

Annual Report

2022-23

Shouldering Weights, an endless burden



APPOLLO ISPAT COMPLEX LTD.

SHIELDING THE FUTURE

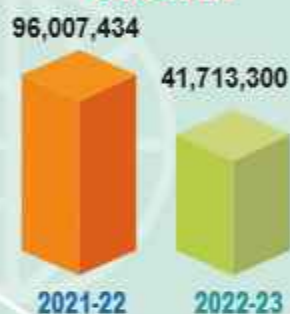
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PERFORMANCE AT A GLANCE 2022-23

01

TURNOVER Growth



02

NET PROFIT Growth



03

NET ASSET Growth



Letter of Transmittal



SHIELDING THE FUTURE

The valued all Shareholders of
APPOLLO ISPAT COMPLEX LTD.
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.



Sub: Report for the year ended June 30th, 2023

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 2023, Cashflow Statement, Statement of Changes in Equity for the year ended June 30th, 2023 and Auditor's Report thereon for your kind information and record.

Yours sincerely,

SK. Abul Hassan
Company Secretary
APPOLLO ISPAT COMPLEX LTD.

NOTICE OF THE 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the shareholders of Appollo Ispat Complex Ltd. will be held on Thursday, December 19th, 2024 at 3:00pm at Factory Premises-Shimrail, Siddhirganj, Narayanganj 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 2023 together with the Director's Report and the Auditor's report thereon.
2. To elect/re-elect the Directors of the company.
4. To appoint the Statutory Auditors of the company for the year 2023-2024 and fix their remuneration.
5. To approve the appointment of Managing Director.
6. To appoint Compliance Auditor for the year ending 30 June 2024 and to fix their remuneration.
7. To approve appointment of Independent Director.

Dated: December 19, 2024

By order of the Board



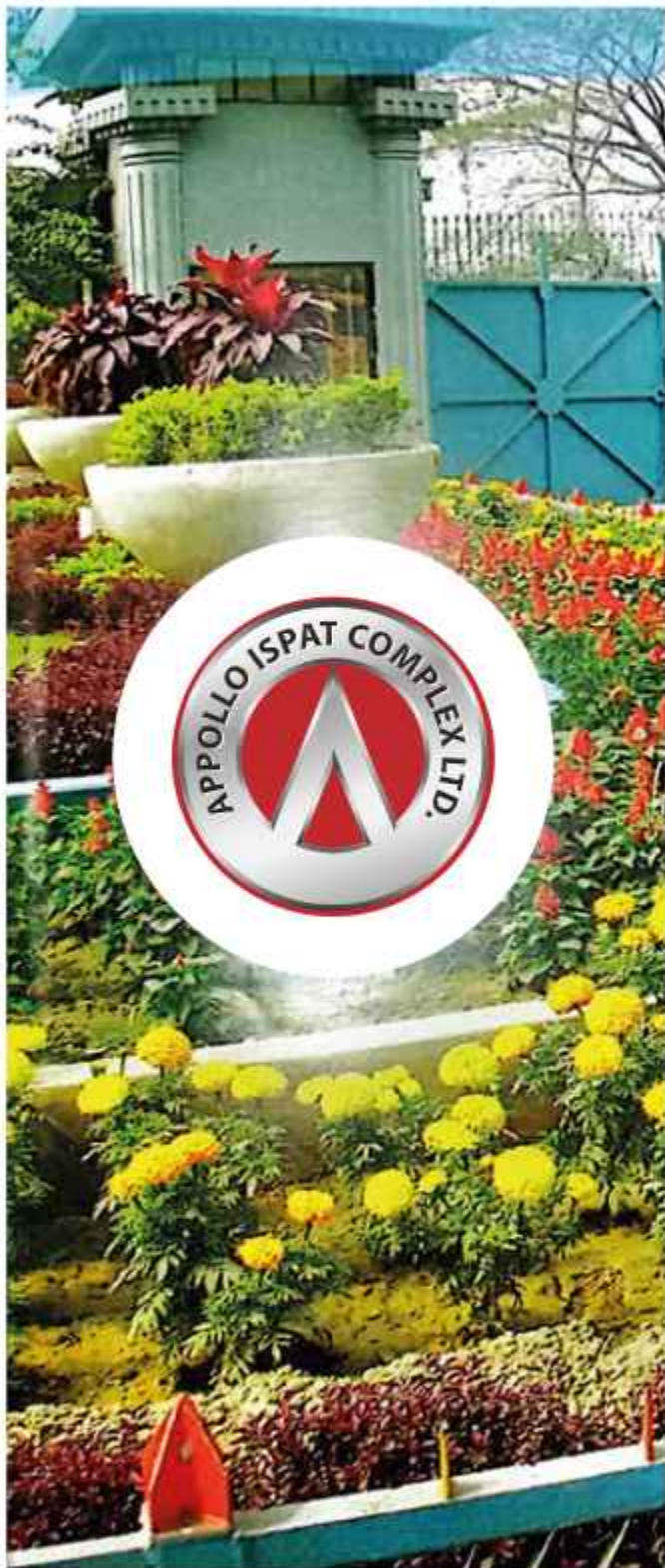
SK. ADUI HASSAN
Company Secretary
(Current Charge)

Notes:

- Shareholders whose names appear on the share register of the company or in the depository register on the Record Date, i.e., 4th December 2024, 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 factory premises Shimrail, Siddhirganj, Narayanganj.

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.

COMPANY PROFILE



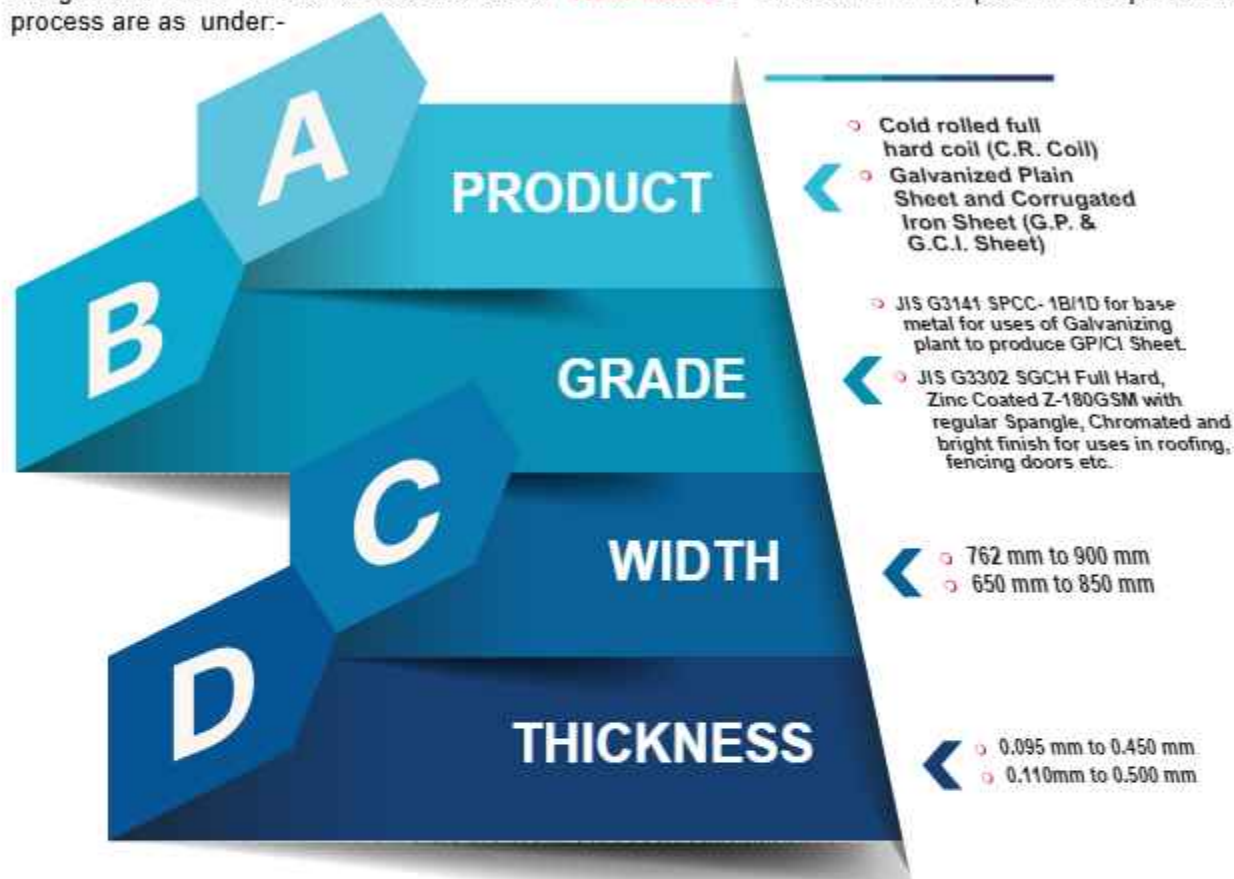
Appollo Ispat Complex Limited (hereinafter referred to as AICL) was incorporated on December 31, 1994 as a Private Limited Company vide certificate no C-27547(1393)/94 under the Companies Act 1994. Thereafter, the Company has been converted into a Public Limited Company on March 30, 2010. The registered 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, 2019 of the company is Tk.401,30,86,000/- divided into 40,13,08,600 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-ispac.com



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 |

PREVIOUS BOARD OF DIRECTORS



Deen Mohammad
Chairman



Mohammed Shoeb
Vice Chairman



Md. Rafique
Managing Director



Abdur Rahman
Deputy Managing Director



Md. Ansar Ali
Director



M. A. Majid
Director



Roxshana Begum
Director



Evana Fahmida Mohammad
Director

CURRENT BOARD OF DIRECTORS



Mohammed Shoeb
Vice Chairman



Md. Rafique
Managing Director



M. A. Majid
Director



Roxshana Begum
Director



Evana Fahmida Mohammad
Director



Md. Monirul Islam FCA
Independent Director



Md. Moshir Rahman
Independent Director

CORPORATE INFORMATION

AUDIT COMMITTEE

Md. Monirul Islam, FCA
Chairman

Mr. Moshir R. Khan
Member

Mr. SK. Abul Hassan
Secretary

MANAGEMENT COMMITTEE

Mr. Sk. Abul Hassan
Company Secretary

AUDITOR

Ashraf Uddin & Co.
Chartered Accountants

142/B, Green Road
Dhaka-1215

COMPANY SECRETARY

Mr. Sk. Abul Hassan, Company Secretary-Current Charge



CORPORATE GOVERNANCE AUDITOR

M A FAZAL & CO.
Chartered Accountants

29, Bangabandhu Avenue
(2nd Floor), Dhaka-1000
Bangladesh

BANKER

IFIC Bank Ltd
Jamuna Bank Ltd
Southeast Bank Ltd.
Mutual Trust Bank Ltd.
SIBL Bank Ltd.
NCC Bank Ltd.

CORPORATE OFFICE

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

LOCATIONS:

PLANT

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

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.



**CODE OF
CONDUCT**

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.

PRODUCTION FLOW



5



Galvanizing & Recoiling

6



Shearing

7



Corrugation

8



Finished Goods



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.

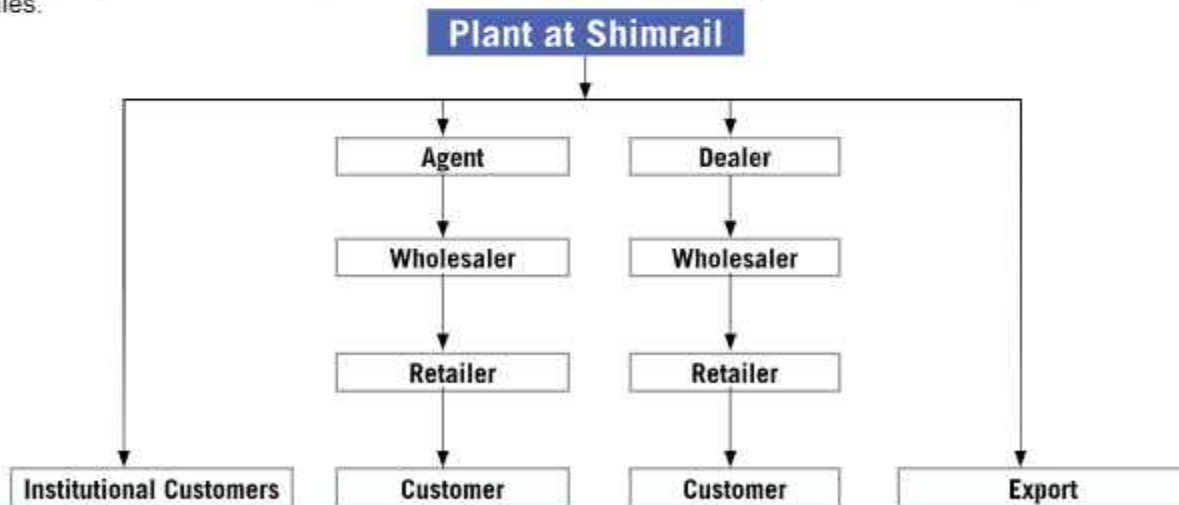
AREA WISE MARKETING GRAPH: APPOLLO RANI BRAND C.I. SHEET

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 from 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

RTF-Radiant Tube Furnace

RTF-Radiant Tube 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 RTF project, which will be in commercial production very soon. For RTF project Appollo used world's best technology of ESMECH, a joint venture of SMS Germany. With the production of RTF line, there will be a new era of CI sheet market in Bangladesh.

Therefore when Appollo will market its RTF 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 RTF Project. Rationale of RTF project as under:

Justification of RTF (Radiant Tube Furnace)Expansion Project forAppollo Ispat Complex Ltd.

TECHNOLOGICAL FACTORS:

- RTF 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.
- RTF Produce a better finish and improved formability.

ENVIRONMENTAL FACTORS:

- RTF 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-hazard_ous 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:

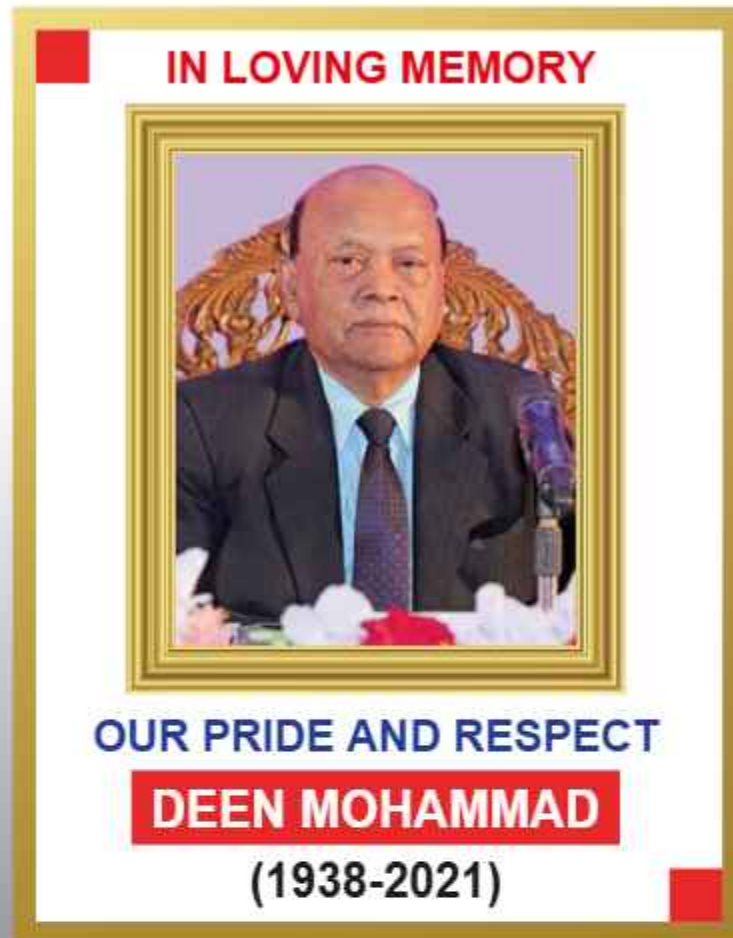
- A Robust market demand due to quality and durability of RTF CI Sheet
- Existing Export market of RTF CI Sheet to seven sisters of India, Myanmar, Thailand and African country will be explored
- Geographical advantages as Appollo is the only CI sheet manufacturer in Dkaka
- Excess demand in coastal 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 RTF 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.
- ❖ Appollo has a plan to produce profile sheet in order to widen its business arena.





The remarkable growth of Bangladesh is a testament to the relentless efforts and visionary contributions of its leaders. Among them, the late Mr. Deen Mohammad remains a guiding light—a Bright Star and Living Legend in the industrial and financial sectors. His pioneering efforts in building modern industries continue to inspire us to this day.

It has now been two years since the passing of our respected Chairman, yet his absence feels more profound with each passing day. Mr. Deen Mohammad was more than a leader; he was a mentor and a guardian. His wisdom and guidance lit our way, and his absence has left a void that is deeply felt, especially during these challenging times.

As we face significant trials, we are reminded of how invaluable his presence was. His steady hand and visionary leadership would have been a beacon in these moments of need. Without him, we often feel adrift, but we strive to remain resilient, drawing strength from his legacy.

In these trying times, we humbly seek the support and understanding of all our stakeholders as we work tirelessly to uphold his vision. Though the challenges are many, we are determined to honor his extraordinary contributions by continuing the journey he so passionately envisioned for us.

Mr. Deen Mohammad will forever be remembered for his unparalleled leadership, his dream of a modern and prosperous Bangladesh, and the indelible mark he left on the industrial and financial sectors. His legacy lives on, inspiring us to rise above the difficulties and carry forward the work he began.



A Year of Struggle and Resilience: **MESSAGE FROM THE VICE-CHAIRMAN'S**

A Year of Struggle and Resilience: Vice-Chairman's Address



Dear Shareholders,

Assalamualaikum

It is with a mix of emotions that I address you today at this long-awaited 29th Annual General Meeting of Appollo Ispat Complex Ltd. Despite the significant challenges we have faced, I find a sense of duty and purpose in standing before you.

This year has been marked by profound difficulties. We have had to navigate the untimely demise of our esteemed Chairman and key directors, which created a leadership void at a critical time. To compound matters, our Managing Director has chosen to evade responsibilities, leaving me to bear the full weight of the company's operations and obligations. These issues are no secret to anyone present here. Our company has not generated profit or revenue since the factory ceased operations in 2020. Managing the day-to-day expenses, coupled with the substantial liabilities of this organization, has been a personal and financial burden that I have shouldered alone. These hardships have tested our resilience and resolve to their limits. Despite these setbacks, I remain committed to steering Appollo Ispat Complex Ltd. out of this crisis. I firmly believe that with collective effort and the cooperation of all stakeholders, we can overcome these challenges and pave the way for a brighter future.

Today, I am pleased to present before you the audited accounts for the year 2022-2023, which reflect the financial realities of our company. While the numbers may paint a challenging picture, they also provide us with a clear understanding of the road ahead.

In closing, I appeal to you, dear shareholders, to stand united with us during this critical time. Your trust, support, and cooperation are invaluable.

Thankyou.

Mohammed Shoeb
Vice-Chairman

DIRECTORS REPORT



SHIELDING THE FUTURE



Dear Shareholders,

Your directors have the immense pleasure in presenting their 29th Annual Report to you together with the Audited Financial Statements of the company for the financial year ended 30th June 2023. This report has been made in compliance with Section 184 of The Companies Act 1994 and the Bangladesh Securities Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2003-109/229/Admin/98. Dated 25th July 2019.

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 Bangladesh economy, classified as one of the eleven emerging market in the world. During this decade.

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. The total households in rural and semi-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 and government has already declared 10% cash incentive on Export of CI sheets.

To meet the competitive challenges, Appollo Ispat Complex Ltd. has introduced 60,000 MT capacity most advanced Radiant Tube Furnace (RTF) technology based Galvanizing plant on April 2018 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.

PRINCIPAL 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), Corrugated Galvanized Iron (C.G.I. Sheet) and RTF NOF Galvanizing Sheet from Imported Hot Rolled Coil mainly from Japan, Korea, China and other H.R coil manufacturing countries since its beginning.

Operational Performance

| Particulars | 2022-23 | 2021-22 | 2020-21 |
|-------------------------|---------|---------|---------|
| 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 | 60,000 | 60,000 |
| Production (MT) | 32,714 | 32,714 | 32,714 |
| Capacity Utilization | - | - | 23.36% |

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 has increased by another 60,000 MT with the introduction of world best technology of Radiant Tube Furnace (RTF) Galvanizing Line. Eighty percent utilization of expansion unit capacity will increase turnover of Tk. 510 Crore per year.

Production of RTF-CGL stopped since May 07, 2018 and will start further production after sourcing HR Coil and Zinc Ingot.

Segment/Product Wise Report

The segment wise sales volume as under:

| Particulars | 2021-22 | 2022-23 |
|--------------|-------------------|-------------------|
| CI Sheet | 48,188,558 | 51,975 |
| CR Coil | 46,427,342 | 40,675,725 |
| GP Coil | 211,750 | - |
| Ridge | - | - |
| Baby Coil | 1,179,785 | 985,600 |
| Total | 96,007,434 | 41,713,300 |

FINANCIAL PERFORMANCE

The details of operational key performance indicator for the last two years from July 2022 to

June 2023 are given below for your kind information and consideration:

(TK. In Million)

| Particulars | 2021-22 | 2022-23 |
|------------------------------------------------|----------|-----------|
| Sales | 96.00 | 41.71 |
| Gross Profit | (793.51) | (311.729) |
| Profit before interest, taxes, VPPF & Gratuity | (996.75) | (341.380) |
| Less: Interest Expenses | (0.0060) | (0.0007) |
| Less: Tax expenses | (13.73) | (14.19) |
| Non-Operating Income | 63.90 | - |
| Net profit After Tax | (919.13) | (327.18) |
| EPS | (2.29) | (0.82) |

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.

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.

BOARD OF DIRECTORS

(i) Composition and size of the Board:

As on, 30th June 2023 there were (Seven) members on the Board. The Board comprises a Vice-Chairman, Managing Director & Two-Independent Director and Three other Directors.

(ii) Board Meeting and attendance:

Following table shows the attendance of Directors at the meeting:

| Name of The Director | Position | Meeting Held During The Year | Directors Attended In The Meeting |
|-----------------------------|----------------------|------------------------------|-----------------------------------|
| Mr.Md. Shoeb | Vice-Chairman | 5 | 5 |
| Mr.Md Rafique | Managing Director | 5 | - |
| Mr.M.A. Majid | Director | 5 | 4 |
| Mrs. Roxshana Begum | Director | 5 | 4 |
| Mrs. Evana Fahmida Mohammad | Director | 4 | 2 |
| Mr. Md. Monirul Islam | Independent Director | 5 | 5 |
| Mr. Md. Moshir Rahman | Independent Director | 5 | 5 |

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

COMPLIANCE OF AUDITOR APPOINTMENT

As per "Corporate Governance Code" issued by the Bangladesh Securities and Exchange Commission (BSEC), M A FAZAL & CO., Chartered Accountants, compliance auditors of the company audited the compliance status of the Company for the year 2021-22. M A FAZAL & CO., Chartered Accountants retire at this AGM. Being eligible as per "Corporate Governance Code" the existing Auditors offered themselves for reappointment as Compliance Auditors for the financial year 2021-2022.

The profile of the existing Audit Firms and their service performed during the year under review was reviewed by the Board of Directors and Audit Committee and suggested to reappoint M A FAZAL & CO. Chartered Accountants as Compliance Auditors of the Company for the next financial year. After review and discussion over the particulars of the said firm, the Board of Directors has recommended in favor of M A FAZAL & CO. Chartered Accountants to be re-appointed as Compliance Auditors for the financial year 2022-2023.

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.-BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 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 A FAZAL & CO. Chartered Accountants have been added in the Annual Report.

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.

1. **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 work-shops for sales team to improve their performance in the markets.

2. **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.
3. **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.
4. **Reward:** Prudent performance evaluation system, sound promotion and remuneration system and focus on nursing talent make Appollo unique and unparalleled to its stake-holders.

5. 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.

6. REMUNERATION OF DIRECTORS

Directors were remunerated as per the decision of the Board on Tk 35,00,750 in total. Directors in principle agreed to not receive any remuneration from company since April 2018.

7. 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 believe 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,



Mohammed Shoeb
Vice-Chairman

Certificate on Compliance on the Corporate Governance Code

[Issued under condition # 1(5) (xxvii) of Corporate Governance

Code of BSEC vide Notification No. BSEC/CMRRCD/

2006-158/ 207\Admin/80 dated 03 June 2018]

We have examined the compliance status to the Corporate Governance Code by Appolloispat Complex Limited for the year ended on 30 June 2023. This Code relates to the Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 Of the Bangladesh Securities and Exchange Commission.

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

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

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

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the abovementioned Corporate Governance Code issued by the Commissionspecify in compliance status checklist;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by thisCode;
- Proper books and records have been kept by the company as Required under the Companies Act, 1994, the securities laws and Other relevant; And
- The Governance of the company is Satisfactory.



Obaidur Rahman FCA
Partner
MA Fazal & Co. Chartered Accountants
Membership No: 1029

Place: Dhaka
Dated: 3 December 2024

APPOLLO ISPAT COMPLEX LTD.

Compliance report under condition No. 9.00 of BSEC

Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 03.06.2018

The Bangladesh Securities and Exchange Commission (BSEC) issued a Corporate Governance (CG) Code in 2018 which is being followed by company on 'Comply' basis. Status of compliance for the year ended 30th June 2023 by AppolloIspat Complex Limited with the said CG code issued by BSEC through Notification no.SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is as follows:

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|--------------------------------------------------------------------------------------------|
| | | Complied | Not complied | |
| 1. | Board of Directors | | | |
| 1(1) | The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty). | ✓ | | The Board of Director Consist of 7 (Seven) members including 2 (Two) Independent Directors |
| 1(2) | Independent Directors | | | |
| 1(2) (a) | At least one fifth (1/5) of the total number of directors in the Company's board of director shall be independent directors. | ✓ | | |
| 1(2) (b) | 'Independent director' means a director- | | | |
| 1(2) (b) (i) | who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company; | ✓ | | - |
| 1(2) (b) (ii) | who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company; | ✓ | | - |
| 1(2) (b) (iii) | who has not been an executive of the company in immediately preceding 2 (two) financial years; | ✓ | | - |
| 1(2) (b) (iv) | who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies; | ✓ | | - |
| 1(2) (b) (v) | who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange. | ✓ | | - |
| 1(2) (b) (vi) | who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies; | ✓ | | - |
| 1(2) (b) (vii) | who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code; | ✓ | | - |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|-----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|--------------------------------------------------------------------|
| | | Complied | Not complied | |
| 1(2) (b) (viii) | who is not independent director in more than 5 (five) listed companies. | ✓ | | - |
| 1(2) (b) (ix) | who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and | ✓ | | - |
| 1(2) (b) (x) | who has not been convicted for a criminal offence involving moral turpitude; | ✓ | | - |
| 1(2) (c) | The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM); | | ✓ | No AGM held after 2017-2018 |
| 1(2) (d) | The post of independent director(s) cannot remain vacant for more than 90(ninety) days and | ✓ | | |
| 1(2) (e) | The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only. | ✓ | | - |
| 1(3) | Qualification of Independent Director :- | | | |
| 1(3) (a) | Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business; | ✓ | | - |
| 1(3) (b) | Independent Director shall have following Qualifications: | | | - |
| 1(3) (b) (i) | Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or | | | Not Applicable |
| 1(3) (b) (ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or | | | Not Applicable |
| 1(3) (b) (iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or | | | Not Applicable |
| 1(3) (b) (iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law or not; | | | Not Applicable |
| 1(3) (b) (v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; | | | One Independent Director is a Chartered Accountants by profession. |
| 1(3) (c) | The Independent Director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b); | ✓ | | - |
| 1(3) (d) | In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission. | - | | No such deviation |

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

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|------------------|
| | | Complied | Not complied | |
| 1(5) (xi) | A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity; | ✓ | | - |
| 1(5) (xii) | A statement that proper books of account of the issuer company have been maintained; | ✓ | | - |
| 1(5) (xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | ✓ | | - |
| 1(5) (xiv) | A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed; | ✓ | | - |
| 1(5) (xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored | ✓ | | - |
| 1(5) (xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress; | | | Not Applicable |
| 1(5) (xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed; | | | Not Applicable |
| 1(5) (xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | | | Not Applicable |
| 1(5) (xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; | ✓ | | Separately Shown |
| 1(5) (xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year | ✓ | | |
| 1(5) (xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | - | | N/A |
| 1(5) (xxii) | The total number of Board meetings held during the year and attendance by each director; | ✓ | | Separately Shown |
| 1(5) (xxiii) | A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by: | | | |
| 1(5) (xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name wise details); | ✓ | | - |
| 1(5) (xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); | ✓ | | - |
| 1(5) (xxiii)(c) | Executives; and | ✓ | | - |
| 1(5) (xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); | ✓ | | - |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|------------------|
| | | Complied | Not complied | |
| 1(5) (xxiv) | In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders: | | | |
| 1(5) (xxiv)(a) | a brief resume of the Director; | ✓ | | |
| 1(5) (xxiv)(b) | Nature of his/her expertise in specific functional areas. | ✓ | | |
| 1(5) (xxiv)(c) | Names of companies in which the person also holds the directorship and the membership of committees of the board. | ✓ | | |
| 1(5) (xxv) | A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: | | | |
| 1(5) (xxv) (a) | accounting policies and estimation for preparation of financial statements; | ✓ | | - |
| 1(5) (xxv) (b) | changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | | | N/A |
| 1(5) (xxv) (c) | comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | ✓ | | - |
| 1(5) (xxv)(d) | compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | ✓ | | - |
| 1(5) (xxv) (e) | briefly explain the financial and economic scenario of the country and the globe; | ✓ | | - |
| 1(5) (xxv) (f) | risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and | ✓ | | - |
| 1(5) (xxv) (g) | future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | ✓ | | - |
| 1(5) (xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and | ✓ | | - |
| 1(5) (xxvii) | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C. | ✓ | | - |
| 1(6) | Meetings of the Board of Directors | | | |
| | The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant angladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | ✓ | | - |
| 1(7) | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer | | | |
| 1(7) (a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members | | ✓ | NRC not formed |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|------------------|
| | | Complied | Not complied | |
| | and Chief Executive Officer of the company; | | | |
| 1.7. (b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and interdependency. | | ✓ | NRC not formed |
| 2 | Governance of Board of Directors of Subsidiary Company: | | | |
| 2 (a) | 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 |
| 2 (b) | 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 |
| 2 (c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company. | | | Not Applicable |
| 2 (d) | The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also. | | | Not Applicable |
| 2 (e) | The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company. | | | Not Applicable |
| 3.0 | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS): | | | |
| 3 (1) | Appointment | | | |
| 3 (1) (a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | ✓ | | - |
| 3 (1) (b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | ✓ | | - |
| 3 (1) (c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | ✓ | | - |
| 3 (1) (d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | ✓ | | - |
| 3 (1) (e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | ✓ | | - |
| 3(2) | Requirement to attend Board of Directors' Meetings | | | |
| | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board. | ✓ | | - |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|----------------------|
| | | Complied | Not complied | |
| 3(3) | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) | | | |
| 3(3) (a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: | | | |
| 3(3) (a) (i) | these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | ✓ | | - |
| 3(3) (a) (ii) | these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws; | ✓ | | - |
| 3(3) (b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members; | ✓ | | - |
| 3 (3) (c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | ✓ | | - |
| 4 | Board of Directors' Committee:- | | | |
| | For ensuring good governance in the company, the Board shall have at least following sub-committees: | | | |
| 4 (i) | Audit Committee | ✓ | | - |
| 4 (ii) | Nomination and Remuneration Committee. | | ✓* | Committee Not Formed |
| 5 | Audit Committee:- | | | |
| 5 (i) | Responsibility to the Board of Directors. | | | |
| 5(i) (a) | The company shall have an Audit Committee as a sub-committee of the Board; | ✓ | | - |
| 5(i) (b) | The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business; | ✓ | | - |
| 5(i) (c) | The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing. | ✓ | | - |
| 5 (2) | Constitution of the Audit Committee | | | |
| 5 (2)(a) | The Audit Committee shall be composed of at least 3 (three) members; | ✓ | | |
| 5 (2)(b) | The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director; | ✓ | | - |
| 5 (2)(c) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; | ✓ | | - |
| 5 (2)(d) | When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 | | | Not Applicable |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|------------------------------------------------------------------------------------------------------|
| | | Complied | Not complied | |
| | (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee. | | | |
| 5 (2)(e) | The company secretary shall act as the secretary of the Committee; | ✓ | | - |
| 5 (2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | ✓ | | - |
| 5(3) | Chairperson of the Audit Committee | | | |
| 5(3) (a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director; | ✓ | | - |
| 5(3) (b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | ✓ | | - |
| 5(3) (c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): | | ✓ | No AGM hold due to deceased of Chairman of Board of Director and Managing Director and other issues. |
| 5(4) | Meeting of the Audit Committee | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year. | ✓ | | - |
| 5(4) (b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | ✓ | | - |
| 5(5) | Role of Audit Committee | | | |
| | The audit committee shall:- | | | |
| 5(5) (a) | Oversee the financial reporting process; | ✓ | | - |
| 5(5) (b) | Monitor choice of accounting policies and principles. | ✓ | | - |
| 5(5) (c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report; | ✓ | | - |
| 5(5) (d) | Oversee hiring and performance of external auditors. | ✓ | | - |
| 5(5) (e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | ✓ | | - |
| 5(5) (f) | Review along with the management, the annual financial statements before submission to the Board for approval; | ✓ | | - |
| 5(5) (g) | Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval. | ✓ | | - |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|----------------------------------------------------------------------|
| | | Complied | Not complied | |
| 5(5) (h) | Review the adequacy of internal audit function. | ✓ | | - |
| 5(5) (i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | ✓ | | |
| 5(5) (j) | Review statement of all related party transactions submitted by the management; | ✓ | | - |
| 5(5) (k) | Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors. | ✓ | | - |
| 5(5) (l) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and results. | ✓ | | - |
| 5(5) (m) | Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission. | | | Not Applicable |
| 5(6) | Reporting of the Audit Committee | | | |
| 5(6)(a) | Reporting to the Board of Directors | | | |
| 5(6)(a) (i) | The Audit Committee shall report on its activities to the Board of Directors. | ✓ | | - |
| 5(6)(a) (ii) | The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:- | | | |
| 5(6)(a)(ii)(a) | Report on conflicts of Interests. | - | | |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | ✓ | | |
| 5(6)(a)(ii)(c) | suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and | ✓ | | |
| 5(6)(a)(ii)(d) | any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | | | Not Applicable due to no such matter occurred during the year. |
| 5(6)(b) | Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | | | Not applicable due to no such event to report. |
| 5.(7) | Reporting to the Shareholders and General Investors:- Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | | | Not applicable due to no such reportable case found during the year. |
| 6 | Nomination and Remuneration Committee (NRC). | | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|------------------|
| | | Complied | Not complied | |
| 6(1) | Responsibility to the Board of Directors | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board; | - | ✓ | NRC not formed |
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | - | ✓ | NRC not formed |
| 6(1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | - | ✓ | NRC not formed |
| 6(2) | Constitution of the NRC | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | | ✓ | NRC not formed |
| 6(2)(b) | All members of the Committee shall be non-executive directors; | | ✓ | NRC not formed |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | | ✓ | NRC not formed |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | | | Not applicable |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | | | Not applicable |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | | | Not applicable |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | | ✓ | NRC not formed |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | | ✓ | NRC not formed |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | | ✓ | NRC not formed |
| 6(3) | Chairperson of the NRC | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | | ✓ | NRC not formed |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes | | ✓ | NRC not formed |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; | | ✓ | NRC not formed |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------|------------------|
| | | Complied | Not complied | |
| 6(4) | Meeting of the NRC | | | |
| 6(4) (a) | The NRC shall conduct at least one meeting in a financial year; | | ✓ | NRC not formed |
| 6(4) (b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | | ✓ | NRC not formed |
| 6(4) (c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h); | | ✓ | NRC not formed |
| 6(4) (d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | | ✓ | NRC not formed |
| 6(5) | Role of the NRC | | | |
| 6(5) (a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | | ✓ | NRC not formed |
| 6(5) (b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board: | | | |
| 6(5) (b)(i) | Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: | | ✓ | NRC not formed |
| 6(5) (b)(i)(a) | the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | | ✓ | NRC not formed |
| 6(5)(b)(i)(b) | the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and | | ✓ | NRC not formed |
| 6(5) (b)(i)(c) | remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | | ✓ | NRC not formed |
| 6(5) (b)(ii) | devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | | ✓ | NRC not formed |
| 6(5) (b)(iii) | identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | | ✓ | NRC not formed |
| 6(5) (b)(iv) | formulating the criteria for evaluation of performance of independent directors and the Board; | | ✓ | NRC not formed |
| 6(5) (b)(v) | identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and | | ✓ | NRC not formed |
| 6(5) (b)(vi) | developing, recommending and reviewing annually the company's human resources and training policies; | | ✓ | NRC not formed |
| 6(5) (c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | | ✓ | NRC not formed |
| 7 | External or Statutory Auditors. | | | |

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

APPOLLO ISPAT COMPLEX LIMITED

PATTERN OF SHAREHOLDING AS ON 30 JUNE 2023

Directors and Other Sponsor Shareholdings:

| Name of the Director | Relation | No. of Shares Held |
|-----------------------------|------------------------------------------|--------------------|
| Mr. Deen Mohammad | Chairman & Father of Mr. Md. Shoeb | 12,810,705 |
| Mr. Md. Shoeb | Director & son of Mr. Deed Mohammad | 9,693,745 |
| Mr. Md. Ansar Ali | Director & MD & Father of Md. Rafique | 7,792,400 |
| Mr. Abdur Rahman | Director | 7,792,400 |
| Mr. M.A. Majid | Director | 9,894,337 |
| Mr. Md. Rafique | Director & Son of Md. Ansar Ali | 7,792,400 |
| Mrs. Roxana Begum | Director & Wife of Mr. Deen Mohammad | 7,792,813 |
| Mrs. Evana Fahmida Mohammad | Director & Daughter of Mr. Deen Mohammad | 77,92,813 |
| Mr. Md. Mostafizul Haque | Sponsor | 517,686 |



APPOLLO ISPAT COMPLEX LIMITED AUDIT COMMITTEE REPORT

For the year ended on 30 June 2023

Dear Shareholders,

The Audit Committee is a sub-committee of the Board of Directors of Appollo Ispat Complex Limited. The Committee also assists the Board in ensuring that the financial statements reflect a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee report provides an overview of how the committee operated, an insight into the committee's activities and its role in ensuring the integrity of the company's published financial information.

Composition of the Audit Committee:

The Audit Committee of Appollo Ispat Complex Limited has been formed in accordance with the guidelines of the Corporate Governance Code 2018. The Audit Committee was restructured in January 2021 and two Independent Directors joined the Appollo Ispat Complex Limited. Md. Monirul Islam, FCA and Mr. Moshir Rahman joined as Independent Director in Appollo Ispat Complex Limited.

The Committee comprises two Independent Directors and one Non-Executive Director who are as follows:

Mr. Md. Monirul Islam, FCA – Chairman

Mr. Moshir Rahman – Member

Mr. M A Mazid – Member,

Mr. S K Abul Hassan, Executive Director of Appollo Ispat Complex Limited and Company Secretary (Acting) acted as the Secretary of the Audit Committee as per the regulatory guidelines.

Meetings of the Audit Committee:

The Audit Committee has conducted four meetings during the financial year 2022-2023 to perform various activities in order to meet the regulatory requirements. The members of the Committee attended all four meetings of the Audit Committee. The Independent Director, Mr. Md. Monirul Islam, FCA acted as Chairman of the meeting. Moreover, officials from Finance and Factory Operations also attended the meetings on invitation of the Chairman of the Audit Committee. The Audit Committee also conducted several meetings on the special audit performed by the S.R. Islam & Co. Chartered Accountants, and also called/met various employees of the company who were identified in the special investigative report. Audit Committee interviewed several present and ex-employees of the company based on the special audit report.

Key Responsibilities of the Audit Committee:

As per the Corporate Governance Code 2018, the key responsibilities of the Audit Committee are as follows:

- Oversee the financial reporting process and monitor the choice of accounting policies and principles;
- Monitor the internal audit and compliance process and review the internal audit and compliance report;

- Hold meeting with the Statutory Auditors to review the annual Financial Statements before submission to the board for approval or adoption;
- Review along with the management, the quarterly Financial Statements and annual Financial Statements before submission to the board for approval;
- Review the adequacy of the internal audit function;
- Review the management discussion and analysis before disclosing it in the Annual Report;
- Review the statement of all Related Party Transactions submitted by the management; and
- Evaluate the performance of external auditors and recommend to the Board for their appointment and remuneration fees.

Major Activities of the Audit Committee during the Reporting Period:

Appollo Ispat Complex Limited is not in operation since the financial year 2020-2021 and the company started laying off of employees except few core employees in factory and corporate office. The Audit Committee carried out several activities including required statutory meetings, regular adhoc meetings, meeting with statutory auditors regarding various matters. As the Company almost seized its operation in the financial year 2020-2021, various functions of the company were not present, hence, internal audit and financial reporting became limited. However, the company always tries to implement the applicable accounting standards and other regulatory requirements as much as possible. It should also mention that new Audit Committee found a significant number of discrepancies and mismanagement in the special audit conducted by S.R. Islam & Co., Chartered Accountants and started working on those matters. The Audit Committee also conducted several meetings on the special audit performed by the S.R. Islam & Co. Chartered Accountants, and also called/met various employees of the company who were identified in the special investigative report. Audit Committee interviewed several present and ex-employees of the company based on the special audit report.

The statutory auditors also completed the three years of audit as per the regulatory framework and could not perform statutory audit of the company, hence, they declined to conduct the audit. The Company also engaged a Chartered Accountancy firm to conduct internal audits and quarterly audits of the company. The Audit Committee also found that the company had very weak internal control systems.

The Audit Committee carried out the following activities during the financial year 2022-2023 as and when applicable considering the status of the company:

- Oversee the financial reporting process and monitored the choice of accounting policies and principles;
- Monitored the compliance process and reviewed the internal audit and compliance report;
- Review along with the management, the quarterly Financial Statements and annual Financial Statements before submission to the board for approval;
- Hold meeting with the Statutory Auditors to review the annual Financial Statements before submission to the board for approval or adoption;
- Reviewed the adequacy of the internal audit function ended 30 June 2023;
- Reviewed the Management Discussion and Analysis for the year ended 30 June 2023;
- Reviewed the related party transactions; and
- Reviewed the performance of the statutory auditors and made a recommendation to the board on the appointment and remuneration of statutory auditors.

Acknowledgment:

The Audit Committee would like to express its heartfelt thanks to the members of the Board, key management executives and all other employees for their utmost cooperation with the Audit Committee. For and on behalf of the Audit Committee of Appollo Ispat Complex Limited.

APPOLLO ISPAT COMPLEX LTD.



INDEPENDENT AUDITORS' REPORT AND **FINANCIAL STATEMENTS**

AS AT AND FOR THE YEAR ENDED 30 JUNE 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF APPOLLO ISPAT COMPLEX LIMITED**

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged in the audit of financial statements of **APPOLLO ISPAT COMPLEX LIMITED** (the company) which comprise the Statement of Financial Position as on **30th June, 2023** and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other Explanatory Notes to the Financial Statement.

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Basis for Disclaimer Opinion

We were not appointed as auditors of the Company until after **30 June, 2023** and thus did not observe the counting of physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at **30 June, 2023**. Opening and closing receivables were not possible to confirm neither through external confirmation nor through books of accounts. In addition, management failed to provide financials of associates to confirm the nature of investment made. Register for fixed assets was not sufficiently available, management were trying to complete the adjustment & reconciliation as of the date of our audit report. We were unable to confirm or verify the amount of receivable & fixed assets shown in the financial statements by any alternative means. Loan liabilities and corresponding financial expenses were not supported by sufficient evidence as well. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of above mentioned issues which could be pervasive and the elements making up the statement of profit or loss, statement of changes in equity and statement of cash flows.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements


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

Report on Other Legal and Regulatory Requirements

- a) In our opinion, proper books of accounts as required by law have not been kept by the company so far as it appeared from our examination of these books

- b) The statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are not in agreement with the books of accounts and returns;
- c) As Described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- d) due to the possible effects of the matter described in the basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by the law have been kept by the Company so far as appears from our examination of the books.
- e) we are unable to state whether the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- f) we are unable to state whether the aforesaid financial statements comply with the accounting standards.
- g) The matter described in the Basis of for Disclaimer Opinion paragraph above, in our Opinion, may have an adverse effect on the functioning of the Company.
- h) we are unable to state whether the Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts.
- i) The company obtains a court order from Honorable High Court to conduct the delayed Annual General Meeting of 2022 & 2023. The petition was filed under sec 81(2) & 85(3) of The Companies Act-1994. The order was passed on 02/09/2024.
- j) Number of law suits were filed by various parties under NI Act-1981 against the company and its directors. Number of legal dispute ongoing against the company under Labour Law-2006.
- k) No return were filed as per Income Tax Act-2023 and no regulatory deductions were made as per provisions of the Act.
- l) No return were filed as per Value Added Tax and Supplementary Duties Act-2012 & Rules-2016 was also evident and no regulatory deductions were made as per provisions of the Act/Rules.
- m) The statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are not in agreement with the books of accounts and returns; and
- n) Insufficient evidence found to confirm expenditure incurred was for the purposes of the Company's business.
- o) Non compliance with Bangladesh Labour Law-2006 regarding Gratuity Fund. No separate bank account found and no trustee board activity traced.
- p) Non compliance with Bangladesh Labour Law-2006 sec 234 regarding WPPF. No separate bank account found and no trustee board activity traced, no audit conducted, no trace of the closing balance.
- q) Non compliance with Listing Regulation-2015 regarding BoD meeting for adoption, authentication and quarterly financial submission.

Place: Dhaka
Date: 26.11.2024




Mohammad Shibir Hossain FCA
Enrollment No: 1048
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC:2411261048AS984269

APPOLLO ISPAT COMPLEX LIMITED
STATEMENT OF FINANCIAL POSITION

As on 30 June 2023

| Particulars | Notes | Amounts in Taka | Amounts in Taka |
|------------------------------------------------|-------|----------------------|----------------------|
| | | 30th June' 2023 | 30th June' 2022 |
| Application of Funds | | | |
| Non-Current Assets | | 4,521,320,294 | 4,579,096,657 |
| Property, Plant and Equipment | 3.00 | 4,521,320,294 | 4,579,096,657 |
| Investment | 4.00 | 100,258,700 | 100,258,700 |
| Current Assets | | 2,977,045,389 | 3,449,919,632 |
| Inventories | 5.00 | 87,716,016 | 418,571,314 |
| Trade & Other Receivables | 6.00 | 758,933,142 | 899,189,455 |
| Advances, Deposits and Prepayments | 7.00 | 2,078,188,002 | 2,079,763,750 |
| Cash and Cash Equivalent | 8.00 | 52,208,228 | 52,395,113 |
| TOTAL ASSETS | | 7,598,624,383 | 8,129,274,988 |
| Source of Funds: | | | |
| Shareholders Equity | | 280,420,731 | 607,604,591 |
| Share Capital | 9.00 | 4,013,086,000 | 4,013,086,000 |
| Share Premium | 10.00 | 1,200,000,000 | 1,200,000,000 |
| Revaluation Surplus | 11.00 | 1,141,578,189 | 1,141,578,189 |
| Retained Earnings | 12.00 | (6,074,243,458) | (5,747,059,598) |
| Non-Current Liabilities | | 5,643,767,851 | 3,092,171,154 |
| Long Term Borrowings | 13.00 | 5,712,376,707 | 3,146,335,919 |
| Long Term Liabilities for Deferred Taxes | 19.00 | (68,608,856) | (54,164,765) |
| Current Liabilities | | 1,674,435,800 | 4,429,499,244 |
| Short Term Borrowings | 14.00 | 1,040,153,219 | 1,247,447,117 |
| Bank Overdraft | 15.00 | 221,451,882 | 221,451,882 |
| Current Portion of Long Term Borrowings | 13.00 | - | 2,457,791,939 |
| Liabilities for Expenses | 16.00 | 122,307,439 | 133,064,270 |
| Trade & Other Payables | 17.00 | 10,264,324 | 10,469,384 |
| Provision for Income Tax | 18.00 | 253,046,785 | 252,796,505 |
| Dividend Payable | 17.02 | 27,212,152 | 27,212,152 |
| Other Provisions | 20.00 | - | 79,265,995 |
| TOTAL EQUITY AND LIABILITIES | | 7,598,624,383 | 8,129,274,988 |
| CONTINGENT LIABILITIES & COMMITMENT | | | |
| Net Asset Value (NAV) | 29.00 | 0.70 | 0.87 |


The accounting policies and other notes form an integral part of the Financial Statements.


Vice-Chairman


Managing Director


Chief Financial Officer


Company Secretary


Mohammad Shibir Hossain, FCA
Enrollment No: 1048
Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2411261048AS984269

Place: Dhaka
Dated: 13.11.2024

APPOLLO ISPAT COMPLEX LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year ended 30 June, 2023

| Particulars | Notes | Amounts in Taka | |
|--------------------------------------------------------|-------|----------------------|----------------------|
| | | 30th June' 2023 | 30th June' 2022 |
| Net Turnover | 21.00 | 41,713,300 | 96,007,434 |
| Cost of Sales | 22.00 | (353,442,300) | (889,514,657) |
| A. Gross Profit | | (311,729,000) | (793,507,222) |
| Operating Expenses: | | | |
| Administrative Expenses | 23.00 | (29,647,946) | (201,187,530) |
| Selling and Distribution Expenses | 24.00 | - | (2,057,117) |
| B. Total Operating Expenses | | (29,647,946) | (203,244,647) |
| C. Profit from Operating Activities (A-B) | | (341,376,946) | (996,751,870) |
| Financial Expenses | 25.00 | (725) | (6,006) |
| Net Profit from Operation | | (341,377,671) | (996,757,876) |
| Non Operating Income | 26.00 | - | 63,896,666 |
| Profit before Gratuity and WPPF Fund | | (341,377,671) | (932,861,209) |
| Provision For Gratuity | 20.01 | - | - |
| Provision for Workers Profit Participation Fund (WPPF) | 20.02 | - | - |
| Profit Before Income Tax | | (341,377,671) | (932,861,209) |
| Taxation (Expenses)/Income | 27.00 | 14,193,811 | 13,734,776 |
| Net Profit / (Loss) after Tax | | (327,183,860) | (919,126,433) |
| Basic Earning per share (Taka) | 28.00 | (0.82) | (2.29) |

The accounting policies and other notes form an integral part of the Financial Statements.



Vice-Chairman



Managing Director



Chief Financial Officer



Company Secretary



Mohammad Shibir Hossain, FCA
 Enrollment No: 1048
 Partner
 Ashraf Uddin & Co.
 Chartered Accountants
 DVC: 2411261048AS984269

Place: Dhaka
 Dated: 13.11.2024

APPOLLO ISPAT COMPLEX LIMITED
STATEMENT OF CASH FLOWS
For the Year ended 30 June, 2023

| Particulars | Amounts in Taka | Amounts in Taka |
|-------------------------------------------------------|---------------------|---------------------|
| | 30th June' 2023 | 30th June' 2022 |
| Cash Flow from Operating Activities: | | |
| Cash receipts from customers and others | 471,111,611 | 174,538,962 |
| Cash receipts from others income | | |
| Payment of Advance Income Tax | | |
| Cash payments for suppliers, employees and others | (371,606,561) | (246,829,950) |
| A) Net Cash used in Operating Activities | 99,505,050 | (72,290,989) |
| Cash Flow from Investing Activities: | | |
| Purchase of property, plant and equipment | (646,160) | (2,390,070) |
| Capital Work in Process | | |
| Disposal of Non Current Assets | | |
| B) Net Cash used in Investing Activities | (646,160) | (2,390,070) |
| Cash Flow from Financing Activities: | | |
| Dividend Paid | | |
| Borrowing Costs/Finance Costs | (725) | (6,006) |
| Increase/(Decrease) in bank overdraft | - | (35,000,000) |
| Increase/(Decrease) in short term borrowings | (207,293,898) | 16,384,199 |
| Increase/(Decrease) in long term borrowings | 108,248,849 | 133,398,296 |
| C) Net Cash Flow from Financing Activities | (99,045,774) | 114,776,489 |
| Net increase in Cash and Bank Balances (A+B+C) | (186,884) | 40,095,430 |
| Cash and Bank balances at beginning of period | 52,395,114 | 12,299,683 |
| Cash and Bank Balances at end of Period | 52,208,228 | 52,395,114 |
| Net Operating Cash Flows per share-NOCFPS | 0.25 | (0.18) |

The accounting policies and other notes form an integral part of the Financial Statements.



Vice-Chairman



Managing Director



Chief Financial Officer



Company Secretary

Place: Dhaka

Dated: 13.11.2024

APPOLLO ISPAT COMPLEX LIMITED
STATEMENT OF CHANGES IN EQUITY
For the Year ended 30 June, 2023

| Particulars | Share Capital | Share premium | Retained Earnings | Revaluation Reserve | Total Equity |
|--------------------------|----------------------|----------------------|------------------------|----------------------|--------------------|
| Balance as at 01-07-2022 | 4,013,086,000 | 1,200,000,000 | (5,747,059,598) | 1,141,578,189 | 607,604,591 |
| Net Profit after Tax | - | - | (327,183,860) | - | (327,183,860) |
| Cash Dividend Paid | - | - | - | - | - |
| Adjustment of Dividend | - | - | - | - | - |
| Bonus Share Issued | - | - | - | - | - |
| Closing Balance | 4,013,086,000 | 1,200,000,000 | (6,074,243,458) | 1,141,578,189 | 280,420,731 |

The accounting policies and other notes form an integral part of the Financial Statements.


Vice-Chairman


Managing Director


Chief Financial Officer


Company Secretary

Place: Dhaka
Dated: 13.11.2024

APPOLLO ISPAT COMPLEX LIMITED
Notes to the Financial Statements
As at and for the year ended 30 June, 2023

1.00 Corporate Information

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.

1.01 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.

1.02 Factory Operations:

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

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

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

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

The financial Statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow statement in accordance with the International accounting Standards (IASS) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute Of Chartered Accounting of Bangladesh (ICAB).

2.02 Basis of Reporting

The Financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of IAS-01 "Presentation of Financial statements". The financial statements comprise of:

- a) A statement of financial position as at 30 June 2023
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2023
- c) A statement of changes in equity for the year ended 30 June 2023

- d) A statement of cash flows for the year ended 30 June 2023
- e) Notes, comparing a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the companies Act 1994:

- a) The Income Tax Ordinance, 1984 and the Income Tax Act 2023
- b) The Income Tax Rules, 1984
- c) The Value Added Tax Act and supplementary Duties Act 2012
- d) The Securities and Exchange Ordinance, 1969
- e) The Securities and Exchange Rules, 1987
- f) The Securities and Exchange Commission Act, 1993
- g) The Customs Act, 1969
- h) Bangladesh Labour Law, 2006

2.04 Basis of Measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for some classes of property, plant equipment which are measured at revalued amount.

2.05 Functional and Presentation Currency

These financial statements are presented in Bangladesh Taka (BDT) which is the company's functional currency. All financial information presented in BDT Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.06 Going concern

The company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's Assessments there are no material uncertainties to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.07 Reporting Period:

1st July 2022 to 30 June 2023

2.08 Use of Estimates and judgments

The preparation of financial statements in conformity with IFRSs require management to make judgment, estimates and assumptions that affect the application of accounting policies and the report amount of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying entities accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

| | |
|-------------------------------|------------|
| Property, Plant and Equipment | Note: 3.00 |
| Inventories | Note: 5.00 |

NOTE TO THE FINANCIAL STATEMENTS-2023

| | |
|---------------------------------------|-------------|
| Trade and other receivables | Note: 6.00 |
| Defined benefit obligations- Gratuity | Note: 20.00 |
| Deferred tax liabilities | Note: 19.00 |
| Liabilities for expenses | Note: 16.00 |
| Provision for income Tax | Note: 18.00 |

2.09 Investments in associates

An associate is an entiover which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decision of the investee, but is not control or joint control over those policies.

The company's investment in associates is accounted for in the financial statements using the equity method. Under the equity method, the investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition which is classified as non-current assets in the statement of financial position. The investor's share of investee's profit or loss recognized in the investor's profit or loss.

The statement of profit or loss reflects the company's share of the results of operations of the associate. In addition, when there has been a charge recognized directly in the equity of the associate, the company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the company and the associate are eliminated to the extent of the interest in the associate.

The financial of the associate are prepared for the same reporting period as the company.

2.10 Compliance with IAS:

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

| | |
|--------|----------------------------------------------------------|
| IAS 1 | Presentation of Financial Statements |
| IAS 2 | Inventories |
| IAS 7 | Statement of Cash Flows |
| IAS 10 | Events after the reporting period |
| IAS 12 | Income Taxes |
| IAS 16 | Property, Plant and Equipment |
| IAS 18 | Revenue |
| IAS 19 | Employee Benefits |
| IAS 21 | The Effects of Changes in Foreign Exchange Rates |
| IAS 23 | Borrowing Costs |
| IAS 24 | Related Party Disclosures |
| IAS 25 | Investment |
| IAS 33 | Earnings Per Share |
| IAS 34 | Interim Financial Reporting (For Quarterly Reporting) |
| IAS 36 | Impairment of Assets |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets |
| IAS 39 | Financial Instruments: Recognition & Measurement |

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

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 Comparative Information

The financial statements provide comparative information in respects of the previous period for all amount reported in the current period's financial statements. Comparative figures have been rearranged 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 statement.

As company has merged with its subsidiary and for the preparation of single entry financial statements, previous year's comparative figure has been taken from consolidated financial statements wherever necessary to compare with current year figure.

2.13 Consistency of presentation

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

2.14 SIGNIFICANT ACCOUNTING POLICIES

2.15 Current versus non-current classification

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

An assets is current when it is:

- a) Expected to be realized or intended to sold consumed in the normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realized within twelve months after the reporting period
- d) Cash or Cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

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

2.16 Fair Value Measurement

Fair Value is the price that would be received to sell assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either.

In the principal market for the asset or liability

Or

In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

If the inputs used to measure the fair value of an asset or liability might be categorized in different level of the fair value hierarchy as the lowest level input that is significant to the entire measurement value related disclosures for financial instruments and non- financial assets that are measured at fair value or where fair values are disclosed are summarized in the following notes:

Property, plant and equipment under revaluation Note-12

2.17 Recognition and measurement of Tangible Fixed Assets:

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its state of its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

2.18 Property, plant and equipment

Items of property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria met

The cost of an item of property, plant and equipment:

- a) Its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates)
- b) Any cost directly attributable to the acquisition of the assets.
- c) The cost of self-constructed/installed assets includes the cost of materials, direct Labour and any other costs directly attributable to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located

When significant parts of plant and equipment are required to be replaced at intervals, the Group deprecates them separately based on their useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognized criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred. The present value of the expected for the decommission of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met

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

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in statement of profit or loss and other comprehensive income on straight line method over the estimated useful lives of property, plan and equipment. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

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

An item of property, plan and equipment and any significant part initially recognized is derecognized upon disposal (ie at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference

between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognized.

2.19 Recognition and measurement of Tangible Fixed Assets:

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its state of its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

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

- i) Effective date of revaluation to the Financial Statements 30-06-2012.
- ii) Land has been revalued by A. Wahab & Co. Chartered Accountants a Govt. approved independent value.
- iii) Revaluation surplus of Land & Land development has been transferred to Revaluation Reserve and distribution of such surplus to the shareholders is restricted.

2.21 De-recognition:

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 de-recognition 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.

2.22 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. Commercial production has been started on 1st April 2018. Spare Parts expected to be used for more than one year are treated as Capital work in process. Capital Work in Process is recognized when risks and rewards associated with such assets are transferred to the company.

2.23 Borrowing Costs

Borrowing Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and costs that an entity incurs in connection with the borrowing of funds.

2.24 Inventories:

Inventories are measured at the lower of cost and net realizable value as prescribed by IAS-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 |
| Chemicals, Stores and | Weighted Average Cost |
| Finished Goods | Valued at cost or net realizable value whichever is lower |

2.24 Impairment of Assets:

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

2.26 Subsequent Costs:

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

2.27 Financial Instruments

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

a) Financial assets

Recognition and measurement

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

Financial assets are classified into the following categories. Financial assets at fair value through profit or loss, held to maturity, loss and receivables and available-for-sale financial assets.

A financial asset is classified as at fair value through profit or loss if it is held for trading which is acquired or incurred principally for the purpose of selling or repurchasing in the near term.

Held- to- maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. These assets are initially recognized at fair value plus any transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

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

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale and are not classified in any other categories of financial assets. Generally, available-for-sale financial assets are recognized initial recognition at fair value other than impairment losses are recognized in other comprehensive income.

b) Financial Liabilities

Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value plus transaction costs that are directly attributable to the issue of the financial liability.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less which are subject to an insignificant risk of changes in value.

2.28 Trade Debtors:

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

2.29 Cash and cash equivalents

According to IAS 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. IAS 1 "Presentation of Financial Statements" provides that

Cash & Cash Equivalents are not restricted in use. Considering the provision of IAS 7 & IAS 1, Cash in Hand & Bank Balances have been treated as Cash & Cash Equivalents.

2.30 Provisions, contingent liability and contingent assets general

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Contingent Liability

Contingent Liability

Contingent Liability is a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying benefits will be required to settle the obligation and the amount of the obligation cannot be measured with sufficient reliability.

2.31 Income Tax:

2.31.1 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 IAS-12" Income Taxes" income Tax provision has been made during the year as the company earned taxable income.

2.31.2 Deferred Tax:

The company has decided to adopt policy of reorganization of deferred tax in accordance with the Bangladesh Accounting Standard (IAS)-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.

2.32 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 IAS-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.

2.33 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 Benefit Plan (Provident fund):

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

b) Defined Benefit Plan

1) Staff Gratuity:

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

2) Workers Profit Participation & Welfare

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

3) 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.

2.34 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.

Statement of Cash Flows:

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

2.35 Provisions:

In accordance with the guidelines as prescribed by IAS-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.

2.36 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.

2.37 Earnings Per Share:

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

2.38 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).

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

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

NOTE TO THE FINANCIAL STATEMENTS-2023

| | Amounts in Taka 30th Jun' 2023 | Amounts in Taka 30th Jun' 2022 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 3.00 Property, Plant and Equipment : | | |
| These have arrived at as under: | | |
| Cost (Opening Balance) | 7,447,786,895 | 7,445,396,825 |
| Add: Revaluation surplus of land | | |
| | 7,447,786,895 | 7,445,396,825 |
| Add: Addition during the period | 646,160 | 2,390,070 |
| Add: Transfer from Capital Work in Process(NOF)* | | |
| Adjustment/disposal | | |
| Total Cost | 7,448,433,055 | 7,447,786,895 |
| Less: Accumulated Depreciation (Opening Balance) | 2,868,690,238 | 2,868,690,238 |
| Less: Accumulated Depreciation (Disposal) | | |
| Add: Charged during the period | 58,422,523 | |
| Total | 4,521,320,294 | 4,579,096,657 |
| Add: Fair Value of Vehicle & Transport | | |
| Written down value : (WDV) | 4,521,320,294 | 4,579,096,657 |
| 4.00 Investment: | | |
| This amount consists as follows: | | |
| Un-Quoted | | |
| Palash Spinning Mills Ltd. | 100,000,000 | 100,000,000 |
| Phoenix Holdings Ltd. | 258,700 | 258,700 |
| Total | 100,258,700 | 100,258,700 |
| 4.01 (i) The Company by way of transfer acquired 225,000 ordinary share of at a cost of Tk.100,000,000 each @ Tk. 444.44 each including a premium of Tk. 344.44 of Palash Spinning Mills which is 45% of total share. There is no commercial operation of Palash Spinning Mills. | | |
| 4.02 (ii)The Company acquired 15,000 ordinary shares out of 50,000 shares of Tk.100 each of Phoenix Holdings Ltd. which is 30% of total shares. The said company incurred loss of Tk. 41,37,667 up to 30-06-2019. Due to reported Loss upto 30.06 2019 Appollo Ispat Complex Ltd. has recognized 30% Holding Loss which is equivalent of Tk. 12,41,300 by this reason Investment stands at Tk. (15,00,000-12,41,300)= Tk. 258,700. | | |
| 5.00 Inventories : | | |
| Finished goods | - | - |
| Work in Process | 32,545,222 | 358,716,532 |
| Raw Materials | - | 3,120,991 |
| Scrap | - | - |
| Spare Parts | 55,170,794 | 56,733,791 |
| Total | 87,716,016 | 418,571,314 |
| The above Inventories are as per Physical counting made and valued by the inventory team consists of management staff. Inventories in hand have been valued at lower of cost and net realizable value as per IAS-2. | | |
| 6.00 Trade & Other Receivables : | | |
| A. Trade Receivable : | | |
| Opening balance | 899,189,455 | 981,880,116 |
| Add: Addition during the period | 41,713,300 | 174,538,962 |
| | 940,902,755 | 1,156,419,078 |
| Less: Adjustment/recovery | (41,713,300) | (114,999,560) |
| Less: Irrecoverable debt written off | (140,256,313) | (142,230,063) |
| Total Trade Receivable | 758,933,142 | 899,189,455 |
| B. Other Receivable: | | |
| Insurance Receivable | | |
| Interest Receivable | | |
| Total Other Recievable | - | - |
| Total Trade & Other Receivables : (A+B) | 758,933,142 | 899,189,455 |
| 7.00 Advances, Deposits and Prepayments : | | |
| This amount consists as follows: | | |
| Advances | 1,998,638,871 | 2,000,214,619 |
| Deposits and Investments | 79,549,131 | 79,549,131 |
| | 2,078,188,002 | 2,079,763,750 |
| 7.01 Advances : | | |
| Against goods and services | 486,527,096 | 486,527,096 |
| Against Salary | - | - |
| Against Land purchase | 53,468,000 | 53,468,000 |
| Advance for Preliminary & Pre-Operating Expense (NOF) | - | 1,575,748 |
| Advance Income Tax | 456,895,068 | 456,895,068 |
| Advance for Preliminary & Pre-Operating Expense (NOF) | 973,530,143 | 973,530,143 |
| LC margin | - | - |
| VAT current account | 28,218,564 | 28,218,564 |
| | 1,998,638,871 | 2,000,214,619 |

NOTE TO THE FINANCIAL STATEMENTS-2023

| | Amounts in Taka 30th Jun' 2023 | Amounts in Taka 30th Jun' 2022 |
|-----------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 7.02 Advance Income Tax : | | |
| Opening Balance | 456,895,068 | 456,895,068 |
| Add: Addition during the year | | |
| | 456,895,068 | 456,895,068 |
| Less: Refund during the year | | - |
| Less : Adjusted after Tax Assessment | | - |
| Closing Balance | 456,895,068 | 456,895,068 |
| 7.03 Deposits and Investments: | | |
| CDBL | 500,000 | 500,000 |
| FDR with South East Bank Ltd. | 1,381,657 | 1,381,657 |
| FDR with IFIC Bank Ltd. | 22,098,096 | 22,098,096 |
| FDR with Jamuna Bank Ltd. | | |
| Bank Guarantee Bond | 23,216,586 | 23,216,586 |
| Deposit Against GAS cylinder | 60,000 | 60,000 |
| Security deposit with Ttani Gas, WASA, DESA & Custom | 32,292,792 | 32,292,792 |
| Total | 79,549,131 | 79,549,131 |
| 7.04 Advance for Preliminary & Pre-Operating Expense (NOF) | | |
| Opening Balance | 1,575,748 | 7,074,528 |
| Add: Addition during the year | | |
| | 1,575,748 | 7,074,528 |
| Less : Amortization | 1,575,748 | 5,498,780 |
| Closing Balance | - | 1,575,748 |
| 8.00 Cash and Bank balances : | | |
| This amount consists as follows: | | |
| Cash in Hand | 870,193 | 1,075,151 |
| Factory current account | | |
| Cash at Bank (Notes-8.01) | 51,338,035 | 51,319,962 |
| | 52,208,228 | 52,395,113 |
| 8.01 Cash at Bank: | | |
| | 30th Jun' 2023 | 30th Jun' 2022 |
| AB Bank Ltd, A/c No-4002750680000(Kawran Bazar) | 6,620 | 6,620 |
| AB Bank Ltd. STD A/C 4002750680430 (Kawran Bazar) | 1,081 | 1,081 |
| Agram Bank Ltd.A/c No 0200000699597(Tejgoan Corpor | 11,779 | 11,779 |
| AL-Arafa Bank Ltd.A/c No 0151020015224(Motijeeet, Co | 22,606 | 22,606 |
| Al-Arafa Islami Bank A/c#0511020007849(Jatrabari Br | 30,032 | 30,032 |
| Bank Asia Ltd.A/C#00733001967 (Scotia Branch) | 4,696 | 4,696 |
| Bank Asia Ltd. Ac/# 0736000764 Scotia Br(IPO) | 5,200,000 | 5,200,000 |
| Bank Asia Ltd (STD) A/c No 00736000495(Scotia) | 4,439 | 4,439 |
| Basic Bank Ltd. A/c No 3110010000180 (Kawran Bazar) | 7,630 | 7,630 |
| Brac Bank,K.Bazar,A/C No-1501200130284001 | 26,341 | 26,341 |
| Brack Bank Ltd A/c No 1501200130284002(Gulshan) | 18,237 | 18,237 |
| City Bank Ltd.A/c No 1102004872001(Principle Office | 37,636 | 37,636 |
| City Bank Ltd A/c No 3102004872002(Motijeeel, Share) | 227,445 | 227,445 |
| City Bank Ltd(STD-A/c No 3102004872001(Principal Br | 17,670 | 17,670 |
| Dhaka Bank Ltd.A/c No 2011008522(Local Office) | 9,530 | 9,530 |
| Dhaka Bank Ltd A/c No 2071006359(Kawran Bazar) | 541 | 541 |
| Dutch Bangla Bank Ltd.A/C#107.110.53 (Kawran Bazar) | 124,989 | 124,989 |
| Dutch Bangla Bank Ltd.A/c No.1011202704(Local Offic | 42,579 | 42,579 |
| Exim Bank Ltd.A/c No 0111100011871(Motijeeel) | 7,016 | 7,016 |
| First Security Bank Ltd A/c 0013100000518(Mohakhali | 16,448 | 16,448 |
| IFIC Bank A/C.No.0170358174001(CD) | 33,798 | 33,798 |
| IFIC Bank Ltd.A/c No 1017124260001(Kawran Bazar) | 1,166 | 1,166 |
| Islami Bank BD Ltd A/c No 20501910900001007(Mohukha | 73,783 | 73,783 |
| Islami Bank(Gandaria Br.) A/c No 20503370100105107 | 5,000 | 5,000 |
| Islami Bank Ltd A/c No 20501790100279407(Bangshal) | 15,819 | 15,819 |
| Jamuna Bank Ltd.A/c No 0060320000195(Dilkusha) | 35,086,617 | 35,086,617 |
| Janata Bank Ltd.A/c No 0000036000173 (Farmgate) | 25,604 | 25,604 |
| Janata Bank Ltd.A/c No 0000210040010(Bangshal) | 3,100 | 3,100 |
| Meghna BankLtd.(A/c No. 111811100000248) Sonargaon | 10,000 | |
| Modhumoti Bank (A/c, No. 112313500000037) Banglamotor | 4,107 | |
| Mutual Trust Bank Ltd.(Dhammondi) | 10,000 | 10,000 |
| Mutual Trust Bank Ltd Loan Ac#0210010672 (Motijeeel | 6,987 | 6,987 |
| Mutual Trust Bank Ltd.(Norma Traders) | 10,000 | 10,000 |
| National Bank Ltd.A/c No 1048000662855(Kawran Bazar | 17,687 | 17,687 |
| National Bank Ltd. A/c No 1999001781140(Dilkusha) | 746 | 746 |
| National Bank Ltd.(IPO-No.3536) | 10,000 | 10,000 |

NOTE TO THE FINANCIAL STATEMENTS-2023

| | | |
|------------------------------------------------------------------|-------------------|-------------------|
| National Credit & Commerce AC#0210010127(Dhanmondi) | | |
| N.R. B. Bank AC#102201002267 (Gulshan Br) | | |
| One Bank Ltd.A/c No 0010016238/007(Principle) | | |
| Premier Bank Ltd(Gulshan) | | |
| Prime Bank Ltd A/c No 11331030018756(Kawran Bazar) | | |
| Pubali Bank Ltd.A/c No 2369901009161(Tejgon) | (4,989,227) | (4,989,227) |
| Pubali Bank Ltd(STD-Tejgaon) | 2,360 | 2,360 |
| Rupali Bank Ltd.A/c No 0000240000155(Green Road Br) | 32,064 | 32,064 |
| SBAC Panthapath | 3,967 | |
| Shahjalal Bank Ltd A/c No 40011100006337(Dhaka Mai) | 9,455 | 9,455 |
| Social Islami Bank Ltd A/c 0150360000979(Panthapath) | 11,601 | 11,601 |
| Sonali Bank A/c 0131303000006(Restration Complex) | 6,000 | 6,000 |
| Sonali Bank Ltd. A/C#0000240000236 (Tejgaon Branch) | 23,380 | 23,380 |
| Sonali Bank Ltd A/c No 1634536000097(Awlad H Market) | 16,886 | 16,886 |
| Sonali Bank Ltd. No # 48235; Motijheel (Motijheel, Local Office) | 4,940 | 4,940 |
| Southeast Bank Ltd A/c No 0011100009826(Dhanmondi) | 15,027,434 | 15,027,434 |
| Southeast Bank Ltd(STD-939) | 20,085 | 20,085 |
| State Bank Of India(CD-Motijheel) | 3,095 | 3,095 |
| United Com Bank Ltd A/c No 0781301000000176(Mohakha) | 3,045 | 3,045 |
| United Commercial Bank A/C# 05313200000125 (N.Bazar) | 2,000 | 2,000 |
| United Commercial Bank(K.Bazer) A/C.802 | 5,000 | 5,000 |
| Utara Bank Ltd.A/c No 0012200212361(Awlad H Market) | 9,058 | 9,058 |
| Total | 51,338,035 | 51,319,962 |

| Amounts in Taka | Amounts in Taka |
|-------------------|-------------------|
| 30th Jun' 2023 | 30th Jun' 2022 |
| 2,916 | 2,916 |
| 10,000 | 10,000 |
| 474 | 474 |
| 1,717 | 1,717 |
| 56 | 56 |
| (4,989,227) | (4,989,227) |
| 2,360 | 2,360 |
| 32,064 | 32,064 |
| 3,967 | |
| 9,455 | 9,455 |
| 11,601 | 11,601 |
| 6,000 | 6,000 |
| 23,380 | 23,380 |
| 16,886 | 16,886 |
| 4,940 | 4,940 |
| 15,027,434 | 15,027,434 |
| 20,085 | 20,085 |
| 3,095 | 3,095 |
| 3,045 | 3,045 |
| 2,000 | 2,000 |
| 5,000 | 5,000 |
| 9,058 | 9,058 |
| 51,338,035 | 51,319,962 |

9.00 Share Capital :

Authorized Capital : Tk.

500,000,000 Ordinary share of Tk.10 each.

5,000,000,000 **5,000,000,000**

Issued, Subscribed and paid up Capital:

This amount consists as follows:

250,000,000 Ordinary Share of Tk.10 each, fully paid up in cash

2,500,000,000 2,500,000,000

Bonus Share Note:10.01

1,513,086,000 1,513,086,000

4,013,086,000 **4,013,086,000**

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.

322,000,000 322,000,000

*Bonus 2016-2017 : 35,420,000 Bonus Share@ Tk.10 each.

354,200,000 354,200,000

*Bonus 2017-2018: 11,688,600 Bonus Share@ Tk.10 each.

116,886,000 116,886,000

1,513,086,000 **1,513,086,000**

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

A. Director's Shareholding

| Name | No. of Shares | Status with the Company | 30 June' 2023 | 30 June' 2022 |
|------------------------|-------------------|-------------------------|----------------|----------------|
| | | | % of Holding | % of Holding |
| Deen Mohammad | 13,195,026 | Chairman | 3.29 | 3.29 |
| Mohammad Shoeb | 9,984,557 | Vice Chairman | 2.49 | 2.49 |
| Md. Ansar Ali | 8,026,172 | M D | 2.00 | 2.00 |
| Md. Abdur Rahman | 8,026,172 | D M D | 2.00 | 2.00 |
| M.A Majid | 10,191,167 | Director | 2.54 | 2.54 |
| Md Rafique | 8,026,172 | Director | 2.00 | 2.00 |
| Md. Abu Kaiser | - | Ind. Director | - | - |
| Ms. Roxshana Begum | 8,026,597 | Director | 2.00 | 2.00 |
| Evana Fahmida Mohammad | 8,026,597 | Director | 2.00 | 2.00 |
| Md.Sirajul Haque | 7,129,137 | Sponsor | 1.78 | 1.78 |
| Murshida Haque | 590,062 | Sponsor | 0.15 | 0.15 |
| Md. Mustafijul Haque | 15,530 | Sponsor | 0.00 | 0.00 |
| | 61,257,189 | | 20.2431 | 20.2431 |

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

NOTE TO THE FINANCIAL STATEMENTS-2023

| | | | Amounts in Taka | Amounts in Taka |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------|------------------------|------------------------------|
| | | | 30th Jun' 2023 | 30th Jun' 2022 |
| B. Other Shareholders | | | | |
| Name | Status with the Company | | 30 June' 2023 | 30 June' 2022 |
| | | | % of Holding | % of Holding |
| Above 5 % shareholding: | Shareholders | 20,473,544 | 5.10 | 5.10 |
| Below 5% shareholdings | Shareholders | 299,597,867 | 74.66 | 74.66 |
| | | Total | 79.76 | 79.76 |
| | | Grand Total (A+B) | 100 | 100 |
| 10.00 Share Premium : | | | | |
| 100,000,000 Ordinary Shares of Tk.12 each, fully paid up in cash | | | 1,200,000,000 | 1,200,000,000 |
| | | | 1,200,000,000 | 1,200,000,000 |
| 11.00 Revaluation Surplus : | | | | |
| 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. | | | | |
| 12.00 Retained Earnings: | | | | |
| This amount consists as follows: | | | | |
| Balance brought forward | | | (5,747,059,598) | (4,827,933,165) |
| Add: Profit for the period | | | (327,183,859.70) | (919,126,433) |
| Add:Unabsorbed Carry Forwarded u/s 42(6) | | | | |
| Less: Amount Transferred to Share Capital as Bonus Share of | | | (6,074,243,458) | (5,747,059,598) |
| Less: Prior Year Adjustment | | | | |
| | | | (6,074,243,458) | (5,747,059,598) |
| 13.00 Long Term Borrowings: | | | | |
| This amount consists as follows: | | | | |
| Name of Bank | 30 June 2023 | 30 June 2023 | 30 June 2022 | 30 June 2022 |
| | Due within one year | Due after more than one year | Due within one year | Due after more than one year |
| Term Loan -IFIC Bank Ltd. | 3,248,333,091 | | 1,541,252,836 | 1,264,010,555 |
| Term Loan -Jamuna Bank Ltd. | 1,193,264,319 | | 293,568,177 | 899,696,143 |
| Term Loan.Mutual Trust Bank Ltd | 210,290,538 | | 129,992,174 | 80,298,365 |
| Term Loan Southeast Bank Ltd. | 485,391,757 | | 123,261,017 | 332,130,740 |
| GSP Finance Company Ltd | - | | - | - |
| GSP Finance Company Ltd(Lease) | - | | - | - |
| Phoenix Finance & Investment | 299,583,118 | | 273,351,471 | 244,595,413 |
| Mercantile Bank Ltd. A/c No # 00192 | 174,484,214 | | 43,248,307 | 131,235,908 |
| NCC Bank Ltd. A/c No # 1208347 | 49,791,773 | | 24,737,657 | 25,054,117 |
| Islamic Finance & Investment Ltd | - | | - | 146,457,080 |
| Social Islami Bank Ltd. A/c No # 51 | 51,237,897 | | 28,380,300 | 22,857,597 |
| Total | 5,712,376,707 | - | 2,457,791,939 | 3,146,335,919 |
| Total Long Term Borrowings | 5,712,376,707 | - | 5,604,127,858 | - |
| This represent the present outstanding balances of the above term loans. The above loans are secured by personal guarantee of the director of the company and the pari passu sharing agreement between banks on fixed and floating assets of the company. The interest rate of this loans are varying from 10%-13%. The Payment of installment were being made regularly. | | | | |
| 14.00 Short Term Borrowings: | | | | |
| This amount consists as follows: | | | | |
| Deferred Loan(Short Term,IFIC Bank) | | | | |
| GSP Finance Company Ltd. | | | 310,556,839 | 310,556,839 |
| GSP Finance Company Ltd-A: | | | 146,457,080 | 146,457,080 |
| Islamic Finance & Investment Ltd | | | 116,474,999 | 116,474,999 |
| Midas Finance Ltd. | | | | |
| Mutual Trust Bank Ltd | | | | |
| Union Capital Ltd. | | | 245,600,398 | 245,600,398 |
| FORCE LOAN-IFIC | | | | 243,069,700 |
| Loan From Directors | | | 221,063,903 | 185,288,101 |
| Total | | | 1,040,153,219 | 1,247,447,117 |
| 15.00 Bank overdraft: | | | | |
| This consist of the following: | | | | |
| IFIC Bank Ltd(SOD General-0000106747-044) | | | (38,397,875) | (38,397,875) |
| IFIC Bank (OverdraftA/C No 1008106747001(Federation) | | | 259,942,618 | 259,942,618 |
| Jamuna Bank (SOD.No33010145) | | | (92,861) | (92,861) |
| Total | | | 221,451,882 | 221,451,882 |

NOTE TO THE FINANCIAL STATEMENTS-2023

16.00 Liabilities for Expenses :

This consist of the following:

| | Amounts in Taka 30th Jun' 2023 | Amounts in Taka 30th Jun' 2022 |
|------------------------------------------|-----------------------------------|-----------------------------------|
| AGM Expenses Payable | - | - |
| AIT Payable | 1,899,342 | 1,899,342 |
| Audit Fee Payable | 425,000 | 425,000 |
| Chittagong Stock Exchange Payable | 3,492,100 | 3,492,100 |
| Custom Duty Payable (Bond) | 71,492,777 | 71,492,777 |
| Contribution to Provident fund ,Gartuity | - | - |
| Dhaka Stock Exchange Payable | 2,511,629 | 2,511,629 |
| Duty & Vat Payable | 8,213 | 8,213 |
| Electric Bill Payable | 6,984,921 | 6,984,921 |
| Gas Bill Payable | 3,100,137 | 3,100,137 |
| Head Office Rent Payable | 13,565,511 | 13,565,511 |
| Narayangonj City Corporation | 2,696,627 | 2,696,627 |
| Overtime Bill Payable | - | 10,756,831 |
| Phoenix Insurance Payable(FirePolicy) | 7,054,845 | 7,054,845 |
| Salary & Allowance Payable | - | - |
| Salary & Allowance Payable(AIT) Dr | (75,014) | (75,014) |
| Salary & Wages Payable | 1,286,726 | 1,286,726 |
| Telephone Bill Payable | 32,806 | 32,806 |
| VAT Payable | 7,831,819 | 7,831,819 |
| | 122,307,439 | 133,064,270 |

16.01 Salary, wages & allowance Payable

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

17.00 Trade & Other Payables:

This amount consists as follows:

| | | |
|----------------|-------------------|-------------------|
| Trade Payables | 5,644,849 | 5,849,909 |
| Other Payables | 31,831,627 | 31,831,627 |
| | 37,476,476 | 37,681,536 |

17.01 Trade Payables:

| | | |
|------------------------------------|---------|---------|
| AK Traders (Cr) Balance | 621,827 | 621,827 |
| ABB Ltd (golshan) | - | - |
| Airtech (Dr) Balance | - | - |
| Abul Hossain & co. | - | 86,000 |
| Ator Banu Traders | - | - |
| Barishal Printers | - | - |
| Buzz Communication | - | - |
| Bow Engineering Ltd. | - | - |
| M.I Rubber Engineering Workshop | - | 119,060 |
| Bashundhara Industrial Complex Ltd | 44,000 | 44,000 |
| CDBL Payable | 106,000 | 106,000 |
| Eastern Chemical | - | - |
| Electro Mech Automation | - | - |
| Fans Hotel & Resorts | - | - |
| Fritzh & Fixabit Inc | - | - |
| HR International | - | - |
| Global Connection Tours & travels | - | - |
| ION Exchange | 260,000 | 260,000 |
| MD Steel Casting Indus. | 65,000 | 65,000 |
| Hilfu We Engoneering | - | - |
| Khan Thai Aluminium & Fabricators | 84,743 | 84,743 |
| Happy Int. | - | - |
| Pgressive Engineering Corporation | 235,890 | 235,890 |
| Mofizul Islam Technical Boaring | - | - |
| Global Business Solution | 24,000 | 24,000 |
| Majumder & Associations | - | - |
| Mr. Shamol | - | - |
| Morols International A | 115,000 | 115,000 |
| Motaleb Iron Store | - | - |
| National Steel Corp. | 533,602 | 533,602 |
| Navigator | - | - |
| Popular Travel & Tours | 42,864 | 42,864 |
| Oriental Oil Com Ltd. | - | - |
| Golden Traders | 578,940 | 578,940 |
| Divine IT | - | - |
| Prime Technologies | 12,000 | 12,000 |
| Surgineer power Technologies | 25,000 | 25,000 |

NOTE TO THE FINANCIAL STATEMENTS-2023

| | Amounts in Taka 30th Jun' 2023 | Amounts in Taka 30th Jun' 2022 |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| Prince Carbon, | 117,050 | 117,050 |
| Rashid Ent (RE) | - | - |
| Rafi Ent. | - | - |
| Pakard Eng. Ltd. | - | - |
| Royal Rubber Insd. | - | - |
| S Construction | - | - |
| Satcom IT Ltd | - | - |
| Shafique Ent. | 71,871 | 71,871 |
| Sunrise chemical | 2,622,062 | 2,622,062 |
| Shopno Computers | - | - |
| Narayanganj City Corp. | - | - |
| SMA Eng. Co. | - | - |
| Ore Automation Solution | - | - |
| Surat Ali Enterprise | 85,000 | 85,000 |
| Karnofully Steel Constructions | - | - |
| Anex Engineering & Electric Com. | - | - |
| Rana Auto | - | - |
| | 5,644,849 | 5,849,909 |
| 17.02 Other Payables: | | |
| Dividend Unpaid | 27,212,152 | 27,212,152 |
| IPO Applicant (Refund warrant with Bank Asia) | 4,619,475 | 4,619,475 |
| | - | - |
| | 31,831,627 | 31,831,627 |
| 18.00 Provision for Income Tax : | | |
| Opening balance | 252,796,505 | 252,106,507 |
| a) Provision made during the Period | 250,280 | 689,997 |
| Less: Adjusted/Paid during the Period as per Assessment | 253,046,785 | 252,796,505 |
| Closing balance | 253,046,785 | 252,796,505 |
| 19.00 Liabilities for Deferred Tax : | | |
| This has been arrived as under; | | |
| Carrying Value of Fixed Assets | 2,278,478,395 | 2,336,254,758 |
| As Tax Base | 313,168,601 | 313,168,601 |
| Temporary Difference | 1,965,309,794 | 2,023,086,157 |
| Addition not included Tax Base | (2,239,745,216) | (2,239,745,216) |
| Net Temporary Difference | (274,435,422) | (216,659,059) |
| Deferred Tax Liabilities @ 25% | (68,608,856) | (54,164,765) |
| Deferred Tax Expenses/(Income) during the Period | (14,444,091) | (14,424,773) |
| 20.00 Other Provisions: | | |
| Provision For Gratuity : | - | - |
| Provision for Workers Profit Participation Fund (WPPF) : | - | - |
| Provision for Bad Debts : | - | 79,265,995 |
| | - | 79,265,995 |
| 20.01 Provision For Gratuity : | | |
| Opening balance | - | 19,147,889 |
| Add. Addition made during the period | - | (19,147,889) |
| Less: Gratuity Paid | - | - |
| Total | - | - |
| The Company made provision for gratuity equivalent to two months basic pay for all eligible employee during the year. | | |
| 20.02 Provision for Workers Profit Participation Fund (WPPF) : | | |
| This amount consists as follows: | | |
| Opening balance | - | 10,500,000 |
| Add. Addition made during the period | - | - |
| Less: Paid during the year as per rule | - | (10,500,000) |
| | - | - |
| Total | - | - |
| The Company made provision for Workers Profit Participation Fund (WPPF) @ 5% of the profit before charging such expense. | | |
| 20.03 Provision for Bad Debts: | | |
| This amount consists as follows: | | |
| Opening balance | 79,265,995 | 79,265,995 |
| Add. Addition made during the period | - | - |
| Less: Recovery during the Period | 79,265,995 | 79,265,995 |
| Closing balance | 79,265,995 | 79,265,995 |

NOTE TO THE FINANCIAL STATEMENTS-2023

| | Amounts in Taka 30th Jun' 2023 | Amounts in Taka 30th Jun' 2022 |
|--------------------------------------------------------|-----------------------------------|-----------------------------------|
| 21.00 Net Turnover : | | |
| This amount consists as follows: | | |
| CI Sheet | 51,975 | 48,188,558 |
| CR Coil | 40,675,725 | 46,427,342 |
| GP Coil | | 211,750 |
| Ridge | | |
| Baby Coil | 985,600 | 1,179,785 |
| Total | 41,713,300 | 96,007,434 |
| 22.00 Cost of Goods Sold : | | |
| This has been arrived as under: | | |
| Work in process (opening) | 358,716,532 | 581,955,168 |
| Add: Raw Material Consumed | 5,093,790 | 50,569,123 |
| Total Work in Process | 363,810,322 | 632,524,292 |
| Less: Work in Process (Closing) | 32,545,222 | 358,716,532 |
| Total Consumption | 331,265,100 | 273,807,760 |
| Add: Factory Overhead | 22,177,200 | 115,463,322 |
| Cost of Production | 353,442,300 | 389,271,082 |
| Add: Finished Goods (Opening) | - | 500,243,575 |
| Finished Goods Available | 353,442,300 | 889,514,657 |
| Less: Finished Goods (Closing) | | |
| | 353,442,300 | 889,514,657 |
| 22.01 Raw Material Consumed : | | |
| A. Opening Stock of Raw Materials | | |
| HR Coil | - | 6,460,148 |
| Zinc Ingot | - | |
| Chemical | 3,120,991 | |
| Spare parts | 56,733,791 | 112,746,997 |
| | 59,854,782 | 119,207,145 |
| B. Add: Raw Material Purchased | | |
| HR Coil | | 28,311,826 |
| Zinc Ingot | | 15,797,150 |
| Chemical | | |
| Spare parts | 409,802 | 2,884,504 |
| | 409,802 | 46,993,480 |
| C. Raw Material available for Consumption (A+B) | 60,264,584 | 166,200,624 |
| D. Less: Closing Stock of Raw Materials | | |
| HR Coil | | |
| Chemical | | 3,120,991 |
| Spare parts | 55,170,794 | 56,733,791 |
| | 55,170,794 | 59,854,782 |
| 22.01.01 Raw Material Consumption | | |
| HR Coil | - | 34,771,973 |
| Zinc Ingot | - | 15,797,150 |
| Chemical | 3,120,991 | - |
| Spare parts | 1,972,799 | - |
| | 5,093,790 | 50,569,123 |
| 22.02 Factory Overhead : | | |
| This consist of the following: | | |
| Carrying & Labour | 107,244 | 24,200 |
| Conveyance | | - |
| Donation | | - |
| Depreciation | | 56,908,770 |
| Electric Bill | 12,482,187 | 14,249,114 |
| Electric Goods | 230,800 | 5,430 |
| Entertainment | | - |
| Repair and Maintenance | 2,223,634 | 3,955,739 |
| Gas Bill | 1,989,634 | 7,275,916 |
| Insurance Premium | | |
| Medical Expenses | | |
| Office Maintenance | | |
| Postage & courier | | |
| Wages and Allowances | 35,350 | |
| Printing & Stationary | | |
| Salary & Wages | 5,108,351 | 33,044,153 |
| | 22,177,200 | 115,463,322 |

NOTE TO THE FINANCIAL STATEMENTS-2023

| | Amounts in Taka 30th Jun' 2023 | Amounts in Taka 30th Jun' 2022 |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 23.00 Administrative Expenses : | | |
| This consist of the following: | | |
| Audit Fee | 425,000 | 425,000 |
| Software expenses | | |
| AGM Expenses | | 1,267 |
| Amortization Expenses | | 35,000 |
| Bond Stamp | | |
| Board Meeting Expenses | | |
| Business Development | 114,520 | 368,170 |
| Canteen Expenses | 8,560 | 8,425 |
| Consultancy & services charge | 2,000 | 40,000 |
| Conveyance | 123,900 | 259,242 |
| Director Remuneration | | |
| Depreciation | | 2,995,198 |
| Donation | 91,076 | 126,608 |
| Electricity | | |
| Entertainment | 217,895 | 176,695 |
| Fees and Professional Charges | 7,000 | 7,200 |
| Tour & Travels Expenses | | |
| Gift & Presentation | | |
| Hhary Allowances | | 263,350 |
| Legal Fee | | 195,700 |
| License and Renewal & Fitness Fee | 379,339 | 2,598,988 |
| Liveries and Uniform | | |
| Miscellaneous Expenses | 25,957 | 15,762 |
| Medical Expenses | 4,672 | 21,134 |
| Newspaper and Periodicals | | 1,430 |
| Office Rent including Garage Rent | | 1,500 |
| Office Refreshment Expenses | 6,566 | 6,959 |
| Plantation | 1,600 | 7,250 |
| Postage and courier | 13,490 | 20,575 |
| Printing | 64,626 | 45,696 |
| Rent Rates and Taxes | | 325,544 |
| Repair and Maintenance | 72,159 | 396,380 |
| Salary and Allowances | 27,605,557 | 59,841,624 |
| Stationery expenses | | |
| Stock exchange & fees /CDBL exp/BO A/c fees | | |
| Telephone & Internet | 288,267 | 99,913 |
| Welfare Exp. | | 160,500 |
| Written off Against Advance Salary | | |
| Air Condition Maintenance | | |
| Computer Maintenance | | 195,848 |
| Connection Fee | 3,080 | |
| Fees & Fines | | |
| Fuel & Lubricants | 98,536 | |
| Gratuity & Leave Pay-A | | |
| Insurance Premium A | | |
| Office Maintenance-A | 1,486 | |
| Photocopy Machine Maintenance | 13,130 | |
| Service Charge | -4,230 | |
| Special Allowance | 75,700 | |
| Irrecoverable Debt Written Off | | 132,546,572 |
| Total | 29,647,946 | 201,187,530 |
| 23.01 Key Management Personnel Compensation: | | |
| Short term employee benefits (Salary and other allowances) | | |
| Post employment benefits (provident fund, gratuity etc.) | | |
| Key management personnel includes employees of the rank of Deputy Managers (DGM), DGM equivalent and above. | | |
| 23.02 Audit Fee | | |
| Statutory audit fee (Excluding VAT) | | |
| 24.00 Selling and Distribution Expenses : | | |
| This consist of the following: | | |
| Advertisement | | 142,494 |
| Delivery charges | | |
| Entertainment | | |
| Other Expenses | | |
| Traveling & Conveyance expenses | | 10,470 |

NOTE TO THE FINANCIAL STATEMENTS-2023

| Amounts in Taka | Amounts in Taka |
|-----------------|-----------------|
| 30th Jun' 2023 | 30th Jun' 2022 |

Statement of Cash Flows (Indirect method)

| Particulars | Amounts in Taka | Amounts in Taka |
|----------------------------------------------------|--------------------|---------------------|
| | July'22 to June'23 | July'21 to June'22 |
| Net Profit | (327,183,860) | (919,126,433) |
| Adjustments for: | | |
| Depreciation | 58,422,523 | 59,903,968 |
| (Increase) / Decrease in trade & other receivables | 153,454,385 | 82,690,661 |
| (Increase) /Decrease in Advance | 1,575,748 | 6,002,916 |
| (Increase) /Decrease in inventory | 330,855,298 | 782,834,574 |
| Increase / (Decrease) in trade payable | (205,060) | (10,185,108) |
| Increase / (Decrease) Other Payable | (67,445,096) | (60,682,797) |
| Increase / (Decrease) Tax Payable | (14,193,811) | (13,734,776) |
| Bank Charge | 725 | 6,006 |
| Net Cash used in Operating Activities | 135,280,852 | (72,190,988) |

31.00 Related parties transaction

As per International Accounting standards (IAS) 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 in 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 IAS-24.

| Name of the parties | Relationship | Nature of Transaction |
|-------------------------------------------|--------------------|-------------------------------|
| Phoenix Finance and Investments Ltd. | Common Shareholder | Term Loan |
| Phoenix Insurance Company Ltd. | Common Shareholder | Insurance |
| Eastern Dyeing and Calendaring Works Ltd. | Common Shareholder | Office Rent |
| Tiger wire (Re-rolling) Mills Ltd. | Common Shareholder | Advance Against Land Purchase |

32.00 Employees

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

| Particulars | Permanent | Provisional | Total No of Employee |
|--------------|------------|-------------|----------------------|
| Officer | 47 | 1 | 48 |
| Staff | 52 | 0 | 52 |
| Workers | 208 | 0 | 208 |
| Total | 307 | 1 | 308 |

APPOLLO ISPAT COMPLEX LIMITED
Schedule of Property, Plant and Equipments

Annexure - A

As on 30 June 2023

| Category of Assets | Cost | | | | Depreciation | | | Written Down Values on 30.06.2023 | | |
|----------------------------------|--------------------------|----------|-------------|----------|-----------------------------|--------|--------------------------|-----------------------------------|------------------------|-----------------------------------|
| | Balance as on 01.07.2022 | Addition | Retirements | Disposal | Total Cost as at 30.06.2022 | Rate % | Balance as on 01.07.2022 | | Charge During the Year | Accumulated Dep. as on 30.06.2022 |
| Land and Land Development (RCIP) | 1,430,855,589 | - | - | - | 1,430,855,589 | - | - | - | - | 1,430,855,589 |
| Land and Land Development (RCIP) | 411,984,310 | - | - | - | 411,984,310 | 0% | - | - | - | 411,984,310 |
| Plant and Machinery | 3,307,120,329 | - | - | - | 3,307,120,329 | 10% | 2,039,040,349 | 31,701,494 | 2,070,742,044 | 1,234,338,285 |
| Factory Building | 1,443,122,143 | - | - | - | 1,443,122,143 | 10% | 405,054,238 | 21,429,147 | 427,383,405 | 853,734,738 |
| Office Building | 114,079,497 | - | - | - | 114,079,497 | 10% | 52,353,023 | 1,343,142 | 33,894,189 | 40,185,312 |
| Office Building (Bangs Bunkers) | 14,000,000 | - | - | - | 14,000,000 | 10% | 14,000,000 | - | 14,000,000 | - |
| Factory/Office Equipment | 2,221,305 | - | - | - | 2,221,305 | 10% | 1,284,433 | 23,372 | 1,309,805 | 911,500 |
| Gas Generators | 43,482,397 | - | - | - | 43,482,397 | 10% | 28,293,170 | 384,731 | 28,477,900 | 15,004,497 |
| Water Installation | 7,547,204 | - | - | - | 7,547,204 | 10% | 3,333,898 | 54,783 | 3,410,481 | 2,134,523 |
| Telephone Installation | 3,021,744 | - | - | - | 3,021,744 | 10% | 3,200,130 | 45,340 | 3,245,490 | 1,774,034 |
| Gas Installation | 33,138,425 | - | - | - | 33,138,425 | 10% | 8,771,139 | 422,182 | 8,893,322 | 24,245,103 |
| Electric Installation | 134,233,240 | 424,000 | - | - | 134,481,240 | 10% | 73,303,372 | 2,029,442 | 75,333,014 | 79,148,244 |
| Vehicle and Transport | 10,737,021 | - | - | - | 10,737,021 | 10% | 6,240,545 | 112,411 | 6,352,974 | 4,384,045 |
| Tool and Equipment | 15,140,011 | - | - | - | 15,140,011 | 10% | 10,990,884 | 114,478 | 11,109,542 | 4,350,449 |
| Office Equipment | 440,434 | - | - | - | 440,434 | 10% | 3,413,798 | 49,743 | 3,485,541 | 2,720,773 |
| Furniture and Fixture | 7,281,447 | - | - | - | 7,281,447 | 10% | 3,087,338 | 54,853 | 3,142,191 | 2,139,274 |
| Air Condition | 12,719,790 | - | - | - | 12,719,790 | 10% | 6,228,591 | 143,530 | 6,392,121 | 4,377,449 |
| Other Assets | 5,882,049 | 220,110 | - | - | 4,102,229 | 10% | 3,244,871 | 71,434 | 3,314,305 | 2,788,924 |
| | 7,407,786,895 | 646,160 | - | - | 7,440,433,055 | | 2,868,690,238 | 58,422,523 | 2,927,112,761 | 4,521,320,294 |

A) Allocation of Depreciation

| | |
|-------------------------|-------------------|
| Factory overhead | 55,501,397 |
| Administrative overhead | 2,921,124 |
| | <u>58,422,523</u> |

SHAREHOLDER'S INFORMATION

Annual General Meeting (AGM)

No. of AGM: 29th Annual General Meeting

Date : 19th December,2024

Venue : Factory Premises-Shimrail, Siddhirganj, Narayanganj

Time :03:00 pm.

Financial Calendar

Financial Year: 1st July 2022 to 30th June 2023

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, Narayanganj
Bangladesh.

Investor Correspondence

Mail to: info@appolloispat.com

407 Tejgaon Industrial Area (2nd Floor),

Dhaka-1208, Bangladesh

