Annual Report
2016-17

LAMAR STOCK

APPOLLO ISPAT COMPLEX LTD.

SHIELDING THE FUTURE

APPOLLO ISPAT COMPLEX LTD.

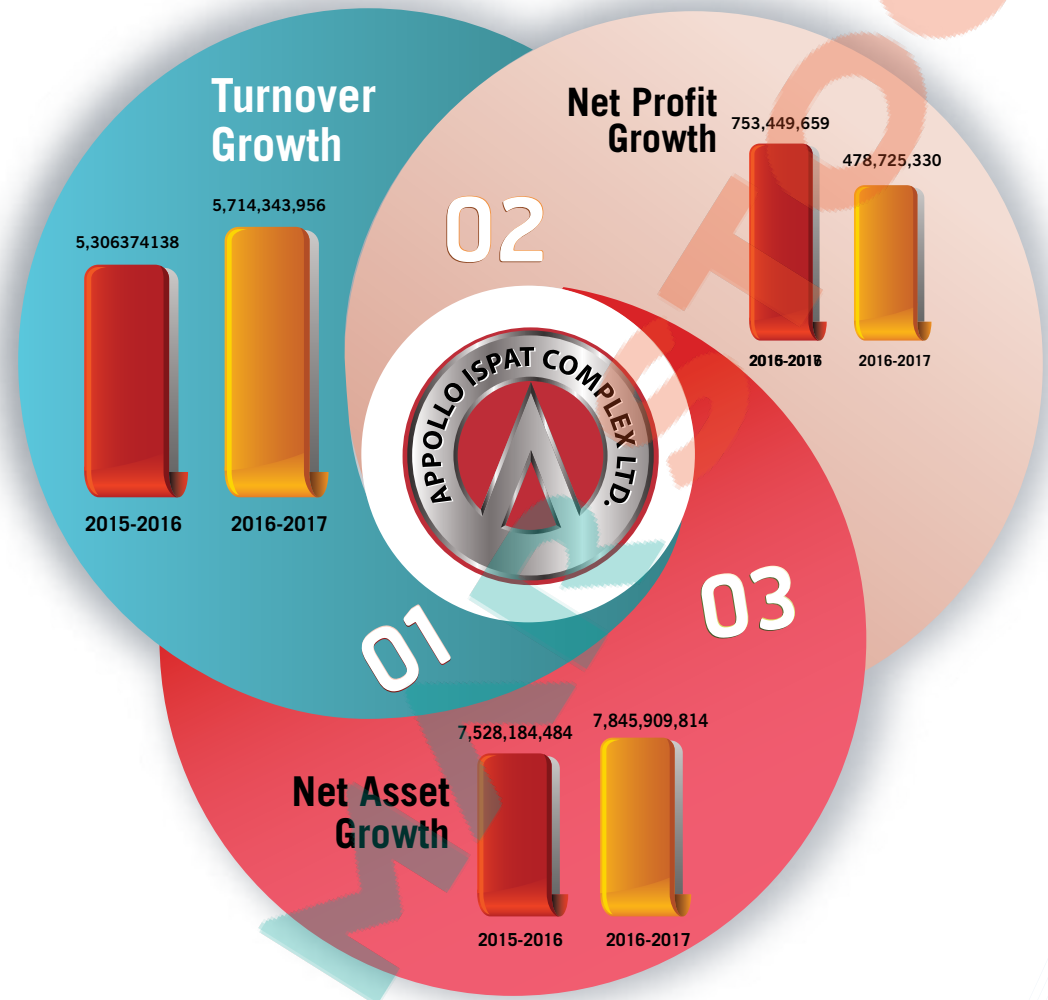
www.appollo-ispat.com

CONTENTS

01	Performance at a Glance: 2016-17	3
02	Letter of Transmittal	4
03	Notice of the 23rd Annual General Meeting	5
04	Our Mission & Vision	6
05	Company Profile	7
06	Nature of Business	8
07	Important Dates	8
08	Corporate and Contact Information	9
09	AICL Values	11
10	Code of Conduct	11
11	Key Financial Highlights	12
12	Value Added Statement	13
13	Production Flow	14
14	Products & Market	16
15	Organization Structure	21
16	Chairman's Message	22
17	From the desk of Managing Director	23
18	Board of Directors	24
19	Shareholders	30
20	Director's Report	32
21	Corporate Governance Compliance Status (Annexure-1)	37
22	Certificate on Compliance of Corporate Governance	44
23	Management Discussion and Analysis (Annexure-2)	45
24	Risks & Concerns (Annexure-3)	46
25	Directors Involvement In Other Organizations (Annexure-4)	48
26	Key Operating and Financial Data for the Last Five Years (Annexure-5)	49
27	Pattern of Shareholding (Annexure-6)	50
28	Certificate on Financial Statements (Annexure-7)	51
29	Corporate Social Responsibility (Annexure-8)	52
30	Audit Committee Report	53
31	Pictorial View of Appollo Ispat Complex Ltd.	55
32	Financial Statements	63
33	Shareholder's Information	94
34	Proxy Form & Attendance Slip	95

VINAYAK STOCK

PERFORMANCE AT A GLANCE: 2016-17



Income & Profitability	1st Quarter	2nd Quarter	3rd Quarter	Final
Net Turnover	1,761,298,970	3,028,301,828	4,661,223,498	5,714,343,956
Profit Before Interest & Tax	279,878,714	680,412,866	840,703,077	930,750,418
Interest	119,941,510	194,960,826	330,150,636	420,600,360
Net Profit after Tax	216,581,356	439,342,005	459,669,396	478,725,330
Eearning Per Share (EPS)	0.67	1.24	1.30	1.35



Letter of Transmittal

All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Sub: **Annual Report for the year ended June 30, 2017**

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report of Appollo Ispat Complex Ltd. together with the Director's Report, Audited Financial Statements including Balance Sheet as on 30th June 2017, Cashflow Statement, Statement of Changes in Equity for the year ended June 30, 2017 and Auditor's Report thereon for your kind information and record.

Yours sincerely,

Md. Shohel Amin
Company Secretary
(Current Charge)

AMAR STOCK

Notice of the 23rd Annual General Meeting



Notice is hereby given that the 23rd Annual General Meeting of the shareholders of Appollo Ispat Complex Ltd. will be held on Saturday, December 23, 2017 at 11:00 A.M. at Phoenix Tower-2, 408, Tejgaon Industrial Area, Dhaka-1208 to transact the following business:

A G E N D A

1. To receive, consider and adopt the Audited Financial Statements of the company for the year ended 30th June 2017 together with the Director's Report and the Auditor's report thereon.
2. To declare dividend for the year ended 30th June, 2017.
3. To elect/re-elect the Directors of the company.
4. To appoint the Auditors of the company for the year 2017-2018 and fix their remuneration.
5. To approve the appointment of Managing Director.
6. To approve the re-appointment of Independent Director.

By order of the Board

Dated: December 05, 2017

Md. Shohel Amin
Company Secretary
(Current Charge)

Notes:

- Shareholders whose names appear on the share register of the company or in the depository register on the Record Date, i.e. 23rd November 2017, will be entitled to attend the AGM and receive the dividend.
- A shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies in his/her stead and forms of proxy must be lodged at the company's registered office at 407(4th floor), Tejgoan Industrial Area. Dhaka not later than 72 hours before the AGM.

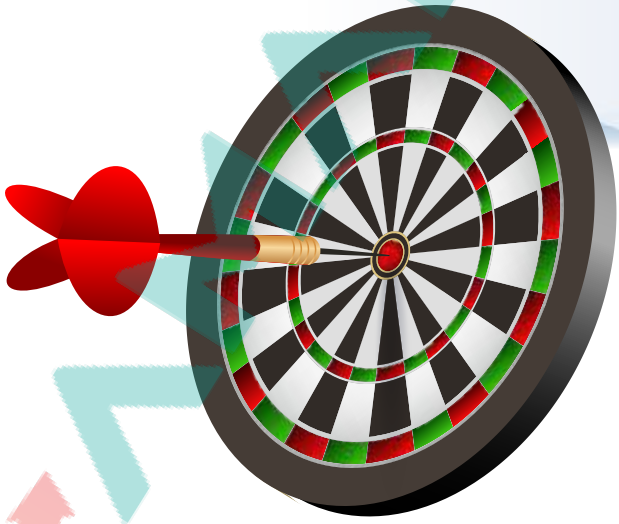
Special Note: In compliance with the Bangladesh Securities and Exchange Commission's direction, No Gift Box or Food will be distributed at the Annual General Meeting.





Vision

Is to become the market leader by providing customer satisfaction in terms of product, quality, economic price, and services.



Mission

Our mission is to escalate the standard of living by providing shelter for all in the country with innovative business



Company Profile

Appollo Ispat Complex Limited (hereinafter referred to as AICL) was incorporated on December 31, 1994 as a Private Limited Company vide certificate no C-27547(1393)/94 under the Companies Act 1994. Thereafter, the Company has been converted into a Public Limited Company on March 30, 2010. The registered office of the Company is located at 407 Tejgaon Industrial Area, Dhaka - 1208. Its factory is situated at Shimrail, Siddhirgonj, Narayangonj, only 14 km, away from Dhaka. The project area is comprised of 16.75 acres of land. The Company went into commercial production in its 1st CGL in early July 1997 and 2nd CGL in early 2002 and Cold Rolled Manufacturing unit in January 2005.

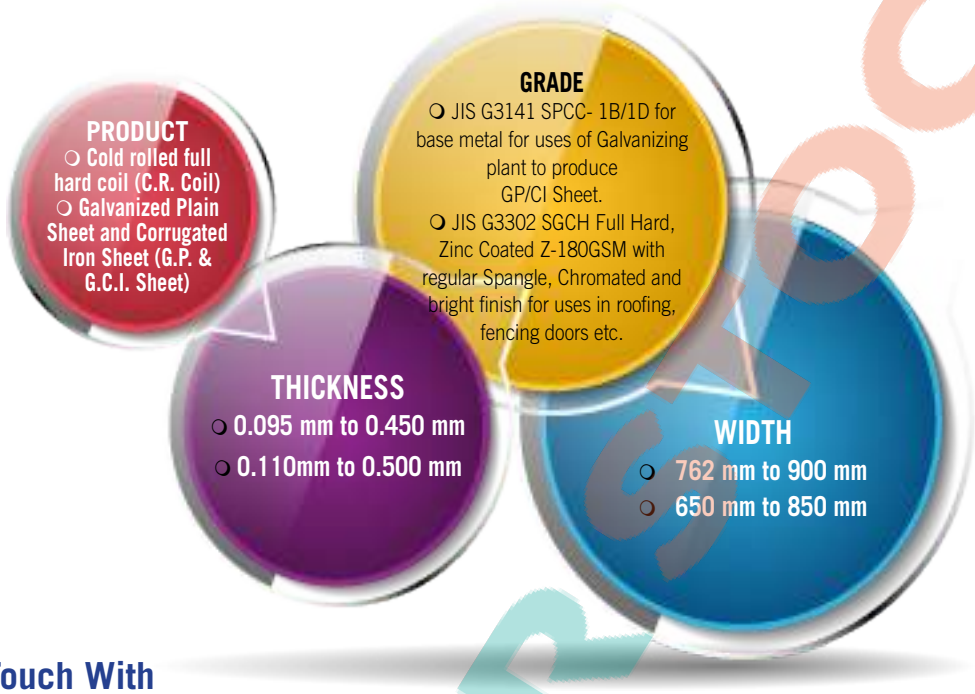
Initially the Authorized Capital of the Company was Tk. 1,000,000,000/- divided into 10,000,000 ordinary shares of Tk. 100/- each. Subsequently, the Company changed the face value of shares from Tk.100/- to Tk.10/- each and increased its Authorized Capital to Tk. 500,00,00,000/- divided into 50,00,00,000 ordinary shares of Tk. 10/- each on March 30, 2010. Paid up capital as on June 30, 2017 of the company is Tk.322,00,00,000/- divided into 32,20,00,000 ordinary shares of Tk.. 10 each.

Appollo is the pioneer in CI sheet business in Bangladesh. It started its journey by establishing modern and sophisticated Continuous Galvanizing Line (CGL). Today, Appollo is much ahead by producing its own raw materials at its own art-of-the-state Cold Rolling Mill and established itself as one of the largest CI Sheet manufacturing in the country. The entire production facilities are highly sophisticated, operated by a group of skilled technician and managed by a resourceful management team. With the best precession Japanese technology, sincere and skilled human resources, the company is proudly producing the best quality CI sheets for the country. The company maintains high standards in its manufacturing process and ensures quality as per international standards such as ASTM, JIS, SI & BS. The reputed trading base and quality product help the company to achieve a large marketing network around the country. The products are primarily marketed in C.I. Sheet form in rural and semi-urban areas of Bangladesh under its popular brand "Rani Marka".

Appollo is going to start a high quality NOF (RTF technology) Galvanizing plant. NOF plant produces environment friendly shiner CI sheet that looks better and catch consumer attention from the distant. Shiner roof views are still used as a symbol of aristocracy in rural areas. NOF products can command a premium price over regular CI sheets. Moreover, as no acid and led is used in the manufacturing process, the products are environment friendly.

Nature of Business

The company is engaged in manufacturing and selling of CI (Corrugated Iron) sheet of different thickness, ranging from 0.120 mm to 0.420 mm, which is marketed mainly in rural and semi-urban areas of Bangladesh under its well established brand **"Rani Marka"**. The details of the product and production process are as under:-



Get In Touch With

APPOLLO ISPAT COMPLEXT LIMITED

Corporate office :

407, Tejgaon Industrial Area (4th Floor),Dhaka-1208
Tel: +88-02-9114946,9115098,
9137533-5
Fax:+88-02-9126291
Web: www.appollo-ispat.com

Shielding The Future

IMPORTANT DATES

Date of incorporation	31.12.1994
Date of Commercial Operation	1st CGL-July 1997 2nd CGL early 2002, CRM- June 2005
Authorized Capital Increased	30.03.2010
Split the Face value form Tk.100/-toTk.10/-	30.03.2010
Converted into Public Limited Company	30.03.2010
Listed with Dhaka Stock Exchange Ltd.	15.11.2013
Listed with Chittagong Stock Exchange Ltd.	17.12.2013
Share Trading Start	24.12.2013
Certified ISO 9001-2008	07.03.2011

CORPORATE INFORMATION

BOARD OF DIRECTORS



Deen Mohammad
Chairman



Mohammed Shoeb
Vice Chairman



Md. Ansar Ali
Managing Director



Abdur Rahman
Deputy Managing Director



M. A. Majid
Director



Md. Rafique
Director



Roxshana Begum
Director



Evana Fahmida Mohammad
Director



Md. Abu Kaiser, FCA
Independent Director

AUDIT COMMITTEE

Mr. Md. Abu Kaiser, FCA,
Chairman

Mr. Mohammed Shoeb
Member

Mr. Abdur Rahman
Member

Mr. Md. Shohel Amin
Secretary

MANAGEMENT COMMITTEE

Mr. Sk. Abul Hassan
Chief Executive Officer (CEO)
Mr. Mohammad Zahir Hossain
Sr. General Manager, Plant
Mr. Hasan S. Hannan
Sr. General Manager (Commercial & General Affairs)
Mr. Md. Razib Hossain FCA
Sr. General Manager & Chief Financial Officer (CFO)
Mr. Md. Mozammel Haque
General Manager & Head of Marketing
Mr. Muhammad Abid Hossain FCMA
Asst. General Manager & Head of Internal Audit

AUDITOR

MABS & J Partner
Chartered Accountants
31, Kamal Ataturk
Road-17, Banani C/A
Dhaka-1213
E-mail: smcbd@citech.net

COMPANY SECRETARY

Mr. Md. Shohel Amin, Company Secretary-Current Charge

CORPORATE GOVERNENCE AUDITOR

Howlader Yunus & Co.
Chartered Accountants
House -14 , Road No 16/A
Gulshan 1, Dhaka

BANKER

IFIC Bank Ltd.
Jamuna Bank Ltd.
Southeast Bank Ltd.
Mutual Trust Bank Ltd.
Islami Bank Ltd.
National Bank Ltd.
Pubali Bank Ltd.

LEGAL ADVISOR

Harun Ur Rashid Tutul, LLB
P & H Associates Property Plaza
Shopping Complex, Suite # 5,
66, New Circular Road Mouchak,
Ramna, Dhaka-1217

LOCATIONS:

PLANT
Shimrail, Siddhirganj, Narayangonj
Tel: +88-02-7693353-7
CRM, CGL Unit-1, CGL Unit-2,
NOF (CGL)

CORPORATE OFFICE

407, Tejgaon Industrial Area (4th Floor), Dhaka-1208
Tel: +88-02-9114946, 9115098, 9137533-5, Fax: +88-02-9126291
Web: appollo-ispat.com

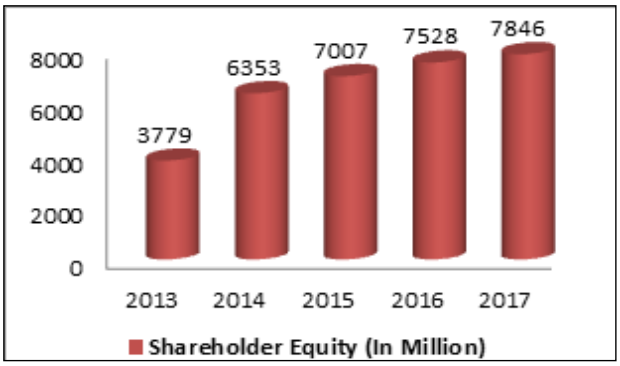
AICL VALUES

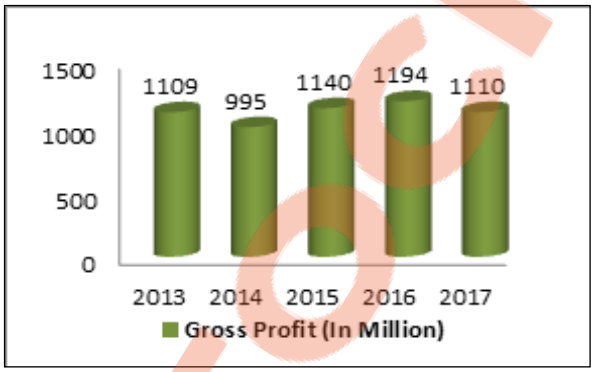
AICL strong marketing and product development portfolio coupled with marketing and sales team have allowed the company to operate in perfect synergy. This synergy has also provided a distinction from others, which is helping in expanding its business rapidly.

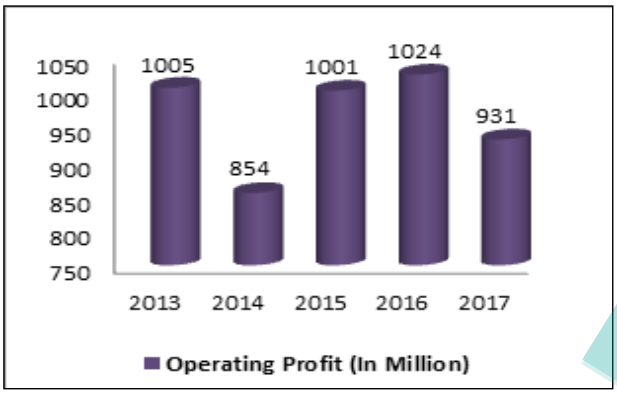


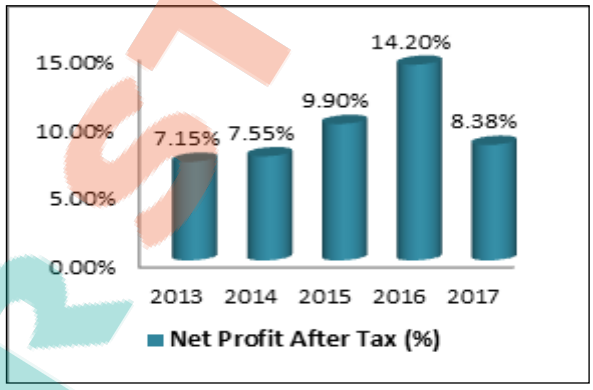
AICL is committed to operating its business in a socially responsible manner while complying with all relevant laws, rules and regulations. We strive to continually improve our CSR Management System to advance social and environmental responsibility and business ethics.

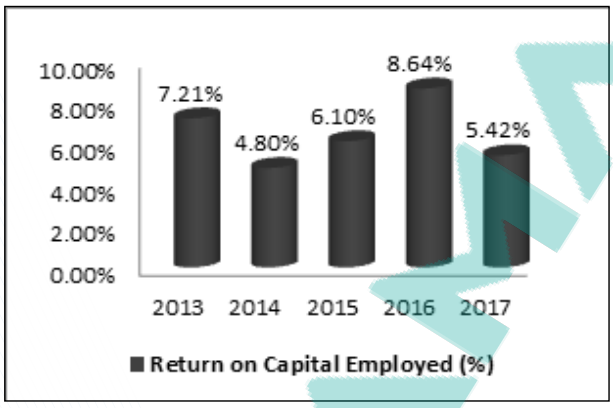
Key Financial Highlights

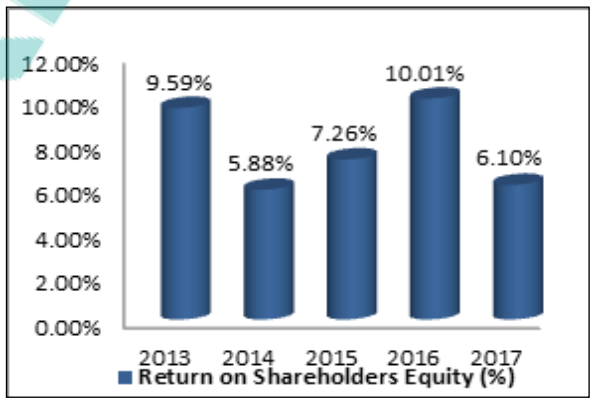


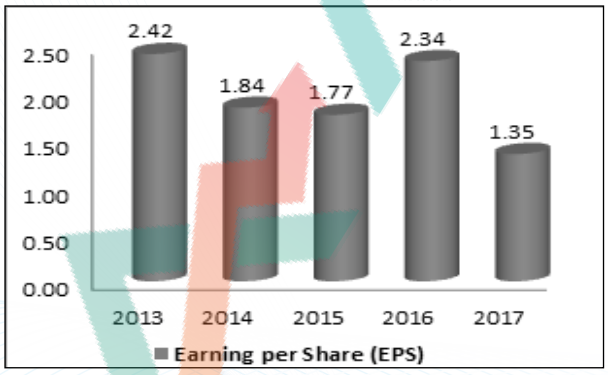


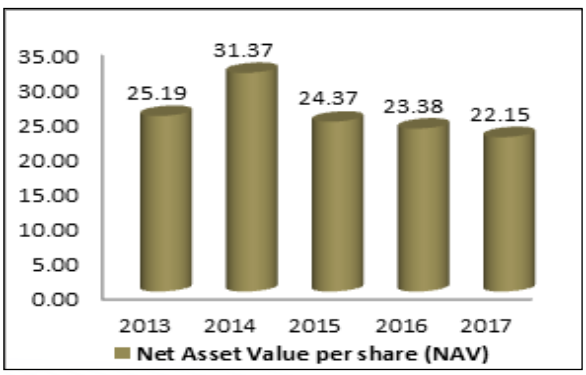








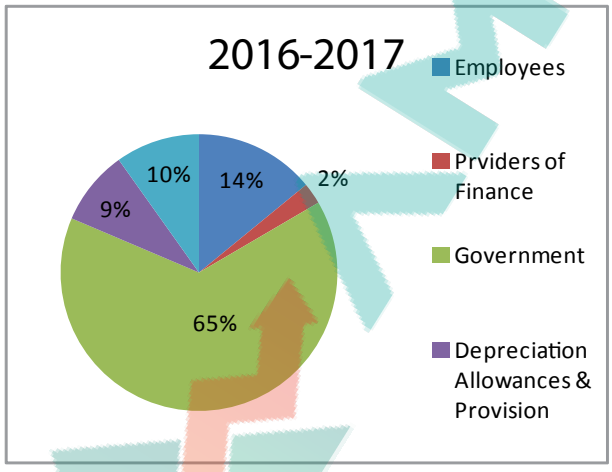


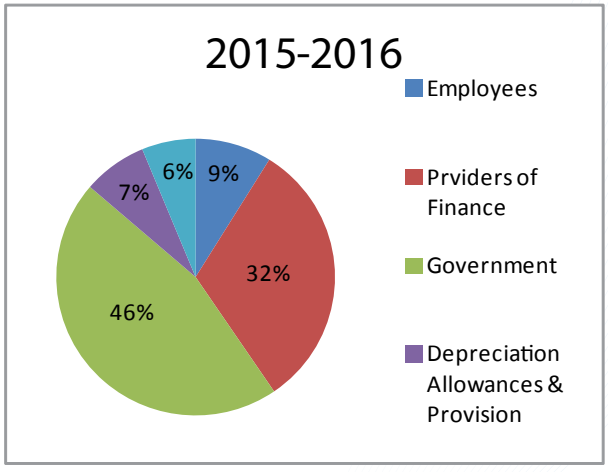


MARSTOCK

Value Added Statements

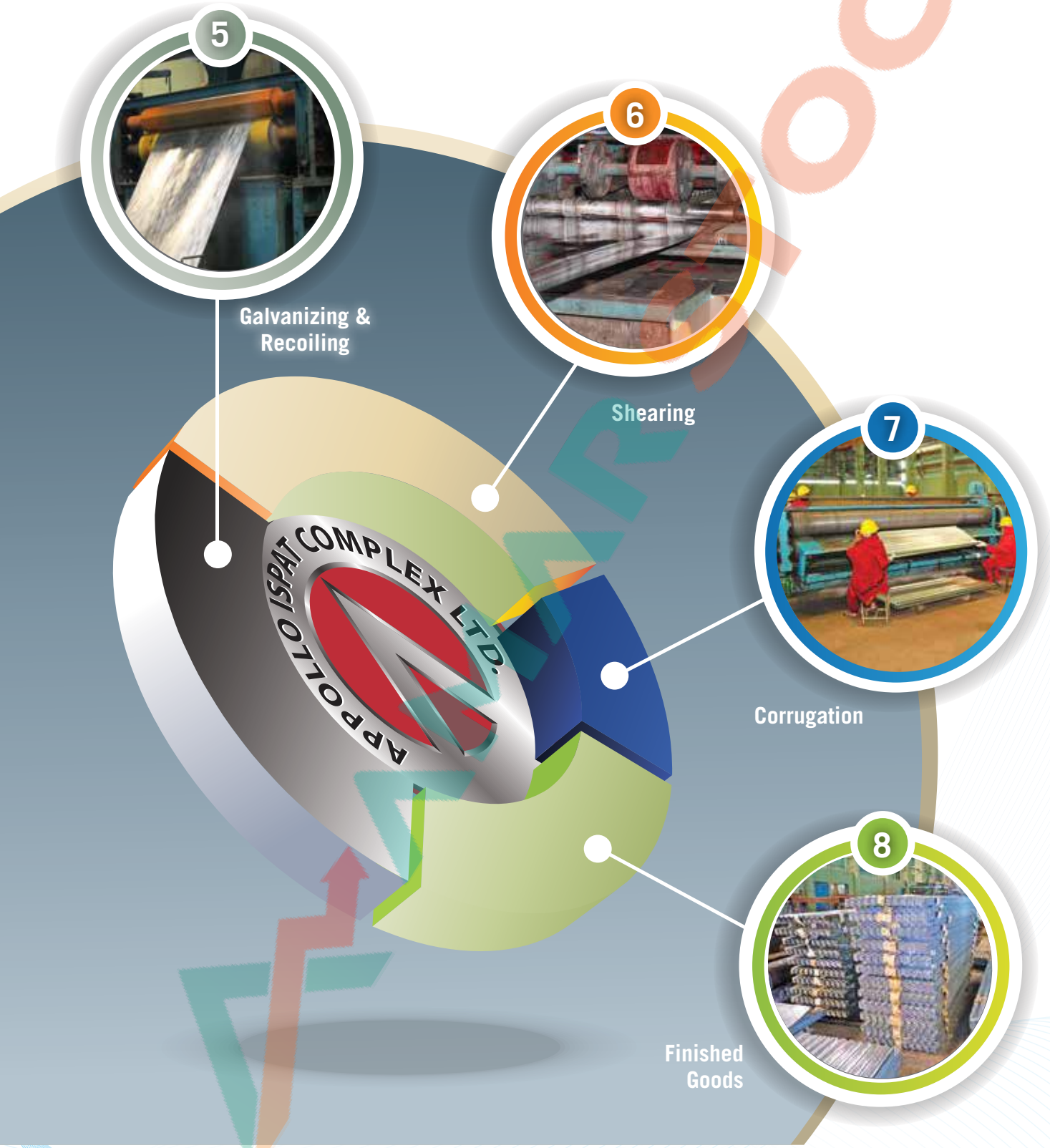
	2016-2017 Taka	%	2015-2016 Taka	%
Value Added:				
Revenue	5,714,343,956		5,306,374,138	
Other Income	169,844,209		81,669,066	
	5,884,188,166		5,388,043,204	
Less: Paid to supplier for materials and services	4,612,575,354		3,709,783,472	
	1,271,612,812	100%	1,678,259,732	100%
Distributed as follows:				
Employees				
(Wages, Salaries, Bonus and other benefits)	178,208,417	14.01%	148,867,381	8.87%
Providers of Finance	31,846,274	2.50%	530,516,682	31.61%
Government	825,582,027	64.92%	768,949,242	45.82%
	1,035,636,718	81.44%	1,448,333,305	86.30%
Retained for Reinvestment and Future Growth				
Depreciation Allowances & Provision	111,450,764	8.76%	124,976,141	7.45%
Retained profit	124,525,330	9.79%	104,950,285	6.25%
	235,976,094	18.56%	229,926,426	13.70%
	1,271,612,812	100%	1,678,259,732	100%



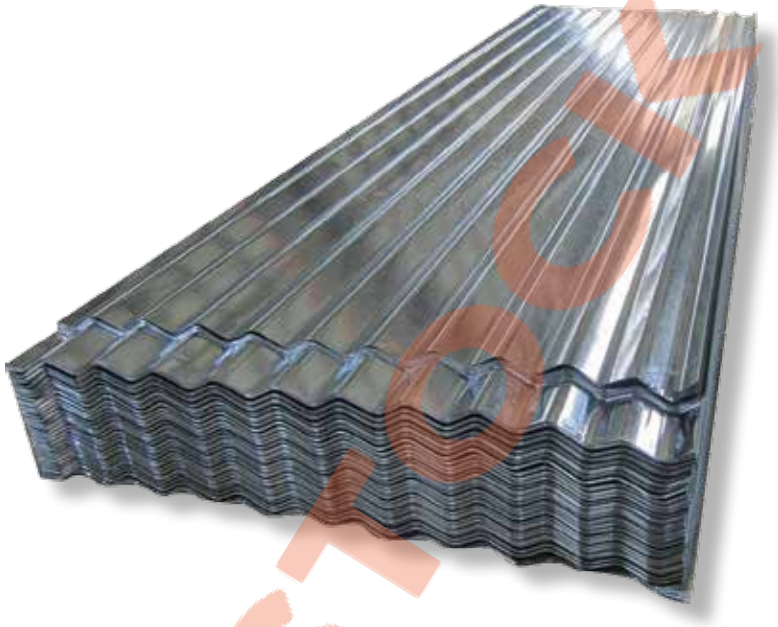


PRODUCTION FLOW




5
Galvanizing &
Recoiling
6
Shearing
7
Corrugation
8
Finished
Goods
APPOLLO ISPAT COMPLEX LTD.

PRODUCTS AND MARKET



Galvanization is the process of applying a protective zinc coating to steel or iron to prevent rusting.The most common method in sheet metal fabrication shops is hot-dip galvanizing. This is the process of submerging metal parts in a bath of molten zinc to protect the metal.

This protection occurs in three different ways:

- The zinc coating, when intact, prevents corrosive substances from reaching the underlying steel or iron.
- It acts as a sacrificial anode, which is the main component of a galvanic cathodic protection (CP) system used to protect buried or submerged metal from corrosion. This means that if the coating is scratched, the exposed steel or iron will be protected by the remaining zinc.
- The zinc protects its base metal from corroding or rusting.

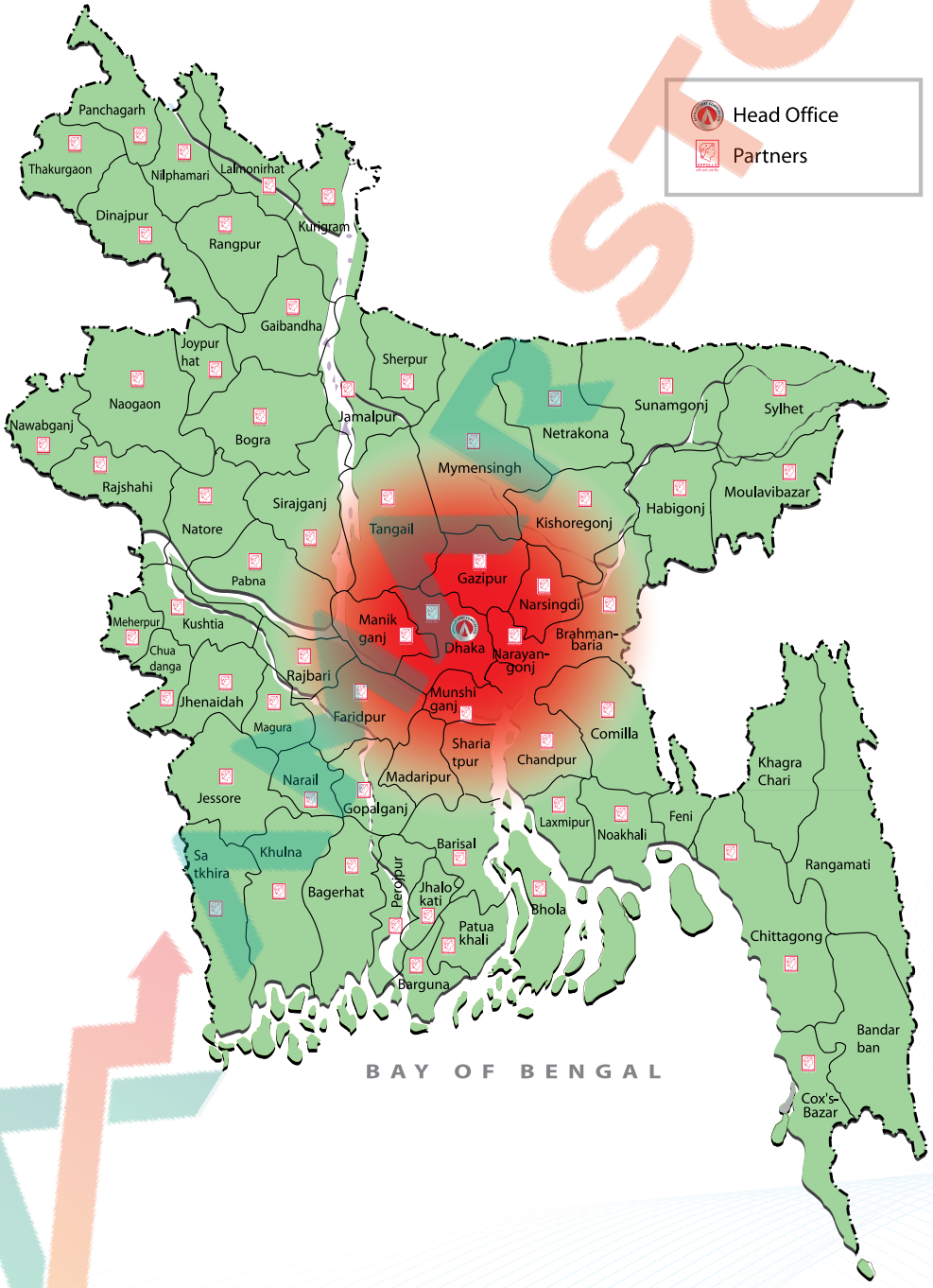
The manufacturing process of such sheets starts from lifting Iron ore from mine and processing it to slab through a series of process and treatments and then pressed to convert it into H.R. Coil (Hot Rolled Coil). HR coils are then 'cold rolled' into C.R. Coils before it is hot dipped, galvanized and corrugated (at a Continuous Galvanizing Line- CGL or Non –Oxidizing Furnace –NOF) into what we know as Corrugated Iron Sheet (C.I.Sheets)

VARIOUS USES OF CI SHEET

- Residential use: CI sheets are used for roofing, side and peripheral fencing purposes. It is the preferred product for residential construction in villages and shanty towns in Bangladesh due to their cheaper price compared to traditional bricks and brick tiles.. A house made using CI sheets in rural areas and shanty towns used to signify affluence and that mode of thinking still exists today.
- Industrial use: Industry owners use CI sheets for roofing of new factories, warehouses and sheds. CI sheets are also used for the fencing of factory area. Industrial users prefer it due to the cheaper price
- Agricultural use: CI sheets are used for roofing cow sheds, roofing and side fencing of poultry farms and fencing of agricultural projects.
- Construction use: CI sheets are used for fencing around the construction area and as construction materials.
- Shopkeepers/Traders use it for roofing of small shops, shutters etc.

FEATURES :

- ❖ Attractive look
- ❖ Can be fabricated and erected with immense ease
- ❖ Excellent insulation
- ❖ No cold bridging
- ❖ No tear-off or wear-off
- ❖ Anti-corrosion
- ❖ Easy to install, and it requires less time
- ❖ Provides proper ventilation
- ❖ The sheets have standard thickness that allows no leakage
- ❖ Extremely weatherproof and hence doesn't allow sun rays, wind
- ❖ Is fitted quickly and simply
- ❖ Owing to galvanized surface, these are good finish and shining
- ❖ Low heat conductivity
- ❖ Available at reasonable cost



AREA WISE MARKETING GRAPH:

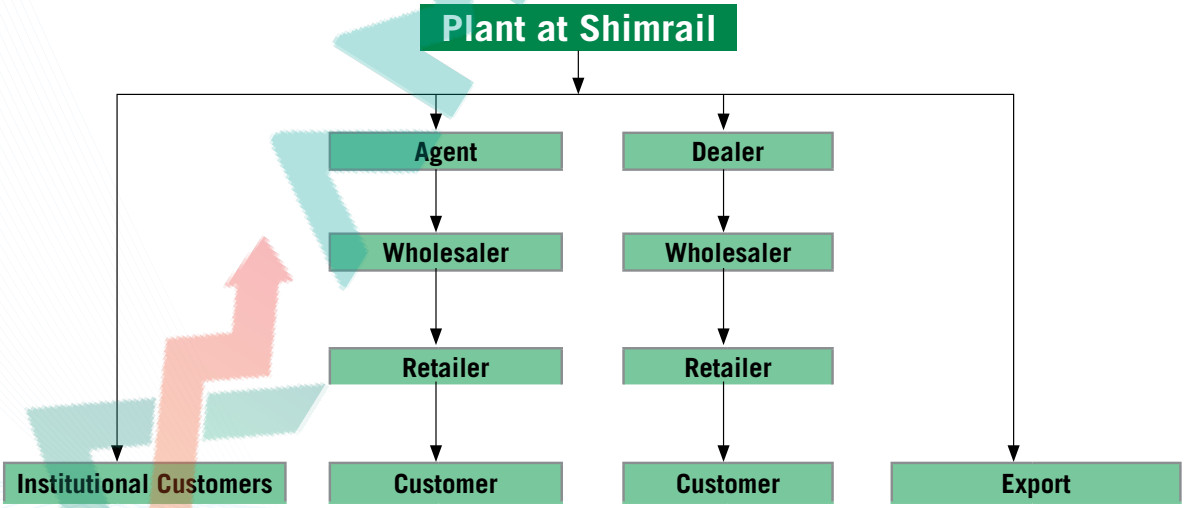
APPOLLO RANI BRAND C.I. SHEET

Appollo Ispat Complex Ltd. marketing its product in the brand name of **"Rani Marka"**. At present it is producing C.I. Sheet of **"Rani Marka"** brand of following sizes & thickness

THICKNESS	SIZES (feet)				
0.120 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.130 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.140 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.150 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.160 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.170 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.180 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.200 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.220 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.240 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.250 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.260 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.280 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.340 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.360 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.380 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.400 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.420 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3
0.450 mm	6 x 3	7 x 3	8 x 3	9 x 3	10 x 3

Other than the corrugated iron sheet, Appollo Ispat Complex Ltd. also produces ridges of above thickness

By dint of superior quality products and total team work of its human resources, Appollo Ispat Complex Ltd. is experiencing remarkable growth of share in its market. Its products are mainly purchased by rural people for their shelter purpose while many NGOs, foreign missions/embassies, international organizations and urban people are also the regular customers. Appollo Ispat Complex Ltd. has a countrywide network of sales.



The company sells its product to Agent / Dealer on ex-factory basis. The Dealer / Agent through their nominated logistics provider lift the C.I. Sheet from factory and store in their own warehouse in their respective areas for onward distribution.

The Wholesaler / retailers collect the C.I. Sheets from their respective Agent / Dealers on ex-warehouse basis and bring those CI sheets to their shops/outlets where from they sell it to final consumers. Other than above customers, the institutional customers buy the product directly from Company's sales office. Sometimes, Appollo also participates in tender for supply of C.I. Sheet to various government, non-government and international agencies. Besides serving the local market, Appollo Ispat Complex Ltd. is trying to export its product in the international market which is in progress. The types of customers can be classified as follows :

- Rural People, for roofing of their houses through wholesalers or retailers
- Urban people, for roofing of house through wholesalers or retailers
- New and old industries for roofing of their industries
- Shop owners / trading concern for roofing their shops
- NGO, international agencies, embassies/ foreign missions for their development program / distributing among poor.

QUALITY CONTROL

Appollo Ispat is committed to supply the best quality steel in domestic as well international market as per internationally accepted quality norms. Appollo has got ISO 9002 certificate and maintains following quality standards:

- Procure Hot Rolled Coils form reputed suppliers in the world.
- Test each and every Coil for its Chemical Composition and random checking of Physical and microscope Structure.
- Proper Zinc Coating as per Bangladesh Standard Testing Institute (BSTI)
- Employ trained personnel for different process
- Training program for existing manpower

NOF-Non Oxide Furnace

Non oxidizing furnace is a modern technology furnace used in galvanizing process that ensures minimum environment pollution, best product quality, minimum production time and cost effectiveness. For the increasing demand of C.I Sheet, Appollo introduced NOF project, which will be in production very soon. For NOF project Appollo used world's best technology of ESMECH, a joint venture of SMS Germany. With the production of NOF line, there will be a new era of CI sheet market in Bangladesh.

Therefore, when Appollo will market its NOF products under the current brand name of "Rani Marka", certainly due to brand reputation, geographical advantage, strong channel of distribution and better quality it will be advantageous for Appollo to get a brand-edge over the other brands in the market. All these favorable factors make the company the right choice to further expand the CI sheet market of Bangladesh through its most modern NOF Project. Rationale of NOF project as under:

Justification of NOF (Non Oxidation Furnace) Expansion Project for Appollo Ispat Complex Ltd.

TECHNOLOGICAL FACTORS:

- RTF NOF is the world best, most modern, far advanced and sophisticated Technology.
- Improved shininess and improved product quality.
- To ensure proper passivity by using dryer that does not allow get rust on the galvanized Sheet.
- Reduces flux formation and flux carry over the galvanized sheet minimizing galvanizing failure.
- NOF Produce a better finish and Improved formability.

ENVIRONMENTAL FACTORS:

- NOF is technologically designed for producing environment friendly product, since there will be no use of (acid, caustic soda and lead).
- No hazardous fume generates and Reduce the Carbon emission .
- No use of flux (Ammonium Chloride) – that leaved smoke free working environment, Un-hazardous product.

SOCIAL & ECONOMICAL FACTOR:

- Shelter is the basic human need that will never be exhausted
- Product quality and production capacity will increase more than 40% of the existing production
- Robust Market demand
- Longer lasting, attractive and diversified product
- May be used as Basic raw materials of Colour Coated, GP /CI sheet

MARKET AND DEMAND FACTORS:

- A Robust market demand due to quality and durability of NOF CI Sheet
- Existing Export market of NOF CI Sheet to seven sisters of India, Myanmar, Thailand and African country will be explored .
- Geographical advantages as Appollo is the only CI sheet manufacturer in Dkaka
- Excess demand in coastal areas, like Khulna, Satkhira, Bhola, Patuakhali and Feni due to salinity water

All the above favourable factors make the company the right decision to invest in NOF CI Sheet and will make the project economically viable and financially feasible when the commercial production will be started.

NEAR-FUTURE VIEW :

- In view of the increasing demand for steel products in Bangladesh Appollo has a plan to include the Colour Coating Sheet in its existing product line which is becoming popular all over the country and has good potentials for export to Southeast Asian countries. For this purpose a modern Colour Coating plant & equipments will be incorporated soon to be installed in the existing plant site which will be capable of manufacturing high quality corrugated colour steel sheets of Flat & Round wave and also Colour Quoted profile Sheets.

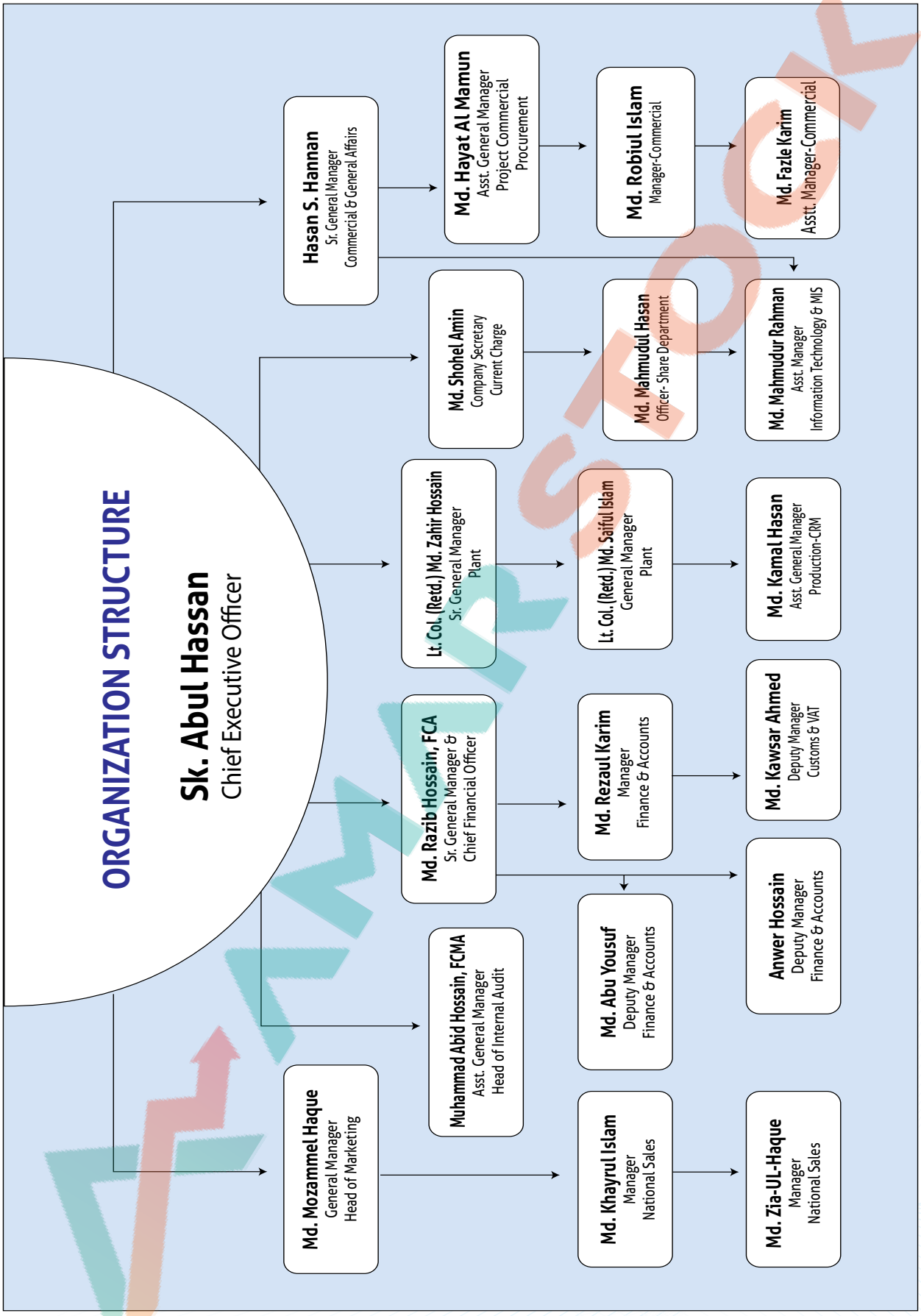
- To meet the growing demand in the future, Appollo has also planned to install the 2nd line of CRM. Since 90% of the Civil Works were completed during the installation of the 1st CRM Line the 2ndline can be installed at a comparatively minimal time & cost.

- To improve the product quality and the production capacity, Appollo intends to install one set of Annealing Line, which will facilitate the existing manufacturing system to horizontally diversify its existing product line.

- In order to minimize the production cost and achieve economy of scale Appollo intends to establish one Power Generation Plant which will facilitate uninterrupted power supply at a comparatively low cost in comparison to the present source. The intended size of the Power Plant project is 25 MW while company's own consumption is around 15 MW and the balance power will be sold to the National Grid which is very much viable from an economic point of view.

- Appollo has a plan to produce profile sheet in order to widen its business arena.

ADAMJEE STOCK


ORGANIZATION STRUCTURE
Sk. Abul Hassan
Chief Executive Officer
Hasan S. Hannan
Sr. General Manager
Commercial & General Affairs
Md. Hayat Al Mamun
Asst. General Manager
Project Commercial
Procurement
Md. Robiul Islam
Manager-Commercial
Md. Fazle Karim
Asstt. Manager-Commercial
Md. Shohel Amin
Company Secretary
Current Charge
Md. Mahmudul Hasan
Officer- Share Department
Md. Mahmudur Rahman
Asst. Manager
Information Technology & MIS
Lt. Col. (Retd.) Md. Zahir Hossain
Sr. General Manager
Plant
Lt. Col. (Retd.) Md. Saiful Islam
General Manager
Plant
Md. Kamal Hasan
Asst. General Manager
Production-CRM
Md. Razib Hossain, FCA
Sr. General Manager &
Chief Financial Officer
Md. Rezaul Karim
Manager
Finance & Accounts
Md. Kawsar Ahmed
Deputy Manager
Customs & VAT
Anwer Hossain
Deputy Manager
Finance & Accounts
Md. Abu Yousuf
Deputy Manager
Finance & Accounts
Muhammad Abid Hossain, FCMA
Asst. General Manager
Head of Internal Audit
Md. Mozammel Haque
General Manager
Head of Marketing
Md. Khayrul Islam
Manager
National Sales
Md. Zia-UL-Haque
Manager
National Sales



CHAIRMAN'S MESSAGE

Dear Shareholders,

Assla-mu-alaikum

I feel privileged to have the opportunity to welcome you on behalf of the Board of Directors to this 23rd Annual General Meeting of your Company, and to present you the Audited Financial Statements for the year ended on 30th June, 2017 and Auditors' and Directors' Report thereon.

Financial Year 2016-17 was very challenging for the company on two fronts. The first challenge was increased raw materials price in the international market, especially HR Coil and Zinc Ingot. Internal market has experienced around 35%-40% rise in raw materials price during the financial year as compared to the financial year 2015-16. In addition, production in the continuous galvanizing line (CGL) -2 had to suspend for two months due to failure of Zinc Pot affecting the growth of income during the year.

On the other hand, the second challenge was on the market front. The demand of the Flat Steel product was a bit sluggish, and also due to cheaper substitute products, the price of Corrugated Iron Sheet seriously affected the margin. Even though, we sold higher volumes this year, the net revenue from operations was reduced at Tk. 93.07 Crore compared to Tk.102.40 Crore of the previous year. Consequently, the Net Profit After Tax was lower at Tk. 47.87 Crore compared to Tk. 75.34 Crore in the previous year. Considering the profit, the Board of Directors has recommended a 10% Stock Dividend for the year ended on 30th June 2017.

Despite multifarious business challenges, our consistent endeavour has continued to emphasize on the efficacy of our production system. Our objective is to remain competitive, maintain a lean cost structure and create long-term value for our stakeholders.

You are already aware that we have obtained the permission of necessary gas connection for the forthcoming most advanced RTF NOF project to facilitate the commercial operation of the product line soon. Apart from this, responding to the growing market of colour coated CI profiling sheet, we have a plan to introduce a wide range of the best quality colour coated CI sheet in the local market under the brand "Rani Marka".

Finally, I would like to take this opportunity to express my sincere and wholehearted thanks to our esteemed Shareholders, Customers, Bankers, Financial Institutions, Suppliers, Employees, Govt. Agencies, BSEC, DSE, CSE, RJSC, CDBL and other Regulatory Bodies and everyone with whom the company interacted in conducting its business. The success we have achieved so far was only possible because of the collective efforts of all concerned. Once again, I convey my heartiest thanks to all our stakeholders and look forward to their continued support and cooperation in future.

Sincerely Yours,

(DEEN MOHAMMAD)
Chairman



FROM THE DESK OF
MANAGING DIRECTOR

Hon'ble Shareholders,

Assla-mu-alaikum

It is my great pleasure and privilege to welcome you at the 23rd Annual General Meeting of Appollo Ispat Complex Ltd. and sharing the Annual Report for the year 2016-2017.

During the Financial Year 2016-17, the performance of the Company was adversely impacted by the price of raw materials, including HR Coil, Zinc Ingot and others in the international market. This led to higher cost of goods sold and affected the cost structure. Contrariwise, having lower demand in the domestic market, the price of finished products did not increase proportionately. I firmly believe that the tide will be over very soon.

We are continually striving to increase efficiency and productivity of our production system, reducing the production cost and above all to emphasize on the quality of the product. In view of the changing demand for the steel product, Appollo is looking forward to launch diversified steel product, including colour coated CI Sheet, Profiling Sheet through the upcoming trend and advanced technology.

The rapidly growing diversity and choices in the market have increased the role of brand leadership which has a significant positive relationship with product and service quality. Your Company is committed to strengthen "Rani Marka" brand onwards days and accordingly, we have ensured strict quality compliance for each of the products along with developing strong ethics in the works. We are also taking advertising and promotional marketing initiatives to enhance the brand recognition and popularity among the targeted and potential customers. This approach will help us enormously to achieve our set goals.

Alhamdulillah, we have been able to remove all the deficiencies concerning the commercial operation of our most advanced RTF NOF CGL plant. The plant will formally be commissioned for its commercial operation after synchronization of its machinery and equipments is complete.

We acknowledged, your Company continues to be driven by a strong believe in ethics and a strong set of values and behaviours and is committed to delivering excellence to its stakeholders. Our investments in our people, capabilities, technology and infrastructure continue to ensure that your Company remains relevant to our customers and close to their business. During the year your company contributed Tk. 825,582,027 To the National Exchequer.

Concluding my words, I would like to extend my heartiest thanks and gratitude to our Shareholders, Employees, Dealers, Suppliers, Bankers, BSEC, DSE, CSE, RJSC and other Regulatory Bodies for their continued support and confidence towards our journey. I am also optimistic about getting the same co-operation and support from all the stakeholders for tomorrow's business.

With warm regards,

Sincerely Yours,

MD. ANSAR ALI
Managing Director

BOARD OF DIRECTORS



MR. DEEN MOHAMMAD

Chairman

Mr. Deen Mohammad, son of Late Hazi Noor Mohammad, was born in 1938. He is the founder Chairman of Appollo Ispat Complex Limited. He started his business career in 1960 with trading business and established himself firmly in the Industrial arena in Bangladesh. Having vast experience in the field of management of industry and finance, he established many Industries, commercial and financial and charitable Institutions. He is the main founder of Phoenix Group of Industries which comprises of Phoenix Textile Mills Ltd., Phoenix Spinning Mills Limited, Phoenix Fabrics Limited, Rangdhanu Spinning Mills Limited, Eastern Dyeing & Calendering Works Limited, Palash Spinning Mills Limited.

He is the founding Chairman of The City Bank Limited, a leading commercial bank in the private sector, Phoenix Finance and Investments Ltd., a leading Leasing Company in the private sector, Phoenix Insurance Company Limited, a leading Insurance Company in the private sector and Phoenix Securities Limited, a member of Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. He is also the founder Chairman of Phoenix Holdings Limited, a real estate development company.

Mr. Deen Mohammad has earned name and fame in the business community for his honesty, integrity, dedication, hard work and the high degree of sense of responsibility. He was awarded Moulana Akram Kha Gold Medal in 1991 for his outstanding contribution towards the industrialization of the country. He was a member of the Executive Committee of Dhaka Chamber of Commerce and Industry, Consultative Committee for the Ministry of Energy and Mineral Resources and Committee of the Ministry of Industries for formation of Industrial Policy in 1997. He traveled most of the countries of the world for business purpose.

AMAR STOCK



MR. MOHAMMED SHOEB

Vice Chairman

Mr. Mohammed Shoeb, son of Mr. Deen Mohammad, is a renowned Industrialist and an IT specialist in the country. He obtained his bachelor degree in Business Administration from Canterbury University, UK. After completion of his studies in the U.K., he returned to Bangladesh in 1990 and was appointed as Director of The City Bank Ltd. For leading personality in the finance sector, he was elected as the Vice-Chairman of the said bank for the period 2001-2002. Recently he has been elected as the Chairman of The City Bank Ltd., the first generation private sector commercial Bank in Bangladesh. Besides, he is also the Director of Phoenix Securities Limited, Phoenix Holdings Limited, Phoenix Spinning Mills Limited, Phoenix Fabrics Limited, Phoenix Textile Mills Limited, Rangdhanu Spinning Mills Limited, Eastern Dyeing & Calendering Works Limited and Palash Spinning Mills Limited.

He is well qualified in Information & Communication Technology and made remarkable contributions in this field. He enthusiastically takes part and contributes to social and sports activities.



MR. MD ANSAR ALI

Managing Director

Mr. Md Ansar Ali, son of Late Abdul Alim, Managing Director of Appollo Ispat Complex Limited, was born in 1938 in a respectable Muslim family. He is a renowned businessman of the country. He started his business career in 1959 in trading by importing and marketing CI Sheets and GP Sheets from United States, Japan and Australia and gradually established himself as a major importer of the Country.

Having extensive experience, Mr. Ali was able to play a significant role in establishing Appollo Ispat Complex Limited. He has been involved with every step of CI Sheet Industry evolution since inception and succeeded in establishing the famous brand of C.I. Sheet of the country Appollo "Rani Marka" Dheautin within a very short span of time. His vision helped Appollo become the first CI Sheet manufacturing company to install a Continuous Galvanizing Line. He is also the founder Chairman of Tejgaon Textile Industries Ltd. and Director of Eastern Dyeing & Calendaring Works Limited.



MR. ABDUR RAHMAN

Deputy Managing Director

Mr. Abdur Rahman, son of Late Abdus Sattar, Founder Director & Deputy Managing Director of Appollo Ispat Complex Limited, was born in 1950. He obtained his graduation in B.Sc. from Dhaka University and then he also obtained a Diploma in ADB from Stockholm University, Sweden in the year of 1976. He started his business career in 1979 as a partner of a trading house of CI/GP Sheet, immediately after coming back from Sweden. He actively participated in the formation of Phoenix Insurance Company Ltd. and was a founder Director of the said company. He is also Director of Phoenix Finance & Investment Ltd., Rangdhanu Spinning Mills Ltd. Mr. Rahman is also engaged in many social welfare activities since long.



MR. M. A. MAJID

Director

Mr. M. A. Majid, son of Late Abdus Sattar, born in 1940, Founder Director of Appollo Ispat Complex Limited, is an established business personality. He started business career in 1960 with trading business. He entered into Industries in 1962 and established himself firmly in the business arena in Bangladesh and is pioneering in Industrialization of the country. Having vast experience in the field of management of industry and finance, he became the founder Director of Phoenix Group of Industries, which comprises of Phoenix Textile Mills Limited, Phoenix Spinning Mills Limited, Phoenix Fabrics Limited, Rangdhanu Spinning Mills Limited and Palash Spinning Mills Limited. Mr. Majid actively participated in the formation of Phoenix Insurance Company Limited, a leading General Insurance Company in the Private Sector of which he is a Director and also played vital role establishing Phoenix Finance & Investments Limited, one of the reputed Leasing Companies of the country, of which he was a founder Director. He is also the founder Managing Director of Phoenix Holdings Limited, a reputed real estate development company.



MR. MD. RAFIQUE

Director

Mr. Md. Rafique, son of Mr. Md. Ansar Ali, was born in 1971. He is the founder Director of Appollo Ispat Complex Ltd. He started his business career as young Industrialist in 1995. With the passage of time, he was able to establish himself firmly in the business sphere. He is also the Managing Director of Tejgaon Textile Industries Ltd. a composite Knit Garments Project.



MRS. ROXSHANA BEGUM

Director

Mrs. Roxshana Begum, wife of Mr. Deen Mohammad, is the Director and Sponsor shareholder of Appollo Ispat Complex Ltd. Mrs. Roxhana is very closely associated with the business concerns of the Phoenix Group . She is the director of Phoenix Securities Ltd., Phoenix Fabrics Ltd., Rangdhanu Spinning Mills Ltd., Palash Spinning Mills Ltd. Apart from this, she is also engaged in various social activities and charitable organization.

AMARSTOCK



MRS. EVANA FAHMIDA MOHAMMAD

Director

Mrs. Evana Fahmida Mohammad, daughter of Mr. Deen Mohammad, is the Director and Sponsor shareholder of Appollo Ispat Complex Ltd. She pursued her undergraduate studies in the UK and obtained a Diploma in business studies. She has vast business experience for more than a decade and is very closely associated with the business concerns of the Phoenix Group. At present, She is serving as the Chairperson of Phoenix Finance & Investments Ltd. and Director of Phoenix Textile Mills Ltd., Phoenix Securities Ltd., Phoenix Fabrics Ltd., Rangdhanu Spinning Mills Ltd, Tiger Wire Rod (Re-rolling) Mills Ltd and so on. She has widely travelled around the world and is known to foreign business colleagues and associates. She possesses ample knowledge on Financial operations.



MR. MD. ABU KAISAER FCA

Independent Director

Md. Abu Kaiser FCA, Independent Director of AICL, is a fellow member of the Institute of Chartered Accountants of Bangladesh and also a fellow member of The Association of Accounting Technicians of Bangladesh. He is also a practicing member of a renowned chartered accountants firm, Mahfel Haque & Co., a member of AGN International which is a worldwide association of accounting and consulting firms. He obtained his bachelor degree under Dhaka university in 1975. He has 37 years of professional experience in Business Corporate Management, Auditing, Taxation, VAT and Customs and Corporate Secretarial Service. He also participated in a huge number of training programs, seminar, symposium. Apart from his role of Independent Director, he is also the Chairman of the Audit Committee of the company.


NOF
CGL Plant

Shareholders

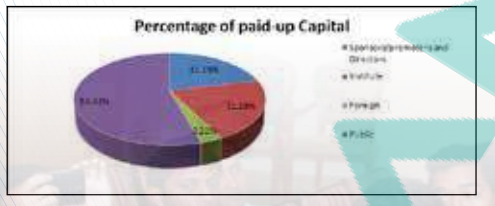


Composition of Shareholdings

Name of the reporting month and year: June, 2017	
Total paid-up capital(TK.)	: 3,542,000,000
No. of total paid-up shares	: 354,200,000

Composition of Shareholdings as on 30th June 2017 as under:

Percentage of paid-up Capital held by			
Sponsors/promoters and Directors	Institute	Foreign	Public
21.19%	21.15%	3.22%	54.44%



Classification of Shareholders by Holding As On 30 June 2017

Share Holding Range	No of shareholders	Shares	Percentage
Less than 500 shares	35690	8955282	2.53
501 to 5,000 shares	13144	28508251	8.05
5,001 to 10,000 shares	3049	23649834	6.68
10,001 to 20,000 shares	1838	27279306	7.70
20,001 to 30,000 shares	691	17545934	4.95
30,001 to 40,000 shares	335	12001571	3.39
40,001 to 50,000 shares	255	11875665	3.35
50,001 to 100,000 shares	372	27636180	7.80
100,001 to 1,000,000 shares	251	62819800	17.74
1,000,000 to above share	33	133928176	37.81
Total	**55658**	**354,200,000**	**100.00**





Market Price Information

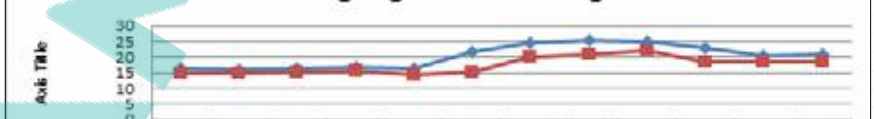
For the year ended June 30, 2017

Dhaka Stock Exchange



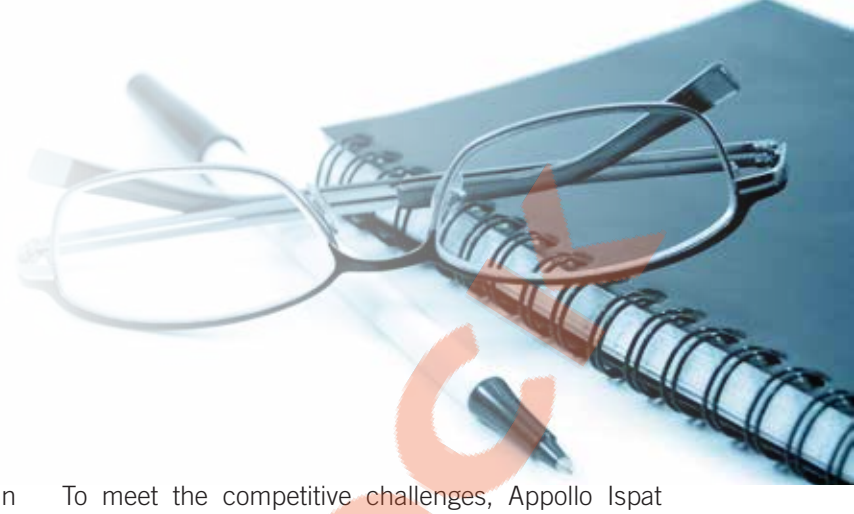
	Jul, 16	Aug,16	Sep,16	Oct,16	Nov,16	Dec,16	Jan,17	Feb,17	Mar,17	Apr,17	May,17	Jun,17
DSE High	16.3	24.8	16.4	16.8	16.4	21.4	24.8	24.8	24.4	22.9	20.4	20.8
DSE Low	15.1	14.6	15.4	15.6	14.6	15.3	18.5	21.6	22.6	19	18.5	18.7

Chittagong Stock Exchange



	Jul, 16	Aug,16	Sep,16	Oct,16	Nov, 16	Dec, 16	Jan,17	Feb,17	Mar,17	Apr,17	May,17	Jun,17
CSE High	16.4	16	16.6	16.9	16.6	21.7	24.4	25.3	24.9	23.1	20.7	21.1
CSE Low	15	15	15.2	15.6	14.5	15.1	20	21	22.3	18.6	18.5	18.5





Directors' Report

Your Directors have the immense pleasure in presenting their 23rd Annual Report to you together with the Audited Financial Statements of the company for the financial year ended 30th June 2017. This report has been made in compliance with Section 184 of The Companies Act 1994 and the Bangladesh Securities Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07th August 2012.

INDUSTRY OUTLOOK AND POSSIBLE FUTURE DEVELOPMENTS IN THE INDUSTRY

Steel industry of Bangladesh is emerging as one of the major industrial sectors of the country. As a sub-sector of this industry, it consists of Cold Rolled Coil, Corrugated Galvanized Iron sheet and Galvanized Plain sheet which are commonly used in roofing, fencing in both residential and industrial purposes.

The Economy of Bangladesh, classified as one of the eleven emerging market in the world, has continued its GDP growth rate more than 6% throughout the last decade and also looking forward to become a middle income country by 2021. Controlled inflation, continued inward remittances, record foreign reserve, increased per capita income helped the economy to stand on a steady position. As a result, overall development in socioeconomic indicator and changing lifestyle of the people tend to consume more CI sheet and GP sheet as their housing materials.

Since it is a booming economy, its infrastructural development demands huge quantity of steel in different formats like CR coil, CI sheet and GP sheet, etc. In Bangladesh, around 83% in the roofing and 41% in the fencing of the total households in rural and urban areas are constructed with CI sheet and GP sheet. Besides, various Government projects, NGO's initiative, Agro-based farm and Industrial unit use a substantial volume of CI/GP sheet for fencing and roofing within economic price.

Being underdeveloped infrastructure, the industry has a massive opportunity to grow having a huge demand in the local market. Current producers are able to satisfy the demand of the domestic market as well as some companies have already started to export in different countries.

To meet the competitive challenges, Appollo Ispat Complex Ltd. has introduced 60,000 MT capacity most advanced Radiant Tube Furnace (RTF) technology based NOF Galvanizing plant which is anticipated to be contributed 50% of total expected sales volume. Moreover, Appollo Ispat is looking forward to launch diversified steel products through the upcoming trend and advanced technology.

PRINCIPLE ACTIVITIES

Appollo Ispat Complex Limited is mainly engaged in manufacturing and marketing of Cold Rolled Coil (C. R Coil), Galvanized Plain Sheet (G. P Sheet) and Corrugated Galvanized Iron (C.G.I. Sheet) from Imported Hot Rolled Coil mainly from Japan, Korea, China and other H.R coil manufacturing countries since its beginning.

OPERATIONAL PERFORMANCE

Particulars	2016-17	2015-16	2014-15
Installed Capacity (MT)			
CRM Unit	120,000	120,000	120,000
CGL-Unit-1	60,000	60,000	60,000
CGL-Unit-2	80,000	80,000	80,000
NOF CGL	60,000	-	-
Production	65,790	69,791	66,890
Capacity Utilization	46.99%	49.85%	47.77%
Sales (in PT)	99,461	92,432	81,985

PRODUCTION REVIEW

a) Existing Capacity:

Annual Production capacity of Cold Rolled Manufacturing (CRM) Unit is 120,000.00 MT and production capacity of Continuous Galvanizing Line, Unit-I and Unit-II are consecutively 60,000 MT and 80,000 MT.

b) Expansion Unit

The company's production capacity will increase by another 60,000 MT with the introduction of world best technology of Radiant Tube Furnace (RTF) NOF Galvanizing Line. Eighty percent utilization of expansion unit capacity will increase turnover of Tk. 520 Crore per year.

Segment/Product Wise Report

The segment wise sales volume as under:

Particulars	2016-17	2015-16
CI Sheet	4,258,499,044	3,845,575,221
CR Coil	1,029,364,756	793,175,547
GP Sheet	363,566,100	573,633,091
Ridge	62,914,057	93,990,279
Total	5,714,343,956	5,306,374,138

RISKS & CONCERNS

The major risk factors and concerns of the company is shown in Annexure-3.

FINANCIAL PERFORMANCE

The details of operational key performance indicator for the last two years from July 2015 to June 2017 are given below for your kind information and consideration:

(TK. In Million)

Particulars	2016-17	2015-16
Net sales	5714.34	5306.37
Gross profit	1110.37	1194.15
Profit from operation	930.75	1024.07
Profit before income tax	679.99	709.19
Net Profit (after tax)	478.73	753.45

MANAGEMENT DISCUSSION

Board of Directors periodically discusses on the increase/decrease of cost of goods sold, gross and net profit margin and takes immediate measures on the analysis as required. A detailed report for discussion is included in Annexure-2.

DIVIDEND

Considering the company's profitability and the interest of the valued investors, the Board of Directors of the company is pleased to recommend a dividend of 10% as stock Dividend for the year ended 30th June 2017 subject to the approval of the shareholders in this Annual General Meeting. The dividend on equity shares, if approved, would be paid to those members whose names appear on the register of members as on the Record Date.

CREDIT RATING

Credit Rating Association of Bangladesh (CRAB) assigned rated as below:

Particulars	Ratings	Outlook
Entity Rating	BBB_1	Stable
Long Term	BBB_1	Stable
Short Term Funded	ST-3	Stable
Short Term	ST-3	Stable

Date of Rating: 15th June 2017

Validity: Entity rating is valid till 30th June 2018. Loan Rating is valid up to the expiry date of respective credit facilities or 30th June 2018 whichever is earlier.

INTERNAL CONTROL SYSTEM

The Company has an effective Internal Control System commensurate with the size, scale and complexity of its operations. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and procedures. The system encompasses the major processes to ensure reliability of financial reporting, compliance with the policies, procedures, laws and regulations safeguarding assets and economical and efficient use of resources. The policies and procedures adopted by the company ensure the orderly and efficient conduct of its business and adherence to the company's policies, prevention and detection of frauds and errors, accuracy and completeness of the records and timely preparation of reliable financial information.

The scope and authority of the Internal Audit function are defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective action thereon are presented to the Audit Committee of the Board.

EXTRA-ORDINARY GAIN OR LOSS

The reasons for variance in the quarterly and yearly performance have been included in Annexure-2.

CORPORATE SOCIAL RESPONSIBILITIES

The Company's vision is to establish a benchmark in value creation and corporate citizenship and the Company's long-term Corporate Social Responsibility (CSR) objective, is to improve the quality of life of the communities through long-term value creation for all stakeholders. Towards achieving this, the Company has been a pioneer in various CSR initiatives.

We continue to remain focused on improving the quality of life and engaging communities through health, education, sports and infrastructure development. During the last three years, the Company has spent a substantial amount for this purpose. The Annual Report on our CSR activities is annexed to this report Annexure-8.

RESERVE AND SURPLUS

Retained earnings during the financial year 2016-17 of the company arrived at Taka 1962.33 (mn) against Taka 1966.61 (mn) in financial year 2015-2016.

BOARD OF DIRECTORS

(i) Composition and size of the Board:

As on, 30th June 2017 there were 9 (Nine) members on the Board. The Board comprises a Chairman, Vice Chairman, Managing Director, Deputy Managing Director and five Directors.

(ii) Board Meeting and attendance:

There were 7 (Seven) Board Meeting held during the financial year. Following table shows the attendance of Directors at the meeting:

Name of The Director	Position	Total Number of Meeting Held During The Year	Directors Attended In The Meeting
Mr. Deen Mohammad	Chairman	7	7
Mr. Mohammed Shoeb	Vice-Chairman	7	4
Mr. Md. Ansar Ali	Managing Director	7	7
Mr. Abdur Rahman	Deputy Managing Director	7	7
Mr. M.A. Majid	Director	7	7
Mr. Md Rafique	Director	7	7
Mrs. Roxshana Begum	Director	-	1
Mrs. Evana Fahmida Mohammad	Director	-	1
Mr. Md. Abu Kaiser FCA	Independent Director	7	6

The Director who could not attend the meeting was granted leave of absence.

Retirement by rotation:

Pursuant to section no.-91(2) of The Companies Act 1994 and Clause-127 and 128 of the Articles of association of the company, Mr. Abdur Rahman, Deputy Managing Director and Mr. Md. Rafique, Director of the company would retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers themselves for re-election.

Re-Appointment of Managing Director:

In accordance with the section 110 of the companies Act' 1994, the Board of Directors of Appollo Ispat Complex Ltd. in its Board meeting dated 7th January 2017 decided to re-appoint the existing Managing Director, Mr. Md. Ansar Ali for a further term of 1 (one) year as Managing Director of the company. The Board recommended for approval by the shareholders at the ensuing Annual General Meeting.

Appointment of Additional Director:

Upon submitting applications to the Board and fulfilling the prerequisite qualification shares, the Board of Directors in its meeting held 5th March 2017 appointed Mrs. Roxshana Begum and Mrs. Evana Fahmida Mohammad as additional directors of the company. In accordance with the article-132 of the articles of association of the company, the additional Directors shall retire at the ensuing Annual General Meeting and being eligible they offered themselves for election.

Re-Appointment of Independent Director:

The Board of Directors in its meeting held on 09th September 2017 decided to reappoint Mr. Abu Klaiser FCA as an Independent Director of the company for another term of 3 (Three) years effected from 10th September 2017 to 9th September 2020.

APPOINTMENT OF AUDITORS

As per section- 210 of The Companies Act 1994, company's statutory auditors M/S MABS & J Partners, Chartered Accountants shall retire at the 23rd Annual General Meeting (AGM) as Auditors of the company.

In compliance with BSEC notification SEC/CMRRCD/2009-193/174/Admin/61 dated July 08, 2015, M/S MABS & J Partners, Chartered Accountants cannot perform as statutory auditor for the year 2017-18 since they have completed 3 (three) consecutive years.

Given the circumstances, the Board of Directors endorsed the recommendation of the Audit Committee for appointment of M/S Malek Siddiqui Wali, Chartered Accountants as the auditors of the company for the year 2017-18 at a fee of Taka 325,000 (Three Lac Twenty Five Thousand) only excluding VAT.

REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE

The company is committed to maintain the

highest standard of corporate governance and adhere to corporate governance set by BSEC. In compliance with Bangladesh Securities and Exchange Commission (BSEC) Notification No.-SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 and Clause-36 of Listing regulations 2015 of Dhaka and Chittagong Stock Exchange, status of compliance conditions on corporate governance guidelines along with a compliance certificate issued by M/S Howlader Yunus & Co. Chartered Accountants have been added in the annual report. Annexure-1.

INFORMATION AND COMMUNICATION TECHNOLOGY (ICT)

Information and Communication Technology (ICT) plays an important role towards the management of bulk amount of data, facts and figures, the production of real time information and help to operate and manage our business and to connect our customer faster. ICT helps us to excel our expected growth in achieving the company's objectives. We have established a separate ICT department staffed with experienced computer professionals who are responsible for the overall management of ICT within the company and to explore ideas in IT base operation.

HUMAN RESOURCE MANAGEMENT

Apollo Ispat Complex Limited performs its functional activities by a team of experienced professionals, well educated, highly qualified and trained management. Our human capital is our strength as well as our core competence.

Training and Development: AICL believes that it is important to provide our employees with a learning experience while they are working for us so as to foster their professional development and enhance their capabilities. We offer regular training programs for our employees and workers by organizing workshops, seminars and demonstrations. In the past year in-house training program has been arranged for our employees as well as holding several workshops for sales team to improve their performance in the markets.

Empowerment: We believe in empowering our employees. Empowered employees care more about the success of our company. Sufficient power and authority have been given to all employees to discharge their duties efficiently. Empowered employees require less supervision, develop outstanding business ideas, work smarter and more efficiently and are happy which means they are extremely loyal.

Compensation: The Company's compensation package including salary and allowance, festival bonus, performance bonus and leave fare assistance are attractive and alluring and motivates the employees to work enthusiastically and dedicatedly. The company also has a contributory provident fund, Workers profit participation fund and Gratuity fund.

Reward: Prudent performance evaluation system, sound promotion and remuneration system and focus on nursing talent make Appollo unique and unparalleled to its stakeholders.

HEALTH AND SAFETY:

Appollo Ispat Complex Ltd. is fully committed to ensuring the safety and health of its people who work for the company. Health and Safety remains your company's number one priority. We, at Appollo Ispat, take all possible measures to ensure that all our workers, employees as well as communities within which we operate remain safe at all time. As it is engaged in manufacturing, several risk factors inherently come. Our safety measures, continuous risk assessment policy ensured a healthy and hazard free work environment for all of our workers, employees in the workplace. In this regards, a safety committee has been constituted under section- 90 of The Bangladesh Labour Code 2006 in which DGM-Plant leads the committee. The goal of your company is to set a model and establish itself as the "Best-in-Class" performance in health and safety.

RELATED PARTY TRANSACTION

The basis of the related party transaction with the company has been elaborated in the audited financial statements in note 31 in accordance with relevant Bangladesh Financial Reporting Standards.

REMUNERATION OF DIRECTORS

Directors were remunerated as per the decision of the Board and a detailed report of the Directors Remuneration is given in note 24 of the Audited Financial Statements.

Members of the Board of the Directors were paid monthly remuneration as follows:

Name of Director	Position	Remuneration
Mr. Md. Shoeb	Vice Chairman	195,000
Mr. Md. Ansar Ali	Managing Director	205,833
Mr. Abdur Rahman	Deputy Managing Director	195,000
Mr. M.A. Majid	Director	151,667

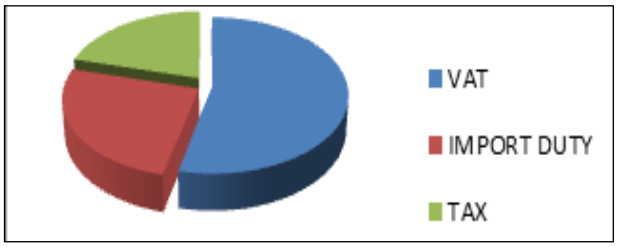
Each Director has received as sitting fee TK 5000.00 per meeting attended.

CONTRIBUTION TO NATIONAL EXCHEQUER

During the financial year 2016-17, the company paid

/deposited significant amount of income tax, VAT & Customs Duties. All due and applicable taxes were paid, collected and deposited in time. During the financial year 2016-17, Appollo Ispat Complex Limited contributed to the Government Exchequer a sum of Taka 825,582,027 the breakdowns are in the chart as follows:

CODE OF CONDUCT



The Board of Directors of Appollo Ispat Complex Ltd. is committed to demonstrating the high standard of ethical behavior in their relationships with the company's shareholders, employees, dealers, customers, regulators and the public. They are also accountable for establishing the framework that creates a culture of integrity and objectivity. The Board of Directors is also responsible for complying with laws and regulations as well as avoiding behavior that might compromise the company's success. A written code of conduct has been adopted by the board members accordingly they have signed to its compliance.

SIGNIFICANT VARIANCE IN THE QUARTERLY AND ANNUAL FINANCIAL STATEMENT

There were no significant variance between quarterly performance and overall annual performance. Throughout the year company was able to maintain a judicious performance both in operational and financial perspectives.

DIRECTORS' RESPONSIBILITIES STATEMENTS

Pursuant to the BSEC notification no.-SEC/ CMRRCD/2006-158/134/Admin/44 dated: 07 August 2012 the Director's confirm that:

a) The Financial Statements have been prepared by the management of Appollo Ispat Complex Ltd. fairly presents its state of affairs, the result of its operation, cash flows and changes in equity.

b) Proper books of accounts 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)/ Bangladesh Accounting Standards (BAS)/ 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.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) There are no doubts upon the company's ability to continue as a going concern and the annual accounts have been prepared on a going concern basis.

g) The deviation from last year in the operating result of the company has been highlighted in the report and the reasons therefore have been explained.

h) The key operating and financial data for the last five years is disclosed in Annexure-5.

i) The pattern of the shareholding is disclosed in Annexure-6.

j) A compliance status report with the requirements of corporate governance as required by BSEC has been disclosed in the Regulatory Compliance Report segment. Annexure-1.

k) Directors' profile and their Directorship and business interest in other organizations have been disclosed in Board of Directors segment in Annexure-4.

APPRECIATION:

The Board of Directors would like to express their deep appreciation to the management and employees for their unrelenting commitment through the year. We would like to place on record our gratitude to our valued business partner for their support and loyalty. We belief all our achievements are the result of the commitment and diligence of all our employees and business partners.

In addition, the Board of Directors also express their gratitude to the shareholders of the company, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue, RJSC, various Government Authorities, Trade Bodies and all Bank, Financial Institutions for their continuous support, co-operation and guidance, as we continue to take Appollo Ispat Complex Limited forward faster and further as a leading player within the business community and steel sectors in Bangladesh. We are moving further to the next edge of growth and excellence; we seek your continuous support and encouragement as we have been used to get from you since the beginning of our journey.

On behalf of the Board of Directors,



Deen Mohammad
Chairman

ANNEXURE-1

Status of compliance with conditions imposed by the Bangladesh Securities and Exchange Commission (BSEC)

Status of compliance with conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/ 134/ Admin/44 dated August 07, 2012 and subsequently amended through their notification # SEC/CMRRCD/ 2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented below:

Condition No.		Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
1.0	**Board of Directors**				
1.1	**Board's Size**				
	The number of Board Directors should not be less than 5 (five) and more than 20 (twenty)		√		
1.2	**Independent Directors**				
	(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.		√	Two Independent Directors required. Appointed one and another one has not been appointed yet.
	(ii) a)	Who either does not hold any share or holds less than 1% shares to the total paid-up shares of the company;	√		
	(ii) b)	Who is not a sponsor of the company and is not connected with the companies any sponsor or director or shareholder who holds one percent (1%) or more share of the total paid-up shares of the company on the basis of family relationship.	√		
	(ii) c)	Who does not have any other relationship whether pecuniary or otherwise, with the company or its subsidiary/ associated companies or its subsidiary /associated companies.	√		
	(ii) d)	Who is not a member, director or officer of any stock exchange?	√		
	(ii) e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market.	√		
	(ii) f)	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.	√		
	(ii) g)	Who shall not be an independent director in more than 3 (three) listed companies.	√		
	(ii) h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI).	√		
	(ii) i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
	(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
	(iv)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	√		
	(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
	(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		

Condition No.		Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
1.3	**Qualification of Independent Director (ID)**				
	(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
	(ii)	The person should be a Business Leader / Corporate Leader / Bureaucrat / University Teacher with Economics or Business Studies or Law background / Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management / professional experience.	√		
	(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not Applicable. The qualification and background of IDs have been stated in the board of directors profile
1.4	**Chairman of the Board and Chief Executive Officer**				
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals with defined different roles and responsibilities. The Chairman of the company shall be elected from among the directors of the company.		√		
1.5	**The Directors' Report to Shareholders**				
	(i)	Industry outlook and possible future development in the industry.	√		
	(ii)	Segment-wise or product-wise performance.			Not Applicable. Entity does not have different segment of business.
	(iii)	Risks and concerns.	√		
	(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
	(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			Not Applicable. No such event prevailed during the year
1.5	**The Directors' Report to Shareholders**				
	(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	√		
	(vii)	Utilization of proceeds from public issues, rights issues and / or through any others instruments.			Not Applicable. The AICL did not go for public issue, right issue or other instruments during the year
	(viii)	An explanation if the financial result deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not Applicable. The AICL did not go for IPO, RPO and right issue during the year
	(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.			Not Applicable. No such variance occurred during the year
	(x)	Remuneration to directors including independent	√		

Condition No.		Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
		directors.			
	(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
	(xii)	Proper books of account of the issuer company have been maintained.	√		
	(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
	(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
	(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
	(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.			Not Applicable. The financial statement has been prepared on the basis of going concern assumption
	(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			Not Applicable. There was no significant deviations
	(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
	(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			Not Applicable. The AICL declared dividend during the year
	(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
	(xxi)	The pattern of shareholdings and name wise details disclosing the aggregate number of shares:			
	(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		
	(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	√		
	(xxi) c)	Executives (top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit).	√		
	(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).			Not Applicable. No such voting interest exist.
	(xxii)	Appointment/Reappointment of Directors:			

Condition No.		Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	(xxii) a)	A brief resume of the director.	√		
	(xxii) b)	Nature of his/her expertise in specific functional areas.	√		
	(xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.0	**Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)**				
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.		√		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors.		√		
3.0	**Audit Committee**				
	(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
	(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
	(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
3.1	**Constitution of the Audit Committee**				
	(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
	(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
	(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	√		
	(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.			Not Applicable. There was no such vacancy during the year
	(v)	The company secretary shall act as the secretary of the Committee.	√		
	(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one)	√		

FINANCIAL STOCK

Condition No.		Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
		independent director.			
3.2	**Chairman of the Audit Committee**				
	(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		The chairman of the Audit Committee is an Independent Director
	(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	**Role of Audit Committee**				
	(i)	Oversee the financial reporting process.	√		
	(ii)	Monitor choice of accounting policies and principles.	√		
	(iii)	Monitor Internal Control Risk management process.	√		
	(iv)	Oversee hiring and performance of external auditors	√		
	(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
	(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
	(vii)	Review the adequacy of internal audit function.	√		
	(viii)	Review statement of significant related party transactions submitted by the management.	√		
	(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
	(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.			Not Applicable. No money was raised through IPO, PRO and right issue during the year
3.4	**Reporting of the Audit Committee**				
3.4.1	**Reporting to the Board of Directors**				
	(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
	(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
	(ii) a)	Report on conflicts of interests.			Not Applicable. There was no reportable case of conflict of interest
	(ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.			Not Applicable. No such event identified during the year
	(ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations.			Not Applicable. No such infringement of laws, rules and regulation occurred during the year

Condition No.		Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	(ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately.			Not Applicable. No such matter occurred during the year
3.4.2	**Reporting to the Authorities:**				
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier			Not Applicable. There was no reportable case arose during the year
3.5	**Reporting to the Shareholders and General Investors:**				
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.				Not Applicable. There was no reportable case arose during the year
4.0	**External /Statutory Auditors should not engage in the following services**				
	(i)	Appraisal or valuation services or fairness opinions.	√		
	(ii)	Financial information systems design and implementation.	√		
	(iii)	Book-keeping or other services related to the accounting records or financial statements.	√		
	(iv)	Broker-dealer services.	√		
	(v)	Actuarial services.	√		
	(vi)	Internal audit services.	√		
	(vii)	Any other service that the Audit Committee determines.	√		
	(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
5.0	**Subsidiary Company**				
	(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			Not Applicable. AICL does not have any subsidiaries at reporting date.
	(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			Not Applicable. AICL does not have any subsidiaries at reporting date.
	(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			Not Applicable. AICL does not have any subsidiaries at reporting date.

Condition No.		Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
			Complied	Not complied	
	(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			Not Applicable. AICL does not have any subsidiaries at reporting date.
	(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			Not Applicable. AICL does not have any subsidiaries at reporting date.
6.0	**Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)**				
	The CEO and CFO shall certify to the Board that:-				
	(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:			
	(i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
	(i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
	(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7.0	**Reporting and Compliance of Corporate Governance**				
	(i)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary (Chartered Accountant/ Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		
	(ii)	The directors of the company shall state in the directors' report whether the company has complied with these conditions.	√		

Certificate of Compliance to the Shareholders of

APPOLLO ISPAT COMPLEX LIMITED

(As required under the BSEC Corporate Governance Guidelines)



Grant Thornton
An instinct for growth™

Gulshan Office
Howladar Yunus & Co.
House - 14 (4th floor)
Road - 16A, Gulshan -1
Dhaka - 1212
Bangladesh
T +88 (0)2 9883863
F +88 (0)2 9552989
www.howladaryunus.com

We have reviewed the compliance of Codes of Corporate Governance by Appollo Ispat Complex Limited, for the year ended June 30, 2017 as set by Bangladesh Securities and Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

The compliance of Codes of Corporate Governance is the responsibility of the management. Our review was limited to the procedures and implementation thereof as adopted by the company for ensuring the compliance of the Codes of Corporate Governance Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, except as reported on the attached status of compliance statement, the Company has complied with the codes of Corporate Governance Guidelines as stipulated in the above mentioned BSEC notification.

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

Dated: October 31, 2017

Howladar Yunus & Co.
Chartered Accountants

Chartered Accountants
Correspondent firm of Grant Thornton International Ltd.

Management Discussion and Analysis

Annexure-2

Management Discussion and Analysis are designed to provide the shareholders with an overview of the business and an analysis on Cost of Goods Sold, Gross and Net Profit margin.

Particulars	2016-2017 (BDT)	2015-2016 (BDT)	Growth (%)
Cost of Goods Sold	4,603,973,528	4,112,228,376	11.96%
Gross Profit	1,110,370,428	1,194,145,762	(7.01%)
Net Profit	478,725,330	753,449,659	(36.47%)

Cost of Goods Sold (COGS)

Cost of goods sold is the expense of a company incurred in order to manufacture and sell a product. It includes the purchase price of the raw material as well as the expenses of turning it into a product. COGS vary directly with sales and production; the more items we sell or make, the more stock or components we need to buy. Cost of Goods sold in 2016-17 has been increased by 11.96% compared to the financial year 2015-16 due to Increase of raw materials cost.

Gross Profit Margin Ratio

Gross profit is the difference between net turnover and the cost of goods sold.

Gross profit = Net Turnover – Cost of Goods Sold

The gross profit margin is one indicator of the financial health of a business. Larger gross profit margins are better for business, the higher the percentage, the more the business retains of each Taka of sales for other expenses and net profit.

Gross Profit Margin % = (Gross Profit / Net Turnover) X 100

During the year 2016-17, Gross Profit Margin was decreased by 13.64% compared to last financial year due to the price of raw materials, including HR Coil price and other direct materials increased around 40% in the international market as well as local market.

Net Profit Margin Ratio

Net profit is calculated by subtracting expenses, including tax and WPPF from the gross profit, showing what the business has earned (or lost) in a given period of time.

Net Profit = Gross Profit – Expenses with Tax & WPPF

Net Profit of the company in the year 2016-17 has decreased by 36.47% compared to 2015-16 due to increase of raw materials price in the international market.

Dividend Payout Ratio

The dividend payout ratio is the amount of dividends paid to stockholders relative to the amount of total net income of a company.

Dividend payout ratio= Dividend per share / Earning per share X 100

The dividend payout ratio of the company is 74.07% for the year 2016-17.

Return on Equity (ROE):

Return on Equity (ROE) measures the rate of return on common stockholder's equity. It measures a company's profitability by revealing how much profit a company generates with the money shareholders have invested. The return on equity (ROE) is measured as follows:

Return on Equity (ROE) = Net income / Total Shareholders' Equity X 100

This year Return on Equity (ROE) of the company is 6.10%.

The Reasons for changing in quarterly and yearly Financial performance:

The reasons for changing peformance in un-audited half yearly Financial Statements for the period from July 2016 to December , 2016 is income tax provision adjustment tk. 25,19,80,080.00 as per income tax assessments for the assessment years 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015 completed U/S-83(2), 156/159/173 of its ordinance on 1984(Note 28 & 28.01 The Accounting Income Tax provision was higher than those of the Tax liability as per assessment order for those years by learned income tax authority. Consequent upon the assessment order accounting treatment for excess/short provision has been made us as per BAS-8, paragraph-36. AS a result the effect on net profit and weighted average earnings per share changes by Tk. 25,19, 80,080.00 and Tk. 0.7825 per share.

The production in CGL-2 was suspended from 16th December 2016 to 15th February 2017 due to a major cracked down of "Zinc Pot" which is an integral part of the galvanizing process. The cracked down hampered the production and reduced revenue and earnings per share.

Raw material cost escalated remarkably during the January- June 2017 and till now.

On the other hand, sales price was not remarkably increased.

Annexure-3

RISKS & CONCERNS

BUSINESS RISKS:

1. Risk of sourcing of Raw Materials

The basic raw materials of CI sheet are Hot Rolled Coil (HR) is fully dependent on imported raw materials. Non-availability of raw materials due to the increasing trend of home consumption and policy of the respective exporting countries will directly affect the production of AICL

Management Concerns

The main raw material of the project is adequately available in different countries and more countries are coming in this industry as a raw material supplier. Moreover, the Company has already built up good business relationship with big foreign suppliers like Nippon Steel and JFE of Japan, POSCO of South Korea, POSCO, China Steel of Taiwan and Bao Steel of China. Simultaneously the company keeps in hand bulk stock of raw materials.

2. Distribution risks

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

Management Concerns

AICL has strong presence in all over the country, both in rural and in urban areas, especially in the north zone of Bangladesh. The Company has strong distribution networks in a well planned manner.

3. Bad debt risks

Transaction on credit is a normal phenomenon in the business world. The company may incur loss due to the default as well as the failure to pay timely by the customers.

Management Concerns

Credit sales are covered by securities from the Agents/ Dealers in the form of Bank Guarantee, Post dated cheques, etc. hence the chance of non-recovery of dues is negligible.

4. 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.

5. Risk Related to Sources of Power

Production is mainly dependent on sources. The present power crisis in the country leads intermittent power interruption, which hampers production.

Management Concerns

AICL has a gas generator having 1050 KVA capacity which covers entire CGL Plant and pickling and re-winding line of C.R. Mill. Further the Company for its NOF Project will procure another generator of the same capacity. So power interruption will not have much impact on production.

MARKET RISKS:

1. Interest rate risks

Interest rate risk is concerned with borrowed funds of short term and long-term maturity. Volatility in money market and increased demand for loans/investment funds raise the rate of interest. The high rate of interest enhances the cost of fund of a company and could adversely affect the business and future financial performance.

Management Concerns

Management of the company believes that the rise of interest rate will not substantially affect the company. Moreover, management of AICL is planning to pay off its Long Term Loans & Short Term Loans from the IPO proceeds. After paying off the loan exposure of AICL, the interest rate risk will reduce to a great extent.

2. Exchange rate risks

Exchange rate risk relates to the core business of AICL, since it mostly imports materials from abroad in foreign currency. The Company imports raw materials against payment of foreign currency and the price of raw material in the international market is relatively volatile. Unfavorable volatility or currency fluctuation may affect the profitability of the Company.

Management Concerns

Volatility of Taka against Dollar and recent trend of local currency devaluation may expose foreign currency risk. However, Appollo Ispat Complex Limited can significantly reduce the foreign currency risk and price escalation risk through forward bookings if it is justifiable in terms of cost benefit analysis. The company also maintains Economic Order Quantity (EOQ) for its material imports, which provides considerable cushion against an adverse movement of the exchange rate and price in international market. Furthermore, the company, due to its strong brand equity, enjoys low price sensitivity of its product in the domestic market. This provides the company with greater ability for frequent and favorable adjustment of prices in case of adverse exchange rate fluctuations and international price movements, and inflationary circumstances.

3. Industry risks

The Company is operating in an industry where there is a gap between demand and supply. Although CI sheets business is a highly demanding business in our country, chances are there that excessive competition may hamper the company's business. Increasing competition may force AICL to reduce the prices of their products which may cause dropping of their revenue and margin, and/or decrease its market share, either of which could have an adverse effect on their business, financial condition and results of operation.

Management Concerns

Currently there is a gap between demand and supply of CI Sheets in our country. On the other hand demand for CI Sheets is increasing drastically day by day. In this situation chance of excessive competition is almost zero. Moreover the company's brand "Rani Marka" is well accepted in the market for its quality and its factory is situated in Dhaka but

other competitors' factory is situated in Chittagong. As a result, the Company takes geographical advantages.

4. Customers Demand related risks

AICL's income is derived from sales to Bangladeshi customers mainly due to the persistent focus on the domestic market. Any adverse developments within Bangladesh or Bangladeshi customers, could lead to reduced demand from them resulting in the adverse performance of the company.

Management Concerns

As stated above, there is a huge gap between demand and supply of CI Sheets in our country. Proper implementation of the marketing tools as well as identifying new clients will ensure the success of the company. On the other hand, a new entry is difficult in this sector. The Company has gained a sound brand image of its product till date but AICL has a long way to build its corporate image. AICL already has taken initiatives for corporate branding which is in developing phase. Again, AICL will try to export its product to reduce its dependency on domestic market.

5. Technology-related risks

Technology always plays a vital role in the existence of any industrial concern, ensuring better services to the customers and minimizing the cost in various aspects. The production facilities of the company are based on current available technology. Any invention of new and more cost-effective technology may cause technological obsolescence and negative operational efficiency. Any serious defects in the plant and machinery may affect production and profitability calling for additional investment for replacement.

Management Concerns

The company owns modern technology with R&D infrastructure and shall be able to adapt to any new inventions with moderate investments. The Company has access to international/multinational companies for supplying appropriate technology and technical management support for the operation of new projects. The selected/installed plant and machinery have been manufactured by reputed manufacturer with proper warranty to take care of any defects or confirmation of supplying of adequate spare parts. A significant portion of the entire production process is accomplished through contract manufacturing. This arrangement provides the company with greater leadway to adjust with any changed technological atmosphere.

6. Changes in potential or existing government regulations

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

Management Concerns

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. CI Sheet industry in Bangladesh is an emerging sector with large local demand. Presently, it is considered as one of the large sector in the economy. Therefore, it is highly unlikely that the Government will frustrate the growth of the industry with adverse policy measures.

7. Potential changes in global or national policies

The Company's product lines are primarily based on imported raw materials. Any scarcity due to changes in policy in the international market might dent the production level and profitability. The performance of the company may be affected due to unavoidable circumstances both in Bangladesh and worldwide, as such political turmoil and disturbance in the country may adversely affect the economy in general.

Management Concerns

The management of the company is always concerned about the prevailing and future changes in the global and national policy and shall respond appropriately and timely to safeguard its interest. AICL's brand image and wide distribution network amongst its customer group will always enable it to withstand any such potential threats. The company's supply chain is robust in accommodating a large number of suppliers with a proper contingency plan in place. The company can prosper in situations of political stability and a congenial business environment. Political turmoil and the disturbance are bad for the economy and so also for the company.

OPERATIONAL RISKS

Operational risk covers the ability of the project to achieve the performance as envisaged. Technology used, fuel supply arrangement, raw materials arrangement, operation & maintenance (O&M) arrangement and political condition are major sources of operational risk for the company. These risks can broadly divide into two categories; Internal and External factors.

1. Political unrest and terrorism risks

AICL's results may be a ected by factors outside its control such as political unrest, hartals, civil commotion and acts of terrorism either in Bangladesh or outside Bangladesh. Disruptions and acts of terrorism across the world post 9/11 have significantly a ected the crude oil market, Iron Ore and Coal prices of which impacts, directly or indirectly, on the company's raw material prices. The continuation of such events including natural disasters could interrupt AICL's business for protracted periods.

Management Concerns

AICL's plants are located at a good place, distant from the city area. The workforce is well remunerated and most of them live in the surrounding areas of the respective plants. Therefore, management believes that political unrest will have little impact upon the key operations of the company. AICL has taken comprehensive insurance coverage for all assets to mitigate the losses due to any probable or possible disaster

2. Natural calamity risks

Any natural calamity may cause disruption in productivity of the company.

Management Concerns

Any natural calamity is beyond human control. However company's all assets have a comprehensive Industrial All Risk coverage by a renowned insurer.

3. Changes in Environmental Laws and

Regulations:

AICL is subject to environmental laws and regulation which limits the discharge of pollutants into the air, water and established standards for the treatment, storage and disposal of solid and hazardous wastes. These laws and regulations require an investment of capital and other expenditure for ensuring compliance. The operation of plant entails inherent risk of environmental damages and the company may incur liabilities in the future arising from the discharge of pollutants into the environment or waste disposal or hazardous material handling practices, storage and disposal of solid and hazardous wastes.

Management Concerns

AICL is highly conscious about the environment. It uses Acid Regeneration Plant and ETP-Effluent Treatment Plant-a water treatment- with a view to prevent water pollution. Moreover, AICL workers are provided with hand gloves, masks and safety boots, as per normal precautionary measures. Exhaust fans have been installed in the factories for better and adequate ventilation.

ANNEXURE-4

Director's involvement in other Organization:

Name	Designation in the company	Directorship/Sponsorship/Ownership with other companies	Position
Mr. Deen Mohammad	Chairman	Phoenix Spinning Mills Ltd. Phoenix Textile Mills Ltd. Phoenix Fabrics Ltd. Rangdhanu Spinning Mills Ltd. Palash Spinning Mills Ltd. Eastern Dyeing & Calendering Works Ltd. Phoenix Holdings Ltd. The City Bank Ltd. Phoenix Securities Ltd. Tiger Wire Rod (Re-rolling) Mills Ltd.	Founder Chairman Founder Chairman Founder Chairman Founder Chairman Founder Chairman Founder Chairman Founder Chairman Founder Chairman Founder Chairman Chairman
Mr. Mohammed Shoeb	Vice-Chairman	Phoenix Spinning Mills Ltd. Phoenix Textile Mills Ltd. Phoenix Fabrics Ltd. Palash Spinning Mills Ltd. Rangdhanu Spinning Mills Ltd. Eastern Dyeing & Calendering Works Ltd. Phoenix Holdings Ltd. The City Bank Ltd. Phoenix Securities Ltd. Tiger Wire Rod (Re-rolling) Mills Ltd.	Vice-Chairman Vice-Chairman Vice-Chairman Vice-Chairman Vice-Chairman Vice-Chairman Vice-Chairman Chairman Director Director
Mr. Md. Ansar Ali	Director & Managing Director	Tejgaon Textile Mills Ltd Eastern Dyeing & Calendaring Works Ltd.	Chairman Director
Mr. Abdur Rahman	Director & Deputy Managing Director	Phoenix Finance & Investments Ltd. Rangdhanu Spinning Mills Ltd.	Director Director
Mr. M. A. Majid	Director	Phoenix Spinning Mills Ltd. Phoenix Textile Mills Ltd. Phoenix Fabrics Ltd. Palash Spinning Mills Ltd. Rangdhanu Spinning Mills Ltd Phoenix Insurance Company Ltd. Phoenix Holdings Limited	Director Director Director Director Director Director Managing Director
Mr. Md. Rafique	Director	Tejgaon Textile Mills Ltd.	Managing Director
Mrs. Roxshana Begum	Director	Phoenix Securities Ltd. Phoenix Fabrics Ltd. Rangdhanu Spinning Mills Ltd Palash Spinning Mills Ltd.	Director Director Director Director
Mrs. Evana Fahmida Mo-hammad	Director	Phoenix Finance & Investments Ltd. Phoenix Textile Mills Ltd. Phoenix Securities Ltd. Phoenix Fabrics Ltd. Rangdhanu Spinning Mills Ltd Tiger Wire Rod (Re-rolling) Mills Ltd. Eastern Dyeing & Calendaring Works Ltd.	Chairman Director Director Director Director Director Director
Mr. Md. Abu Kaiser FCA	N/A	N/A	N/A

Annexure-5

KEY OPERATING AND **FINANCIAL** DATA FOR THE LAST **5 YEARS**

In'000

	30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17
Assets Employed					
Non-Current Assets	3,052,064	3,633,802	4,338,168	4,869,629	4,912,260
Net-Current Assets	1,976,364	4,140,636	4,002,231	3,847,411	3,926,078
Total Assets Employed	**5,028,428**	**7,774,438**	**8,340,399**	**8,717,040**	**8,838,338**
Financed By					
Share Capital	1,500,000	2,500,000	2,875,000	3,220,000	3,542,000
Share Premium	-	1,200,000	1,200,000	1,200,000	1,200,000
Reveluation Resuerve	1,141,578	1,141,578	1,141,578	1,141,578	1,141,578
Retained Earnings	1,137,203	1,510,957	1,790,573	1,966,606	1,962,332
Shareholder's Equity	**3,778,782**	**6,352,535**	**7,007,151**	**7,528,184**	**7,845,910**
Long Term borrowings	1,249,646	1,421,904	1,333,248	1,188,856	992,428
Total Capital Employed	**5,028,428**	**7,774,438**	**8,340,399**	**8,717,040**	**8,838,338**
Operational Results					
Revenue	5,067,393	4,946,746	5,136,931	5,306,374	5,714,344
Gross Profit	1,109,159	994,596	1,140,318	1,194,146	1,110,370
Profit from operation	1,005,217	853,902	1,000,878	1,024,072	930,750
Profie before tax	589,488	503,850	674,063	666,859	638,802
Profite after tax	362,312	373,561	508,450	753,450	478,725
Ratios					
Gross Profit Ratio-%	21.89%	20.11%	22.20%	22.50%	19.43%
Net Profit Ratio-%	7.15%	7.55%	9.90%	14.20%	8.38%
Returne on Shareholders Equity-%	9.59%	5.88%	7.26%	10.01%	6.10%
Returne on Capital Employed-%	7.21%	4.80%	6.10%	8.64%	5.42%
Current Ratio-Times	1.70	3.07	2.58	2.49	2.11
Quick/Acid test ratio-Times	0.44	1.28	1.55	1.69	1.67
Inventory turnover ratio-Times	1.13	1.05	1.18	1.53	2.04
Total Assets turnover ratio-Times	1.01	0.64	0.62	0.61	0.65
Earnings Per Share(EPS)-Taka	2.42	1.84	1.77	2.34	1.35
Net Assets Value (NAV) per share-Taka	25.19	31.37	24.37	23.38	22.15
Net Operating Cash Flow per share-Tak	1.71	(0.71)	2.13	3.65	0.33
Debt Equity ratio-Times	1.0	0.46	0.49	0.45	0.51
Interest Coverage ratio	2.50	2.39	3.06	2.79	2.62
Market Price Per Share	-	27.70	20.50	16.70	21.10
Weighted Average No. of Shares	**150,000,000**	**202,500,000**	**287,500,000**	**322,000,000**	**354,200,000**

Annexure-6

PATTERN OF SHAREHOLDING

Related parties Transaction

Parent/Subsidiary/Associated companies and other related parties

Name	Relation	No. of Shares Held
Phoenix Finance and Investment Ltd.	Related Parties	3,630,000

Directors/CEO/CS/Head of Internal Audit and their spouses and minor children

Name of the Director	Relation	No. of Shares Held
Mr. Deen Mohammad	Chairman & Father of Mr. Md Shoeb	11,646,096
Mr. Mohammed Shoeb	Director & son of Mr. Deen Mohammad	8,812,496
Mr. Md. Ansar Ali	Director & MD & Father of Md. Rafique	7,084,000
Mr. Abdur Rahman	Director & DMD	7,084,000
Mr. M. A. Majid	Director	8,994,852
Mr. Md. Rafique	Director & son of Md. Ansar Ali	7,084,000
Mrs. Roxana Begum	Wife of Mr. Deen Mohammad	7,084,376
Mrs. Fahmida Begum	Daughter of Mr. Deen Mohammad	7,084,376
Mrs. Sadia Anjum Siddique	Wife of Mr. Mohammed Shoeb	1,275,120
Mrs. Shamima Rahman	Wife of Mr. Abdur Rahman	NIL
Mr. Sk. Abul Hassan	Chief Executive Officer (CEO)	NIL
Mrs. Alam Ara Khatun	Wife of Mr. Sk. Abul Hassan	82,800
Mr. Md. Razib Hossain, FCA	Chief Financial officer (CFO)	NIL
Mrs. Rehenuma Afroz	Wife of Md. Razib Hossain	NIL
Mr. Muhammad Abid Hossain FCMA	AGM & Head of Internal Audit	NIL
Mr. Md. Shohel Amin	Company Secretary (Current Charge)	NIL

Shareholding status of top 5 salaried employees other than CEO,CS,CFO& HIA

Name of the Shareholder	Position	No. of Shares Held
Mr. Hasan Shahzad Hannan	Sr. General Manager-C & GA	59,516
Lt. Col.(Retd.) Md. Zahir Hossain	Sr. General Manager-Plant	NIL
Md. Mojammel Hoque	General Manager-Head of Marketing	NIL
Lt.Col. (Retd.) Md. Saiful Islam	General Manager-Plant	NIL
Md. Hayat Al-Mamun	Asst General Manager-P & P	NIL

Shareholders holding 10% or more voting interest in the company

Name	Relation	No. of Shares Held
N/A	N/A	N/A

ANNEXURE-7

CERTIFICATE OF DUE DILIGENCE BY CEO & CFO TO THE BOARD OF DIRECTORS
(As required by BSEC Corporate Governance Guidelines)

Dated: October 30, 2017

The Board of Directors
Appollo Ispat Complex Ltd.
407, Tejgaon Industrial Area, (4th Floor),
Dhaka- 1208

We certify that:-

We have reviewed financial statements for the year ended June 30, 2017 and to the best of our knowledge and belief:

These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

These financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

To the best of our knowledge and belief, the company did not enter into any transactions which are contrary to the laws of the land or the ethical standards which the company adheres to.

MD. RAZIB HOSSAIN, FCA
Chief Financial Officer (CFO)

SK ABUL HASSAN
Chief Executive Officer (CEO)

AMARSTOCK

Annexure-8

Corporate Social Responsibility

Appollo Ispat Complex Limited, the pioneer in manufacturing CI sheets, has been contributing in nation building activities by providing necessary support to poor and vulnerable people.

With its motto of 'not only making profits, but standing beside the people with needs' the company has remained sincere in providing all sorts of supports to disaster-hit people also.

Appollo Ispat provides financial help to Swapnapuri School, situated at a slum in Dhaka.A total of 72 students are studying in the school. Appollo Ispat authority provides financial support to the school for paying salaries of teachers, pay rent of the school building, buy books and other study materials, school time food and also rice and flour to the families of the students.

Besides, Appollo Ispat actively took part in relief programs during natural calamities like Aila, SIDR. It stood beside the flood-hit people of the country's Northwestern region supporting them with funds and other relief materials.

The role of Appollo Ispat in the development of the country's sports and culture is commendable. Appollo Ispat arranges various festivals like fruit festival, theatre festival, film festival, etc. Appollo Ispat also sponsored some cricket tournament events.

Appollo Ispat donates CI sheet free of cost in schools, colleges, and religious institutions like Masjid, Madrasha etc. Sometime Appollo Ispat also sale C.I. sheet as cost price for schools and colleges.







REPORT OF THE AUDIT COMMITTEE

The Audit Committee, appointed by and responsible to the Board of Directors of Appollo Ispat Complex Limited, is constituted according to the internal control framework of the Company policy and as per notification of the Bangladesh Securities and Exchange Commission's (BSEC) SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012. The Committee comprised of three members, including 1(One) Independent Director. The Independent Director is appointed as the Chairman of the Audit Committee by the Board of Directors. The Company Secretary functions as the Secretary of the Committee. All members of the Committee are financially literate as per corporate Governance Guideline and able to interpret financial statements and assess the adequacy of the internal control processes.

The terms of reference of the Audit Committee has been determined by the Board in accordance with the Audit Committee Charter.

Role of the Committee

The Audit Committee's role flows directly from the Board's oversight function and it is authorized by the Board to investigate any activity within its terms of reference. The Committee reports regularly to the Board on the performance of the activities for which it has been assigned. The Committee's main responsibilities include:

- Reviewing the form and content and monitoring the integrity of the company's financial statements;
- Monitoring and reviewing the arrangements for ensuring the objectivity and effectiveness of the external and internal audit functions;
- Reviewing the establishment of adequate internal controls and compliance with laws and regulations.
- Recommending to the Board the appointment, reappointment or removal of the external auditors.
- Reviewing the adequacy and effectiveness of the company's internal controls and risk management system.
- Reviewing any related party transactions and conflict of interest situation that may arise within the Company, including any transaction, procedure or code of conduct that may raise questions of management integrity.
- Reviewing and monitoring the company's ethical standard, procedures for ensuring compliance with regulatory and financial reporting requirements and its relationship with the relevant regulatory authorities;
- Performing other activities as requested by the Board of Directors.

Meeting and Attendance

In the Financial Year 2016-17, the Audit Committee met four times. From time to time, senior members of the management and representatives of the external auditors had attended the meetings upon invitation by the audit Committee.

The Company Secretary is the Secretary of the Audit Committee, who facilities the Chairman and other members for effective function of the Committee as per its terms of reference as well as corporate governance notification of BSEC.

Activities carried out during the Financial Year 2016-17

In accordance with the "Audit Committee Charter", governed by the BSEC notification on Corporate Governance, the Audit Committee carried out its duties to work upon areas that were raised for consideration and discussed to evaluate issues related to key events of the Annual Financial reporting cycle. During the Financial Year 2016-17, the Audit Committee carried out the following activities:

1. **Financial Reporting Assurance**
   - Reviewed the quarterly and annual Financial Statements of the Company, in light of the financial performance of the Company.
   - Monitored and overseen choice of accounting policies, principles and financial reporting process.
   - Assessed the External Auditor's report on all critical accounting policies, significant judgment and practices used by the company in producing the financial statements.
2. **Internal Control and Risk Management Process**
   - Reviewed company's internal control framework.
   - Appraised on the Company's risk management framework.
   - Assessed the management process of investigations.
3. **Internal Audit**
   - Assessed and endorsed the annual Internal Audit Plan 2016-17 in accordance with the annual objectives and risks of the Company.
   - Reviewed all findings of the internal audit function and monitored the corresponding management actions to improve the controls.
4. **External Audit**
   - Reviewed the scope of the services to be provided by the External Auditors and did not approve any non-audit services to the External Auditors.
   - Reviewed the External Auditors' findings of observation and the management response thereto, and is satisfied that the External Auditors remain independent and that appropriate action is being taken on time.
5. **Related Party Transaction**
   - The committee also reviewed the related party transaction submitted by management and investing activities and it appears that all the due procedures and policies have been followed.

In pursuance with BSEC corporate governance guidelines dated August 07, 2012, the Audit Committee has also reviewed the Internal Audit Reports, the interim and annual Financial Statements and financial performance of Appollo Ispat Complex Ltd., besides the adequate controls, procedures and risk management are in place to provide reasonable assurance that the company's assets safeguarded and the financial position of the company is adequately managed.

The Audit Committee has also overseen the hiring and performance of the External Auditors. In this connection the Audit Committee notified the Board that the existing auditor MABS & J PARTNERS, Chartered Accountants are not eligible for reappointment for the Financial Year 2017-18 as per Bangladesh Securities & Exchange Commission's notification no. SEC/CMRRCD/ 2009-193/104/Admin dated July 27, 2011. The committee also recommend to appoint M/S Malek Siddqui Wali, Chartered Accountants as an auditor of the company for the year 2017-18 which is subject to the approval of the shareholders at the ensuing 23rd Annual General Meeting.

The committee found adequate arrangement to present a true and fair view of the financial performance of the company and did not find any material deviation, discrepancies or any adverse finding/ observation in the areas of reporting.

On behalf of the Audit Committee

Md. Abu Kaiser FCA
Chairman of the Audit Committee

Pictorial View of Appollo Ispat Complex Ltd.



Achievement of Director







Pictorial View of Appollo Ispat Complex Ltd.

Factory visited by Bankers & Others










Pictorial View of Appollo Ispat Complex Ltd.

Corporate Events

















Pictorial View of Appollo Ispat Complex Ltd.

















Pictorial View of Appollo Ispat Complex Ltd. — Factory Overview















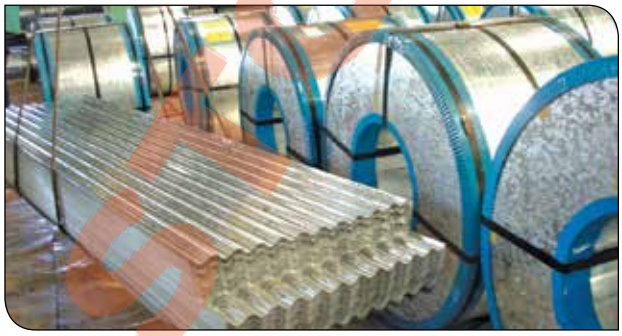






Pictorial View of Appollo Ispat Complex Ltd.









22nd AGM


APPOLLO ISPAT COMPLEX LTD.
22nd Annual General Meeting-2016


APPOLLO ISPAT COMPLEX
22nd Annual General Meeting


APPOLLO ISPAT COMPLEX LTD.
22nd Annual General Meeting-2016









Pictorial View of Appollo Ispat Complex Ltd.

















SHIELDING THE FUTURE

APPOLLO ISPAT COMPLEX LTD.



FINANCIAL STATEMENTS

For the year ended 30th June 2016

AMAR STOCK

AUDITORS' REPORT

TO THE SHAREHOLDERSOF APPOLLO ISPAT COMPLEX LIMITED

We have audited the accompanying financial statements of Appollo Ispat Complex Ltd. (AICL) which comprise the Statement of Financial Position as at 30 June 2017, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2017 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of Appollo Ispat Complex Ltd. (AICL) as at 30 June 2017 and (of) its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), comply with the Companies Act 1994, the Securities and Exchange Commission Act 1993 and other applicable Laws and Regulations.

We also report that:

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

b) 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 those books;

c) The Company's Statement of financial position, dealt with by the report are in agreement with the books of accounts; and

d) The expenditure incurred was for the purpose of the company's business.

Dated: Dhaka, 30 October 2017

MABS & J Partners
Chartered Accountants

APPOLLO ISPAT COMPLEX LIMITED

Statement of Financial Position

As on 30 June 2017

Particulars	Notes	Amount in Taka	
		30th June 2017	30th June 2016
ASSETS			
Non-Current Assets		**4,811,878,401**	**4,769,152,607**
Property, Plant and Equipment	3.00	2,884,022,386	2,955,702,877
Capital Work-in-Process	4.00	1,927,856,015	1,813,449,730
Investment	5.00	**100,381,538**	**100,476,389**
Current Assets		**7,588,072,483**	**6,550,208,668**
Inventories	6.00	2,073,061,052	2,432,965,665
Trade & Other Receivables	7.00	2,933,494,369	2,425,155,013
Advances, Deposits and Prepayments	8.00	2,561,727,721	1,672,353,008
Cash and Cash Equivalents	9.00	19,789,340	19,734,982
TOTAL ASSETS		**12,500,332,422**	**11,419,837,664**
EQUITY AND LIABILITIES			
Shareholders Equity		**7,845,909,815**	**7,528,184,485**
Share Capital	10.00	3,542,000,000	3,220,000,000
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	1,962,331,626	1,966,606,296
Non-Current Liabilities		**1,064,368,064**	**1,260,419,516**
Long Term Borrowings	14.00	992,428,084	1,188,855,569
Liabilities for Differed Tax	20.00	71,939,980	71,563,947
Current Liabilities		**3,590,054,543**	**2,631,233,663**
Short Term Borrowings	15.00	1,914,143,972	1,047,339,663
Bank Overdraft	16.00	284,054,401	198,754,107
Current Portion of Long Term Borrowings	14.00	802,396,307	969,786,824
Liabilities for Expenses	17.00	55,858,170	49,547,015
Trade & Other Payables	18.00	16,368,582	26,952,984
Provision for Income Tax	19.00	370,565,287	210,488,801
Other Provisions	21.00	146,667,825	128,364,269
TOTAL EQUITY AND LIABILITIES		**12,500,332,422**	**11,419,837,664**
Net Asset Value (NAV)	30.00	**22.15**	**23.38**
Restated Net Asset Value (RNAV)	30.00	**22.15**	**21.25**

The accounting policies and other notes from 01 to 35 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 30.10.2017 and signed on its behalf by :

Chief Financial Officer | **Managing Director** | **Director**

AUDITORS' REPORT TO THE SHAREHOLDERS:
This is the Statement of Financial Position referred to in our report of even date.

Dated: 30 October 2017

MABS & J Partners
Chartered Accountants

APPOLLO ISPAT COMPLEX LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2017

Particulars	Notes	Amount in Taka	
		2016-2017	2015-2016
Net Turnover	22.00	5,714,343,956	5,306,374,138
Cost of Goods Sold	23.00	(4,603,973,528)	(4,112,228,376)
A. Gross Profit		**1,110,370,428**	**1,194,145,762**
B. Operating Expenses		**179,620,010**	**170,074,262**
Administrative Expenses	24.00	134,903,485	122,420,732
Selling and Distribution Expenses	25.00	44,716,524	47,653,530
C. Profit from Operation (A-B)		**930,750,418**	**1,024,071,500**
Financial Expenses	26.00	420,600,360	396,552,306
		510,150,059	**627,519,193**
Non Operating Income	27.00	169,844,209	81,669,066
Net Profit Before Provision & Tax		**679,994,268**	**709,188,259**
Provision For Gratuity	21.01	(7,571,303)	(7,231,240)
Provision for Workers Profit Participation & Welfare Fund	21.02	(33,621,148)	(35,097,851)
Net Profit Before Tax		**638,801,816**	**666,859,168**
Taxation	28.00	(160,076,486)	86,590,490
Net Profit After Tax		**478,725,330**	**753,449,659**
Earning Per Share (EPS)	29.00	**1.35**	**2.34**
Earning Per Share (EPS) (Restated)	29.00	**1.35**	**2.13**

The accounting policies and other notes from 01 to 35 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 30.10.2017 and signed on its behalf by :

Chief Financial Officer | **Managing Director** | **Director**

AUDITORS' REPORT TO THE SHAREHOLDERS:

This is the Statement of Profit or Loss and other Comprehensive Income referred to in our report of even date.

MABS & J Partners
Chartered Accountants

Dated: 30 October 2017

APPOLLO ISPAT COMPLEX LIMITED

Statement of Changes In Equity

For the Year Ended 30 June 2017

Amount in Tk.

Particulars	Share Capital	Share premium	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at 01-07-2015	**2,875,000,000**	**1,200,000,000**	**1,141,578,189**	**1,790,573,121**	**7,007,151,310**
Net Profit after Tax	-	-	-	753,449,659	753,449,659
Bonus Share Issued	345,000,000	-	-	(345,000,000)	-
Cash Dividend Paid	-	-	-	(86,250,000)	(86,250,000)
Unabsorbed Depreciation Carry Forwarded u/s 42(6)	-	-	-	(146,166,484)	(146,166,484)
Closing Balance (30-06-2016)	**3,220,000,000**	**1,200,000,000**	**1,141,578,189**	**1,966,606,296**	**7,528,184,485**
Balance as at 01-07-2016	**3,220,000,000**	**1,200,000,000**	**1,141,578,189**	**1,966,606,296**	**7,528,184,485**
Net Profit after Tax	-	-	-	478,725,330	478,725,330
Cash Dividend Paid	-	-	-	(161,000,000)	(161,000,000)
Bonus Share Issued	322,000,000	-	-	(322,000,000)	-
Closing Balance (30-06-2017)	**3,542,000,000**	**1,200,000,000**	**1,141,578,189**	**1,962,331,626**	**7,845,909,815**

The accounting policies and other notes from 01 to 35 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 30.10.2017 and signed on its behalf by :

Chief Financial Officer | Managing Director | Director

AUDITORS' REPORT TO THE SHAREHOLDERS:

This is the Statement of Changes in Equity referred to in our report of even date.

MABS & J Partners
Chartered Accountants

Dated: 30 October 2017

STEELYARD STOCK

APPOLLO ISPAT COMPLEX LIMITED

Statement of Cash Flows

For the year ended 30 June 2017

Particulars	Amount in Taka	
	2016-2017	2015-2016
Cash Flows from Operating Activities:		
Cash Receipts from Customers and Others	5,206,004,600	4,804,244,794
Cash Receipts from Other Income	169,844,209	81,669,066
Cash Payments to Suppliers, Employees and Others	(5,258,719,061)	(3,709,783,472)
A) Net Cash used in Operating Activities	***117,129,748***	***1,176,130,387***
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(34,515,380)	(231,494,016)
Capital Work in Process	(114,406,285)	(412,398,308)
B) Net Cash used in Investing Activities	***(148,921,665)***	***(643,892,324)***
Cash Flows from Financing Activities:		
Borrowing Costs/Finance Costs	(420,600,360)	(396,552,306)
Increase/(Decrease) in Bank Overdraft	85,300,293	9,410,761
Dividend Paid	(135,839,966)	(82,502,546)
Increase/(Decrease) in Short Term Borrowings	866,804,308	(2,109,950)
Increase/(Decrease) in Long Term Borrowings	(363,818,002)	(58,762,641)
C) Net Cash Flows from Financing Activities	***31,846,274***	***(530,516,682)***
Net increase in Cash and Bank Balances (A+B+C)	**54,358**	**1,721,381**
Cash and Cash Equivalent at beginning of Year	19,734,982	18,013,601
Cash and Cash Equivalent at end of Year	***19,789,340***	***19,734,982***
Net Operating Cash Flows per Share-NOCFPS (Adjusted)	**0.33**	**3.65**

The accounting policies and other notes from 01 to 35 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 30.10.2017 and signed on its behalf by :

Chief Financial Officer | **Managing Director** | **Director**

AUDITORS' REPORT TO THE SHAREHOLDERS:

This is the Statement of Cash Flows referred to in our report of even date.

MABS & J Partners
Chartered Accountants

Dated: 30 October 2017

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

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 Color 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 (CRM) 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 expected to go into commercial production from December 2017.

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) 1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

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 and 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 as profit or loss as per BAS-21 "The Effects of Changes in Foreign Exchange Rates".

2.05 Reporting Period:

The period of the financial statements covers 1 (one) financial year from 1st July to 30th June of following year consistently. Period of these report is from 01 July 2016 to 30 June 2017.

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 BFRS 8 "Operating Segments" 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.

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 28	Investment in Associates and Joint Venture
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 this 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 except land which was stated at revalued amount 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 revalued amounts in accordance with BAS: 16 Property , Plant & Equipment. The fixed assets 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.

FINANCIAL STOCK

2.13.2 Depreciation on Tangible Non-Current Assets:

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

Depreciation on Non-Current 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 Non-Current Assets	10%

Depreciation Method, useful lives and residual values are reviewed at each financial year end and adjust 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 erection of capital machinery has already started and expected to complete into commercial production by end of December 2017. Spare Parts expected to be used for more than one year are treated as Capital work in process. Capital Work in Process is recognized 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 capitalized 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 Non-Current assets have been reviewed and it was confirmed that no such Non-Current 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 Statement of Profit or Loss and Other Comprehensive Income 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 eligibility 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 getting approval by the National Board Revenue 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(Amendment 2015) 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 The Institute of Chartered Accountants of Bangladesh (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 BAS 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 number of ordinary shares outstanding the end of the year.

2.24 Components of Financial Statements:

- Statement of Financial Position
- Statement of Profit or Loss and other Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows
- 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 Bangladesh Accounting Standards (BASs) 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.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars		Amounts in Taka	
			30 June 2017	30 June 2016
3.00	**Property, Plant and Equipment: Tk. 2,884,022,386**			
	This amount consists as follows:			
	A. Total Cost		**4,910,853,803**	**4,873,651,142**
	Cost (Opening Balance)		4,873,651,142	4,642,157,126
	Add: Addition during the year		42,315,380	231,494,016
	Less: Disposal during the year		(5,112,719)	-
	B. Accumulated Depreciation		**2,026,831,417**	**1,917,948,264**
	Opening Balance		1,917,948,264	1,805,636,114
	Add: Charged during the year		108,883,152	112,312,150
	Written down value: WDV (A-B)		**2,884,022,386**	**2,955,702,877**
4.00	**Capital Work-in-Process: Tk. 1,927,856,015**			
	This amount consists as follows:			
	Opening Balance	Note-4.01	1,813,449,730	1,401,051,422
	Add: Addition during the year	Note-4.02	114,406,285	412,398,308
			1,927,856,015	**1,813,449,730**
4.01	**Opening Balance: Tk.1,813,449,730**			
	This amount consists as follows:			
	Machinery Work-In Process		1,040,970,604	912,759,382
	Building & Other Work-In Process		772,479,126	488,292,040
			1,813,449,730	**1,401,051,422**
4.02	**Addition during the year: Tk. 114,406,285**			
	This amount consists as follows:			
	Machinery Work-In Process		56,515,978	128,211,222
	Building & Other Work-In Process		57,890,307	284,187,086
			114,406,285	**412,398,308**
5.00	**Investment: Tk. 100,381,538**			
	This amount consists as follows:			
	Un-Quoted			
	Palash Spinning Mills Ltd.		100,000,000	100,000,000
	Phoenix Holdings Ltd.		381,538	476,389
	Total		**100,381,538**	**100,476,389**

(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.

(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. 3,728,207 up to 30-06-2017. Due to reported Loss upto 30.06.2017 Appollo Ispat Complex Ltd. has recognized 30% Holding Loss which is equivalent of Tk. 11,18,462 by this reason Investment stands at Tk. (15,00,000-11,18,462)= Tk. 381,538.

6.00	**Inventories: Tk. 2,073,061,052**			
	This amount consists as follows:			
	Finished goods		674,391,938	629,113,625
	Work in Process		877,899,640	994,516,675
	Raw materials		466,067,862	763,598,344
	Spare Parts		54,701,612	45,737,021
			2,073,061,052	**2,432,965,665**

AMAR STOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars	Amounts in Taka	
		30 June 2017	30 June 2016
7.00	**Trade & Other Receivables: Tk. 2,933,494,369**		
	This amount consists as follows:		
	Trade Receivable:		
	Opening balance	2,384,179,898	1,882,050,554
	Add: Sales during the year	5,714,343,956	5,306,374,138
		8,098,523,854	**7,188,424,692**
	Less: Adjustment/recovery	5,203,373,001	4,804,244,794
	A. Total Trade Receivable	**2,895,150,853**	**2,384,179,898**
	Other Receivable:		
	Insurance Receivable	38,343,516	38,343,516
	Interest Receivable	-	2,631,599
	B. Total Other Receivable	**38,343,516**	**40,975,115**
	Total Trade & Other Receivables (A+B)	**2,933,494,369**	**2,425,155,013**
	A district wise break down given below:		
	B. Baria	79,806,374	52,736,617
	Bagerhat	90	90
	Barisal	1,878,828	(1,031,366)
	Bola	71,730,325	49,366,796
	Bogra	686,624,122	471,195,518
	Borguna	5,177,996	67,265
	Chandpur	47,388,942	29,640,335
	Chittagong	2,148,407	2,148,131
	Chuadanga	52,079,182	42,078,258
	Comilla	53,632,511	30,399,370
	Dhaka	1,085,163,041	1,168,109,260
	Dinajpur	202,877	193,027
	Faridpur	(1,711,294)	(14,684,469)
	Feni	685,936	1,622,783
	Gaibandha	96,387,825	67,875,334
	Gazipur	89,241,762	79,536,565
	Gopalgonj	229,415	467,951
	Jamalpur	53,014,951	53,239,148
	Jessore	64,332,066	45,941,633
	Jhalokati	741,784	(1,997,532)
	Jhenaidah	3,408,770	1,491,589
	Khulna	41,548,380	35,717,279
	Kustia	1,847,021	(3,582,503)
	Kishorgonj	6,078,761	1,818,319
	Kurigram	108,359	(1,127,947)
	Lalmonirhat	58,034	596,042
	Madaripur	1,061,021	423,375
	Magura	472,177	1,471,607
	Mymensingh	9,746,179	6,240,269
	Manikgonj	236,730	252,800
	Munshigonj	1,758	-
	Naogaon	515,381	(2,222,821)
	Narail	2,324,836	(881,559)
	Narayangonj	6,928,810	6,914,389
	Natore	1,943,507	2,123,507
	Netrokona	2,790,050	580,382
	Nayabazar	26,523,350	26,823,000
	Nilfamary	59,378,751	33,672,360
	Noakhali	4,507,071	3,916,932
	Norshingdhi	16,146,172	2,195,228
	Others (Trade Debtors)	(15,289,073)	(33,089,987)
	Suspense A/c (Trade Debtors)	46,354	46,354
	Pabna	4,907,428	(829,167)
	Panchagar	77,550,642	52,941,241

AMAR STOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars		Amounts in Taka	
			30 June 2017	30 June 2016
	Potuakhali		2,585,193	729,721
	Pirojpur		404,941	404,941
	Rajbari		(342,887)	(7,022,943)
	Rajshahi		1,962,311	(1,180,884)
	Rangpur		114,892,905	82,753,069
	Satkhira		291,988	291,988
	Sariyatpur		7,731	7,646
	Sherpur		35,864,541	4,837,420
	Sirajgonj		(534,845)	134,240
	Sylhet		136,027,716	85,640,420
	Tangail		(56,269,840)	2,645,965
	Thakurgaon		18,551,940	3,163,851
	Zinjira		113,552	(620,938)
	Total		**2,895,150,853**	**2,384,179,898**
8.00	**Advances, Deposits and Prepayments: Tk. 2,561,727,721**			
	This amount consists as follows:			
	Advances	Note-8.01	2,415,464,302	1,580,502,294
	Deposits and Investments	Note-8.02	146,263,418	91,850,714
			2,561,727,721	**1,672,353,008**
8.01	**Advances: Tk. 2,415,464,302**			
	This amount consists as follows:			
	Against Goods and Services		368,591,217	208,502,068
	Against Salary		9,998,927	18,408,936
	Against Land Purchase		336,785,714	136,285,714
	Advance Building Construction for NOF		286,500	286,500
	Advance for Preliminary & Pre-Operating Expense (NOF)		12,606,294	1,425,540
	Advance Income Tax	Note-8.01.1	499,655,610	339,966,313
	Factory Current Account		1,560,249	3,398,183
	Material in Transit		852,581,374	715,049,616
	L/C Margin		332,951,752	152,804,545
	VAT Current Account		182,665	2,912,179
	Bank Guarantee Commission		264,000	1,462,700
			2,415,464,302	**1,580,502,294**
8.01.1	**Advance Income Tax: Tk. 499,655,610**			
	This amount consists as follows:			
	Opening Balance		339,966,313	180,115,707
	Add: Addition during the year		159,689,297	159,850,606
	Less: Refund during the year		-	-
	Less : Adjusted after Tax Assessment		-	-
	Closing Balance		**499,655,610**	**339,966,313**
8.02	**Deposits and Investments: Tk. 146,263,418**			
	This amount consists as follows:			
	FDR with Eastern Bank Ltd.		59,659,908	54,570,295
	CDBL		500,000	500,000
	FDR with Bank Asia Ltd.		-	2,020,257
	FDR with South East Bank Ltd.		3,803,312	3,303,980
	FDR with IFIC Bank Ltd.		50,796,106	-
	FDR with Jamuna Bank Ltd.		414,000	426,089
	Deposit Against GAS cylinder		60,000	-
	Security deposit with WASA, DESA & Custom		31,030,093	31,030,093
			146,263,418	**91,850,714**

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars		Amounts in Taka	
			30 June 2017	30 June 2016
9.00	**Cash and Cash Equivalents: Tk. 19,789,340**			
	This amount consists as follows:			
	Cash in Hand		374,896	496,427
	Cash at Bank	Note-9.01	19,414,444	19,238,555
			19,789,340	**19,734,982**
9.01	**Cash at Bank: Tk. 19,414,444**			
	This amount consists as follows:			
	Agrani Bank Ltd Tejgaon Br.	A/c No-699597	268,615	848,579
	AB Bank Ltd Kawran Bazar Br.	A/c No-680000	201,772	296,242
	AB Bank Ltd Kawran Bazar Br.	A/c No-STD 750680-430	-	15,812
	Al-Arafah Islami Bank Ltd Motijheel	A/c No 15224	221,672	300,866
	Al-Arafah Islami Bank Ltd Jatra Bari	A/C No 200078491	230,032	54,931
	Bank Asia Ltd Scotia Br.	IPO STD-764	5,420,322	5,232,651
	Bank Asia Ltd Scotia Br.	A/c No-495	368,356	66,617
	Basic Bank Ltd karwan bazar	A/cNo-000180	133,308	2,061,636
	BRAC Bank Ltd Gulshan Br.	A/c No-84004	14,110	15,720
	BRAC Bank Ltd Kawran Bazar Br.	A/c No- 130284001	80,317	-
	City Bank Ltd Po Motijheel	A/c No-872001	-	228,493
	City Bank Ltd Motijheel	A/c No-872002	728,331	3,747,454
	Dutch Bangla Bank Ltd Dilkusha	A/c No-002704	1,657,485	44,849
	Dutch Bangla Bank Ltd /Local KB	A/c No-11053	124,989	124,989
	Dhaka Bank Ltd K.Bazar Local	A/c No-6359	3,351,647	-
	Eastern Bank Ltd Sonargoan Br.	A/c No-008112	1,557,956	57,956
	Exim Bank Ltd Motijheel	A/c No-006	277,405	415,466
	First Security Bank Ltd Mohakhali Br.	A/c No-000518	161,260	90,351
	Islami Bank BD Ltd Mohakhali	A/c No-0001007	298,669	98,642
	Islami Bank BD Ltd Gandria	A/c No-5107	5,000	5,000
	IFIC Bank Ltd K.Bazar	A/c No-124260001	16,665	115,651
	Jamuna Bank Ltd Dhilkusha	A/c No-0195	1,300,505	131,050
	Janata Bank Ltd Bangshal Br.	A/c No-040010	-	711,327
	Janata Bank Ltd Farmgate Br.	A/c No-000173	70,168	64,584
	Mutual Trust Bank Ltd Motijheel Br.	A/c No-10672/23	48,767	(4,298)
	Mutual Trust Bank Ltd Dhanmondi Br.	A/c No-01875	10,000	10,000
	National Bank Ltd Dhilkusha Br.	A/c No-3379	167,284	78,845
	National Bank Ltd Dhilkusha Br.	A/c No- New Ipo	10,000	10,000
	National Bank Ltd K Bazzar	A/c No. 000603	72,387	-
	NCC Bank Ltd Dhanmondhi Br.	A/c No. 10127	1,865	5,804
	NRB bank	A/c No 22067	10,000	10,000
	One Bank Ltd Dhilkusha Br.	A/c No. 238007	199,474	187,074
	Prime Bank Ltd K.Bazzar	A/c No 8756	72,545	618,871
	Primier Bank Ltd Gulshan Br.	A/c 7477	2,867	4,017
	Pubali Bank Ltd Tejgaon	A/c No. 0017	2,360	2,360
	Pubali Bank Ltd Tejgaon	A/c No. 009161	295,335	175,135
	Rupali Bank Ltd Green Road	A/c No. 000155	388,687	68,388
	Southeast Bank Ltd Dhanmondhi Br.-25	A/c No. 9826	4,386	1,830
	Southeast Bank Ltd Dhanmondhi Br.	A/c No. 000939	21,429	27,035
	Shajalal Bank Ltd Motijheel Br.	A/c No. 6337	147,941	222,972
	Social Islami Bank Ltd Motijheel Br.	A/c No. 37219	503,868	7,803
	Social Islami Bank Ltd Panthopath Br.	A/c No. 000979	-	176,922
	Sonali Bank Ltd A.H.M Br.	A/c No. 000097	102,795	119,468
	Sonali Bank Ltd Tejgaon Br.	A/c No. 000032	167,710	167,710
	Sonali Bank Ltd Motejheel Br.	A/c No. 8235	5,000	5,000
	Sonali Bank Ltd RJC Motejheel Br.	A/c No 131303006	59,917	1,229,985
	State Bank Of India	A/c No. 202001	6,430	7,580
	United Commercial Bank Ltd Mohakhali Br.	A/c No. 000177	356,422	482,399
	United Commercial Bank Ltd Naya Bazar Br.	A/c No. 000125	55,690	55,690
	Uttara Bank Ltd A.H.M Br.	A/c No. 212361	212,704	839,098
			19,414,444	**19,238,555**

BMSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars		Amounts in Taka	
			30 June 2017	30 June 2016
10.00	**Share Capital: Tk. 3,542,000,000**			
	This amount consists as follows:			
	Authorized Capital: Tk. 5,000,000,000			
	This amount consists as follows:			
	500,000,000 Ordinary share of Tk.10 each.		**5,000,000,000**	**5,000,000,000**
	Issued, Subscribed and paid up Capital: Tk. 3,220,000,000			
	This amount consists as follows:			
	250,000,000 Ordinary Share of Tk.10 each, fully paid up in cash		2,500,000,000	2,500,000,000
	Bonus Shares	Note-10.01	1,042,000,000	720,000,000
			3,542,000,000	**3,220,000,000**
10.01	**Bonus Share capital: Tk. 1,042,000,000**			
	This amount consists as follows:			
	Bonus 2013-2014 : 37,500,000 Bonus Share@ Tk.10 each.		375,000,000	375,000,000
	Bonus 2014-2015 : 34,500,000 Bonus Share@ Tk.10 each.		345,000,000	345,000,000
	*Bonus 2015-2016 : 32,200,000 Bonus Share@ Tk.10 each.		322,000,000	-
			1,042,000,000	**720,000,000**

* For the Financial Year 2015-16 Board of Directors of the company declared Dividend: 10% Stock; 5% cash as per approval at 22nd Annual General Meeting hold on 22nd December 2016.

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

A. Director's Shareholding:

Name of Shareholders	Status with the Company	30 June, 2017 % of Holding
Deen Mohammad	Chairman	3.2880%
Mohammad Shoeb	Vice Chairman	2.4880%
Md. Ansar Ali	Managing Director	2.0000%
Abdur Rahman	Dy Managing Directo	2.0000%
M.A Majid	Director	2.5400%
Md Rafique	Director	2.0000%
Ms.Roxshana Begum	Sponsor	2.000%
Evana Fahmida Mohammad	Sponsor	2.000%
Md.Sirajul Haque	Sponsor	2.7323%
Murshida Hossain	Sponsor	0.0140%
Md. Mustafijul Huque	Sponsor	0.1329%
		21.1953%

B. Other Shareholders:

Details of Shareholding	30 June, 2017 % of Holding
Above 5 % shareholding:	0.00%
Below 5% shareholdings	78.80%
Total	**78.80%**
Grand Total (A+B)	**100.00%**

AMAR STOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars	Amounts in Taka	
		30 June 2017	30 June 2016

Classification of Shareholders by holding:

Particulars	No of Shares	30 June, 2017 No. of holders	30 June, 2016 % of Holding
Less than 500 Shares	8,955,282	35,690	2.53%
501to 5000 Shares	28,508,251	13,144	8.05%
5,001 to 10,000 Shares	23,649,835	3,049	6.68%
10,001 to 20,000 Shares	27,279,306	1,838	7.70%
20,001 to 30,000 Shares	17,545,934	691	4.95%
30,001 to 40,000 Shares	12,001,571	335	3.39%
40,001 to 50,000 Shares	11,875,665	255	3.35%
50,001 to 100,000 Shares	27,636,180	372	7.80%
100,001 to 1,000,000 Shares	62,819,800	251	17.74%
1,000,000 to above Shares	133,928,176	33	37.81%
	354,200,000	**55,658**	**100.00%**

11.00 Share Premium: Tk. 1,200,000,000

This amount consists as follows:

100,000,000 Ordinary Share 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: Tk. 1,141,578,189

This is as per last Account

*Land & Land Development	1,141,578,189	1,141,578,189
	1,141,578,189	**1,141,578,189**

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

13.00 Retained Earnings: Tk. 1,962,331,626

This amount consists as follows:

Balance Brought Forward	Note-13.01	1,966,606,296	1,790,573,121
Add. Profit for the Year		478,725,330	753,449,659
Add: Unabsorbed dep. Allowance Carry Forwarded u/s 42(6)		-	-
		2,445,331,626	**2,544,022,780**
Less: Reversal Tax benefit on Unabsorbed Depreciation allowance carry forwarded u/s 42(6) (Since this amount has been considered as per Assessment in the New Tax Liabilities (BAS-8,Para-36)		-	(146,166,484)
Less: Cash Dividend paid to share holder as per approval at 22th Annual General Meeting from 32,20,00,000 shares @5%		(161,000,000)	(86,250,000)
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.		(322,000,000)	-
Less: Amount Transferred to Share Capital as Bonus Share of 345,00,000 (12% Stock Bonus) @ Tk. 10 each with due approval at 21th Annual General Meeting.		-	(345,000,000)
Balance carried forward		**1,962,331,626**	**1,966,606,296**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars	Amounts in Taka	
		30 June 2017	30 June 2016
13.01	**Opening Retained Earnings: Tk. 1,966,606,296**		
	This amount consists as follows:		
	Balance Brought Forward	1,966,606,296	1,790,573,121
	Less: Impairments	-	-
	Add: Borrowing cost	-	-
		1,966,606,296	**1,790,573,121**

14.00 Long Term Borrowings and Current Portion: Tk. 1,794,824,391

This amount consists as follows:

Name of Bank	30 June 2017		30 June 2016	
	Due within one year	Due after more than one year	Due within one year	Due after more than one year
Bank Asia	-	-	171,681,600	155,176,333
Jamuna Bank Ltd.	120,630,000	214,681,372	-	-
IFIC Bank Ltd.	228,383,328	191,524,496	337,583,328	319,991,387
Mercantile Bank limited	60,000,000	117,124,492	60,000,000	139,832,575
Mutual trust Bank limited	51,783,804	22,239,379	82,677,252	43,486,200
NCC Bank limited	100,404,000	5,189,452	100,404,000	72,267,598
Southeast Bank Ltd	3,624,107	-	14,477,444	-
GSP Finance & Investment Ltd.	13,960,956	27,985,066	14,000,004	33,579,824
GSP Finance Company Ltd.(Lease)	13,960,956	30,762,633	-	51,159,899
Phoenix Finance & Investment Ltd	93,968,124	264,505,386	73,282,164	197,380,806
Islamic Finance & Investment Ltd	55,593,960	106,248,201	55,593,960	124,568,605
Social Islami Bank limited	60,087,072	12,167,607	60,087,072	51,412,342
Total	**802,396,307**	**992,428,084**	**969,786,824**	**1,188,855,569**
Total Long Term Borrowings	**1,794,824,391**		**2,158,642,393**	

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 flouting 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: Tk. 1,914,143,972

This amount consists as follows:

Jamuna Bank Ltd (TR)	305,269,295	150,457,423
Mutual Trust Bank Ltd (TR)	129,838,311	123,241,930
IFIC Bank Ltd (Force/Loan)	-	10,309,961
IFIC Bank Ltd (TR)	227,501,313	139,761,337
IFIC Bank Ltd (Deferred LC)	165,372,314	150,339,235
GSP Finance Company Ltd.	356,267,117	101,166,667
Southeast Bank Ltd (TR)	100,799,915	60,993,377
Phoenix Finance & Investment Ltd	169,484,069	150,698,333
Loan General with IFIC Bank Ltd	-	100,144,444
Term Loan with Jamuna bank Ltd.	152,819,972	60,226,956
MIDAS Finance Ltd.	101,791,666	-
Union Capital Ltd.	205,000,000	-
	1,914,143,972	**1,047,339,663**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars		Amounts in Taka	
			30 June 2017	30 June 2016
16.00	**Bank Overdraft: Tk. 284,054,401**			
	This amount consists as follows:			
	Jamuna Bank		61,622,160	41,293,370
	Dhaka Bank Ltd. K Bazar		-	3,774,063
	AB Bank Ltd Kawran Bazar Br.		2,996,571	-
	National Bank Ltd. K Bazzar		-	1,125,803
	IFIC Bank Ltd.		204,431,101	152,560,872
	City Bank Ltd Po Motijheel		13,488,638	-
	Janata Bank Ltd Bangshal Br.		1,378,143	-
	Social Islami Bank Ltd Panthopath Br.		137,788	-
			284,054,401	**198,754,107**
17.00	**Liabilities for Expenses: Tk. 55,858,170**			
	This amount consists as follows:			
	Audit Fee		330,000	457,500
	Electricity		4,560,835	12,736,463
	Gas		18,406,088	11,802,406
	Salary and Allowances		13,295,828	8,198,003
	Wages and Salary		3,652,617	2,817,998
	AIT Payable		527,017	325,149
	Income Tax Deducted at Source from Salary		276,143	746,443
	Income Tax Deducted at Source -others		-	500,737
	VAT Deducted at Source		4,885,044	3,059,155
	AGM Expenses		2,398,685	2,590,800
	Telephone		441,168	332,132
	Contribution to Provident Fund		7,084,745	5,980,229
			55,858,170	**49,547,015**
18.00	**Trade & Other Payables: Tk. 16,368,582**			
	This amount consists as follows:			
	Trade Payables	Note-18.01	6,562,815	17,961,041
	Other Payables	Note-18.02	9,805,767	8,991,943
			16,368,582	**26,952,984**
18.01	**Trade Payables: Tk. 6,562,815**			
	This amount consists as follows:			
	AK Traders		2,770,756	3,782,659
	Airtech		493,500	257,500
	AbulHossain &Co		-	1,716,700
	Ator Banu Traders		143,450	446,450
	Basundhara Industrial Complex			875,000
	B2B Communication		-	1,275,774
	Bengal Carbon & Teflon Tech		-	94,500
	BRB Cable Industries Ltd		-	1,058,161
	Encon		-	166,350
	Eastern Chemical		23,289	-
	Mr.Jalil Traders		-	2,774,522
	MD Steel Casting Indus.		20,000	500,000
	Hazi Zabbar Enterprise		-	328,548
	Hilfu We Engineering		160,000	-
	Happy Int.		1,620	-
	Deluar Paint & Hardware		-	120,600
	Mofizul Islam Technical Boaring		120,400	-
	Motaleb Iron Store		30,000	30,000
	National Steel Corp.		203,277	-
	Sensotec Automation & Control		-	69,000

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars	Amounts in Taka	
		30 June 2017	30 June 2016
	System Engineering	-	40,000
	Divine IT	20,000	-
	Prime Technologies	12,000	-
	S.B Rubber Industries	169,200	-
	Rafi Ent.	140,000	-
	Pakard Eng. Ltd.	12,225	-
	The Eastern Chemicals Ltd	-	777,812
	Royal Rubber Insd.	675,904	648,725
	HR International	-	1,088,339
	J.Co Battery (Antimoni)	-	189,893
	Sunrise Chemical	1,210,471	1,720,508
	S Construction	38,603	-
	Surat Ali Enterprise	162,120	-
	Department of Mechanical Eng. BUET	156,000	-
		6,562,815	**17,961,041**

18.02 Other Payables: Tk. 9,805,767

This amount consists as follows:

Dividend Unpaid	5,096,292	3,747,454
IPO Applicant (Refund warrant with Bank Asia)	4,619,475	4,954,489
Satcom IT Ltd	90,000	290,000
	9,805,767	**8,991,943**

19.00 Provision for Income Tax: Tk. 370,565,287

This amount consists as follows:

Opening balance		210,488,801	295,754,089
Provision made during the Period	Note :28.00	160,076,486	166,714,792
Less: Tax benefit on Unabsorbed Dep.allowance Carry Forwarded u/s 42(6)		-	251,980,080
Less: Adjusted/Paid during the Period as per Assessment		-	-
Closing balance		**370,565,287**	**210,488,801**

20.00 Liabilities for Differed Tax: Tk. 71,939,979

This amount consists as follows:

Carrying Value of Fixed Assets	979,948,372	1,065,533,438
As Tax Base	547,783,634	547,783,634
Temporary Difference	**432,164,738**	**517,749,804**
Addition not included in Tax Base	(144,404,821)	(231,494,016)
Net Temporary Difference	**287,759,917**	**286,255,788**
Differed Tax Liabilities @25%	**71,939,979**	**71,563,947**
Deferred Tax Liability/Expenses	-	-
Deferred Tax Asset/Income during the Period	**376,032**	**(1,325,202)**

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

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars		Amounts in Taka	
			30 June 2017	30 June 2016
21.00	**Other Provisions: Tk. 146,667,825**			
	This amount consists as follows:			
	Provision For Gratuity	Note-21.01	24,566,240	17,684,181
	Provision for Workers Profit Participation & Welfare Fund	Note-21.02	93,408,185	78,505,890
	Provision for Bad Debts	Note-21.03	28,693,400	32,174,198
			146,667,825	**128,364,269**
21.01	**Provision For Gratuity: Tk. 24,566,240**			
	This amount consists as follows:			
	Opening balance		17,684,181	13,979,013
	Add. Addition made during the period		7,571,303	7,231,240
	Less: Gratuity Paid		689,244	3,526,072
	Total		**24,566,240**	**17,684,181**
	The Company made provision for gratuity equivalent to two months basic pay for all illegible employee during the year.			
21.02	**Provision for Workers Profit Participation & Welfare Fund: Tk. 93,408,185**			
	This amount consists as follows:			
	Opening balance		78,505,890	62,329,095
	Add. Addition Made During the Year		33,621,148	35,097,851
	Less: Paid During the Year as Per Rule (80% of Tk. 35,097,851=2/3rd of 28,078,281)		18,718,854	(18,921,056)
	Total		**93,408,185**	**78,505,890**
	The Company made provision for Workers Profit Participation Fund (WPPF) @ 5% of the profit before charging such expense .			
21.03	**Provision for Bad Debts: Tk. 28,693,400**			
	This amount consists as follows:			
	Opening Balance		32,174,198	23,098,707
	Add. Addition Made During the Year		2,567,612	12,663,991
			34,741,810	35,762,698
	Less: Recovery During the Year		6,048,410	3,588,500
	Closing Balance		**28,693,400**	**32,174,198**
22.00	**Net Turnover: Tk. 5,714,343,956**			
	This amount consists as follows:			
	CI Sheet		4,258,499,044	3,845,575,221
	CR Coil		1,029,364,756	793,175,547
	GP Coil		363,566,100	573,633,091
	Ridge		62,914,057	93,990,279
	Total		**5,714,343,956**	**5,306,374,138**
23.00	**Cost of Goods Sold: Tk. 4,603,973,528**			
	This amount consists as follows:			
	Opening Work in Process		994,516,675	1,167,279,440
	Add. Raw Materials Consumed	Note- 23.01	4,149,435,721	3,186,850,618
	Total Work in Process		**5,143,952,396**	**4,354,130,058**
	Less: Closing Work in Process		877,899,640	994,516,675
	Total Consumption		**4,266,052,756**	**3,359,613,382**
	Add: Factory Overheads	Note- 23.02	383,199,087	409,577,119
	Cost of Production		**4,649,251,843**	**3,769,190,501**
	Add: Finished Goods (Opening)		629,113,625	972,151,500
	Finished Goods Available		**5,278,365,468**	**4,741,342,001**
	Less: Finished Goods (Closing)		674,391,938	629,113,625
	Cost of goods sold		**4,603,973,528**	**4,112,228,376**

AMARSTOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars		Amounts in Taka	
			30 June 2017	30 June 2016
23.01	**Raw Materials Consumed: Tk. 4,149,435,721**			
	This amount consists as follows:			
	A. Opening Stock of Raw Materials		**809,335,365**	**816,608,169**
	HR Coil		428,327,659	456,684,025
	Zinc Ingot		314,302,885	311,075,631
	Chemical		20,967,799	34,220,924
	Spare parts		45,737,021	14,627,589
	B. Add: Raw Materials Purchased		**3,860,869,830**	**3,179,577,814**
	HR Coil		2,652,513,907	2,214,436,351
	Zinc Ingot		1,013,249,664	805,867,708
	Chemical		135,373,680	99,440,843
	Spare parts		59,732,579	59,832,912
	C. Raw Materials available for Consumption (A+B)		**4,670,205,195**	**3,996,185,982**
	D. Less: Closing Stock of Raw Materials		**520,769,474**	**809,335,365**
	HR Coil		367,520,752	428,327,659
	Zinc Ingot		74,520,103	314,302,885
	Chemical		24,027,007	20,967,799
	Spare parts		54,701,612	45,737,021
	Raw Materials Consumption (C-D)	Note - 23.01.1	**4,149,435,721**	**3,186,850,618**
23.01.1	**Raw Materials Consumption: Tk. 4,149,435,721**			
	This amount consists as follows:			
	HR Coil		2,713,320,814	2,242,792,717
	Zinc Ingot		1,253,032,446	802,640,454
	Chemical		132,314,472	112,693,968
	Spare parts		50,767,988	28,723,480
			4,149,435,721	**3,186,850,618**
23.02	**Factory Overheads: Tk. 383,199,087**			
	This amount consists as follows:			
	Depreciation		103,438,995	106,696,543
	Loss on Disposal		5,112,719	
	Electricity Bill		106,277,526	136,845,101
	Electric lighting & fittings		6,127,983	3,603,675
	Gas Bill		40,709,846	37,209,808
	Entertainment		2,528,269	679,000
	Insurance Premium on Fire and RSD		4,903,996	17,154,560
	Other Production Materials		767,537	1,210,555
	Office maintenance factory		965,728	510,848
	Loading & unloading charge		-	69,220
	Labour and carrying charge		4,603,025	4,765,243
	Medical Expenses		173,378	39,422
	Repair and Maintenance		26,725,700	33,274,503
	Travel & conveyance		108,966	98,203
	Postage & courier		36,029	36,500
	Salary and Allowances		37,032,299	26,240,213
	Telephone		66,700	218,776
	Wages and Allowances		43,620,391	40,924,949
			383,199,087	**409,577,119**

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 building maintenance, Crane maintenance and Vehicle maintenance.

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars	Amounts in Taka	
		30 June 2017	30 June 2016
24.00	**Administrative Expenses: Tk.134,903,485**		
	This amount consists as follows:		
	Audit Fee	945,000	442,750
	Accounting software expenses	475,450	582,400
	AGM Expenses	3,530,491	2,590,800
	Bond Stamp	24,895	37,065
	Board Meeting Expenses	255,000	169,000
	Business Development	2,139,960	2,657,514
	Canteen Expenses	852,990	650,516
	Consultancy & services charge	951,000	529,625
	Conveyance	823,341	1,299,460
	Director Remuneration	8,970,000	8,337,330
	Depreciation	5,444,158	5,615,608
	Donation	756,786	956,962
	Electricity	395,000	963,639
	Entertainment	2,652,304	4,889,799
	Fees and Professional Charges	2,107,811	1,638,684
	Tour &Travels Expenses	726,028	373,354
	Tour expenses	-	670,011
	Gift & Presentation	1,210,820	460,988
	Iftary Allowances	11,400	959,250
	Legal Fee	1,996,331	849,172
	License and Renewal Fee	2,155,791	283,820
	Liveries and Uniform	87,720	204,850
	Miscellaneous Expenses	423,762	575,875
	Medical Expenses	113,151	51,786
	Newspaper and Periodicals	32,914	30,814
	Office Rent	4,080,807	2,766,242
	Office Refreshment Expenses	215,162	268,327
	Plantation	146,474	34,455
	Postage and courier	327,102	381,243
	Printing & Stationary	441,781	240,302
	Rent, Rates and Taxes	1,640,500	1,004,055
	Repairs and Maintenance	5,459,667	5,144,473
	Salary and Allowances including PF contribution	80,587,469	69,921,903
	Stationery expenses	158,970	277,421
	Stock exchange &fees /CDBL exp/BO A/c fees	338,845	2,665,492
	Telephone & Internet	2,664,534	2,574,278
	Training Expenses	237,584	23,350
	Traveling & Conveyance	1,522,488	1,298,120
	Total	**134,903,485**	**122,420,732**
	Note: Salary and allowance includes salary and allowance, 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)	22,161,500	16,503,823
	Post Employment Benefits (Provident Fund, Gratuity etc.)	1,452,045	540,383
	Key management personnel includes employees of the rank of Deputy Managers (DGM), DGM equivalent and above.	23,613,545	17,044,206
25.00	**Selling and Distribution Expenses: 44,716,524**		
	This amount consists as follows:		
	Advertisement	7,273,696	8,310,066
	Bonus	1,598,698	1,506,920
	Delivery charges	5,629,368	5,779,437
	Entertainment	595,264	4,335,429
	Other Expenses	51,823	35,948
	Traveling & Conveyance expenses	250,297	615,149
	Salary and Allowances	6,388,160	4,766,429
	Sales promotion expenses	20,085,677	9,264,271
	Bad debts	2,567,612	12,663,991
	Telephone Expenses	275,929	375,890
		44,716,524	**47,653,530**
26.00	**Financial Expenses: Tk. 420,600,360**		
	This amount consists as follows:		
	Bank Charge & Commission	4,059,815	4,586,117
	Bank Guarantee Commission	1,198,700	2,592,701
	Interest on bank Loan	6,473,814	383,530,678
	Exchange Rate Fluctuation Loss	408,868,031	5,842,810
	Total	**420.600.360**	**396.552.306**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars		Amounts in Taka	
			30 June 2017	30 June 2016
27.00	**Non Operating Income: Tk. 169,844,209**			
	This amount consists as follows:			
	Scrap sales and Others		104,847,029	78,268,024
	Other Income-Interest Received/Receivable	Note:27.01	4,326,701	3,520,573
	CR & GP Processing Charges		60,765,330	-
	Profit/(Loss) on Investment	Note:27.02	(94,851)	(119,531)
	Total		**169,844,209**	**81,669,066**
27.01	**Income from Bank Interest: Tk. 4,326,701**			
	This amount consists as follows:			
	Interest on Dividend Account		210,834	-
	Interest on IPO Account		158,662	-
	Interest on FDR A/C		3,957,205	3,520,573
			4,326,701	**3,520,573**
27.02	**Loss on Investment: Tk. 94,851**			
	This amount consists as follows:			
	a) Phoenix Holding Ltd.		94,851	119,531
	Total Loss on Investment		**94,851**	**119,531**

Share of holding loss for the year ended 30 June 2016. Tk. 398,435 @30% and for the year ended 30 june 2017 Tk. 316,170 @30%

28.00	**Taxation: Tk. 160,076,486**			
	This amount consists as follows:			
	Current Tax expenses		159,700,454	166,714,792
	Tax Provision as per Assessment Order	Note:28.01	-	(251,980,080)
	Deferred Tax (income)/expenses		376,032	(1,325,202)
	Total		**160,076,486**	**(86,590,490)**

28.01 Prior year Income Tax Provision adjustment as per Tax Assessment (BAS-8, Para 36 & BAS-37, Para-59)

The Income Tax assessments for the following assessment years has been completed U/S-83(2),156/159/173of IT ordinance on 1984. The Accounting Income Tax provision was higher than those of the Tax Liability as per assessment order for those years by learned Income Tax authority. Consequent upon the assessment order accounting treatment for excess/short provision has been made as per BFRS,BAS-8, Pragraph-36 and BAS-37, Paragraph-59.

Income Year	Assessment year	Provision as Per Accounts	Tax Liabilities as Per Assessment	Provision Surplus/ (Shortage)
2009-2010	2010-2011	60,692,348	48,361,196	12,331,152
2010-2011	2011-2012	156,166,013	127,002,527	29,163,486
2011-2012	2012-2013	270,238,344	114,552,416	155,685,928
2012-2013	2013-2014	227,175,757	157,080,190	70,095,567
2013-2014	2014-2015	130,288,481	145,584,534	(15,296,053)
		844,560,943	**592,580,863**	**251,980,080**

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars	Amounts in Taka	
		30 June 2017	30 June 2016

29.00 Earning Per Share: Tk.1.35

This amount consists as follows:

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	478,725,330	753,449,659
Number of ordinary share at the period end	354,200,000	322,000,000
Waighted Average number of ordinary shares outstanding	354,200,000	322,000,000
Earning per share	**1.35**	**2.34**
Restated Earning per share	**1.35**	**2.13**

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.

1. The production in CGL-2 was suspended from 31st December 2016 to 15th February 2017 due to a major cracked down of "Zinc Pot" which is an integral part of the galvanizing process. The cracked down hampered the production and reduced revenue and earnings per share.
2. Raw material cost escalated remarkably during the January- March 2017 (3rd quarter).

30.00 Net Assets Value Per Share: Tk. 22.15

This amount consists as follows:

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

Total Assets	12,500,332,422	11,419,837,664
Non-Current Liabilities+Current Liabilities	4,654,422,608	3,891,653,179
Net Assets Value (NAV) including Revaluation surplus	7,845,909,814	7,528,184,485
Number of shares at the year end	354,200,000	322,000,000
Net Assets Value(NAV) per share	**22.15**	**23.38**
Net Assets Value (NAV) per share	**22.15**	**23.38**
Restated Net Assets Value(NAV) per share	**22.15**	**21.25**

31.00 Cash flow per share from operating activities: Tk. 0.33

Net Operating Cash Flows per Share-NOCFPS (Adjusted)	**0.33**	**3.65**

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

a) Operating cash inflow/outflow during this period Tk. 109,329,748 and as on 30th June 2016: Tk. 1,176,130,388

b) Weighted average number of ordinary shares at the close of business 354,200,000 (2016: 322,000,000)

AMAR STOCK

NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2017

Notes	Particulars	Amounts in Taka	
		30 June 2017	30 June 2016

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	527,957,579
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	Land Purchase	190,000,000

33.00 Employees:

The Company had 484 Permanent and 3 provisional employees as on 30 June 2017 (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 6,000/-
Officer	152	3	155	10
Staff	100	0	100	31
Workers	232	0	232	63
Total	**484**	**3**	**487**	**104**

34.00 Proposal of Dividend:

The Board of Directors recommended for the shareholders Stock dividend @ 10% on 354,200,000 shares. This will be considered for approval of the shareholders at the 23rd Annual General Meeting to be held on the day of 23rd December 2017.

35.00 Approval of the Financial Statements:

These financial statements were authorized for issue in accordance with a resolution of the company's board meeting on 30th October 2017.

Chief Financial Officer | Managing Director | Director

APPOLLO ISPAT COMPLEX LIMITED

Schedule of Property, Plant and Equipment

As at 30 June, 2017

Annexure-A

Fig. in Taka

Category of Assets	Cost						Depreciation				Written Down Value as on 30.06.2017
	Balance as on 01.07.2016	Addition	Revaluation	Adjustment/ Disposal	Total Cost as at 30.06.2017	Rate %	Balance as on 01.07.2016	Charge During the period	Disposal/ Adjustment	Balance as on 30.06.2017	
Land and Land Development	1,628,737,569	1,590,575	-	-	1,630,328,144	-	-	-	-	-	1,630,328,144
Land and Land Development (NOF)	261,431,870	12,314,000	-	-	273,745,870	-	-	-	-	-	273,745,870
Plant and Machinery	1,966,309,690	11,164,156	-	5,112,719	1,972,361,127	10%	1,375,479,499	59,688,163	-	1,435,167,662	537,193,465
Factory Building	671,590,982	1,415,906	-	-	673,006,888	10%	387,141,413	28,586,548	-	415,727,961	257,278,928
Office Building	59,458,613	1,957,867	-	-	61,416,480	10%	35,726,734	2,568,975	-	38,295,709	23,120,771
Office Building (Rangs Bhaban)	16,000,000	-	-	-	16,000,000	0%	16,000,000	-	-	16,000,000	-
Factory Office Equipment	1,766,910	-	-	-	1,766,910	10%	1,024,429	74,248	-	1,098,677	668,233
Gas Generator	43,178,598	503,799	-	-	43,682,397	10%	21,475,900	2,220,650	-	23,696,550	19,985,847
Water Installation	6,781,951	-	-	-	6,781,951	10%	4,541,057	224,089	-	4,765,146	2,016,805
Telephone Installation	4,181,369	476,180	-	-	4,657,549	10%	2,437,767	221,978	-	2,659,745	1,997,804
Gas Installation	4,658,425	-	-	-	4,658,425	10%	3,051,883	160,654	-	3,212,537	1,445,888
Electric Installation	151,590,508	1,481,817	-	-	153,072,325	10%	38,212,757	11,485,957	-	49,698,714	103,373,611
Vehicle and Transport	18,642,571	7,126,279	-	-	25,768,850	10%	10,950,397	1,481,845	-	12,432,242	13,336,608
Tools and Equipment	15,485,011	-	-	-	15,485,011	10%	8,990,450	649,456	-	9,639,906	5,845,105
Office Equipment	4,952,182	920,750	-	-	5,872,932	10%	2,499,768	337,316	-	2,837,084	3,035,848
Furniture and Fixture	6,487,915	92,700	-	-	6,580,615	10%	4,294,759	228,586	-	4,523,345	2,057,270
Air Condition	7,909,545	3,185,400	-	-	11,094,945	10%	3,650,102	744,484	-	4,394,586	6,700,359
Other Assets	4,487,433	85,951	-	-	4,573,384	10%	2,471,350	210,203	-	2,681,553	1,891,831
Total	**4,873,651,142**	**42,315,380**	**-**	**5,112,719**	**4,910,853,803**		**1,917,948,264**	**108,883,152**	**-**	**2,026,831,417**	**2,884,022,386**

Allocation of Depreciation:

Factory overheads	103,438,995
Administrative Expenses	5,444,158
	108,883,152

ATMARSTOCK

SHAREHOLDER'S INFORMATION

Annual General Meeting (AGM)

No. of AGM : 23rd Annual General Meeting

Date : 23rd December, 2017

Venue : Phoenix Tower-2, 408, Tejgaon Industrial Area, Dhaka-1208.

Time : 11:00 A.M.

Financial Calendar

Financial Year: 1st July 2016 to 30th June 2017

During the year 2016-17 operational result of the company was announced on:

- November 14, 2016 : First Quarter report
- January 30, 2017 : Half Yearly report
- April 29, 2017 : Third Quarter report
- October 30, 2017 : Annual Financial Result

Record Date:

The Record Date: November 23, 2017.

Dividend Date:

A final dividend @10% stock dividend for every ordinary share of Tk.10/- has been recommended on 30th October 2017 and after having approval of the shareholders at the AGM, dividend will be distributed within 30 days from the date of the AGM.

Listing

The company's shares are listed in the Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.

Face Value per Share: TK. 10/= (Taka Ten)

Plant Location

Shimrail, Siddhirganj, Narayangonj, Bangladesh.

Tel:+88-02-7693355-9

Investor Correspondence

Mail to: Appollo Ispat Complex Ltd,

407 Tejgaon Industrial Area (4th Floor),

Dhaka-1208, Bangladesh

Voice: +88-02-9126291, 9110974, 9115098, 9137533-5

E-Mail: info@appollo-ispat.com. rani@appollo-ispat.com,

Fax: +88-02-9126291

Web: www.appollo-ispat.com

AMAR STOCK

APPOLLO ISPAT COMPLEX LIMITED

Registered Office: 407, Tejgoan Industrial Area (4th floor), Dhaka-1208

PROXY FORM

IWe _____ (Name) of _____

_____ (Address) being a shareholder of Appollo Ispat Complex Limited (the "Company") hereby appoint, Mr. /Ms _____ (Name) of _____ (Address) as my/our proxy, to attend on my/our behalf at the 23rd Annual General Meeting of the company to be held on December 23, 2017 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/ she thinks fit on all Resolutions.

As witness my/our hand this _____day of December, 2017

_____
(Signature of the Shareholder)
Date: _____

Affix taka.20 revenue stamp

_____
(Signature of Proxy)
Date: _____

BO ID No: | | | | | | | | | | | | | | | | |

No. of shares held: .....

Note: The proxy form, duly filled in and stamped, must be submitted to the registered office of the Company not less than 48 hours before the time fixed for the meeting.

Signature Verified

_____
Authorized Signature
Appollo Ispat Complex Limited

APPOLLO ISPAT COMPLEX LIMITED

Registered Office: 407, Tejgoan Industrial Area (4th floor), Dhaka-1208

ATTENDANCE SLIP

I hereby record my presence at the 23rd Annual General Meeting of Appollo Ispat Complex Limited on Saturday, December 23, 2017 at 11:00 A.M. at Phoenix Tower-2, 408, Tejgaon Industrial Area, Dhaka-1208

BO ID No: | | | | | | | | | | | | | | | | |

Name of Member/Proxy: _____

Signature: _____

Date: _____2017

No. of shares held: .....

Signature Verified

_____
Authorized Signature
Appollo Ispat Complex Limited

Note: please complete this attendance slip and deposit at the registration counter on the day of the meeting.

AMAR STOCK