path system for employees which reflect in organization structure

Acknowledgement:

The Nomination and Remuneration Committee would like to express its heartfelt thanks to the members of the Board, key management executives and all other employees for their utmost cooperation with the Committee during the year 2019-20.



M. A. Malek
Chairman
Nomination and Remuneration Committee

VALUE ADDED STATEMENT

VALUE ADDED STATEMENT

01 July 2019 to 30 June 2020	%	01 July 2018 to 30 June 2019	%
Taka		Taka	

Value Added:

Revenue	9,716,508,479		13,421,056,423	
Other Income	100,406,450		111,849,119	
	9,816,914,929		13,532,905,542	
Less: Cost of materials & services	7,631,329,299		10,955,052,077	
	2,185,585,630		2,577,853,465	

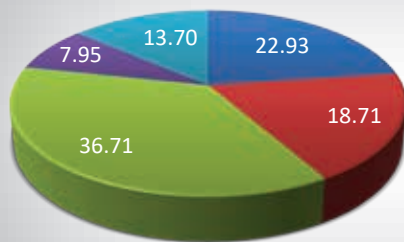
Distribution:

Employee Cost	501,256,196	22.93	459,989,679	17.84
Government	408,985,067	18.71	421,297,524	16.34
Bank	802,272,214	36.71	715,146,284	27.74
	1,712,513,477	78.35	1,596,433,487	61.93

Retained for re-investment & future growth:

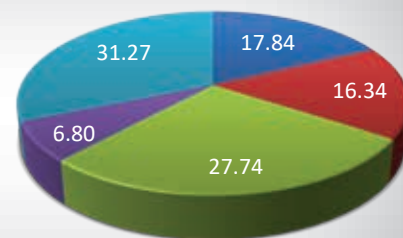
Depreciation	173,654,597	7.95	175,218,250	6.80
Retained Earnings	299,417,556	13.70	806,201,728	31.27
	473,072,153	21.65	981,419,978	38.07
	2,185,585,630	100.00	2,577,853,465	100.00

2019-2020



1 2 3 4 5

2018-2019



1 2 3 4 5

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



INDEPENDENT AUDITORS' REPORT AND

FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 30 JUNE 2020



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 2020, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2019 to 30 June 2020, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2020 and of its financial performance and cash flows for the period from 1 July 2019 to 30 June 2020 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

Basis of opinion

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

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

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

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2020. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITORS' REPORT

SL	Key Audit Matter	How our audit addressed the key audit matter
1.	<p>Valuation of Inventories</p> <p>The Company has closing inventory BDT 7,006 million out of which 66% is raw materials to start its new project's trial production.</p> <p>Inventory is carried in the financial statements at the lower of cost and net realisable value. The exercise for the assessment of the net realisable value involves the use of judgement and assumptions that may vary depending on technological and socio-economical conditions and is therefore considered a significant key audit matter. Please refer to note 3.07 and 10 to the financial statements.</p>	<ul style="list-style-type: none"> ● Verified a sample of inventory items to ensure that costs have been appropriately recorded. ● Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items. ● Assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. ● Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period. ● Reviewed the historical accuracy of inventory provisions and the level of write-downs.
2.	<p>Revenue recognition</p> <p>Appropriateness of revenue recognition and disclosures</p> <p>Revenue recognition has significant and wide influence on financial statements.</p> <p>As described in the accounting policy note 3.15 to the financial statements, the company recognises revenue upon transfer of control as per IFRS 15 – Revenue from Contracts with Customers. The company has reported total revenue of BDT 9,406 million. Refer to note 21 to the financial statements.</p> <p>This material item is subject to considerable inherent risk due to the complexity and identifying revenue and the high number of transactions from multiple locations from which revenue is being recognised. Against this background, the proper application of the accounting standards is considered to be complex and assumptions made by management.</p>	<ul style="list-style-type: none"> ● Undertaken audit procedures over the accuracy of recording of revenue including procedures related to the changes in revenue recognition resulting from the adoption of IFRS 15. ● Assessed the environment of the measurement as well as other relevant systems supporting the accounting of revenue. ● Assessed manual as well as application controls supporting revenue recognition. ● Assessed the invoicing and measurement systems up to entries in the general ledger. ● Examined customer invoices and receipts of payment on a test basis. ● Tested the revenue charging model against the regulatory guidelines, contractual provisions and accounting standards, on a sample basis. ● Assessed the design of the processes set up to account for the transactions in accordance with the new standard. ● Assessed whether the sufficiency of disclosures as required by the new standard have been met.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements of the Company does not cover the other information and, accordingly, we do not express any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITORS' REPORT

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

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

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

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

Report on other legal and regulatory requirements

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

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

Dated: Chattogram
28 October 2020

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

FINANCIAL STATEMENTS

GPH ISPAT LIMITED Statement of Financial Position As at 30 June 2020

	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	3,103,436,862	2,975,385,321
Capital work-in-progress	5	23,876,898,898	19,760,860,267
Intangible assets	6	1,010,002	966,383
Investments	7	62,344,461	273,495,309
Total non-current assets		27,043,690,223	23,010,707,280
Current assets			
Short term investment	8	882,572,314	449,929,013
Advances, deposits and prepayments	9	2,396,784,998	2,452,963,101
Inventories	10	7,006,674,104	2,792,059,671
Trade and other receivables	11	2,621,012,146	2,505,592,013
Cash and cash equivalents	12	38,761,528	281,773,961
Total current assets		12,945,805,090	8,482,317,759
Total Assets		39,989,495,313	31,493,025,039
EQUITY AND LIABILITIES			
Equity			
Share capital	13	3,781,960,870	3,601,867,500
Share premium		1,136,440,000	1,136,440,000
Fair value reserve		(21,226,941)	96,161
Amount to be distributed as dividend	28	89,825,267	-
Retained earnings		1,446,359,318	1,596,953,769
		6,433,358,514	6,335,357,430
Liabilities			
Non-current liabilities			
Long term loan	14	19,676,693,426	16,202,635,324
Finance lease obligations	15	744,497,463	539,732,060
Defined benefit obligation - gratuity	16	41,460,605	35,919,462
Deferred tax liability	17	186,228,559	174,152,167
Total non-current liabilities		20,648,880,053	16,952,439,013
Current liabilities			
Current portion of long term loan	14	155,746,011	116,835,653
Current portion of finance lease obligations	15	162,855,400	125,783,827
Short term borrowings	18	11,697,581,384	7,120,943,855
Creditors and accruals	19	800,583,885	587,163,924
Current tax liability	20	90,490,066	254,501,337
Total current liabilities		12,907,256,746	8,205,228,596
Total liabilities		33,556,136,799	25,157,667,609
TOTAL EQUITY AND LIABILITIES		39,989,495,313	31,493,025,039
NET ASSET VALUE PER SHARE	29	17.01	17.59

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



Company Secretary



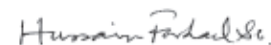
Director



Managing Director

Signed in terms of our annexed report of same date

Dated: Chattogram
28 October 2020



Hussain Farhad & Co.
Chartered Accountants



FINANCIAL STATEMENTS

GPH ISPAT LIMITED Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2020

	Note(s)	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
		Taka	Taka
Revenue	21	9,406,690,791	13,268,683,927
Cost of goods sold	22	(7,852,829,348)	(11,110,755,161)
Gross Profit		1,553,861,443	2,157,928,766
Administrative expenses	23	(214,690,454)	(189,100,564)
Selling and distribution expenses	24	(217,742,135)	(233,818,662)
Profit from operating activities		1,121,428,854	1,735,009,540
Finance Cost	25	(802,272,214)	(715,146,284)
Finance income	26	98,570,448	109,628,773
Profit before other income		417,727,088	1,129,492,029
Other income	27	1,836,002	2,220,346
Profit before income tax and distribution of WPPF and Welfare Fund		419,563,090	1,131,712,375
Contribution to WPPF and Welfare Fund	19.03	(20,978,155)	(56,585,619)
Profit before Income Tax		398,584,935	1,075,126,756
Income tax expenses			
-Current	20	(84,721,754)	(248,877,693)
-Deferred	17	(14,445,625)	(20,047,335)
Profit after tax		299,417,556	806,201,728
Minimum amount to be distributed as dividend	28	89,825,267	-
Maximum amount can be transferred to retained earnings	28	209,592,289	-
Profit after tax		299,417,556	-
Other comprehensive income			
Net change in fair value of investment in quoted shares	7.02.01	(23,692,335)	3,816,437
Deferred tax on unrealised gain/(loss)		2,369,233	(10,567)
Total other comprehensive income/(Loss)		(21,323,102)	3,805,870
Total comprehensive income		278,094,454	810,007,598
Earning Per Share (Basic)	30	0.79	2.24

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



Company Secretary



Director

Signed in terms of our annexed report of same date



Managing Director

Hussain Farhad & Co.

Hussain Farhad & Co.
Chartered Accountants





Dated: Chattogram
28 October 2020

GPH ISPAT LIMITED
Statement of Changes in Equity
 For the year ended 30 June 2020

Amount in Taka

	Share Capital	Share Premium	Fair value reserve	Amount to be distributed as Dividend	Retained Earnings	Total Equity
Balance as on 01 July 2018	3,274,425,000	1,136,440,000	(3,709,709)	-	1,118,194,541	5,525,349,832
Bonus share for the year 2017-2018	327,442,500	-	-	-	(327,442,500)	-
Change in fair value of investment in quoted shares (net of tax)	-	-	3,805,870	-	-	3,805,870
Net profit after tax	-	-	-	-	806,201,728	806,201,728
Balance as at 30 June 2019	3,601,867,500	1,136,440,000	96,161	-	1,596,953,769	6,335,357,430
Balance as on 01 July 2019	3,601,867,500	1,136,440,000	96,161	-	1,596,953,769	6,335,357,430
Bonus share for the year 2018-2019	180,093,370	-	-	-	(180,093,370)	-
Cash dividend for the year 2018-2019	-	-	-	-	(180,093,370)	(180,093,370)
Change in fair value of investment in quoted shares (net of tax)	-	-	(21,323,102)	-	-	(21,323,102)
Minimum amount to be distributed as dividend u/s 16G of ITO 1984	-	-	-	89,825,267	-	89,825,267
Net profit after tax	-	-	-	-	209,592,289	209,592,289
Balance as at 30 June 2020	3,781,960,870	1,136,440,000	(21,226,941)	89,825,267	1,446,359,318	6,433,358,514


 Company Secretary


 Director


 Managing Director

FINANCIAL STATEMENTS

GPH ISPAT LIMITED Statement of Cash Flows For the year ended 30 June 2020

	Note(s)	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
		Taka	Taka
a. Operating activities			
Receipts from customers against sales		9,331,321,533	12,478,295,095
Receipts against other income		190,945	-
Cash Paid to suppliers, operating and other expenses		(12,149,897,537)	(11,793,803,618)
Foreign currency exchange gain/(loss)		(35,225,865)	837,202
Income tax paid		(209,985,985)	(167,977,220)
Net cash flows generated by operating activities	33	(3,063,596,909)	517,351,459
b. Investing activities			
Acquisition of property, plant and equipment		(4,419,362,672)	(9,192,511,093)
Acquisition of intangible asset		(250,000)	-
Proceeds from sale of property, plant and equipment		1,400,000	-
Dividend received (net of tax)		1,490,368	1,776,325
Interest received from bank deposits and others		75,616,991	86,675,316
Other investments		(222,231,331)	1,271,590,967
Net cash flows used in investing activities		(4,563,336,644)	(7,832,468,485)
c. Financing activities			
Receipts from long term loans		3,512,968,460	7,679,578,445
(Repayment) / Receipt of finance lease obligation		241,836,976	564,171,653
(Repayment) / Receipt of short term borrowings		4,576,637,529	(133,547,441)
Dividend paid		(180,475,496)	(21,671,353)
Interest and bank charges paid		(767,046,210)	(715,983,556)
Net cash flows used in financing activities		7,383,921,259	7,372,547,748
d. Net increase in cash and cash equivalents (a+b+c)		(243,012,294)	57,430,722
e. Opening cash and cash equivalents		281,773,961	224,343,169
f. Effect of foreign exchange rate changes		(139)	70
g. Cash and cash equivalents at the end of the year (d+e+f)		38,761,528	281,773,961
Net operating cash flows per share	31	(8.10)	1.44


Company Secretary


Director


Managing Director

NOTES TO THE FINANCIAL STATEMENTS

GPH ISPAT LIMITED

Notes to the Financial Statements As at and for the year ended 30 June 2020

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 FINANCIAL STATEMENT PREPARATION AND PRESENTATION

2.01 Statement of Compliance

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

2.02 Basis of Reporting

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

- a) A statement of Financial Position as at 30 June 2020;
- b) A statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020;
- c) A statement of Changes in Equity for the year ended 30 June 2020;
- d) A statement of Cash Flows for the year ended 30 June 2020; and
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

NOTES TO THE FINANCIAL STATEMENTS

2.03 Regulatory Compliances

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

- a) The Income Tax Ordinance 1984
- b) The Income Tax Rules 1984
- c) The Value Added Tax Act 2012
- d) The Value Added Tax 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) The Labour Act 2006 (as amended in 2013)

2.04 Authorization for Issue

The financial statements were authorized for issue by the Board of Directors on 27 October 2020.

2.05 Basis of Measurement

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

2.06 Functional and Presentation Currency

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

2.07 Cash Flows Statement

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

2.08 Going Concern

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

2.09 Reporting Period

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

NOTES TO THE FINANCIAL STATEMENTS

2.10 Application of Accounting Standards

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

Accounting Standards

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

NOTES TO THE FINANCIAL STATEMENTS

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

Note: 4	Property, plant and equipment
Note: 5	Capital work-in-progress
Note: 6	Intangible assets
Note: 10	Inventories
Note: 11	Trade and other receivables
Note: 16	Defined benefit obligation - gratuity
Note: 17	Deferred tax liability
Note: 20	Current tax liability

2.13 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.

NOTES TO THE FINANCIAL STATEMENTS

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 30 June 2020 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

3.02 Property, Plant and Equipment

i) Recognition and Measurement

Property, 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 depreciation rate(s) are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

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 non other income in the statement of profit or loss and other comprehensive income.

3.03 Intangible Assets

i) Recognition and Measurement

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

ii) Amortization

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

NOTES TO THE FINANCIAL STATEMENTS

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 2020 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.

NOTES TO THE FINANCIAL STATEMENTS

3.07 Inventories

i) Nature of Inventories

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

ii) Valuation of Inventories

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

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

3.08 Financial Instruments

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

3.08.01 Financial Assets

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

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

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

Loans and Receivables

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

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

a) Trade Receivables

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

b) Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

NOTES TO THE FINANCIAL STATEMENTS

c) Cash and Cash Equivalents

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

Available-for-sale

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

3.08.02 Financial Liabilities

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

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

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

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

a) Trade and Other Payables

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

b) Interest-bearing borrowings

Interest-bearing borrowings comprise loans and operational overdraft.

3.09 Impairment

3.09.01 Financial Assets

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

NOTES TO THE FINANCIAL STATEMENTS

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 trialed as one year for the purpose of calculation of gratuity.

3.11.03 Workers' Profit Participation and Welfare Funds

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

3.12 Taxation

3.12.01 Current Tax

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

3.16 Other Income

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

3.17 Finance Income and Cost

3.17.01 Finance Income

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

3.17.02 Finance Cost

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

3.17.03 Transactions in Foreign Currencies

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

3.18 Earnings Per Share

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

NOTES TO THE FINANCIAL STATEMENTS

3.18.01 Basis of Earnings

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

3.18.02 Basic Earnings Per Share

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

3.18.03 Diluted Earnings Per Share

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

3.18.04 Re-stated Earnings Per Share

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

3.19 Measurement of Fair Values

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

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

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

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

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

Property, Plant and Equipment

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

Equity and Debt Securities

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

3.20 Events after the Reporting Period

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

4.00 Property, plant and equipment - at 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											
Balance as on 01 July 2018	336,130,845	1,522,123,764	844,483,533	20,462,953	12,396,764	117,681,683	292,707,720	191,584,716	22,490,518	8,885,518	3,368,948,014
Addition during the year	486,105,473	10,957,264	170,056,970	5,423,205	2,499,935	33,925,000	-	4,185,174	-	4,174,670	717,327,691
Balance as at 30 June 2019	822,236,318	1,533,081,028	1,014,540,503	25,886,158	14,896,699	151,606,683	292,707,720	195,769,890	22,490,518	13,060,188	4,086,275,705
Balance as on 01 July 2019	822,236,318	1,533,081,028	1,014,540,503	25,886,158	14,896,699	151,606,683	292,707,720	195,769,890	22,490,518	13,060,188	4,086,275,705
Addition during the year	194,002,362	45,417,557	19,621,370	1,249,920	2,688,480	11,758,012	24,433,090	2,512,000	-	1,641,250	303,324,041
Disposal/Adjustment during the year	-	-	-	-	-	(3,829,396)	-	-	-	-	(3,829,396)
Balance as at 30 June 2020	1,016,238,680	1,578,498,585	1,034,161,873	27,136,078	17,585,179	159,535,299	317,140,810	198,281,890	22,490,518	14,701,438	4,385,770,350
Accumulated depreciation											
Balance as on 01 July 2018	-	505,096,069	215,174,824	7,960,162	7,183,289	34,408,023	85,297,095	61,264,876	13,915,977	5,371,819	935,672,134
Charged for the year	-	101,893,075	36,466,339	1,495,966	1,253,226	9,819,699	15,555,797	6,653,082	857,454	1,223,612	175,218,250
Balance as at 30 June 2019	-	606,989,144	251,641,163	9,456,128	8,436,515	44,227,722	100,852,892	67,917,958	14,773,431	6,595,431	1,110,890,384
Balance as on 01 July 2019	-	606,989,144	251,641,163	9,456,128	8,436,515	44,227,722	100,852,892	67,917,958	14,773,431	6,595,431	1,110,890,384
Depreciation Rate	0.00%	10.00%	5.00%	10.00%	20.00%	10.00%	7.50%	5.00%	10.00%	20.00%	20.00%
Charged for the year	-	96,167,608	38,887,414	1,737,668	1,556,320	11,407,409	15,263,857	6,413,530	771,709	1,449,082	173,654,597
Adjustment for disposal during the year	-	-	-	-	-	(2,211,493)	-	-	-	-	(2,211,493)
Balance as at 30 June 2020	-	703,156,752	290,528,577	11,193,796	9,992,835	53,423,638	116,116,749	74,331,488	15,545,140	8,044,513	1,282,333,488
Carrying amount											
As at 30 June 2019	822,236,318	926,091,884	762,899,340	16,430,030	6,460,184	107,378,961	191,854,828	127,851,932	7,717,087	6,464,757	2,975,385,321
As at 30 June 2020	1,016,238,680	875,341,833	743,633,296	15,942,282	7,592,344	106,111,661	201,024,061	123,950,402	6,945,378	6,656,925	3,103,436,862

Depreciation allocated to:	Note (s)	Allocation Basis	01 July 2019 to 30 June 2020		01 July 2018 to 30 June 2019	
			Taka	%	Taka	%
Direct expenses	22.03	90.00%	156,289,137	90.00%	157,696,424	90.00%
Administrative expenses	23.00	5.00%	8,682,730	5.00%	8,760,913	5.00%
Selling and distribution expenses	24.00	5.00%	8,682,730	5.00%	8,760,913	5.00%
			173,654,597		175,218,250	

NOTES TO THE FINANCIAL STATEMENTS

		30 June 2020	30 June 2019
	Note(s)	Taka	Taka
5.00 Capital work-in-progress			
Opening balance		19,760,860,267	11,285,676,865
Add: Expenses incurred during the year		4,116,038,631	8,475,183,402
		23,876,898,898	19,760,860,267
Less: Capitalized during the year		-	-
Closing balance		23,876,898,898	19,760,860,267
Capital work-in-progress includes all the costs of the new projects of MS Billet plant (840,000 M. Ton per annum) and MS Rod plant (640,000 M. Ton per annum) which is under construction.			
6.00 Intangible assets			
Software	6.01	1,010,002	966,383
		1,010,002	966,383
6.01 Intangible assets schedule			
Cost			
Opening balance		1,980,475	1,980,475
Add: Addition during the year		250,000	-
Closing balance		2,230,475	1,980,475
Accumulated amortization			
Opening balance		1,014,092	816,044
Add: Charged during the year		206,381	198,048
Closing balance		1,220,473	1,014,092
Carrying amount		1,010,002	966,383
7.00 Investments			
Investment in Un-quoted equity-at cost	7.01	1,000,000	1,000,000
Investment in quoted shares - at fair value	7.02	61,344,461	85,036,796
Investments in Fixed Deposit Receipts (FDR)		-	187,458,513
		62,344,461	273,495,309
7.01 Investment in Un-quoted equity-at cost			
GPH Steels Limited		1,000,000	1,000,000
		1,000,000	1,000,000
7.01.01			
GPH Ispat Limited has acquired 10% equity of GPH Steels Limited i.e. 100,000 ordinary shares of Tk. 10 each. GPH Steels Limited has yet to start its commercial operation till the date of Statement of Financial Position.			
7.02 Investment in quoted shares - at fair value			
Opening balance		85,036,796	81,220,359
Sales during the year		-	-
Net change in fair value of investment in quoted shares	7.02.01	(23,692,335)	3,816,437
		61,344,461	85,036,796

NOTES TO THE FINANCIAL STATEMENTS

7.02.01 Details of investment in quoted (tradeable securities) shares

Particulars	Cost	Number of shares	30 June 2020		30 June 2019
			Fair value	Gain/ (Loss)	Fair value
Bank Asia Limited	7,334,873	664,993	10,867,714	(993,999)	11,861,713
Eastern Bank Limited	524,001	26,005	805,925	(178,806)	984,731
Envoy Textile Limited	40,855,472	927,269	19,589,300	(12,751,525)	32,340,825
Meghna Cement Limited	8,992,766	84,990	6,148,678	(1,005,837)	7,154,515
Peoples Insurance Co. Limited	9,523,726	303,400	4,565,305	(2,146,601)	6,711,906
Pubali Bank Limited	13,122,694	490,568	10,216,986	(2,639,796)	12,856,782
Square Pharmaceuticals Limited	4,577,590	53,233	9,150,553	(3,975,771)	13,126,324
	84,931,122	2,550,458	61,344,461	(23,692,335)	85,036,796

7.02.02 Investments in quoted shares are carried at fair value net of cost to sale as on 30 June 2020. Changes in fair value are recognized under other comprehensive income in the statement of profit or loss and other comprehensive income.

8.00 Short term investment

	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
Investments in Fixed Deposit Receipts (FDR)	8.01	882,572,314	449,929,013
		882,572,314	449,929,013

8.01	Name of the banks	Purpose	Tenure	Rate of Interest	30 June 2020	30 June 2019
	AB Bank Limited	L/C Margin	12 Months	10.00%	81,650,843	75,063,374
	Dutch Bangla Bank Limited	L/C Margin	3-6 Months	4.25%-4.50%	25,953,405	37,690,159
	IPDC Finance Limited	Lien against Term Loan	12 Months	8.25%	11,532,523	10,737,917
	Mercantile Bank Limited	L/C Margin	6 Months	6.50%	34,474,878	-
	Midland Bank Limited	BG Margin	3-12 Months	8.50%-10.00%	187,838	173,598
	NCC Bank Limited	L/C Margin	6 Months	6.00%-8.00%	64,608,510	28,784,259
	One Bank Limited	L/C Margin	6 Months	6.00%-8.00%	66,917,302	14,529,552
	Pubali Bank Limited	L/C Margin	6 Months	6.00%-6.5%	56,359,767	25,065,912
	Southeast Bank Limited	L/C Margin	3-12 Months	6.00%-7.50%	61,188,327	47,858,284
	State Bank of India	BG Margin	12 Months	7.50%	2,514,617	2,359,554
	Standard Chartered Bank	Lien against Overdraft	349 Days	6.00%	197,990,192	-
	The City Bank Limited	L/C Margin	3-6 Months	6.00%	37,660,843	36,431,086
	Trust Bank Limited	L/C Margin	6 Months	6.00%	82,454,319	32,151,400
	United Commercial Bank Limited	L/C Margin	6 Months	6.00%-8.00%	159,078,950	139,083,918
					882,572,314	449,929,013

NOTES TO THE FINANCIAL STATEMENTS

		30 June 2020	30 June 2019
	Note(s)	Taka	Taka
9.00 Advances, deposits and prepayments			
Advances	9.01	2,278,271,848	2,382,575,264
Deposits	9.02	111,144,130	69,167,153
Prepayments	9.03	7,369,020	1,220,684
		2,396,784,998	2,452,963,101
9.01 Advances			
Against income tax	9.01.01	417,916,951	456,663,991
Against VAT	9.01.02	168,938,908	-
Against VAT current account		476,448	476,448
For investment in Star Allied Venture Limited		62,500,000	62,500,000
Against land		757,400,000	800,000,000
Against LC		339,849,220	486,986,236
Against other supply		527,330,144	566,504,000
Against raw material supply		2,154,240	5,642,697
Against employees		1,705,937	3,801,892
		2,278,271,848	2,382,575,264
9.01.01 Advance income tax			
Opening balance		456,663,991	459,239,289
Addition during the year		209,985,985	167,977,220
Paid/adjusted during the year		(248,733,025)	(170,552,518)
		417,916,951	456,663,991
9.01.02 Advance VAT			
Opening balance		-	-
Addition during the year		478,756,596	-
Paid/adjusted during the year		(309,817,688)	-
		168,938,908	-
9.02 Deposits			
Bangladesh Power Development Board		89,000,000	33,000,000
Karnaphuli Gas Distribution Company Limited		21,738,586	21,738,586
Security to Shipping Lines		305,544	14,328,567
Bangladesh Railway		100,000	100,000
		111,144,130	69,167,153
9.03 Prepayments			
Insurance premium		3,918,560	1,220,684
Bangladesh Standards and Testing Institution		3,450,460	-
		7,369,020	1,220,684
9.04	The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in kind or in cash and that no provision against those are required at this stage.		
10.00 Inventories			
Finished goods	10.01	2,181,449,041	1,664,014,256
Raw materials	10.02	4,629,873,049	912,274,607
Spares and other materials	10.03	195,352,014	215,770,808
		7,006,674,104	2,792,059,671

NOTES TO THE FINANCIAL STATEMENTS

		30 June 2020	30 June 2019
	Note(s)	Taka	Taka
10.01 Finished Goods			
M. S. Rod		1,680,512,617	1,188,444,250
M. S. Billet		500,936,424	475,570,006
		2,181,449,041	1,664,014,256
10.02 Raw Materials			
Melting Scrap		4,555,979,587	799,667,784
Sponge Iron		30,618,287	73,871,534
Ferro Alloy		31,688,691	33,523,101
Quartz Powder		3,395,496	2,368,324
Pet Coke		8,190,988	2,843,864
		4,629,873,049	912,274,607
10.03 Spares and other materials			
Refractory Bricks		27,997,763	50,734,883
Spares and Consumables		141,139,272	153,579,446
Rolls		3,925,802	2,707,656
Graphite Electrode		22,112,964	8,174,362
Copper Mould Tube		176,213	574,461
		195,352,014	215,770,808
11.00 Trade and other receivables			
Trade receivables	11.01	2,248,595,150	2,176,118,871
Other receivable	11.03	372,416,996	329,473,142
		2,621,012,146	2,505,592,013
11.01 Ageing of trade receivables			
Dues within 6 Months		2,167,326,014	2,095,980,901
Dues over 6 months		81,269,136	80,137,970
		2,248,595,150	2,176,118,871
11.02	Trade Receivables represent receivable from 523 parties as on 30 June 2020 (591 Parties as on 30 June 2019). Receivables are unsecured but considered good and recoverable.		
11.03	Interest at 12% per annum has been charged on outstanding balance of other receivable from Arbee Textiles Limited.		
12.00 Cash and cash equivalents			
Cash in hand	12.01	2,551,177	1,792,953
Cash at bank	12.02	31,879,085	275,718,575
Fixed Deposit Receipts (FDR)	12.03	4,331,266	4,262,433
		38,761,528	281,773,961

NOTES TO THE FINANCIAL STATEMENTS

			30 June 2020	30 June 2019
			Taka	Taka
12.01	Cash in hand			
	Dhaka office petty cash		1,123,751	877,866
	Factory petty cash		127,364	177,898
	Minimill petty cash		1,300,062	737,189
			2,551,177	1,792,953
12.02	Cash at Bank			
	Name of the Banks	Branch	Account Type	
	AB Bank Limited	Gulshan	Current	47,555
	AB Bank Limited	Sitakunda	Current	287,886
	Agrani Bank Limited	Asadgonj	Current	729,684
	Agrani Bank Limited	Principal	Current	2,215
	Al-Arafah Islami Bank Limited	Jubilee Road	Current	5,506,984
	Al-Arafah Islami Bank Limited	Khatungonj	Current	29,169
	Bangladesh Development Bank Limited	Khatungonj	Current	1,231
	Bank Al Falah Limited	Agrabad	Current	16,443
	Bank Asia Limited	Anderkilla	Current	24,748
	Bank Asia Limited	Banani	Current	9,189
	BASIC Bank Limited	Asadgonj	Current	2,725,932
	BRAC Bank Limited	Agrabad	Current	11,845
	Community Bank Bangladesh Limited	Agrabad	Current	9,655
	Dhaka Bank Limited	Khatungonj	Current	15,526
	Dutch Bangla Bank Limited	Khatungonj	Current	2,080,908
	Dutch Bangla Bank Limited	Agrabad	Current	306,747
	Eastern Bank Limited	Agrabad	Current	345,465
	EXIM Bank Limited	Khatungonj	Current	363,204
	First Security Islami Bank Limited	Khatungonj	Current	27,958
	HSBC	Agrabad	Current	2,970
	IFIC Bank Limited	Khatungonj	Current	10,357
	Islami Bank Bangladesh Limited	Khatungonj	Current	30,227
	Jamuna Bank Limited	Khatungonj	Current	110,096
	Janata Bank Limited	Khatungonj	Current	28,280
	Mercantile Bank Limited	Khatungonj	Current	9,846
	Meghna Bank Limited	Agrabad	Current	34,057
	Midland Bank Limited	Agrabad	Current	453,334
	Modhumoti Bank Limited	Agrabad	Current	8,775
	Mutual Trust Bank Limited	Khatungonj	Current	745,661
	National Bank Limited	Anderkilla	Current	1,243,484
	National Bank Limited	Jubilee Road	Current	4,415

NOTES TO THE FINANCIAL STATEMENTS

			30 June 2020	30 June 2019
			Taka	Taka
<u>Name of the Banks</u>	<u>Branch</u>	<u>Account Type</u>		
NCC Bank Limited	Khatungonj	Current	48,391	129,813
NRB Bank Limited	Agrabad	Current	22,562	68,295
NRB Commercial Bank Limited	Agrabad	Current	21,418	12,537
One Bank Limited	Khatungonj	Current	48,093	1,298,136
Premier Bank Limited	Khatungonj	Current	6,750	27,371
Premier Bank Limited	O.R Nizam Road	Current	23,050	13,928
Prime Bank Limited	Khatungonj	Current	6,017,710	11,142
Prime Bank Limited	O.R Nizam Road	Current	9,999	10,689
Shahajalal Islami Bank Limited	Gulshan	Current	8,850	-
Shahajalal Islami Bank Limited	Khatungonj	Current	23,355	18,252
Shimanto Bank Limited	Agrabad	Current	44,660	9,425
Social Islami Bank Limited	Khatungonj	Current	31,619	9,706
Sonali Bank Limited	Khatungonj	Current	261,863	250,720
Sonali Bank Limited	Motijheel F. Ex.	Current	98,735	99,425
South Bangla Agricultural Bank Limited	Agrabad	Current	16,585	15,685
Southeast Bank Limited	Khatungonj	Current	210,651	980,589
Standard Bank Limited	Khatungonj	Current	24,295	586,171
State Bank of India	Jubilee Road	Current	65,038	51,312
The City Bank Limited	Khatungonj	Current	330,452	3,096,760
Trust Bank Limited	Ashulia	Current	5,484	18,354
Trust Bank Limited	CDA Avenue	Current	106,465	724,011
United Commercial Bank Limited	Khatungonj	Current	25,529	-
United Commercial Bank Limited	Gulshan	Current	1,849,823	4,755,404
United Commercial Bank Limited	Khatungonj	Escrow	-	194,537,071
Union Bank Limited	Khatungonj	Current	835,967	37,014
Uttara Bank Limited	Khatungonj	Current	473,834	25,297
Uttara Bank Limited	Laldighi	Current	826,786	55,545,022
Sub-total			26,661,810	270,233,423
AB Bank Limited	Khatungonj	SND	487,777	546,018
AB Bank Limited	Khatungonj	GBP	11,825	12,157
AB Bank Limited	Khatungonj	USD	46,839	46,646
AB Bank Limited	Khatungonj	SND	104,243	297
Mutual Trust Bank Limited	Khatungonj	SND	2,000	2,028
Southeast Bank Limited	Khatungonj	SND	-	94,434
Standard Chartered Bank	Agrabad	SND	923,752	920,215
Standard Chartered Bank	Agrabad	SND	3,021,797	3,863,357
Standard Chartered Bank	Agrabad	SND	619,042	-
Sub-total			5,217,275	5,485,152
Total			31,879,085	275,718,575

NOTES TO THE FINANCIAL STATEMENTS

			30 June 2020	30 June 2019
			Taka	Taka
12.03	Fixed Deposit Receipts (FDR)			
	Name of the banks	Tenure	Rate of Interest	
	Trust Bank Limited	1 Month	2.00%	
			4,331,266	4,262,433
			4,331,266	4,262,433
	Above FDR in Trust Bank Limited is lien against L/C margin.			
13.00	Share capital			
	Authorized Capital			
	1,000,000,000	Ordinary Shares of Tk 10 each	10,000,000,000	10,000,000,000
	Issued, subscribed and paid-up Capital			
	100,000	Ordinary Shares of Tk. 10 each as at 17 May 2006	1,000,000	1,000,000
	1,100,000	Ordinary Shares of Tk. 10 each as at 28 September 2008	11,000,000	11,000,000
	17,000	Ordinary Shares of Tk. 10 each as at 24 January 2010	170,000	170,000
	36,428,600	Ordinary Shares of Tk. 10 each as at 28 April 2010	364,286,000	364,286,000
	12,354,400	Ordinary Shares of Tk. 10 each as at 28 April 2010	123,544,000	123,544,000
	20,000,000	Ordinary Shares of Tk. 10 each as at 20 August 2011	200,000,000	200,000,000
	20,000,000	Ordinary Shares of Tk.10 each issued through IPO 07 March 2012	200,000,000	200,000,000
	18,000,000	Ordinary Shares of Tk. 10 each as at 13 November 2012	180,000,000	180,000,000
	10,800,000	Ordinary Shares of Tk. 10 each as at 09 november 2013	108,000,000	108,000,000
	5,940,000	Ordinary Shares of Tk. 10 each as at 10 November 2014	59,400,000	59,400,000
	187,110,000	Rights Shares of Tk. 10 each as at 01 June 2016	1,871,100,000	1,871,100,000
	15,592,500	Ordinary Shares of Tk. 10 each as at 10 December 2017	155,925,000	155,925,000
	32,744,250	Ordinary Shares of Tk. 10 each as at 19 January 2019	327,442,500	327,442,500
	18,009,337	Ordinary Shares of Tk. 10 each as at 26 December 2019	180,093,370	-
	378,196,087	Ordinary Shares of Tk 10 each	3,781,960,870	3,601,867,500

NOTES TO THE FINANCIAL STATEMENTS

13.01 Position of share holding

Shareholders	30 June 2020		30 June 2019	
	Percentage of holding	Amount in Taka	Percentage of holding	Amount in Taka
Mr. Mohammed Jahangir Alam	23.58%	891,674,430	23.58%	849,213,750
Mr. Md. Abdur Rouf	3.00%	113,458,820	3.00%	108,056,020
Mr. Md. Alamgir Kabir	4.81%	181,961,010	4.81%	173,296,200
Mr. Md. Almas Shimul	10.83%	409,412,270	10.83%	389,916,450
Mr. Md. Ashrafuzzaman	3.00%	113,458,820	3.00%	108,056,020
Mr. Md. Abdul Ahad	2.40%	90,767,060	2.40%	86,444,820
Mr. Md. Azizul Haque Raju	2.00%	75,639,210	2.00%	72,037,350
General Shareholders	50.38%	1,905,589,250	50.38%	1,814,846,890
TOTAL	100%	3,781,960,870	100%	3,601,867,500

13.02 Classification of shares by holding

Slab by number of shares	30 June 2020			30 June 2019
	No. of Holders	No. of Shares	Holding (%)	Holding(%)
Less than 500	2,101	292,664	0.08%	0.08%
500-5,000	3,876	6,632,858	1.75%	1.90%
5,001-10,000	498	3,504,968	0.93%	1.02%
10,001-20,000	352	4,838,430	1.28%	1.36%
20,001-30,000	132	3,248,780	0.86%	1.00%
30,001-40,000	66	2,245,884	0.59%	0.51%
40,001-50,000	33	1,481,330	0.39%	0.50%
50,001-100,000	76	5,266,161	1.39%	1.55%
100,001-1,000,000	98	26,121,071	6.91%	6.78%
Above 1,000,000	40	324,563,941	85.82%	85.30%
	7,272	378,196,087	100%	100%

14.00 Long Term Loan

	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
Term Loan	14.01	1,992,809,735	3,770,134,034
Long Term Financing Facility	14.02	3,563,635,055	1,742,500,000
Syndication Term Loan	14.03	5,430,089,108	2,930,267,558
ECA Backed Finance	14.04	7,772,083,919	6,802,747,765
Loan From Directors	14.05	1,073,821,620	1,073,821,620
		19,832,439,437	16,319,470,977

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
14.01 Term Loan			
Eastern Bank Limited		438,133,128	447,967,552
Pubali Bank Limited		88,432,268	716,041,696
State Bank of India		20,144,792	31,619,476
United Commercial Bank Limited		1,446,099,547	1,698,707,563
Trust Bank Limited		-	875,797,747
		1,992,809,735	3,770,134,034

14.01.01 Terms of Long Term Loan Facility

Eastern Bank Limited

Security:

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

Rate of Interest:

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

Pubali Bank Limited

Security:

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

Rate of Interest:

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

State Bank of India

Security:

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

Rate of Interest:

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

United Commercial Bank Limited

Security:

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

Rate of Interest:

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

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2020	30 June 2019
	Taka	Taka
14.02 Long Term Financing Facility		
Eastern Bank Limited	459,445,885	236,538,000
Mutual Trust Bank Limited	401,154,647	175,826,750
NCC Bank Limited	908,172,482	467,557,800
One Bank Limited	137,067,836	70,567,000
Pubali Bank Limited	683,809,183	352,047,900
Southeast Bank Limited	170,760,814	87,913,375
United Commercial Bank Limited	803,224,208	352,049,175
	3,563,635,055	1,742,500,000

14.02.01 Terms of Long Term Financing Facility

Lenders:

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

Total loan facilities:

The long term financing facility comprises USD 44.2 million.

Interest rate:

Margin 4.25% + 6 months LIBOR

Interest payable:

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

Disbursement:

First Disbursement of USD on 13 February 2019.

Repayments:

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

Securities:

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

Purpose:

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

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2020	30 June 2019
	Taka	Taka
14.03 Syndication Term Loan		
AB Bank Limited	107,834,795	101,836,270
Agrani Bank Limited	1,109,709,445	300,650,000
Basic Bank Limited	303,907,508	290,594,002
Bangladesh Infrastructure Finance Fund Limited	850,584,210	-
Jamuna Bank Limited	109,676,118	104,699,969
Janata Bank Limited	1,098,063,634	683,271,359
Mercantile Bank Limited	108,179,912	104,757,311
Midland Bank Limited	109,681,444	104,702,799
One Bank Limited	105,908,723	101,660,946
Pubali Bank Limited	211,670,758	202,280,947
Sonali Bank Limited	926,674,719	569,392,799
Southeast Bank Limited	82,287,334	78,533,716
The City Bank Limited	83,477,258	78,533,764
United Commercial Bank Limited	222,433,250	209,353,676
	5,430,089,108	2,930,267,558

14.03.01 Terms of Syndicate term borrowings

Lenders:

The company entered into a syndicated loan agreement to set up a Billet plant (840,000 M.Ton per annum) and MS Rod plant (640,000 M. Ton per annum) at 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 and 01 (one) Financial Institution.

Total loan facilities:

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

Interest rate:

BDT

	30 June 2020
Government Banking Institutions	9.00%
Non-government Banking Institutions	9.00%
Non-Banking Financial Institutions	9.00%

Interest payable:

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

Disbursement:

First Disbursement of BDT made on 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

Repayments:

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

Securities:

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

Purpose:

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

14.04 ECA Backed Finance	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
ODDO BHF Aktiengesellschaft, Germany		7,772,083,919	6,802,747,765
		7,772,083,919	6,802,747,765

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 banked finance from ODDO BHF Aktiengesellschaft, Germany.

Total loan facilities:

The syndication financing comprises of USD 94.84 million only.

Interest rate:

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

Interest payable:

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

Disbursement:

First Disbursement made on 09 August 2017

Repayments:

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

Securities:

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

Purpose:

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

NOTES TO THE FINANCIAL STATEMENTS

		30 June 2020	30 June 2019
	Note(s)	Taka	Taka
14.05	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
14.06	Long Term Loan - Maturity analysis		
	Due within one year	155,746,011	116,835,653
	Due after one year	19,676,693,426	16,202,635,324
		19,832,439,437	16,319,470,977
15.00	Finance lease obligations		
	Al- Arafah Islami Bank Limited	31,193,123	-
	Industrial and Infrastructure Development Finance Company Limited	49,691,090	70,810,462
	IPDC Finance Limited	354,772,250	418,380,422
	Pubali Bank Limited	10,396,939	12,835,656
	United Commercial Bank Limited	5,860,332	9,387,220
	United Finance Limited	197,001,629	154,102,127
	Uttara Finance and Investments Limited	258,437,500	-
		907,352,863	665,515,887
15.01	Finance Lease Obligation - Maturity analysis		
	Due within one year	162,855,400	125,783,827
	Due after one year	744,497,463	539,732,060
		907,352,863	665,515,887
15.02	Al- Arafah Islami Bank Limited		
	Due within one year	5,283,019	-
	Due after one year	25,910,104	-
		31,193,123	-

The Company has three separate lease agreements with Al-Arafah Islami Bank Limited all of which are under Capital lease with following particulars:

i) Principal amount of finance: Tk. 32,474,720 - Repaid till 30 June 2020: Tk 1,281,597.

ii) Repayment Term is 5 years

Security :

i) Post dated cheques

ii) Joint ownership of Lease Assets

iii) Personal Guarantee of Directors

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2020	30 June 2019
	Taka	Taka
15.03 Industrial and Infrastructure Development Finance Company Limited		
Due within one year	24,273,386	21,119,372
Due after one year	25,417,704	49,691,090
	49,691,090	70,810,462

The Company has one lease agreement with Industrial and Infrastructure Development Finance Company Limited which is under Capital lease with following particulars:

- i) Principal amount of finance: Tk. 100,000,000 - Repaid till 30 June 2020: Tk 50,308,910.
- ii) Repayment Term is 4.5 years

Security :

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

15.04 IPDC Finance Limited

Due within one year	83,211,964	73,213,495
Due after one year	271,560,286	345,166,927
	354,772,250	418,380,422

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

- i) Principal amount of finance: Tk. 450,000,000 - Repaid till 30 June 2020: Tk 95,227,750.
- ii) Repayment Term is 5 years

Security :

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

15.05 Pubali Bank Limited

Due within one year	2,933,070	2,459,729
Due after one year	7,463,869	10,375,927
	10,396,939	12,835,656

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

- i) Principal amount of finance: Tk. 14,120,000 - Repaid till 30 June 2020: Tk 3,723,061.
- ii) Repayment Term is 4.5 years

Security :

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

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2020	30 June 2019
	Taka	Taka
15.06 United Commercial Bank Limited		
Due within one year	3,008,847	3,517,679
Due after one year	2,851,485	5,869,541
	5,860,332	9,387,220

***HP-Hire purchase**

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

- i) Principal amount of finance: Tk. 14,303,000 - Repaid till 30 June 2020: Tk 8,442,668
- ii) Repayment Term is 4 - 4.5 years

Security:

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

15.07 United Finance Limited		
Due within one year	44,145,113	25,473,552
Due after one year	152,856,516	128,628,575
	197,001,629	154,102,127

The Company has three separate lease agreements with United Finance Limited all of which are under Capital lease with following particulars:

- i) Principal amount of finance: Tk. 233,000,000 - Repaid till 30 June 2020: Tk 35,998,371.
- ii) Repayment Term is 4 years

Security :

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

15.08 Uttara Finance and Investments Limited		
Due within one year	-	-
Due after one year	258,437,500	-
	258,437,500	-

The Company has one lease agreement with Uttara Finance and Investments Limited which is under Capital lease with following particulars:

- i) Principal amount of finance: Tk. 250,000,000 - no repayment has been started till 30 June 2020.
- ii) Repayment Term is 4 years

Security :

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

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2020	30 June 2019
	Taka	Taka
16.00 Defined Benefit Obligation (Gratuity)		
Opening Balance	35,919,462	31,176,685
Add: Provision made during the year	5,885,053	5,354,720
	41,804,515	36,531,405
Less: Paid during the year	(343,910)	(611,943)
Closing balance	41,460,605	35,919,462

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	174,152,167	154,094,265
Add: Provided/(adjusted) during the year		
Taxable/(deductible) temporary difference of PPE (excluding land)	15,820,005	21,282,542
Intangible asset	10,905	(49,512)
Provision for Gratuity	(1,385,285)	(1,185,695)
Investment in quoted shares	(2,369,233)	10,567
	12,076,392	20,057,902
Closing Balance	186,228,559	174,152,167

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

	Carrying amount	Tax base	Rate Applied	Temporary difference	Deferred tax liability /(asset)
As on 30 June 2020	Taka	Taka	(%)	Taka	Taka
Property, plant and equipment	2,087,198,182	1,292,398,683	25%	794,799,499	198,699,875
Intangible asset	1,010,002	-	25%	1,010,002	252,501
Provision for gratuity	(41,460,605)	-	25%	(41,460,605)	(10,365,151)
Investment in quoted shares	61,344,461	84,931,122	10%	(23,586,661)	(2,358,666)
					186,228,559

	Carrying amount	Tax base	Rate Applied	Temporary difference	Deferred tax liability /(asset)
As on 30 June 2019	Taka	Taka	(%)	Taka	Taka
Property, plant and equipment	2,153,149,003	1,421,629,524	25%	731,519,479	182,879,870
Intangible asset	966,383	-	25%	966,383	241,596
Provision for gratuity	(35,919,462)	-	25%	(35,919,462)	(8,979,866)
Investment in quoted shares	85,036,796	84,931,122	10%	105,674	10,567
					174,152,167

NOTES TO THE FINANCIAL STATEMENTS

		30 June 2020	30 June 2019
	Note(s)	Taka	Taka
18.00 Short term borrowings			
Loan against Trust Receipt (LATR)	18.01	705,240,112	743,925,522
Time loan	18.02	4,768,472,786	3,217,866,039
Bank overdraft and cash credit	18.03	4,259,228,158	2,560,552,992
Accepted Bill for Payment	18.04	1,964,640,328	598,599,302
		11,697,581,384	7,120,943,855
18.01 Loan against Trust Receipt (LATR)			
AB Bank Limited		35,374,871	65,320,992
Islami Bank Bangladesh Limited		446,291,500	402,561,010
Mercantile Bank Limited		86,030,514	72,959,443
Premier Bank Limited		53,144,275	-
Pubali Bank Limited		3,688,178	2,787,788
Trust Bank Limited		80,710,774	200,296,289
		705,240,112	743,925,522
18.02 Time loan			
AB Bank Limited		274,610,466	225,545,971
Al-Arafah Islami Bank Limited		208,464,450	-
Bank Asia Limited		205,659,442	202,638,540
Basic Bank Limited		-	51,099,898
Dutch Bangla Bank Limited		312,513,105	302,013,442
Eastern Bank Limited		287,958,693	-
Meghna Bank Limited		202,177,959	203,423,892
Mercantile Bank Limited		384,363,914	127,237,796
One Bank Limited		491,279,006	449,121,706
Standard Chartered Bank		817,901,587	714,769,273
The City Bank Limited		571,822,269	294,009,241
Trust Bank Limited		444,518,441	339,113,182
United Commercial Bank Limited		567,203,454	308,893,098
		4,768,472,786	3,217,866,039
18.03 Bank overdraft and cash credit			
AB Bank Limited		57,895,143	22,027,601
Agrani Bank Limited		1,021,698,300	498,753,971
Bank Asia Limited		50,024,941	49,057,344
Basic Bank Limited		47,505,310	46,874,481
Eastern Bank Limited		51,131,067	42,349,350
Meghna Bank Limited		48,690,874	35,990,655
Mercantile Bank Limited		201,300,707	83,349,703
Midland Bank Limited		154,813,729	149,457,707

NOTES TO THE FINANCIAL STATEMENTS

Note(s)	30 June 2020 Taka	30 June 2019 Taka
Modhumoti Bank Limited	408,807,474	371,749,208
NCC Bank Limited	199,424,704	193,990,961
Premier Bank Limited	306,664,527	304,239,081
Pubali Bank Limited	834,027,898	-
Standard Chartered Bank	152,540,602	130,409,771
State Bank of India	510,377,928	498,148,695
The City Bank Limited	39,565,281	-
Trust Bank Limited	94,281,284	90,374,970
United Commercial Bank Limited	80,478,389	43,779,494
	4,259,228,158	2,560,552,992
18.04 Accepted Bill for Payment		
AB Bank Limited	155,533,934	50,693,683
Al Arafah Islami Bank Limited	78,612,041	-
Bank Asia Limited	21,150,739	-
Dutch Bangla Bank Limited	122,379,813	14,264,347
Mercantile Bank Limited	228,326,737	34,885,894
NCC Bank Limited	73,266,597	67,239,924
One Bank Limited	265,420,817	40,862,548
Pubali Bank Limited	200,978,821	46,134,811
Southeast Bank Limited	302,363,855	77,354,913
Premier Bank Limited	5,092,950	-
The City Bank Limited	127,034,961	48,052,825
Trust Bank Limited	289,395,422	47,244,214
United Commercial Bank Limited	95,083,641	171,866,143
	1,964,640,328	598,599,302
18.05 Terms of Short term borrowings		

Security

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

Rate of Interest:

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

NOTES TO THE FINANCIAL STATEMENTS

		30 June 2020	30 June 2019
	Note(s)	Taka	Taka
19.00 Creditors and accruals			
For Revenue Expenses	19.01	63,650,863	61,851,749
For Other Finance	19.02	75,514,788	36,685,362
For Supplies		112,802,460	91,728,754
GPH Power Generation Limited		510,640,586	319,119,710
Advance Against Sales		16,997,033	19,890,012
Workers' Profit Participation Fund	19.03	20,978,155	57,888,337
		800,583,885	587,163,924
19.01 Revenue Expenses			
Salary Payable		30,017,000	25,900,000
Audit Fee Payable		360,000	270,000
Utility Bill Payable		30,923,890	33,200,000
Provident Fund	19.01.01	1,174,973	1,656,749
Directors' Remuneration Payable		1,175,000	825,000
		63,650,863	61,851,749
19.01.01 Provident Fund			
Opening Balance		1,656,749	852,502
Add: Addition during the year		9,700,070	8,567,550
		11,356,819	9,420,052
Less: Paid during the year		(10,181,846)	(7,763,303)
Closing balance		1,174,973	1,656,749
19.02 Other Finance			
Advance Income Tax Payable		53,678,190	10,877,487
VAT Deducted at Source		16,981,649	20,570,800
Unpaid Refund Warrant		453,670	453,670
Unclaimed Dividend		4,401,279	4,783,405
		75,514,788	36,685,362
19.03 Workers' Profit Participation Fund			
Opening Balance		57,888,337	63,231,325
Add: Addition during the year		20,978,155	56,585,619
		78,866,492	119,816,944
Less: Paid during the year		(57,888,337)	(61,928,607)
Closing balance		20,978,155	57,888,337
20.00 Current tax liability			
Opening Balance		254,501,337	176,176,162
Add: Provision made during the year	20.02	84,721,754	248,877,693
		339,223,091	425,053,855
Less: Paid/adjusted during the year	9.01.01	(248,733,025)	(170,552,518)
Closing balance		90,490,066	254,501,337

NOTES TO THE FINANCIAL STATEMENTS

20.01 Year wise income tax assessment status is as follows

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

30 June 2020		30 June 2019	
Rate	Taka	Rate	Taka

20.02 Reconciliation of effective tax rate

Profit before tax		398,584,935		1,075,126,756
Total income tax expense	21.26%	84,721,754	23.15%	248,877,693
Factors affecting the tax charge:				
Tax using the applicable rate	25.00%	99,646,234	25.00%	268,781,689
Difference between accounting and fiscal depreciation	-3.81%	(15,190,678)	-1.97%	(21,233,028)
Inadmissible expenses	0.01%	54,476	0.07%	740,000
Difference between gratuity provision and payment	0.35%	1,385,286	0.11%	1,185,694
Unrealised foreign currency translation gain	-0.31%	(1,238,011)	0.00%	-
Revenue gain on disposal of motor vehicles	0.04%	157,595		
Rebate on export sales	0.00%	-	-0.05%	(485,644)
Adjustment for reduced rated taxable income	-0.02%	(93,148)	-0.01%	(111,018)
	21.26%	84,721,754	23.15%	248,877,693

21.00 Revenue

	Note(s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
Local Sales	21.01	9,716,508,479	13,362,207,675
Export Sales	21.02	-	58,848,748
		9,716,508,479	13,421,056,423
Value Added Tax		(309,817,688)	(152,372,496)
		9,406,690,791	13,268,683,927

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	01 July 2019 to 30 June 2020 Taka	01 July 2018 to 30 June 2019 Taka
21.01 Local Sales			
M.S. Rod		9,618,524,171	13,285,774,722
Cut Pieces		16,010,673	18,086,013
Miss Roll and Ovel		57,693,216	58,346,940
Mill Scale		827,131	-
Oxygen and Nitrogen		23,453,288	-
		9,716,508,479	13,362,207,675
21.02 Export Sales			
M.S. Rod		-	58,848,748
		-	58,848,748
Total export sales during the year is nil and it was 1,000 Metric Ton of goods for the year ended on 30 June 2019.			
22.00 Cost of goods sold			
Opening Finished goods			
M.S. Rod		1,188,444,250	1,259,881,852
M.S. Billet		475,570,006	234,996,891
		1,664,014,256	1,494,878,743
Add: Cost of Production	22.01	8,370,264,133	11,279,890,674
		10,034,278,389	12,774,769,417
Less: Closing Finished goods			
M.S. Rod	10.01	1,680,512,617	1,188,444,250
M.S. Billet	10.01	500,936,424	475,570,006
		2,181,449,041	1,664,014,256
		7,852,829,348	11,110,755,161
22.01 Cost of Production			
Opening Stock of:			
Raw Material		912,274,607	1,023,133,141
Spare and Other		215,770,808	344,773,302
		1,128,045,415	1,367,906,443
Add: Purchase			
Raw Material		10,248,641,617	9,398,686,812
Spare and Other		348,355,562	335,404,121
		10,596,997,179	9,734,090,933
Less: Closing Stock of			
Raw Material	10.02	4,629,873,049	912,274,607
Spare and Other materials	10.03	195,352,014	215,770,808
		4,825,225,063	1,128,045,415
Raw and Other Materials Consumed		6,899,817,531	9,973,951,961
Add: Factory overhead	22.03	1,470,446,602	1,305,938,713
Cost of Production		8,370,264,133	11,279,890,674

NOTES TO THE FINANCIAL STATEMENTS

		01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Note(s)	Taka	Taka
23.00 Administrative expenses			
Directors' Remuneration	38.00	17,220,000	17,220,000
Salary and Allowances		134,727,832	108,117,093
Depreciation	4.00	8,682,730	8,760,913
Amortization of Software	6.01	206,381	198,048
Audit Fee		460,000	345,000
BIS Certificate Expenses		93,148	371,822
BO Account Expenses		900	2,000
Board Meeting Expenses		630,060	721,340
Bonus		11,825,306	9,437,434
Corporate Social Responsibility		-	2,960,000
Electricity and Other Utility Expenses		1,555,812	2,266,809
Entertainment		4,054,063	3,833,281
Fees and Renewal		2,620,932	2,022,217
General Meeting Expenses		1,324,870	926,664
Group Insurance Premium		127,271	842,532
Legal and Professional Fee		298,500	825,000
Miscellaneous Expenses		1,352,516	1,452,100
Mobile, Telephone and Internet Charges		4,482,745	3,631,377
Newspaper and Periodicals		51,291	38,260
Office Maintenance		3,080,085	2,811,331
Office Rent		4,076,324	4,217,000
Postage and Stamps		464,304	524,277
Recruitment Expenses		725,250	104,775
Rent, Rate & Taxes		125,000	321,850
Share Management Expenses		2,559,075	3,189,055
Software & Data Connectivity Expenses		565,232	526,500
Stationery and Printing Charges		3,096,177	2,667,905
Training Fee		881,005	46,765
Travelling and Conveyance		2,267,749	4,709,760
Vehicle Expenses		7,135,896	6,009,456
		214,690,454	189,100,564
24.00 Selling and distribution expenses			
Advertisement Expenses		27,196,725	42,281,926
Carriage Outward		145,211,397	149,040,466
Travelling and Conveyance		10,591,035	7,622,109
Commission on Sales		8,594,000	9,741,300
Promotional Expenses		16,228,853	14,818,228
Depreciation	4.00	8,682,730	8,760,913
Marketing Collection Expenses		1,213,600	1,477,580
Postage and Stamps		23,795	76,140
		217,742,135	233,818,662

NOTES TO THE FINANCIAL STATEMENTS

	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
Note(s)	Taka	Taka
25.00 Finance Cost		
Interest on Bank Loan	746,422,953	698,400,926
Bank Charge	12,819,758	10,856,748
Loan Processing Fee	7,803,499	6,725,882
Foreign Currency Exchange (Gain)/Loss	35,226,004	(837,272)
	802,272,214	715,146,284
26.00 Finance income		
Interest Earned from FDR	56,393,073	72,344,876
Interest Income from SND Account	59,925	237,023
Interest Income from Arbee Textiles Limited	42,117,450	37,046,874
	98,570,448	109,628,773
27.00 Other income		
Dividend Income	1,862,960	2,220,346
PF Forfeited	190,945	-
Gain on Disposal of property, plant and equipment	(217,903)	-
	1,836,002	2,220,346
28.00 Minimum amount to be distributed as dividend		
As per section 16G of Income Tax Ordinance 1984, as a listed company, GPH Ispat shall declare and distribute at least 30% of the net profit after tax as dividend (as per section 16F stock and cash) to its shareholders otherwise 10% tax shall be imposed on the total amount of retained earnings, fund, reserve or surplus		
Profit after tax	299,417,556	-
Maximum amount can be transferred to retained earnings (70% of net profit after tax)	(209,592,289)	-
Minimum amount to be distributed as dividend (30% of net profit after tax)	89,825,267	-
	30 June 2020	30 June 2019
	Taka	Taka
29.00 Net Asset Value Per Share (NAV)		
Total Assets	39,989,495,313	31,493,025,039
Less: Liabilities	33,556,136,799	25,157,667,609
Net Asset Value (NAV)	6,433,358,514	6,335,357,430
Number of ordinary shares outstanding during the year	378,196,087	360,186,750
Net Assets Value (NAV) per share	17.01	17.59

NOTES TO THE FINANCIAL STATEMENTS

	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Taka	Taka
30.00 Earnings per share (EPS)		
30.01 Basic Earnings per share		
The composition of Earnings per share (EPS) is given below :		
Total earnings attributable to the ordinary shareholders	299,417,556	806,201,728
Number of ordinary shares outstanding during the year	378,196,087	360,186,750
Weighted average number of ordinary shares outstanding during the year	378,196,087	360,186,750
Basic Earnings Per Share	0.79	2.24

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 Due to decrease in sales volume, revenue has been decreased consequently this has affected EPS and reduced it with compared to previous year.

	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Taka	Taka
31.00 Net operating cash flow per share		
Net operating cash flows (from statement of cash flows)	(3,063,596,909)	517,351,459
Number of ordinary shares outstanding during the year	378,196,087	360,186,750
Net operating cash flow per share	(8.10)	1.44

Payment to supplier and others is more than collection against sales proceeds. As a result, the opening cash flow has been negative in this year.

	30 June 2020	30 June 2019
	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	1650	1081
	1650	1081

NOTES TO THE FINANCIAL STATEMENTS

	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
	Taka	Taka
33.00 Reconciliation of cash flows from operating activities		
Profit before income tax	398,584,935	1,075,126,756
Adjustment for		
Depreciation charged	173,654,597	175,218,250
Amortization charged	206,381	198,048
Finance Cost	767,046,210	715,983,556
Finance income	(98,570,448)	(109,628,773)
Loss on sale of property, plant and equipment	217,903	-
Dividend Income (net of tax)	(1,490,368)	(1,776,325)
	1,239,649,210	1,855,121,512
(Increase)/decrease in Current Assets		
Advances, deposits and prepayments	17,431,063	(461,597,286)
Inventories	(4,214,614,433)	70,725,515
Trade and other receivables	(115,420,133)	(580,785,654)
Increase/(decrease) in Current Assets		
Defined benefit obligation - gratuity	5,541,143	4,742,777
Creditors and accruals	213,802,226	(202,878,185)
	(2,853,610,924)	685,328,679
Income tax paid	(209,985,985)	(167,977,220)
Net cash flows generated by operating activities	(3,063,596,909)	517,351,459

34.00 Revenue

Due to effect of pandemic COVID-19 and new VAT act which was enacted from 01 July 2019, average sales price per ton and volume decreased by 2% and 26% respectively. As a result sales did not reach the projected level. Consequently revenue did not increase as expected.

	Note(s)	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
		M. Ton	M. Ton
35.00 Capacity and production			
Production Capacity (In M. Ton)	35.01	360,000	360,000
Actual Production (In M. Ton)	35.02	314,087	329,353
Capacity Utilization (%)		87.25	91.49
35.01 Production Capacity (In M. Ton)			
M.S. Billet		210,000	210,000
M.S. Rod		150,000	150,000
		360,000	360,000
35.02 Actual Production (In M. Ton)			
M.S. Billet		156,709	169,041
M.S. Rod		157,378	160,312
		314,087	329,353

NOTES TO THE FINANCIAL STATEMENTS

36.00 Related Party Transactions

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

Sl. No	Name of the Party	Relation	Nature of Transactions	Outstanding as on 30 June 2020	Outstanding as on 30 June 2019
1	GPH Power Generation Ltd.	Common Directorship	Supply of power at a flat rate	Cr. 510,640,586	Cr. 319,119,710
2	Jahangir and Other Ltd.	Common Directorship	Head office rent	Dr. 919,639	Cr. 377,550
3	GPH Steels Ltd.	Investee	Investment in equity shares	Dr. 1,000,000	Dr. 1,000,000
4	Asia Insurance Ltd.	Common Directorship	Insurance Policy against Letter of Credit	Dr. 4,420,165	Cr. 2,201,836
5	Arbee Textiles Ltd.	Common Directorship	Payment against interest bearing loan	Dr. 372,416,996	Dr. 329,473,142
6	LIPD Industries Ltd.	Common Directorship	Advance	Dr. 185,500	Dr. 185,500
7	GPH Ship Builders Ltd.	Common Directorship	Advance	Dr. 1,200,000	Dr. 500,000

**01 July 2019
to 30 June 2020**
Taka

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

37.00 Key management personnel compensation

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

Short term employee benefits	78,213,300	53,474,430
Post Employment Benefits	3,155,438	1,677,221
Other long Term benefit	-	-
Termination Benefit	-	-
Share-based Payment	-	-
	81,368,738	55,151,651

NOTES TO THE FINANCIAL STATEMENTS

38.00 Directors' Remuneration

01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
Taka	Taka

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

Name	Designation		
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	2,760,000	2,760,000
Mr. Md. Abdul Ahad	Director	2,760,000	2,760,000
		17,220,000	17,220,000

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

39.00 Attendance status of Directors in Board Meetings

During the year ended 30 June 2020, 06 (Six) board meetings were held. The attendance status of all the meetings are as follows:

Name of the Director	Designation	Meetings Held	Attendance
Mr. Md. Alamgir Kabir	Chairman	6	6
Mr. Mohammed Jahangir Alam	Managing Director	6	6
Mr. Md. Almas Shimul	Director	6	5
Mr. Md. Abdur Rouf	Director	6	3
Mr. Md. Ashrafuzzaman	Director	6	4
Mr. Md. Abdul Ahad	Director	6	5
Mr. Md. Azizul Haque	Director	6	6
Mr. M. A. Malek	Independent Director	6	3
Mr. Muktar Ahmed	Independent Director	6	4

40.00 Contingent liabilities

	Note(s)	30 June 2020 Taka	30 June 2019 Taka
Bank guarantee	40.01	520,131,579	520,131,579
L/C liabilities	40.02	4,950,752,552	4,456,086,855
		5,470,884,131	4,976,218,434

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	30 June 2020	30 June 2019
		Taka	Taka
40.01 Bank guarantee			
AB Bank Limited		38,415,980	38,415,980
Southeast Bank Limited		1,000,000	1,000,000
State Bank of India		1,690,000	1,690,000
United Commercial Bank Limited		479,025,599	479,025,599
		520,131,579	520,131,579
40.02 L/C liabilities			
AB Bank Limited		-	77,220,869
Agrani Bank Limited		931,550,235	-
Bank Asia Limited		-	215,875,428
Dutch Bangla Bank Limited		124,126,059	201,583,602
Islami Bank Bangladesh Limited		-	125,242,954
Mercantile Bank Limited		590,662,113	34,201,859
Midland Bank Limited		3,910,753	-
NCC Bank Limited		270,628,445	333,532,182
One Bank Limited		595,200,000	277,100,000
Premier Bank Limited		49,088,000	-
Pubali Bank Limited		558,900,000	628,800,000
Southeast Bank Limited		-	212,526,735
Standard Chartered Bank		-	-
The City Bank Limited		173,479,957	360,093,825
Trust Bank Limited		549,792,642	388,663,523
United Commercial Bank Limited		1,103,414,348	1,601,245,878
		4,950,752,552	4,456,086,855

40.03 Capital expenditure commitment

There is no capital expenditure commitment as at 30 June 2020.

41.00 Events after reporting date

The Board of Directors at the meeting held on 27 October 2020 has recommended 5% stock dividend and 5% cash dividend for the year ended 30 June 2020 which is subject to approval by the shareholders in the Annual General Meeting.

42.00 Credit facility not availed

There was no credit facility available to the company under any contract, but not availed as on 30 June 2020 other than trade credit available in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

43.00 Financial risk management

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

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

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

43.01 Credit risk

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

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

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

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

a) Exposure to credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

	Note(s)	Amount in Taka	Amount in Taka
		30 June 2020	30 June 2019
Trade and other receivables	11	2,621,012,146	2,505,592,013
Advance and deposits	9.01 & 9.02	2,389,415,978	2,451,742,417
Investment in FDRs (long term and short term)	7, 8 & 12.03	886,903,580	641,649,959
Investment in Un-quoted equity	7.00	1,000,000	1,000,000
Investment in quoted shares	7.00	61,344,461	85,036,796
Cash at bank	12.02	31,879,085	275,718,575
		5,991,555,250	5,960,739,760
b) Ageing of receivables			
Dues within 6 months		2,167,326,014	2,095,980,901
Dues over 6 months		81,269,136	80,137,970
		2,248,595,150	2,176,118,871

43.02 Liquidity risk

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

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount	Nominal interest rate	Contractual cash flows		
			Within 12 months or less	Over 12 months	Total Taka
			Taka	Taka	
Defined Benefit Obligation - Gratuity	41,460,605	N/A	-	41,460,605	41,460,605
Long term loan	19,832,439,437	4.62%-9.00%	155,746,011	19,676,693,426	19,832,439,437
Short term borrowings	11,697,581,384	9.00%	11,697,581,384	-	11,697,581,384
Finance lease obligations	907,352,863	9.00%-14.50%	162,855,400	744,497,463	907,352,863
Creditors and accruals	800,583,885	N/A	800,583,885	-	800,583,885
	33,279,418,174		12,816,766,680	20,462,651,494	33,279,418,174

NOTES TO THE FINANCIAL STATEMENTS

43.03 Market Risk

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

a) Currency risk

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

(i) Exposure to currency risk

As at 30 June 2020

Foreign currency denominated assets

	Euro	GBP	USD	Taka
Cash and cash equivalents	-	113.30	552.02	58,664
	-	113.30	552.02	58,664

Foreign currency denominated liabilities

ECA Backed Finance	-	-	91,597,924.80	7,772,083,919
Long Term Financing Facility	-	-	41,999,234.59	3,563,635,055
Liability for Accepted Bills for Payment (ABP)	918,005.07	-	22,122,438.40	1,964,640,328
	918,005.07	-	155,719,597.78	13,300,359,302

Net exposure

	(918,005.07)	113.30	(155,719,045.76)	(13,300,300,638)
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As at 30 June 2019

Liquidity risk is the risk that the

Foreign currency denominated assets

	Euro	GBP	USD	Taka
Cash and cash equivalents	-	113.34	552.02	
Trade receivables	-	-	-	-
	-	113.34	552.02	-

Foreign currency denominated liabilities

ECA Backed Finance	-	-	80,505,890.71	6,802,747,765
Long Term Financing Facility	-	-	20,621,301.78	1,742,500,000
Liability for Accepted Bills for Payment (ABP)	-	-	7,084,015.41	598,599,302
	-	-	108,211,207.89	9,143,847,067

Net exposure

	-	113.34	(108,210,655.87)	(9,143,847,067)
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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:

NOTES TO THE FINANCIAL STATEMENTS

	30 June 2020	30 June 2019
	Taka	Taka
Exchange rate of US Dollar	84.85	84.50
Exchange rate of GBP	104.37	107.26
Exchange rate of Euro	95.37	-

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

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

	30 June 2020		30 June 2019	
	Profit or loss		Profit or loss	
	Strengthening Taka	Weakening Taka	Strengthening Taka	Weakening Taka
USD (2% movement)	(264,255,221)	264,255,221	(182,876,008)	182,876,008
GBP (2% movement)	236.50	(237)	243	(243)
Euro (2% movement)	(1,751,028.58)	1,751,029	-	-

(b) Transaction risk

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

(c) Economic risk

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

(d) Interest rate risk

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

Exposure to interest rate risk

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

	30 June 2020	30 June 2019
	Taka	Taka
Fixed- rate instruments		
Fixed rate instrument		
Financial assets	5,991,555,250	5,960,739,760
Financial liabilities	32,437,373,684	24,105,930,719
	38,428,928,934	30,066,670,479
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.

44.00 Financial Instruments- Accounting classifications and fair values

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

Note ref.	Fair value through OCI	Held to maturity	Carrying amount			Total
			OCI Taka	Loans and receivables Taka	Available for sale Taka	
30 June 2020						
Financial Assets measured at fair value						
7.02	61,344,461	-	-	-	-	61,344,461
Investment in quoted shares						
Financial Assets not measured at fair value						
11	-	-	2,621,012,146	-	-	2,621,012,146
9.02	-	-	111,144,130	-	-	111,144,130
7, 8 & 12.03	-	-	-	886,903,580	-	886,903,580
12.02	-	-	31,879,085	-	-	31,879,085
	-	-	2,764,035,361	886,903,580	-	3,650,938,941
Financial Liabilities not measured at fair value						
14	-	-	-	19,832,439,437	-	19,832,439,437
15	-	-	-	907,352,863	-	907,352,863
18	-	-	-	11,697,581,384	-	11,697,581,384
19	-	-	-	800,583,885	-	800,583,885
	-	-	-	33,237,957,569	-	33,237,957,569
30 June 2019						
Financial Assets measured at fair value						
7.02	85,036,796	-	-	-	-	85,036,796
Investment in quoted shares						
Financial Assets not measured at fair value						
11	-	-	2,505,592,013	-	-	2,505,592,013
9	-	-	69,167,153	-	-	69,167,153
7, 8 & 12.03	-	-	-	641,649,959	-	641,649,959
12.02	-	-	275,718,575	-	-	275,718,575
	-	-	2,850,477,741	641,649,959	-	3,492,127,700
Financial Liabilities not measured at fair value						
14	-	-	-	16,319,470,977	-	16,319,470,977
15	-	-	-	665,515,887	-	665,515,887
18	-	-	-	7,120,943,855	-	7,120,943,855
19	-	-	-	587,163,924	-	587,163,924
	-	-	-	24,693,094,643	-	24,693,094,643



Company Secretary



Director



Managing Director

CERTIFICATE



BUET TEST REPORT

BANGLADESH UNIVERSITY OF ENGINEERING AND TECHNOLOGY (BUET)
DEPARTMENT OF CIVIL ENGINEERING
STRENGTH OF MATERIALS LABORATORY



BUETCE 0213812

TEST OF DEFORMED M.S. BARS (BDS ISO 6935-2:2016)

Sent by: Mr. Md. Nural Alam
 Makarban 1200MW Ultra Super Critical Coal Fired Power Project, Moheshkhali, Cox's Bazar
 Project: Makarban 1200MW Ultra Super Critical Coal Fired Power Project, Moheshkhali, Cox's Bazar

BRTC No.: 1102-1990CE/03-11, Dt. 28/7/2020

Ref.: MAT-FEC-BUET-OC-005, Dt. 10/5/2019

Date of Test: 08/02/20

Contract/Supplier: -

Samples were received in unstressed condition.

Sl. No.	Temp Mark. Identification	Marking dia. mm	Actual dia. mm	Mass Per Unit Length kg/m	Average Mass Per Unit Length kg/m	Yield or Proof Load kN	Yield or Proof Strength $R_{p0.2}$ MPa	Average Yield Strength $R_{p0.2}$ MPa	Tensile Load kN	Tensile Strength R_m MPa	Average Tensile Strength R_m MPa	Total Elongation (%)	Average Total Elongation (%)	Standard Test	Received Test
1	GPB-TMT-500W	32	32.0	6.258	6.317	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
2	GPB-TMT-500W	32	32.1	6.347	6.317	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
3	GPB-TMT-500W	32	32.0	6.306	6.317	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
4	GPB-TMT-500W	28	28.1	4.873	4.857	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
5	GPB-TMT-500W	28	28.1	4.858	4.857	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
6	GPB-TMT-500W	28	28.0	4.841	4.857	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
7	GPB-TMT-500W	25	25.0	3.859	3.857	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
8	GPB-TMT-500W	25	25.0	3.845	3.857	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
9	GPB-TMT-500W	25	25.0	3.863	3.857	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
10	GPB-TMT-500W	22	22.0	2.962	2.960	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
11	GPB-TMT-500W	22	22.0	2.964	2.960	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory
12	GPB-TMT-500W	22	22.0	2.955	2.960	-	-	-	-	-	-	-	-	Satisfactory	Satisfactory

BDS ISO 6935-2:2016 Weight Requirements, Nominal Areas, (f. table 3)

Nominal dia. mm	8	10	12	14	16	18	20	22	25	28	32	36	40	45	50
Nominal cross sectional area, sq mm	50.3	78.5	113.1	154	201	260	330	424	541	688	875	1100	1370	1680	2120
Weight per meter length, kg/m	0.50	0.78	1.13	1.54	2.01	2.60	3.30	4.24	5.41	6.88	8.75	11.00	13.70	16.80	21.20

Actual dia. dia. is not covered in BDS ISO 6935-2:2016. It is a requirement of BDS ISO 6935-2:2016.

Actual dia. of bars are shown for informative purpose only. It is not a requirement of BDS ISO 6935-2:2016.

BDS ISO 6935-2 Tensile Requirements for Compression Steel Grades

Grade	Yield Strength, $R_{p0.2}$ MPa	Tensile Strength, R_m MPa	Density Properties	
			$R_{p0.2}$ MPa	Total Elongation, % (min.)
B500C-28	488	575	1.11	14
B500C-36	488	575	1.11	14
B500C-45	505	595	1.13	14
B500C-55	505	595	1.13	14
B500C-65	525	615	1.15	15
B500C-75	550	640	1.17	16
B500C-85	575	670	1.19	17
B500C-95	600	700	1.21	18
B500C-105	625	730	1.23	19

Important Note: Samples are supplied to us, hence we are not responsible for the representative character of the samples required to be tested. It is recommended that the samples are sent in a secure and sealed cover/conditioner under the supervision of a competent authority. In order to avoid fractured fabrication of test results, this report has been printed on a security paper. It is also recommended that the test results be collected by a duly authorized person.



2E8A9L JWF



Test performed by:
 Dr. Md. Shamsul Hoque
 Professor, Dept. of Civil Engg.

Countersigned by:
 Prof. Dr. Md. Abdul Jalil, Test-in-Charge
 Dept. of Civil Engg., BUET



Registered Office: Crown Chamber, 325 Asadgonj, Chattogram

PROXY FORM

I/We of being a Shareholder of GPH Ispat Ltd. do hereby appoint Mr./MS Of as my/our proxy to attend and vote on my/our behalf at the 14th Annual General Meeting (AGM) of the Company to be held on Monday, 21 December, 2020 at 11.30 am by using Digital Platform link **http://gphispat14th.digitalagmbd.net** and at any adjournment thereof.

As witness my hand this day of 2020.

(Signature of Shareholder)

(Signature of Proxy)

Affix Revenue Stamp of Tk. 20

Number of Shares held

Shareholders BO ID No:

Note:

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



Registered Office: Crown Chamber, 325 Asadgonj, Chattogram

SHAREHOLDER'S ATTENDENCE SLIP

I/We hereby record my/our presence at the 14th Annual General Meeting of the Company to be on Monday, 21 December, 2020 at 11.30 am by using Digital Platform (**link http://gphispat14th.digitalagmbd.net**).

Name of the Shareholder/Proxy :

Shareholders BO ID No:

Signature of Shareholder/Proxy

Authorized Signatory
GPH ispat Ltd.

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

GPH ISPAT LTD.

Registered Office

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Tel: +88 02 222260177, 222280366
Fax: +88 02 9880366
E-mail: salesdhk@gphispac.com.bd

Factory

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

Website: www.gphispac.com.bd