**APPOLLO ISPAT COMPLEX LIMITED**
**Statement of Financial Position**
**As on 30 Sep' 2018**

| Particulars | Notes | Amount in Taka 30th Sep'18 | Amount in Taka 30th June' 2018 |
|---|---|---|---|
| **Application of Funds** | | | |
| **Non-Current Assets** | | **4,844,594,341** | **4,919,101,638** |
| Property, Plant and Equipment | 3.00 | 4,844,594,341 | 4,919,101,638 |
| Capital Work-in-process | 4.00 | - | - |
| Investment | 5.00 | **100,317,881** | **100,317,881** |
| **Current Assets** | | **8,085,711,167** | **7,972,955,980** |
| Inventories | 6.00 | 1,365,782,507 | 1,852,044,092 |
| Trade & Other Receivables | 7.00 | 3,201,582,254 | 3,287,397,475 |
| Advances, Deposits and Prepayments | 8.00 | 3,306,968,087 | 2,709,620,777 |
| Cash and Cash Equivalent | 9.00 | 211,378,319 | 123,893,636 |
| **TOTAL ASSETS** | | **13,030,623,390** | **12,992,375,500** |
| Source of Funds: | | | |
| Shareholders Equity | | **7,832,644,370** | **7,867,319,459** |
| Share Capital | 10.00 | 3,896,200,000 | 3,896,200,000 |
| Share Premium | 11.00 | 1,200,000,000 | 1,200,000,000 |
| Revaluation Surplus | 12.00 | 1,141,578,189 | 1,141,578,189 |
| Retained Earnings | 13.00 | 1,594,866,181 | 1,629,541,271 |
| **Non-Current Liabilities** | | **730,250,709** | **771,459,579** |
| Long Term Borrowings | 14.00 | 679,821,858 | 706,128,821 |
| Long Term Liabilities for Deferred Taxes | 20.00 | 50,428,851 | 65,330,758 |
| **Current Liabilities** | | **4,467,728,311** | **4,353,596,460** |
| Short Term Borrowings | 15.00 | 2,096,467,435 | 2,358,954,856 |
| Bank Overdraft | 16.00 | 1,194,635,688 | 811,910,763 |
| Current Portion of Long Term Borrow | 14.00 | 730,280,261 | 730,582,631 |
| Liabilities for Expenses | 17.00 | 69,819,654 | 59,419,845 |
| Trade & Other Payables | 18.00 | 22,266,220 | 25,084,912 |
| Provision for Income Tax | 19.00 | 213,494,611 | 225,505,338 |
| Other Provisions | 21.00 | 140,764,442 | 142,138,116 |
| **TOTAL EQUITY AND LIABILITIES** | | **13,030,623,390** | **12,992,375,500** |
| **CONTINGENT LIABILITIES & COMMITMENT** | | | |
| **Net Asset Value (NAV)** | 30.00 | **20.10** | **20.19** |

The accounting policies and other notes from 01 to 34 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 14.11.2018 and signed on its behalf by :

Sd/-
**Chief Financial Officer**

Sd/-
**Managing Director**

Sd/-
**Chairman**

Sd/-
**Company secretary ( cc)**

Sd/-
**Director**

**Dated: 14th November, 2018**

**APPOLLO ISPAT COMPLEX LIMITED**
**Statement of Profit or Loss and Other Comprehensive Income**
**For the Period of ended 30th Sep, 2018**

| Particulars | Notes | Amount in Taka<br>30th Sep'2018 | Amount in Taka<br>30th Sep'2017 | Amount in Taka<br>2017-18 |
|---|---|---|---|---|
| Net Turnover | 22.00 | 500,082,331 | 1,247,664,353 | 3,863,827,323 |
| Cost of Sales | 23.00 | (391,211,625) | (1,017,499,350) | (3,147,799,527) |
| **A.Gross Profit** | | **108,870,706** | **230,165,003** | **716,027,797** |
| **Operating Expenses:** | | | | |
| Administrative Expenses | 24.00 | (29,233,850) | (32,533,190) | (130,615,100) |
| Selling and Distribution Expenses | 25.00 | (8,921,168) | (15,818,722) | (50,433,252) |
| **B.Total Operating Expenses** | | **(38,155,018)** | **(48,351,913)** | **(181,048,352)** |
| **C.Profit from Operating Activities (A-B)** | | **70,715,688** | **181,813,090** | **534,979,445** |
| Financial Expenses | 26.00 | (152,281,019) | (148,581,763) | (568,691,199) |
| **Net Profit from Operation** | | **(81,565,330)** | **33,231,328** | **(33,711,755)** |
| Non Operating Income | 27.00 | 34,047,945 | 28,496,401 | 99,216,234 |
| **Profit before Gratuity and WPPF Fund** | | **(47,517,385)** | **61,727,729** | **65,504,479** |
| Provision For Gratuity | 21.01 | (525,522) | (1,262,774) | (9,172,400) |
| Provision for Workers Profit Participation Fund (WPPF) | 21.02 | - | (3,023,248) | (3,275,224) |
| **Profit Before Income Tax** | | **(48,042,907)** | **57,441,707** | **53,056,855** |
| **Taxation (Expenses)/Income** | 28.00 | 13,367,817 | (31,016,492) | **(31,647,210)** |
| **Net Profit after Tax** | | **(34,675,090)** | **26,425,214** | **21,409,646** |
| **Basic Earning per share (Taka)** | 29.00 | **(0.09)** | **0.07** | **0.05** |

**These financial statements should be read in conjunction with the annexed notes from 1 to 34**

Sd/-
**Chief Financial Officer**

Sd/-
**Managing Director**

Sd/-
**Chairman**

Sd/-
**Company secretary ( cc)**

Sd/-
**Director**

**Dated: 14th November, 2018**

**APPOLLO ISPAT COMPLEX LIMITED**
**Statement of Cash Flows**
**For the Period of ended 30th Sep, 2018**

| Particulars | Amount in Taka | | |
|---|---|---|---|
| | **July'18 to Sep'18** | **July'17 to Sep'17** | **2017-2018** |
| **Cash Flow from Operating Activities:** | | | |
| Cash receipts from customers and others | 585,897,553 | 1,216,808,055 | 3,509,924,219 |
| Cash receipts from others income | 34,047,945 | 28,496,401 | 99,216,234 |
| Payment of Advance Income Tax | - | - | (111,899,417) |
| Cash payments for suppliers, employees and others | (473,307,635) | (997,615,815) | (3,179,337,686) |
| **A) Net Cash used in Operating Activities** | **146,637,862** | **247,688,641** | **317,903,350** |
| **Cash Flow from Investing Activities:** | | | |
| Purchase of property, plant and equipment | (500,331) | (2,610,974) | (36,528,826) |
| Capital Work in Process | - | (70,856,385) | (224,693,584) |
| **B) Net Cash used in Investing Activities** | **(500,331)** | **(73,467,359)** | **(261,222,410)** |
| **Cash Flow from Financing Activities:** | | | |
| Dividend Paid | - | (166,107) | - |
| Borrowing Costs/Finance Costs | (152,281,019) | (148,581,763) | (568,691,199) |
| Increase/(Decrease) in bank overdraft | 382,724,925 | (16,424,297) | 527,856,362 |
| Increase/(Decrease) in short term borrowings | (262,487,422) | 150,612,680 | 444,810,883 |
| Increase/(Decrease) in long term borrowings | (26,609,333) | (149,608,858) | (358,112,939) |
| **C) Net Cash Flow from Financing Activities** | **(58,652,848)** | **(164,168,345)** | **45,863,107** |
| Net increase in Cash and Bank Balances (A+B+C) | 87,484,683 | 10,052,938 | **102,544,047** |
| Cash and Bank balances at beginning of period | 123,893,636 | 19,789,340 | 19,789,340 |
| **Cash and Bank Balances at end of Period** | **211,378,319** | **29,842,278** | **122,333,387** |
| **Net Operating Cash Flows per share-NOCFPS** | **0.38** | **0.70** | **0.82** |

**These financial statements should be read in conjunction with the annexed notes from 1 to 34**

Sd/-
**Chief Financial Officer**

Sd/-
**Managing Director**

Sd/-
**Chairman**

Sd/-
**Company secretary (cc)**

Sd/-
**Director**

**Dated: 14th November, 2018**

**APPOLLO ISPAT COMPLEX LIMITED**
**Statement of Changes In Equity**
**As on 3o Sep' 2018**

| Particulars | Share Capital | Share premium | Retained Earnings | Revaluation Reserve | Total Equity |
|---|---|---|---|---|---|
| **Balance as at 01-07-2017** | **3,542,000,000** | **1,200,000,000** | **1,962,331,626** | **1,141,578,189** | **7,845,909,815** |
| Net Profit after Tax | | | 26,425,214 | | **26,425,214** |
| Cash Dividend Paid | - | | - | | **-** |
| Bonus Share Issued | - | | - | | **-** |
| **Closing Balance (30-09-2017)** | **3,542,000,000** | **1,200,000,000** | **1,988,756,840** | **1,141,578,189** | **7,872,335,029** |
| **Balance as at 01-07-2018** | **3,896,200,000** | **1,200,000,000** | **1,629,541,271** | **1,141,578,189** | **7,867,319,460** |
| Net Profit after Tax | | | (34,675,090) | | (34,675,090) |
| Increased in Paid up capital | | | | | - |
| Adjustment of Dividend | - | | - | | - |
| Less:ReversalTax benefit on Unabsorbed | | | | | - |
| **Closing Balance (30-09-2018)** | **3,896,200,000** | **1,200,000,000** | **1,594,866,181** | **1,141,578,189** | **7,832,644,370** |

**These financial statements should be read in conjunction with the annexed notes from 1 to 34**

Sd/-
**Chief Financial Officer**

Sd/-
**Managing Director**

Sd/-
**Chairman**

Sd/-
**Company secretary (cc)**

Sd/-
**Director**

**Dated: 14th November, 2018**

**APPOLLO ISPAT COMPLEX LIMITED**
**Schedule of Property, Plant and Equipments**
**As at 30 Sep' 2018**

**Annexure- A**

*Fig. in Taka*

| Category of Assets | Cost | | | | | Depreciation | | | | | Written Down Value as on 30.09.2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Balance as on 01.07.2018 | Addition | Revaluation | Disposal | Total Cost as at 30.09.2018 | Rate % | Balance as on 01.07.2018 | Charge During the Year | Disposal | Accumulated Dep. as on 30.09.2018 | |
| Land and Land Development | 1,630,328,144 | - | - | - | 1,630,328,144 | - | - | - | - | - | 1,630,328,144 |
| Land and Land Development (NOF) | 288,368,736 | - | - | - | 288,368,736 | 0% | - | - | - | - | 288,368,736 |
| Plant and Machinery | 3,271,942,756 | 102,920 | - | - | 3,272,045,676 | 10% | 1,522,871,985 | 43,729,342 | - | 1,566,601,327 | 1,705,444,348 |
| Factory Building | 1,462,864,009 | 170,411 | - | - | 1,463,034,420 | 10% | 461,248,072 | 25,044,659 | - | 486,292,730 | 976,741,690 |
| Office Building | 114,079,497 | - | - | - | 114,079,497 | 10% | 41,932,256 | 1,803,681 | - | 43,735,937 | 70,343,560 |
| Office Building (Rangs Bhaban) | 16,000,000 | - | - | - | 16,000,000 | 10% | - | - | - | - | 16,000,000 |
| Factory Office Equipment | 1,831,305 | - | - | - | 1,831,305 | 10% | 1,171,940 | 16,484 | - | 1,188,424 | 642,881 |
| Gas Generator | 43,682,397 | - | - | - | 43,682,397 | 10% | 25,695,134 | 449,682 | - | 26,144,816 | 17,537,581 |
| Water Installation | 7,547,204 | - | - | - | 7,547,204 | 10% | 4,985,958 | 64,031 | - | 5,049,989 | 2,497,215 |
| Telephone Installation | 5,013,444 | 5,500 | - | - | 5,018,944 | 10% | 2,892,625 | 53,158 | - | 2,945,783 | 2,073,161 |
| Gas Installation | 33,158,425 | - | - | - | 33,158,425 | 10% | 4,069,626 | 727,220 | - | 4,796,846 | 28,361,579 |
| Electric Installation | 153,072,325 | - | - | - | 153,072,325 | 10% | 60,036,075 | 2,325,906 | - | 62,361,981 | 90,710,344 |
| Vehicle and Transport | 25,768,850 | - | - | 600,000 | 25,168,850 | 10% | 13,765,903 | 285,074 | - | 14,050,977 | 11,117,873 |
| Tools and Equipment | 15,485,011 | - | - | - | 15,485,011 | 10% | 10,224,417 | 131,515 | - | 10,355,931 | 5,129,080 |
| Office Equipment | 6,189,194 | - | - | - | 6,189,194 | 10% | 3,172,295 | 75,422 | - | 3,247,718 | 2,941,476 |
| Furniture and Fixture | 7,042,530 | - | - | - | 7,042,530 | 10% | 4,743,470 | 57,477 | - | 4,800,946 | 2,241,584 |
| Air Condition | 12,456,290 | 221,500 | - | - | 12,677,790 | 10% | 5,134,517 | 188,582 | - | 5,323,099 | 7,354,691 |
| Other Assets | 5,102,111 | - | - | - | 5,102,111 | 10% | 2,886,317 | 55,395 | - | 2,941,712 | 2,160,399 |
| - | **7,099,932,228** | **500,331** | **-** | **600,000** | **7,099,832,559** | | **2,164,830,591** | **75,007,627** | **-** | **2,239,838,218** | **4,859,994,341** |

**A) Allocation of Depreciation**

| | |
|---|---|
| Factory overhead | 71,257,246 |
| Administrative overhead | 3,750,381 |
| | **75,007,627** |

**1.00 Reporting Entity and its Activities:**

**1.01 Legal forms of the Entity:**

Appollo Ispat Complex Limited (hereinafter referred to as "AICL"/"Appollo"/"the company") is a public limited company was incorporated in Bangladesh on December 31, 1994 as a "private company" limited by shares. Subsequently, the company was converted into "Public Company" limited by shares vide special resolution passed in Extraordinary General Meeting held on March 30, 2010.

The Company listed with both Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on December 24, 2013.

The Registered Office of the company is located at 407, Tejgaon Industrial Area,(4th Floor) Dhaka-1208. The industrial units are located at Shimrail, Siddhirgonj, Narayanganj, Dhaka.

**1.02 Nature of Business Activities:**

The Company is engaged in manufacturing and marketing of CR Coil, GP Coil ,CI (Corrugated Iron) Sheet of different thickness, ranging from 0.120 mm to 0.420 mm, under its well established brand " Rani Marka Dheutin" which is used mainly in rural and semi-urban areas of Bangladesh for construction of traditional houses and fencing and raw materials of Colour coated CI Sheet Industries.

**1.03 Factory Operations:**

Appollo Ispat Complex Limited started its journey by setting up its factory at Shimrail, Siddhirgong, Narayangang and went into commercial production in its 1st modern and sophisticated Continuous Galvanizing Line (CGL) in early July 1997 and 2nd CGL early 2002 and Cold Rolled Manufacturing unit in January 2005.

To meet the growing market demand management intends to further expand its operation through introducing a new environment friendly product named Non Oxidized Furnace (NOF) C.I Sheet with a production capacity of 60,000 MT.The project is already in commercial production from 1st April, 2018.

The factory comprises of land measuring 1675.05 decimals, around 13 buildings like factory buildings (CGL, NOF CGL & CRM) different factory sheds, office building and guest house etc. constructed in different years and plant and machineries like CGL, CRM, Effluent Treatment Plant, Boiler, Acid Regenerating Plant, Corrugation Machine, Sharing Machine, Softener Plant, DM Plant, Dryer Machine, EOT Crane, Compressor, Gas Generator and Cooling Machine etc. were purchased from different countries viz India, Japan, Germany etc.

**2.00 Significant Accounting Policy for the Presentation of the Financial Statements:**

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

**2.01 Corporate Financial Statements:**

This comprises Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Notes to the Financial Statements covering accounting policies. This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994 and the Bangladesh Accounting Standards (BASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as well as those standards, disclosures recommended by BASs & BFRSs and as applicable to this Company. The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements. The preparation of the financial statements in conformity with the Bangladesh Accounting Standards (BASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at the date of the reporting period.

Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.

**2.02 Use of Estimates and Judgments:**

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets & liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Actual results may differ from these estimates and under lying assumptions are reviewed on an ongoing basis.

**2.03 Going Concern:**

The company has adequate resources to continue its operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

**2.04 Foreign Currency Transactions:**

The financial statements are presented in Taka/Tk./BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are converted at the rates prevailing at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladeshi Taka at the exchange rate ruling at the date of transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit or loss as per BAS-21 "The Effects of Changes in Foreign Exchange Rates".

**2.05 Reporting Period:**

This report is the 1st Quarter of the financial period of 1st July' 2018 to 30th September' 2018

**2.06 Reporting Currency:**

The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest integer.

**2.06 Segmental Reporting:**

No segmental reporting is applicable for the company as required by BAS 14: Segment Reporting as the company operates in a single industry segment and within a single geographical segment.

**2.07 Fundamental Accounting Concepts/ Assumption:**

The financial statements have been prepared under historical cost convention on Accrual concept and such other convection as required by BAS-1 and BFRS for fair presentation of financial statements.

**2.08 Comparative Information and Re-arrangement Thereof:**

Comparative Information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

In accordance with the provisions of BAS-34: Interim Financial Reporting, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

**2.09 Compliance with BAS:**

The following BAS is applicable to the financial statements for the year under review:

| | |
|---|---|
| BAS 1 | Presentation of Financial Statements |
| BAS 2 | Inventories |
| BAS 7 | Statement of Cash Flows |
| BAS 10 | Events after the reporting period |
| BAS 12 | Income Taxes |
| BAS 16 | Property, Plant and Equipment |
| BAS 18 | Revenue |
| BAS 19 | Employee Benefits |
| BAS 21 | The Effects of Changes in Foreign Exchange Rates |
| BAS 23 | Borrowing Costs |
| BAS 24 | Related Party Disclosures |
| BAS 25 | Investment |
| BAS 33 | Earnings Per Share |
| BAS 34 | Interim Financial Reporting (For Quarterly Reporting) |
| BAS 36 | Impairment of Assets |
| BAS 37 | Provisions, Contingent Liabilities and Contingent Assets |

The related BFRS are also complied for the preparation of financial statements.

**2.10 Events after the Reporting Date:**

In compliance with the requirements of BAS 10: Events after the reporting period, post events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after reporting date that are not adjusting events are disclosed in the notes when material.

**2.11 Net Profit Before Tax:**

**Net Profit Before Tax for the year were not materially affected by:**
(a) Transaction of a nature not usually undertaken by the company;
(b) Circumstances of an exceptional or non-recurring nature;
(c) Changes of credits relating to prior years; and
(d) Changes in accounting policies.

**2.12 Regulatory Compliance:**

The Financial Statements have been prepared in compliance with the following laws and regulations:

The Companies Act, 1994
The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax (VAT) Act, 1991
The Value Added Tax (VAT) Rules, 1991
The Customs Act 1969
Securities and Exchange Rules, 1987
Securities and Exchange Ordinance, 1969
Securities and Exchange Commission Act 1993

**2.13 Recognition and measurement of Tangible Fixed Assets:**

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its state of its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period 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 the fixed assets, the expenditure is capitalized as an additional cost of the assets.

**2.13.1 Revaluation of Property, Plant & Equipment (PPE):**

PPE have been stated at cost other than Land which revalued amounts in accordance with BAS: 16 Property , Plant & Equipment. The Land as on 30 June 2012 have been revalued at fair market value as per decision of the board of directors. The revaluation of assets has been made at present market value. Increase in the carrying amount arising on revaluation are credited to “Revaluation Surplus” under share holders equity.

i) Effective date of revaluation to the Financial Statements 30-06-2012.

ii) Land has been revalued by A. Wahab & Co. Chartered Accountants a Govt. approved independent valuer.

iii) Revaluation surplus of Land & Land development has been transferred to Revaluation Reserve and distribution of such surplus to the shareholders is restricted.

**2.13.2 Depreciation of Tangible Fixed Assets:**

No depreciation is charged on Land and Land Development and Capital Work in Process (CWIP) as the land and land development has ultimated useful life and the Capital Work in Process has not yet been started commercial operation.

Depreciation on fixed assets other than Land & Land Development have been computed during the year using the reducing balance method. Depreciation of an asset commences when the asset is available for use and ceases at the earlier of the date the asset is classified as held for sale and the date the asset is derecognized.

After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

| | |
|---|---|
| Land & Land Development | Nil |
| All other Fixed Assets | 10% |

Depreciation Methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

**2.13.3 Derecognition:**

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, Plant and Equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

**2.13.4 Capital Work in Process:**

Capital Work in Process consists of unfinished work of NOF project and capital inventory. The major civil works are completed and erection of prefabricated steel structure building has already completed, the commission and errection of capital machinery has already started and expected to complete.Commercial production has been started on 1st April 2018. Spare Parts expected to be used for more than one year are treated as Capital work in process. Capital Work in Process is recognised when risks and rewards associated with such assets are transferred to the company.

**2.13.5 Capitalization of Borrowing Costs:**

As per the requirements of IAS /BAS- 23 "Borrowing Cost", directly attributable borrowing cost are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition , construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing cost are recognized in profit or loss in the period in which they are incurred.

**2.13.6 Impairment of Assets:**

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reason no provision has been made for Impairment of assets as per BAS-36.

**2.13.7 Subsequent Costs:**

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

**2.14 Inventories:**

Inventories are measured at the lower of cost and net realizable value as prescribed by BAS-2. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operation capacity.

| Nature of Inventories | Cost Formula |
|---|---|
| Raw Materials | Weighted Average Cost |
| Work-in Progress | Material cost Plus Proportionate conversion cost based on percentage of completion. |
| Chemicals, Stores and Spares | Weighted Average Cost |
| Finished Goods | Valued at cost or net realizable value whichever is lower |

**2.15 Trade Debtors:**

Trade debtors are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end.

**2.16 Cash & Cash Equivalents:**

According to BAS 7 'Statement of Cash Flows' cash comprises of cash in hand, demand deposits and Cash equivalents which are short term highly liquid investments that are readily convertible to Cash and which are subject to an insignificant risk of changes in value. BAS 1 ``Presentation of Financial Statements" provides that Cash & Cash Equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in Hand & Bank Balances have been treated as Cash & Cash Equivalents.

**2.17 Income Tax:**

**2.17.1 Provision For Income Tax:**

Provision for taxation has been made as per rates prescribed in Finance Act 2017 and the Income Tax Ordinance,1984 on the profit made by the company. As per BAS-12" Income Taxes" income Tax provision has been made during the year as the company earned taxable income.

**2.17.2 Deferred Tax:**

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

**2.18 Revenue Recognition:**

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates exclusive of VAT as per BAS-18. Revenue is recognized when the significant risks and reward of ownership have been transferred to the buyer, recovery of the consideration is probable, the associates costs and possible return of goods can be estimated reliably & there is no continuing management involvement with the goods sold. Transfer of risk and rewards occurs for the sale of goods when the product is delivered along with dispatch documents and invoices to customers.

**2.19 Employee Benefits:**

Appollo Ispat Complex Ltd.is maintaining both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligiblity is determined according to the terms and conditions as mentioned in the respective deeds.The defined contribution plan and defined benefit plan are funded.

**a) Defined Contribution Plan (Provident fund):**

The company adopted a policy to establish a contributory Provident Fund (CPF) scheme under the defined contribution plan. The fund will be operated by a separate board of trustees after approval by the NBR as per Income Tax Ordinance, 1984. All eligible employees will contribute @ 5% of their basic pay to the fund. The company also will contribute equal of employees contribution to the fund. The fund will be managed under Trust Rules. Necessary steps has been taken for constitution of the fund.

**b) Defined Benefit Plan :**

**i) Staff Gratuity:**

The Company Operates gratuity scheme, and provision in respect of which is made annually covering all its eligible employees. Provision for Gratuity has been made for all eligible employees for current year equivalent to two basic pay.

**ii) Workers Profit Participation & Welfare Fund:**

The Company decided to operate for workers a 'Workers Profit Participation and Welfare Fund' as per section-234 of Bangladesh Labor Act-2006 and provision has been made during the period.@ 5% of the profit before charging such expense.

**iii) Annual Leave Encashment**

The Company provides annual leave encashment benefit to all permanent employees under short term employees benefit obligations. Annual leave encashment benefit obligations are measured on an undiscounted basis . Provision is created for the amount of annual leave encashment under salary and allowance based on the latest basic salary.

**2.20 Financial expenses/ Borrowing cost:**

Finance expenses/ Borrowing cost comprise interest expenses, financial charges and exchange differences arising from foreign currency borrowings on bank loan, finance lease and other borrowings. Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

**2.21 Statement of Cash Flows:**

Statement of Cash Flows is prepared principally in accordance with IAS 7 as adopted by ICAB as BAS 7 “Statement of Cash Flows” and the cash flows from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS 7 which provides that “enterprises are encouraged to report cash flows from operating activities using the direct method”.

**2.22 Provisions:**

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

a. when the company has an obligation ( legal or constructive) as a result of past events;
b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c. Reliable estimates can be made of the amount of the obligation.

**Dividend**
The company recognizes a liability to make cash dividend when the distribution is authorize and the distribution is no longer at the discretion of the company. As per the corporate laws in Bangladesh, a distribution is authorized when it is approved by the shareholders in the Annual General Meeting (AGM). A corresponding amount is recognized directly in equity.

**2.23 Earnings Per Share:**

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share is the basic earnings dividing by the weighted average number of ordinary shares outstanding the end of the year.

**2.24 Components of Financial Statements:**

- Statement of Financial Position as on 30 September' 2018
- Statement of Profit or Loss and other Comprehensive Income for the period ended 30 September ' 2018
- Statement of Cash Flows for the period ended 30 September '2018
- Statement of Change in Equity for the period ended 30 September ' 2018
- Accounting Policies and explanatory notes to the financial statements.

**2.25 Responsibility for preparation and presentation of Financial Statements:**

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the provision of "the framework for the preparation and presentation of financial statements” issued by the International Accounting Standards Committee (IASC).

**2.26 Risk and uncertainties for use of estimates in preparation of financial statements:**

The preparation of financial statements in conformity with the International Accounting Standards requires management to make estimates and assumption that affect the report, amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain terms such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees benefit plans, taxes reserves and contingencies.

**APPOLLO ISPAT COMPLEX LTD**
**Notes to the Financial Statements**
**As at and for the Period of ended 30 Sep' 2018**

| | | Amount in Taka | Amount in Taka |
|---|---|---|---|
| | | **30th Sep' 2018** | **30th June' 2018** |
| **3.00** | **Property, Plant and Equipment :** | | |
| | These have arrived at as under: | | |
| | Cost (Opening Balance) | 7,099,932,228 | 4,910,853,803 |
| | Add: Revaluation surplus of land | - | - |
| | | 7,099,932,228 | 4,910,853,803 |
| | Add: Addition during the period | 500,331 | 36,528,826 |
| | Add: Transfer from Capital Work in Process(NOF)* | - | 2,152,549,599 |
| | Adjustment/disposal | | - |
| | **Total Cost** | **7,100,432,559** | **7,099,932,228** |
| | Less: Accumulated Depreciation (Opening Balance) | 2,180,830,590 | 2,026,831,417 |
| | Add: Charged during the period | 75,007,627 | 153,999,174 |
| | **Total** | **2,255,838,218** | **2,180,830,590** |
| | **Written down value : (WDV)** | **4,844,594,341** | **4,919,101,638** |

N.B:The Company has informed that the most advanced Radiant Tube Furnace (RTF) technology based NOF-CGL plant having 72,000 MT Capacity(per annum) has started its commercial operation from April 01, 2018 (Trial Production started on March 14, 2018). The project is Green Project/Environment Friendly (No use of ACID & Lead). Products use for the project is RTF-SUPER Galvanizing/CI Sheet. (Published Date at DSE news as on 27-3-2018)

| | | | |
|---|---|---|---|
| **4.00** | **Capital Work-in-Process:** | | |
| | This amount consists as follows: | | |
| | Opening Balance (4.01) | - | 1,927,856,015 |
| | Add: Addition during the year (4.02) | - | 224,693,584 |
| | | - | **2,152,549,599** |
| | Less: Adjustment during the year | - | - |
| | **Total** | - | **2,152,549,599** |
| | Less: Transfer to Fixed Assets | | **(2,152,549,599)** |
| | **Total** | - | - |
| **4.01** | **Opening Balance (4.01) :** | | |
| | Machineary Work-in Progress | - | 1,097,486,582 |
| | Building & Other Work-in-Prog. | - | 830,369,433 |
| | | - | **1,927,856,015** |
| **4.02** | **Addition during the year :** | | |
| | Machineary Work-in Progress | - | 182,155,898 |
| | Building & Other Work-in-Prog. | - | 42,537,686 |
| | **Total** | - | **224,693,584** |
| **5.00** | **Investment:** | | |
| | This amount consists as follows: | | |
| | Un-Quoted | | |
| | Palash Spinning Mills Ltd. Notes # 5.01 | 100,000,000 | 100,000,000 |
| | Phoenix Holdings Ltd. Notes # 5.02 | 317,881 | 317,881 |
| | **Total** | 100,317,881 | **100,317,881** |

**5.01** (i) The Company by way of transfer acquired 225,000 ordinary share of at a cost of Tk.100,000,000 each @ Tk. 444.44 each including a premium of Tk. 344.44 of Palash Spinning Mills which is 45% of total share. There is no commercial operation of Palash Spinning Mills.

**5.02** (ii)The Company acquired 15,000 ordinary shares out of 50,000 shares of Tk.100 each of Phoenix Holdings Ltd. which is 30% of total shares. The said company incurred loss of Tk. 3,940,396 up to 30-06-2018. Due to reported Loss upto 30.06.2017 Appollo Ispat Complex Ltd. has recognized 30% Holding Loss which is equivalent of Tk. 11,50,035 by this reason Investment stands at Tk. (15,00,000-11,82,119)= Tk. 317,881.

| | | | |
|---|---|---|---|
| **6.00** | **Inventories :** | | |
| | Finished goods | 377,768,823 | 527,768,823 |
| | Work in Process | 868,209,816 | 870,098,901 |
| | Raw Materials | 26,769,149 | 362,126,774 |
| | Spare Parts | 93,034,720 | 92,049,595 |
| | **Total** | **1,365,782,507** | **1,852,044,092** |

The above Inventories are as per Physical counting made and valued by the inventory team consists of management staff. Inventories in hand have been valued at lower of cost and net realizable value as per BAS-2.

**7.00 Trade & Other Receivables :**

| | | |
|---|---|---|
| **A. Trade Receivable :** | | |
| **Opening balance** | 3,249,053,959 | 2,895,150,853 |
| Add: Sales and Scrap Sales during the period | 169,866,396 | 3,863,827,323 |
| | 3,418,920,355 | **6,758,978,177** |
| Less: Adjustment/recovery | (255,681,617) | (3,509,924,218) |
| **Total Trade Receivable** | **3,163,238,738** | **3,249,053,959** |

| | Amount in Taka | Amount in Taka |
|---|---|---|
| | **30th Sep' 2018** | **30th June' 2018** |
| **B. Other Receivable:** | | |
| Insurance Receivable | 38,343,516 | 38,343,516 |
| Interest Receivable | - | - |
| **Total Other Recievable** | **38,343,516** | **38,343,516** |
| **Total Trade & Other Receivables : (A+B)** | **3,201,582,254** | **3,287,397,475** |

**A district wise break down given below:**

| | | |
|---|---|---|
| BAGERHAT | 90 | 90 |
| B. BARIA | 79,612,317 | 79,612,317 |
| BHOLA | 66,607,359 | 64,863,635 |
| BOGURA | 667,975,905 | 660,665,788 |
| BORGUNA | 1,211,956 | 1,211,956 |
| BORISAL | (3,393,392) | (3,393,392) |
| CHADPUR | 46,348,599 | 46,348,599 |
| CHITTAGONG | 5,348,565 | 5,348,565 |
| CHUYADANGA | 18,043,679 | 20,926,221 |
| COMILLA | 46,996,585 | 47,496,585 |
| DHAKA | 1,403,825,486 | 1,403,825,486 |
| DINAJPUR | (90,310,817) | (45,607,243) |
| FENI | 685,936 | 685,936 |
| FORIDPUR | (2,224,678) | (4,617,148) |
| GAIBANDA | 93,707,345 | 94,107,345 |
| GAZIPUR | 79,198,042 | 79,218,042 |
| GOPALGONJ | (714,115) | (714,115) |
| JAMALPUR | 48,171,127 | 48,171,127 |
| JESSORE | 62,508,051 | 62,508,051 |
| JHALOKHATHI | (21,754,464) | (8,732,764) |
| JHINAIDA | (735,997) | (735,997) |
| KHULNA | 31,327,277 | 31,327,277 |
| KISHORGONJ | 2,783,953 | 2,833,953 |
| KURIGRAM | 92,739 | (290,191) |
| KUSHTIA | 345,061 | 695,061 |
| LALMONIRHAT | (5,240,126) | (4,434,946) |
| MADARIPUR | 589,581 | 589,581 |
| MAGURA | 472,177 | 472,177 |
| MANIKGONJ | (6,157,070) | (6,157,070) |
| MAYMENSING | (550,224) | (2,744,124) |
| MUNSHIGONJ | 1,782 | 1,782 |
| NAOGAON | (10,600,621) | (10,600,621) |
| NARAIL | (3,875,760) | (3,875,760) |
| NATOR | 1,943,507 | 1,943,507 |
| NAYABAZAR | 26,337,081 | 26,362,081 |
| NETROKONA | 1,776,040 | 1,776,040 |
| N. GONJ | 5,727,716 | 5,727,716 |
| NILFAMARI | 58,458,093 | 58,683,093 |
| NOAKHALI | 2,865,791 | 2,865,791 |
| NORSHINDI | 15,884,487 | 15,884,487 |
| Others ( Trade Debtors) | 271,412,281 | 267,483,606 |
| PABNA | 255,534 | 955,534 |
| PANCHOGAR | 60,377,697 | 65,677,697 |
| PIROJPUR | 404,941 | 404,941 |
| POTUAKHLI | 202,383 | 202,383 |
| RAJBARI | (4,035,257) | (3,835,257) |
| RAJSHAHI | (34,744,909) | (23,763,949) |
| RONGPUR | 100,799,009 | 119,391,178 |
| SATKHIRA | 291,988 | 291,988 |
| SHARIYATPUR | 42,731 | 42,731 |
| SHERPUR | 12,868,679 | 13,890,299 |
| SIRAJGONJ | 131,745 | 131,745 |
| Suspenses A/c ( Trade Debtors) | 46,354 | 46,354 |
| SYHLET | 129,384,574 | 131,945,354 |
| TANGAIL | (6,670,312) | (5,591,800) |
| THAKURGAON | 17,707,974 | 18,057,974 |
| ZINZIRA | (8,525,738) | (8,525,738) |
| **Total** | **3,163,238,738** | **3,249,053,959** |

AMAR STOCK

**7:01 Ageing of Trade & Other Receivables :**

| | | |
|---|---|---|
| 0-90 days | 521,934,392 | 536,093,903 |
| 91-180 days | 1,126,112,990 | 1,156,663,209 |
| 181-365 days | 816,115,594 | 838,255,921 |
| 1-2 years | 297,344,441 | 305,411,072 |
| over 2 years | 401,731,320 | 412,629,853 |
| | **3,163,238,738** | **3,249,053,959** |

| | Amount in Taka | Amount in Taka |
|---|---|---|
| | **30th Sep' 2018** | **30th June' 2018** |

**8.00 Advances, Deposits and Prepayments :**
This amount consists as follows:

| | | | |
|---|---|---|---|
| Advances | Note-8.01 | 3,199,902,990 | 2,552,692,066 |
| Deposits and Investments | Note-8.03 | 107,065,098 | 156,928,711 |
| | | **3,306,968,087** | **2,709,620,777** |

**8.01 Advances :**

| | | | |
|---|---|---|---|
| Against goods and services | | 598,383,771 | 382,636,447 |
| Against Salary | | 19,428,642 | 10,513,086 |
| Against Land purchase | | 457,748,214 | 442,748,214 |
| Advance for Preliminary & Pre-Operating Expense (NOF) | Note-8.04 | 24,120,757 | 26,154,194 |
| Advance Income Tax | Note-8.02 | 434,922,413 | 428,238,645 |
| Material in Transit | | 984,554,708 | 869,952,386 |
| LC margin | | 681,566,105 | 392,784,775 |
| VAT current account | | (821,621) | (335,681) |
| | | **3,199,902,990** | **2,552,692,066** |

**8.02 Advance Income Tax :**

| | | |
|---|---|---|
| Opening Balance | 428,238,645 | 499,655,610 |
| Add: Addition during the year | 6,683,768 | 111,899,417 |
| | 434,922,413 | 611,555,027 |
| Less: Refund during the year | - | - |
| Less : Adjusted after Tax Assessment | | 183,316,382 |
| **Closing Balance** | **434,922,413** | **428,238,645** |

**8.03 Deposits and Investments:**

| | | |
|---|---|---|
| CDBL | 500,000 | 500,000 |
| FDR with South East Bank Ltd. | 4,013,038 | 3,961,277 |
| FDR with IFIC Bank Ltd. | 46,888,905 | 96,804,279 |
| FDR with Jamuna Bank Ltd. | 1,897 | 1,897 |
| Bank Guarantee Bond | 23,308,466 | 23,308,466 |
| Deposit Against GAS cylindar | 60,000 | 60,000 |
| Security deposit with Titas Gas,WASA, DESA & Custom | 32,292,792 | 32,292,792 |
| Total | **107,065,098** | **156,928,711** |

**8.04 Advance for Preliminary & Pre-Operating Expense (NOF)**

| | | |
|---|---|---|
| Opening Balance | 26,154,194 | 12,606,294 |
| Add: Addition during the year | - | 15,197,537 |
| | 26,154,194 | 27,803,831 |
| | - | - |
| Less : Amortization | 2,033,437 | 1,649,637 |
| **Closing Balance** | **24,120,757** | **26,154,194** |

**9.00 Cash and Bank balances :**
This amount consists as follows:

| | | |
|---|---|---|
| Cash in Hand | 2,268,096 | 381,053 |
| Factory current account | 4,703,989 | 2,827,748 |
| Cash at Bank (Notes-9.01) | 204,406,234 | 120,684,835 |
| | **211,378,319** | **123,893,636** |

AMAR STOCK

| | | | Amount in Taka | Amount in Taka |
|---|---|---|---|---|
| | | | 30th Sep' 2018 | 30th June' 2018 |
| **9.01** | **Cash at Bank:** | | | |
| | Agrani Bank Ltd Tejgaon Br. | A/c No-02-699597 | 12,309 | 12,309 |
| | AB Bank Ltd Kawran Bazar Br. | A/c No-STD 750680-430 | 1,081 | 1,081 |
| | Al-Arafah Islami Bank Ltd Jatra Bari | A/C No 200078491 | 230,032 | 230,032 |
| | Bank Asia Ltd Scotia Br. | IPO STD-00736-764 | 5,026,549 | 5,026,549 |
| | Bank Asia Ltd Scotia Br. | A/c No-00736-495 | 10,333 | 24,333 |
| | Basic Bank Ltd karwan bazar | A/cNo-3110-01-180 | 7,000 | 16,555 |
| | BRAC Bank Ltd Gulshan Br. | A/c No-1501200130284002 | 18,237 | 68,237 |
| | BRAC Bank Ltd Kawran Bazar Br. | A/C No-1540100130284001 | 26,341 | 26,341 |
| | City Bank Ltd Motijheel | A/c No-3102004872002 | 400,319 | 400,664 |
| | Dutch Bangla Bank Ltd Dilkusha | A/c No-10112-2704 | - | 24,315 |
| | Dutch Bangla Bank Ltd /Local KB | A/c No-11053 | 124,989 | 124,989 |
| | Dhaka Bank Ltd ( Motijheel) | | 204,414 | 204,414 |
| | Eastern Bank Ltd Sonargoan Br. | A/c No-105106-8112 | 13,116 | 63,116 |
| | Exim Bank Ltd Motijheel | A/c No-001111-11871 | 13,036 | 42,236 |
| | Islami Bank BD Ltd Gandria | A/c No-5107 | 5,000 | 5,000 |
| | Jamuna Bank Ltd Dhilkusha | A/c No-0195 | 25,426,301 | 20,825,730 |
| | Janata Bank Ltd Bangshal Br. | | 10,206 | 20,206 |
| | Mercantail Bank ( Motijheel) | | 14,000,000 | 14,000,000 |
| | Mutual Trust Bank Ltd Motijheel Br. | A/c No-0002-0210010672 | 4,029,571 | 4,028,602 |
| | Mutual Trust Bank Ltd Dhanmondi Br. | A/c No-01875 | 10,000 | 10,000 |
| | National Bank Ltd Dhilkusha Br. | A/c No-3379 | 18,506 | 17,284 |
| | National Bank Ltd Dhilkusha Br. | A/c No- New Ipo | 10,000 | 10,000 |
| | NCC Bank Ltd Dhanmondhi Br. | A/c No. 00100210010127 | 39,975,000 | 15,000,000 |
| | NRB bank | A/c No 22067 | 10,000 | 10,000 |
| | Prime Bank Ltd K.Bazzar | A/c No 11331030018756 | 9,094 | 59,094 |
| | Primier Bank Ltd Gulshan Br. | A/c No-0102111-7477 | 1,717 | 1,717 |
| | Pubali Bank Ltd Tejgaon | A/c No. 0017 | 2,360 | 2,360 |
| | Rupali Bank Ltd Green Road | A/c No. 0414024-15 | 25,507 | 25,507 |
| | Southeast Bank Ltd Dhanmondhi Br.-25 | A/c No. 0012111-9826 | 30006752 | 30,008,152 |
| | Southeast Bank Ltd Dhanmondhi Br. | A/c No. 0012131-939 | 20765.57 | 20,766 |
| | Shajalal Bank Ltd Motijheel Br. | A/c No. 4001111-6337 | 14140 | 14,140 |
| | Social Islami Bank Ltd Motijheel Br. | A/c No. 0021330037219 | 84462000 | 30,000,000 |
| | Social Islami Bank Ltd Panthopath Br. | | 0 | 24,583 |
| | Sonali Bank Ltd Tejgaon Br. | A/c No. 012424-236 | 167710 | 167,710 |
| | Sonali Bank Ltd Motejheel Br. | A/c No. 8235 | 4940 | 4,940 |
| | Sonali Bank ( STD - Awlad H. Market) | | 18031 | 18,031 |
| | Sonali Bank Ltd RJC Br. | A/c No 131303-6 | 0 | 17,964 |
| | State Bank Of India | A/c No. 0516030202-1 | 5280 | 5,280 |
| | United Commercial Bank Ltd Mohakhali Br. | A/c No. 0781301-176 | 29313.08 | 66,313 |
| | United Commercial Bank Ltd Naya Bazar Br. | A/c No. 000125 | 56284 | 56,284 |
| | **Total** | | **204,406,234** | **120,684,835** |
| **10.00** | **Share Capital :** | | | |
| | **Authorized Capital : Tk.** | | | |
| | 500,000,000 Ordinary share of Tk.10 each. | | | **5,000,000,000** |
| | **Issued, Subscribed and paid up Capital:** | | | |
| | This amount consists as follows: | | | |
| | 250,000,000 Ordinary Share of Tk.10 each, fully paid up in cash | | 2500000000 | 2,500,000,000 |
| | Bonus Share | Note:10.01 | 1396200000 | 1,396,200,000 |
| | | | **3,896,200,000** | **3,896,200,000** |

AMARSTOCK

| | Amount in Taka | Amounts in Taka |
|---|---|---|
| | 30th Sep' 2018 | 30th June' 2018 |

**10.01 Bonus Share capital:**

This amount consists as follows:

| | | |
|---|---|---|
| **Bonus 2013-2014 : 37,500,000 Bonus Share@ Tk.10 each.** | **375000000** | 375,000,000 |
| **Bonus 2014-2015 : 34,500,000 Bonus Share@ Tk.10 each.** | **345000000** | 345,000,000 |
| **Bonus 2015-2016 : 32,200,000 Bonus Share@ Tk.10 each.** | **322000000** | 322,000,000 |
| ***Bonus 2016-2017 : 35,420,000 Bonus Share@ Tk.10 each.** | **354200000** | 354,200,000 |
| | **1396200000** | **1,396,200,000** |

For the Financial Year 2016-17 Board of Directors of the company proposed Dividend: 10% Stock; with due approval at 23rd Annual General Meeting held on 23rd December 2017.

**10.02 A distribution schedule of the above shares is given below:**

**A. Director's Shareholding**

| Name | No. of Shares | Status with the Company | 30 Sep' 2018 | 30 June' 2018 |
|---|---|---|---|---|
| | | | % of Holding | % of Holding |
| Deen Mohammad | 12,810,705 | Chairman | 3.29 | 3.29 |
| Mohammad.Shoeb | 9,693,745 | Vice Chairman | 2.49 | 2.49 |
| Md. Ansar Ali | 7,792,400 | Managing Director | 2.00 | 2.00 |
| Md. Abdur Rahman | 7,792,400 | Dy Managing Director | 2.00 | 2.00 |
| M.A Majid | 9,894,337 | Director | 2.54 | 2.54 |
| Md Rafique | 7,792,400 | Director | 2.00 | 2.00 |
| Md. Abu Kaiser | - | Ind. Director | - | 0.00 |
| Ms. Roxshana Begum | 7,792,813 | Director | 2.00 | 2.00 |
| Evana Fahmida Mohammad | 7,792,813 | Director | 2.00 | 2.00 |
| Late Md.Mozammel Haque* | - | Sponsor | - | 0.00 |
| Md.Sirajul Haque | 10,645,664 | Sponsor | 2.73 | 2.73 |
| Murshida Haque | 54,546 | Sponsor | 0.01 | 0.01 |
| Md. Mustafijul Haque | 517,686 | Sponsor | 0.13 | 0.13 |
| **Total** | **82,579,509** | | **21.19** | **21.20** |

***N.B: In compliance with listing regulation 2015, Late Md.Mozammel Haque as sponsor shareholder, has been removed from the sponsor shareholder list.**

**B. Other Shareholders**

| Name | | Status with the Company | 30 Sep' 2018 | 30th June' 2018 |
|---|---|---|---|---|
| | | | % of Holding | |
| **Above 5 % shareholding:** | 19,877,228 | Shareholders | 5.10% | 5.10% |
| **Below 5% shareholdings** | 287,163,263 | Shareholders | 73.71% | 73.71% |
| **Total** | **307,040,491** | | 78.81% | 78.81% |
| **Grand Total (A+B)** | **389,620,000** | | 100% | 100% |

**Classification of Shareholders by holding**

| Holdings | No. of Shares | As on Sep' 2018 | | As on June 2018 | |
|---|---|---|---|---|---|
| | | No. of holders | % of Holding | No. of holders | % of Holding |
| Less than 500 Shares | 7,922,183 | 29734 | 2.03 | 30,589 | 2.03 |
| 501 to 5000 Shares | 27,181,108 | 13136 | 6.98 | 12,943 | 6.98 |
| 5,001 to 10,000 Shares | 24,452,891 | 3398 | 6.28 | 3,384 | 6.28 |
| 10,001 to 20,000 Shares | 32,441,102 | 2312 | 8.33 | 2,257 | 8.33 |
| 20,001 to 30,000 Shares | 20,564,783 | 831 | 5.28 | 814 | 5.28 |
| 30,001 to 40,000 Shares | 14,027,692 | 400 | 3.60 | 401 | 3.60 |
| 40,001 to 50,000 Shares | 10,144,252 | 223 | 2.60 | 229 | 2.60 |
| 50,001 to 100,000 Shares | 29,592,102 | 431 | 7.60 | 432 | 7.60 |
| 100,001 to 1,000,000 Shares | 68,851,790 | 281 | 17.67 | 288 | 17.67 |
| 1,000,001 to above Shares | 154,442,097 | 30 | 39.64 | 33 | 39.64 |
| | **389,620,000** | **50776** | **100** | **51,370** | **100** |

| | Amount in Taka | Amount in Taka |
|---|---|---|
| | 30th Sep' 2018 | 30th June' 2018 |

**11.00 Share Premium :**

| | | |
|---|---|---|
| 100,000,000 Ordinary Shares of Tk.12 each, fully paid up in cash | 1,200,000,000 | 1,200,000,000 |
| | **1,200,000,000** | **1,200,000,000** |

**12.00 Revaluation Surplus :**

**This is as per last Account**

| | | |
|---|---|---|
| ***Land & Land Development** | **1141578189** | **1141578189** |
| | **1141578189** | **1141578189** |

*The revaluation of Land has been done on June 30, 2012 by A.Wahab & Co. Chartered Accountants , A member Firm of Lading Edge Alliance.

| | Amount in Taka | Amount in Taka |
|---|---|---|
| | **30th Sep' 2018** | **30th June' 2018** |

**13.00 Retained Earnings:**

This amount consists as follows:

| | | |
|---|---|---|
| Balance brought forward | 1,629,541,271 | 1,962,331,626 |
| Add. Profit for the period | (34,675,090) | 21,409,646 |
| Add:Unabsorbed Carry Forwrded u/s 42(6) | - | - |
| | **1,594,866,181** | **1,983,741,272** |
| Less:ReversalTax benefit on Unabsorbed Dep.allowance Carry Forwrded u/s 42(6) (Since this amount has been Considerd as per Assessment in the New TAX Liabilities ( BAS-8,Para 36) | | |
| Less: Cash Dividend paid to Share Holder as per approval at 22nd Annual General Meeting. from 32,20,00,000 shares @5% | 0 | - |
| | | - |
| Less: Amount Transferred to Share Capital as Bonus Share of 322,00,000 (10% Stock Bonus) @ Tk. 10 each with due approval at 22nd Annual General Meeting.Bonus Share of 354,20,000 (10% Stock Bonus) @ Tk. 10 each with due approval at 23rd Annual General Meeting | 0 | **(354,200,000)** |
| **Balance carried forward** | **1,594,866,181** | **1,629,541,271** |

**14.00 Long Tern Borrowings:**

This amount consists as follows:

| Name of Bank | 30 June 2018 | | 30 June 2017 | |
|---|---|---|---|---|
| | Due within one year | Due after more than one year | Due within one year | Due after more than one year |
| Jamuna Bank Ltd. | 120,630,000 | 148,860,177 | 120,630,000 | 158,767,089 |
| IFIC Bank Ltd. | 228,383,328 | 72,831,237 | 228,383,328 | 82,840,838 |
| Mercantile Bank limited | 60,000,000 | 86,245,567 | 60,000,000 | 102,625,584 |
| Mutual trust Bank limited | 51,783,804 | 23,416,356 | 51,783,804 | 24,356,767 |
| Phoenix Finance & Investment | 93,966,348 | 198,609,690 | 93,966,348 | 189,203,290 |
| GSP Finance Company Ltd | 13,960,956 | 19,994,549 | 13,960,956 | 25,896,273 |
| GSP Finance Company Ltd(Lease) | 13,960,956 | 30,735,339 | 13,960,956 | 28,670,565 |
| NCC Bank limited | 40,838,909 | - | 39,242,141 | - |
| Islamic Finance & Investment Ltd | 55,593,960 | 99,128,943 | 55,593,960 | 93,768,415 |
| Social Islami Bank limited | 51,162,000 | - | 53,061,138 | - |
| **Total** | **730280261** | **679821858** | **730,582,631** | **706,128,821** |
| **Total Long Term Borrowings** | **1410102119** | | **1436711452** | |

This represent the present outstanding balances of the above term loans. The above loans are secured by personal guarantee of the director of the company and the pari passu sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans are varying from 10%-13%. The Payment of installment were being made regularly.

**15.00 Short Term Borrowings:**

This amount consists as follows:

| | | |
|---|---|---|
| Jamuna Bank Ltd ( TR ) | 308,245,392 | 318,170,116 |
| Mutual Trust Bank Ltd | 88,996,527 | 85,639,920 |
| IFIC Bank Ltd (TR) | 74,059,765 | 80,846,971 |
| IFIC Bank Ltd (Deferred) | 328,982,121 | 589,174,487 |
| GSP Finance Company Ltd. | 293,651,295 | 303,227,057 |
| Southeast Bank Ltd | 385,009,189 | 372,176,393 |
| Phoenix Finance & Investment Ltd | 167,702,980 | 164,469,711 |
| Time loan with Jamuna bank Ltd. | 154,593,308 | 159,363,475 |
| MIDAS Finance Ltd. | 103,748,307 | 102,000,000 |
| Union Capital Ltd. | 191,478,551 | 183,886,726 |
| Total | **2,096,467,435** | **2,358,954,856** |

**16.00 Bank overdraft:**
*This consist of the following:*

| | | | |
|---|---|---|---|
| Jamuna Bank OD A/c | | 61,782,259 | 58,470,611 |
| AB Bank Ltd Kawran Bazar BrA/c No-4002-750680-000 | | 157,117,139 | 2,498,447 |
| Al-Arafah Islami Bank Ltd Motijheel | | 72,379,713 | 69,987,166 |
| City Bank Ltd Po Motijheel | | 798,989,185 | 261,850,722 |
| Dhaka Bank Ltd K.Bazar Local | | 5,000,782 | 4,827,446 |
| Dutch Bangla Bank Ltd Dilkusha | A/c No-10112-2704 | 87,215 | - |
| First Security Bank Ltd Mohakhali Br. | | 32,294,761 | 26,036,245 |
| Islami Bank BD Ltd Mohakhali | | 48,594,090 | 61,491,125 |
| Janata Bank Ltd ( Farmgate) | | 40,288,324 | 40,288,323 |
| National Bank Ltd K Bazzar | | 6,989,428 | 6,976,501 |
| One Bank Ltd Dhilkusha Br. | | 49,987,636 | 49,967,636 |
| Pubali Bank Ltd Tejgaon | | 2,789,054 | 2,155,044 |
| Social Islami Bank Ltd Panthopath Br. | | 2,042,083 | - |
| Sonali Bank Ltd RJC Br. | A/c No 131303-6 | 76,462,981 | - |
| IFIC Bank Ltd OD A/C | | (206,633,112) | 191,128,842 |
| IFIC Bank Ltd K.B | | 4,474,571 | 4,444,571 |
| Uttara Bank Ltd A.H.M Br. | | 41,989,581 | 31,788,085 |
| Total | | **1,194,635,688** | **811,910,763** |

| | Amount in Taka | Amount in Taka |
|---|---|---|
| | **30th Sep' 18** | **30th June' 2018** |

**17.00 Liabilities for Expenses :**
*This consist of the following:*

| | | |
|---|---|---|
| Audit fee | 430,000 | 430,000 |
| Electricity | 2,923,460 | 512,272 |
| Gas | 24,865,238 | 13,499,237 |
| Salary and Allowances** | 14,979,215 | 15,553,681 |
| Wages and Salary | - | 3,243,535 |
| AIT payable | 1,529,711 | 1,278,261 |
| Income Tax Deducted at source from Salary | 653,693 | 648,693 |
| VAT Deducted at source | 7,404,435 | 7,229,332 |
| Duty payable | 8,213 | 8,213 |
| Telephone | 440,860 | 431,792 |
| Stock Exchange Fee Payable | 5,179,542 | 5,179,542 |
| Contribution to Providend fund | 11,405,287 | 11,405,287 |
| | **69,819,654** | **59,419,845** |

**17.01 Salary, wages & allowance Payable**
The company pays salary & allowance on accrual basis i.e. current's month salary is accrued for the month and it is paid on following month.

**18.00 Trade & Other Payables:**
This amount consists as follows:

| | | |
|---|---|---|
| Trade Payables | 14,622,064 | 17,440,756 |
| Other Payables | 7,644,156 | 7,644,156 |
| | **22,266,220** | **25,084,912** |

**18.01 Trade Payables:**

| | | |
|---|---|---|
| AK Traders | 4,639,583 | 5,556,022 |
| ABB Ltd (gulshan) | 265,000 | 265,000 |
| Airtech | 337,500 | 337,500 |
| Abul Hossain & co. | 126,000 | 126,000 |
| Ator Banu Traders | 143,450 | 143,450 |
| Barishal Printers | 38,401 | 38,401 |
| Buzz Communication | (200,000) | 880,144 |
| Bow Engineering Ltd. | 221,500 | 221,500 |
| Bismillah Transport Agency | 75,270 | - |
| Bashundhara Industrial Complex Ltd | 144,000 | 144,000 |
| CDBL Payable | 188,915 | 188,915 |
| Eastern Chemical | 23,289 | 23,289 |
| Eloctro Mech Automation | 41,790 | 41,790 |
| Fars Hotel & Resorts | 137,476 | 137,476 |
| Fritzh & Fixabit Inc | 13,885 | 13,885 |
| HR International | 835,616 | 1,755,331 |
| Global Connection Tours & travels | 1,620 | 1,620 |
| ION Exchange | 260,000 | 260,000 |
| MD Steel Casting Indus. | 65,000 | 65,000 |
| Khan Thai Aluminium & Fabricators | 84,743 | 84,743 |
| Happy Int. | 1,620 | 1,620 |
| Prgressive Engineering Corporation | 649,930 | 649,930 |
| Marks Automantion Ltd. | 58,000 | 58,000 |
| Majumder & Associations | 40,000 | 40,000 |
| Mr. Shamol | 25,000 | 25,000 |
| Morols International A | 115,000 | 115,000 |
| Motaleb Iron Store | 30,000 | 30,000 |
| National Steel Corp. | 1,767,527 | 1,727,116 |
| Navigator | 42,900 | 42,900 |

AMAR STOCK

| | | |
|---|---|---|
| Popular Trevel & Tours | 42,864 | 42,864 |
| Oriental Oil Com Ltd. | 130,200 | 130,200 |
| Golden Traders | 1,141,376 | 855,146 |
| Divine IT | 20,000 | 20,000 |
| Prime Technologies | 12,000 | 12,000 |
| Prince Carbon | 114,000 | 114,000 |
| Rashid Ent (RE) | 367,050 | 330,000 |
| Rafi Ent. | 140,000 | 140,000 |
| Pakard Eng. Ltd. | 12,226 | 12,226 |
| Royal Rubber Insd. | 1,192,257 | 1,597,257 |
| S Construction | 83,654 | 83,654 |
| Shafique Ent. | 315,516 | 151,871 |
| Sunrise chemical | 362,906 | 462,906 |
| Shopno Computers | 32,000 | 32,000 |
| SMA Eng. Co. | 350,000 | 350,000 |
| Surat Ali Enterprise | 85,000 | 85,000 |
| TSI Ltd. | 48,000 | 48,000 |
| | **14,622,064** | **17,440,756** |

**18.02 Other Payables:**

| | | |
|---|---|---|
| Dividend Unpaid | 3,418,454.00 | 3,418,454 |
| IPO Applicant (Refund warrant with Bank Asia) | 4,225,702 | 4,225,702 |
| | - | - |
| | 7,644,156 | **7,644,156** |

**19.00 Provision for Income Tax :**

| | Amount in Taka<br>30th Sep' 18 | Amount in Taka<br>30th June' 2018 |
|---|---|---|
| **Opening balance** | 225,505,338 | 370,565,287 |
| a)Provision made during the Period | (12,010,727) | 38,256,433 |
| | 213,494,611 | **408,821,720** |
| Less: Adjusted/Paid during the Period as per Assessment | - | **183,316,382** |
| **Closing balance** | **213,494,611** | **225,505,338** |

**20.00 Liabilities for Deffered Tax :**

This has been arrived as under;

| | Amount in Taka<br>30th Sep' 18 | Amount in Taka<br>30th June' 2018 |
|---|---|---|
| Carrying Value of Fixed Assets | 2,941,297,461 | 3,000,404,757 |
| As Tax Base | 536,215,363 | 536,215,363 |
| Temporary Difference | 2,405,082,099 | **2,464,189,395** |
| Addition not included Tax Base | (2,203,366,695) | (2,202,866,364) |
| Net Temporary Difference | 201,715,404 | **261,323,031** |
| Deffered Tax Liabilities @ 25% | 50,428,851 | **65,330,758** |
| Deferred Tax Expenses/(Income) during the Period | **(14,901,907)** | **(6,609,222)** |

**21.00 Other Provisions:**

| | | | |
|---|---|---|---|
| Provision For Gratuity : | Note- 21.01 | 31,804,925 | 32,330,447 |
| Provision for Workers Profit Participation Fund ( WPPF) : | Note- 21.02 | 78,752,129 | 78,752,129 |
| Provision for Bad Debts : | Note- 21.03 | 30,207,387 | 31,055,540 |
| | | 140,764,442 | **142,138,116** |

**21.01 Provision For Gratuity :**

| | | |
|---|---|---|
| **Opening balance** | 32,330,447 | 24,566,240 |
| Add. Addition made during the period | (525,522) | 9,172,400 |
| Less: Gratuity Paid | - | (1,408,193) |
| **Total** | **31,804,925** | **32,330,447** |

The Company made provision for gratuity equivalent to two months basic pay for all elegible employee during the year.

**21.02 Provision for Workers Profit Participation Fund ( WPPF) :**

This amount consists as follows:

| | | | |
|---|---|---|---|
| **Opening balance** | 17931278.93 | 78,752,129 | 93,408,185 |
| Add. Addition made during the period | | - | 3,275,224 |
| Less: Paid during the year as per rule (80% of Tk.33,621,148=2/3rd of 26,896,918) | | - | (17,931,279) |
| **Total** | | **78,752,129** | **78,752,129** |

The Company made provision for Workers Profit Participation Fund (WPPF) @ 5% of the profit before charging such expense .

**21.03 Provision for Bad Debts:**
This amount consists as follows:

| | | |
|---|---|---|
| Opening balance | 31,055,540 | 28,693,400 |
| Add. Addition made during the period | 576,848 | 3,797,139 |
| | 31,632,387 | **32,490,540** |
| Less: Recovery during the Period | 1,425,000 | 1,435,000 |
| Closing balance | **30,207,387** | **31,055,540** |

**22.00 Net Turnover :**
This amount consists as follows:

| | Amount in Taka<br>30th Sep' 18 | Amount in Taka<br>30th Sep' 17 | Amount in Taka<br>30th June' 2018 |
|---|---|---|---|
| CI Sheet | 412,058,359 | 1,175,432,588 | 2,738,123,555 |
| CR Coil | 31,253,799 | 18,762,365 | 675,991,709 |
| GP Coil | 54,790,448 | 46,222,125 | 396,147,243 |
| Ridge | 1,979,725 | 7,247,164 | 53,564,816 |
| **Total** | **500,082,331** | 1,247,664,353 | **3,863,827,323** |

**23.00 Cost of Goods Sold :**
This has been arrived as under;

| | | Amount in Taka<br>30th Sep' 18 | Amount in Taka<br>30th Sep' 17 | Amount in Taka<br>30th June' 2018 |
|---|---|---|---|---|
| **Work in process ( opening)** | | **870,098,901** | **877,899,640** | **877,899,640** |
| Add. Raw Material Consumed | Actual | 108,149,310 | 992,580,221 | 2,626,445,954 |
| **Total Work in Process** | | **978,248,211** | **1,870,479,861** | **3,504,345,594** |
| Less: Work in Process (Closing) | 70,663,293 | 868,209,816 | 904,362,273 | 870,098,901 |
| **Total Consumption** | | **110,038,395** | **966,117,588** | **2,634,246,693** |
| Add: Factory Overhead | | 131,173,230 | 102,282,994 | 366,929,718 |
| **Cost of Production** | | **241,211,625** | **1,068,400,582** | **3,001,176,411** |
| Add: Finished Goods (Opening) | | 527,768,823 | 674,391,938 | 674,391,938 |
| **Finished Goods Available** | | **768,980,448** | **1,742,792,520** | **3,675,568,350** |
| Less: Finished Goods (Closing) | 1,937,363 | 377,768,823 | 725,293,170 | 527,768,823 |
| | | **391,211,625** | **1,017,499,350** | **3,147,799,527** |

**23.01 Raw Material Consumed :**

| | Amount in Taka<br>30th Sep' 18 | Amount in Taka<br>30th Sep' 17 | Amount in Taka<br>30th June' 2018 |
|---|---|---|---|
| **A. Opening Stock of Raw Materials** | | | |
| HR Coil | 250,945,486 | 367,520,752 | 367,520,752 |
| Zinc Ingot | 87,356,582 | 74,520,103 | 74,520,103 |
| Chemical | 23,824,706 | 24,027,007 | 24,027,007 |
| Spare parts | 92,049,595 | 54,701,612 | 54,701,612 |
| | **454,176,369** | **520,769,474** | **520,769,474** |
| **B. Add: Raw Material Purchased** | | | |
| HR Coil | 72,223,775 | 399,512,350 | 1,528,292,315 |
| Zinc Ingot | 30,545,195 | 296,177,005 | 855,214,314 |
| Chemical | 3,467,035 | 16,802,834 | 91,289,118 |
| Spare parts | 3,414,032 | 15,215,282 | 85,057,103 |
| | **109,650,036** | **727,707,471** | **2,559,852,849** |
| **C. Raw Material available for Consumption (A+B)** | **563,826,405** | | **3,080,622,323** |
| **D. Less: Closing Stock of Raw Materials** | | | |
| HR Coil | 252,187,536 | 172,731,007 | 250,945,486 |
| Zinc Ingot | 90,326,654 | 15,416,646 | 87,356,582 |
| Chemical | 20,128,185 | 18,134,350 | 23,824,706 |
| Spare parts | 93,034,720 | 49,614,720 | 92,049,595 |
| | **455,677,095** | **255,896,723** | **454,176,369** |

**23.01.01 Raw Material Consumption**

| | Amount in Taka<br>30th Sep' 18 | Amount in Taka<br>30th Sep' 17 | Amount in Taka<br>30th June' 2018 |
|---|---|---|---|
| HR Coil | 70,981,725 | 594,302,095 | 1,644,867,581 |
| Zinc Ingot | 27,575,122 | 355,280,462 | 842,377,836 |
| Chemical | 7,163,556 | 22,695,491 | 91,491,418 |
| Spare parts | 2,428,907 | 20,302,174 | 47,709,119 |
| | **108,149,310** | **992,580,221** | **2,626,445,954** |

**23.02 Factory Overhead :**
This consist of the following:

| | Amount in Taka<br>30th Sep' 18 | Amount in Taka<br>30th Sep' 17 | Amount in Taka<br>30th June' 2018 |
|---|---|---|---|
| Depreciation | 71,257,246 | 23,335,784 | 146,299,214 |
| Electricity | 15,415,960 | 19,011,555 | 64,580,590 |
| Electric lighting & fittings | 6,360 | 3,261,905 | 4,426,741 |
| Gas Bill | 11,366,001 | 11277194 | 41,315,703 |
| Entertainment | 174,005 | 212,702 | 906,769 |
| Insurance Premium on Fire and RSD | 1,240,014 | 1,008,548 | 4,825,869 |
| Office maintenance factory | 187,793 | 106,911 | 1,642,928 |
| Labour and carrying charge | 320,882 | 159,209 | 1,050,064 |
| Medical Expenses | 39,370 | 39,700 | 153,985 |
| Repair and Maintenance | 3,168,554 | 13,737,120 | 48,097,070 |
| Travel & conveyance | 16,630 | 19,912 | 106,887 |
| Postage & courier | 2,338 | 23,174 | 61,626 |
| Salary and Allowances | 25,237,692 | 24,775,474 | 22,982,348 |
| Telephone | 15,259 | 7,151 | 71,872 |
| Wages and Allowances | 2,725,126 | 5,306,655 | 30,408,052 |
| | **131,173,230** | **102,282,994** | **366,929,718** |

a) Salary and Allowance includes salary and allowances, bonus and leave pay / Notice pay.& Wages and allowances includes Wages and overtime.

b) Repair and Maintenance includes Factory maintenance, Forklift maintenance, Generator maintenance, Machinery maintenance, Boiler Machine maintenance, Factory

| | Amount in Taka | Amount in Taka | Amount in Taka |
|---|---|---|---|
| | 30th Sep' 18 | 30th Sep' 17 | 30th June' 2018 |

**24.00 Administrative Expenses :**
**This consist of the following:**

| | | | |
|---|---|---|---|
| Audit Fee | - | - | 690,000 |
| Accounting software expenses | - | 15,000 | 40,100 |
| AGM Expenses | - | - | 2,534,424 |
| Amortization Expenses | 2,033,437 | - | 1,649,637 |
| Bond Stamp | 2,851 | 2,530 | 16,290 |
| Board Meeting Expenses | 20,000 | 45,000 | 468,800 |
| Business Development | 1,779,500 | 674,077 | 3,326,777 |
| Canteen Expenses | 212,010 | 249,743 | 929,851 |
| Consultancy & sevices charge | - | 807,995 | 1,263,223 |
| Conveyance | 134,786 | 300,760 | 1,091,556 |
| Director Remuneration | 3,500,250 | 2,886,000 | 12,772,500 |
| Depreciation | 3,750,381 | 1,228,199 | 7,699,959 |
| Donation | 40,500 | 287,925 | 410,625 |
| Electricity | 435,492 | 125000 | 1,414,372 |
| Entertainment | 297,466 | 443,998 | 3,292,256 |
| Fees and Professional Charges | 664,572 | 516,997 | 1,583,726 |
| Tour &Travels Expenses | 5,000 | 147,506 | 1,319,841 |
| Gift & Presentation | - | - | 662,820 |
| Iftary Allowances | - | 240 | 6,360 |
| Legal Fee | 187,190 | 391,780 | 1,356,050 |
| License and Renewal & Fitness Fee | 294,068 | 173,220 | 380,450 |
| Liveries and Uniform | - | 107,800 | 107,800 |
| Miscellaneous Expenses | 250,956 | 214,570 | 5,918,452 |
| Medical Expenses | 915 | 134,241 | 140,474 |
| Newspaper and Periodicals | 4,570 | 8,968 | 36,912 |
| Office Rent including Garage Rent | 1,066,407 | 1,125,471 | 4,442,820 |
| Office Refreshment Expenses | 58,262 | 63,609 | 262,089 |
| Plantation | 1,240 | 26,120 | 70,595 |
| Postage and courier | 1,035 | 22,628 | 35,593 |
| Printing | 16,495 | 175,850 | 474,047 |
| Rent Rates and Taxes | 22,200 | 709,592 | 1,637,222 |
| Repair and Maintenance | 525,986 | 1,343,021 | 5,314,928 |
| Salary and Allowances | 13,471,270 | 19,735,904 | 61,265,273 |
| Stationery expenses | 2,093 | 42,847 | 57,822 |
| Stock exchange &fees /CDBL exp/BO A/c fees | 361,366 | - | 5,383,257 |
| Telephone & Internet | 93,552 | 497,999 | 1,553,980 |
| Training Expenses | - | 28,600 | 58,600 |
| Traveling & Conveyance | - | - | 945,620 |
| **Total** | **29,233,850** | **32,533,190** | **130,615,100** |

*Note: Salary and allowances includes Bonus, overtime and Leave pay. Repair and Maintenance includes maintenance of air condition, maintenance of office and maintenance of vehicles. Fees & Professional Charge includes Professional fees, Fees & Fines, Renewal fees.*

**24.01 Key Management Personnel Compensation:**

| | | | |
|---|---|---|---|
| Short term employee benefits (Salary and other allowances) | 4,013,474 | 6,076,500 | 24,306,000 |
| Post employment benefits ( provident fund, gratuity etc.) | 269,982 | 382,395 | 1,749,480 |
| | **4,283,456** | **6,458,895** | **26,055,480** |

Key management personnel includes employees of the rank of Deputy Managers (DGM), DGM equivalent and above.

**25.00 Selling and Distribution Expenses :**
**This consist of the following:**

| | | | |
|---|---|---|---|
| Advertisement | 35,000 | 111,400 | 1,741,643 |
| Delivery charges | 217,264 | 1,292,395 | 3,717,491 |
| Entertainment | 18,238 | 286,592 | 3,396,088 |
| Other Expenses | 450 | 33,546 | 41,816 |
| Traveling & Conveyance expenses | - | 221,259 | 368,765 |
| Salary & Allowance | 2,820,783 | 4,927,440 | 31,994,121 |
| Sales promotion expenses | 5,252,585 | 2,033,432 | 5,305,789 |
| Bad debts | 576,848 | 6,842,258 | 3,797,139 |
| Telephone/Mobile & Internet Expenses | - | 70,400 | 70,400 |
| | **8,921,168** | **15,818,722** | **50,433,252** |

*Note: Salary and allowances includes , Bonus,overtime and Leave pay.*

**26.00 Financial Expenses :**
**This consist of the following:**

| | | | |
|---|---|---|---|
| Bank Charge & Commission | 196,118 | 1,125,300 | 6,139,164 |
| Bank Gurantee Commission | - | 1,007,980 | 4,511,300 |
| Exchange Rate Fluctuation Loss/(Gain) | 3,400,345 | 1,774,273 | 4,916,039 |
| Interest on bank Loan | 148,684,556 | 144,674,210 | 553,124,696 |
| | **152,281,019** | **148,581,763** | **568,691,199** |

| | | Amount in Taka | Amount in Taka | Amount in Taka |
|---|---|---|---|---|
| | | 30th Sep' 18 | 30th Sep' 17 | 30th June' 2018 |
| **27.00 Non Operating Income :** | | | | |
| **This consist of the following:** | | | | |
| Scrap sales and Others | | 13,172,083 | 11,632,995 | 62,152,479 |
| Other Income-InterestReceived/Receivable | Note: 27.01 | 1,851,330 | 636,206 | 7,038,909 |
| CR & GP Processing Charges | | 19,024,532 | 16,227,200 | 30,088,503 |
| Profit/(Loss) on Investment | | - | - | (63,657) |
| | | **34,047,945** | **28,496,401** | **99,216,234** |
| **27.01 Income from Bank Interest :** | | | | |
| Interest on Dividend Account | | - | - | 14,568 |
| Interest on IPO Account | | 6,839 | - | 133,646 |
| Interest on FDR A/C | | 1,844,491 | 1,617,544 | 6,890,696 |
| | | **1,851,330** | **1,617,544** | **7,038,909** |
| **28.00 Taxation:** | | | | |
| Current Tax Expenses | Note: 28.01 | 1,534,090 | 14,360,427 | 21,654,843 |
| Prior Year adjustment (183316382-166714792) | | | | 16,601,590 |
| Deferred Tax (Income)/Expenses | Note: 20.00 | (14,901,907) | 16,656,066 | (6,609,222) |
| Tax Expenses/(Income) | | **(13,367,817)** | **31,016,492** | **31,647,210** |

**28.01**

As per amended Finance Act' 2018 Minimum tax for every partnership firm having gross receipts of more than taka fifty lakh and every company [ Section 16BBB and substituted section 82C] : From AY 2016-2017, section 16BBB has been inserted as a charging section for minimum tax ( by repealing previous section 16CCC which was for rate of minimum tax) and the provision of imposing minimum tax for companies and applicable partnership firms has been shifted to section 82C (4) at following rate of minimum tax:-For other @ 0.60% of gross receipt.

| | | | |
|---|---|---|---|
| Gross Receipt | 255,681,617 | - | 3,647,483,969 |
| Minimum Tax Rate '@ 0.6% on Gross Re | 1,534,090 | - | 21,654,843 |
| Current Tax Expenses | (12,010,727) | - | 13,264,214 |
| **Whichever is Higher between above** | **1,534,090** | **-** | **21,654,843** |

**29.00 Earning Per Share :**

This has been calculated in compliance with the requirements of BAS 33: Earning per share is the basic earning dividing by the weighted average number of ordinary shares outstanding the end of the year.

The composition of earning per shares (EPS) is given below:

| | | | |
|---|---|---|---|
| Profit after taxation | (34,675,090) | 26,425,214 | 21,409,646 |
| Number of ordinary shares at the period end | 389,620,000 | 354,200,000 | 389,620,000 |
| Weighted Average number of ordinary shares outstanding | 389,620,000 | 354,200,000 | 389,620,000 |
| **Earning per share *** | **(0.09)** | **0.07** | **0.05** |
| **Number of ordinary shares Considering the 2016-17 Stock Dividend** | **389,620,000** | **354,200,000** | **389,620,000** |
| **EPS for the period ended has been restated based** | **(0.09)** | **0.07** | **0.05** |

**30.00 Net Assets Value Per Share :**

**The composition of net assets value per share is given below:**

| | | | |
|---|---|---|---|
| Total Assets | 13,030,623,390 | 12,598,121,629 | 12,992,375,500 |
| Non-Current Liabilities plus Current Liabilities | 5,197,979,020 | 4,725,786,600 | 5,125,056,038 |
| **Net Assets Value including Revaluation Surplus** | **7,832,644,370** | **7,872,335,029** | **7,867,319,461** |
| Number of ordinary shares at the year end | 389,620,000 | 354,200,000 | 389,620,000 |
| *** Net Asset Value (NAV) including Revaluation Surplus** | **20.10** | **22.23** | **20.19** |
| **Net Assets Value Excluding Revaluation Surplus** | **6,691,066,181** | **6,730,756,840** | **6,725,741,272** |
| **Net Assets Value (RNAV) per Share Excluding Revaluation Surplus** | **17.17** | **19.00** | **17.26** |

AMAR STOCK

**31.00 Cash flow per share from operating activities**

| | | | |
|---|---|---|---|
| **Net Operating Cash Flows Per Share - NOCFPS** | **0.38** | **0.70** | **0.816** |

The composition of cash inflow/(outflow) value per share is given below:
a) Operating cash inflow/outflow during this period Tk. 317,903,349 and as on 30th June 2017: Tk. 109,329,748
b) Weighted average number of ordinary shares at the close of business 389,620,000 (2017: 354,200,000)

**32.00 Related parties transaction**

As per Bangladesh Accounting standards (BAS) 24 "Related party Disclosure" , Parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party is making financial and operating decision. APPOLLO ISPAT COMPLEX Ltd carried out transaction in the ordinary course of the business on an arm's length basis at commercial rate with its related parties. During the year, the company carried out transactions with related parties.

The name of the related parties and nature of these transactions have been set out in accordance with the provisions of BAS-24. Related parties disclosure are given below:

| Name of the parties | Relationship | Nature of Transaction | Outstanding/ Advance Value |
|---|---|---|---|
| Phoenix Finance and Investments Ltd. | Common Shareholder | Term Loan | 447,639,349 |
| Phoenix Insurance Company Ltd. | Common Shareholder | Insurance | Nil |
| Eastern Dyeing and Calendaring Works Ltd. | Common Shareholder | Office Rent | Nil |
| Tiger wire ( Re-rolling) Mills Ltd. | Common Shareholder | Advance Against Land Purchase | 261,962,500 |

**33.00 Employees**

The Company had 484 Permanent and 03 provisional employees as on 30 June 2018 ( 2016:453) and a varying number of seasonal and temporary workers (about 150) as required. The table given below shows the segregation of those employees.

| Particulars | Permanent | Provisional | Total No of Employee | Below Basic Tk. 6000 |
|---|---|---|---|---|
| Officer | **152** | **3** | 155 | 10 |
| Staff | **100** | **-** | 100 | 31 |
| Workers | **234** | **-** | 234 | 63 |
| **Total** | **486** | **3** | **489** | **104** |

**34.00 Approval of the Financial Statements:**

These financial statements were authorized for issue in accordance with a resolution of the company's board meeting on 14th November 2018.

AMARSTOCK