

Annual Report

2020-21

With the passing of Pillars, Silence striked



SHIELDING THE FUTURE

APPOLLO ISPAT COMPLEX LTD.



SHIELDING THE FUTURE

CONTENTS

01	Performance at a Glance	03
02	Letter of Transmittal	04
03	Notice of the 27th Annual General Meeting	05
04	Company Profile	06
05	Nature of Business, Important Dates	07
06	Previous Board of Directors	08
07	Now Board of Directors	09
08	Corporate and Contact Information	10
09	AICL Values	11
10	Production Flow	12-13
11	Products and Market	14
12	Features	15
13	Area Wise Marketing Graph, Quality Control, Environmental Factors:	16-18
14	In memory of Chairman Deen Mohammed	19
15	Vice-Chairman's Message	20
16	Managing Director	21
17	Director's Report	22-25
18	Certificate on compliance with corporate governance	26-39
19	Pattern of Shareholdings	40
20	Audit Committee Report	41-42
21	Financial Statements for the year ended 30th June 2021	43-71
22	Shareholder's Information	72
23	Proxy Form & Attendance Slip	73

PERFORMANCE AT A GLANCE 2020-21

TURNOVER Growth



NET PROFIT Growth



NET ASSET Growth



Letter of Transmittal



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, 2021**

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report of APPOLLO ISPAT COMPLEX LTD. together with the Director's Report, Audited Financial Statements including Balance Sheet as on 30th June 2021, Cashflow Statement, Statement of Changes in Equity for the year ended June 30th, 2021 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 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the 27th 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 2021 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 2021-2022 and fix their remuneration.
5. To approve the appointment of Managing Director.
6. To appoint Compliance Auditor for the year ending 30 June 2022 and to fix their remuneration.
7. To approve appointment of Independent Director.

Dated: December 19, 2024

By order of the Board



SK. Abul 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.

COMPANY PROFILE



SHIELDING THE FUTURE



Apollo 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.

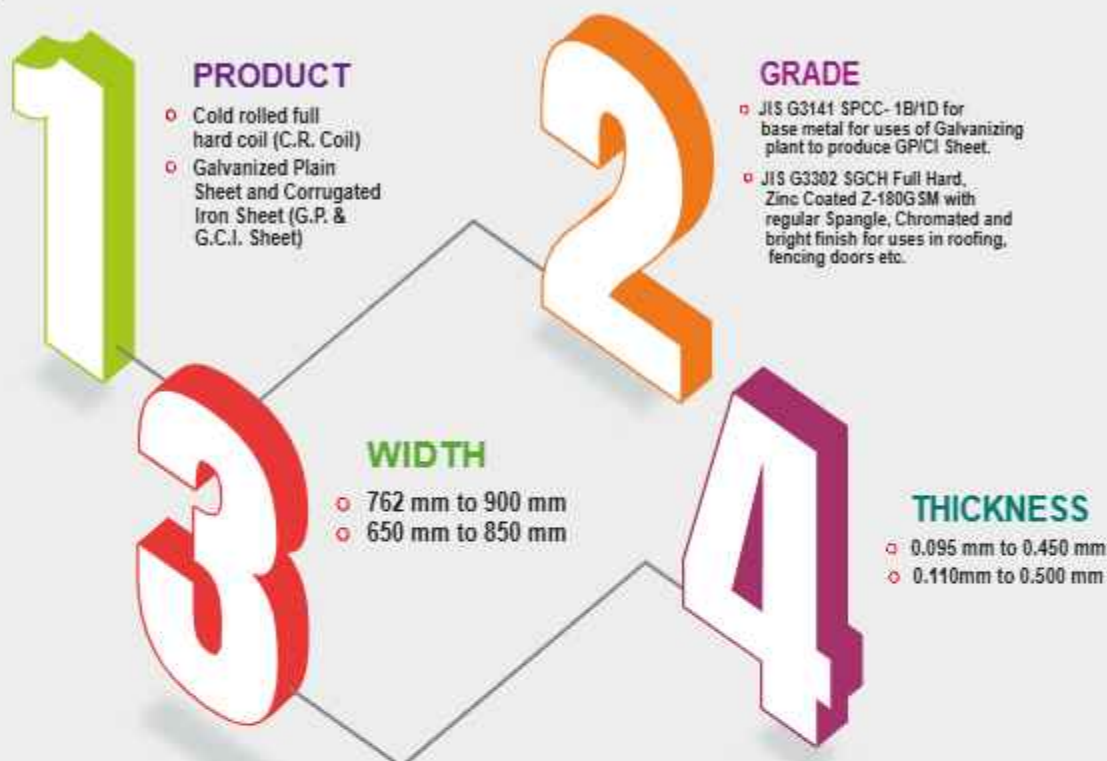
Initially the Authorized Capital of the Company was Tk. 1,000,000,000/- divided into 10,000,000 ordinary shares of Tk. 100/- each. Subsequently, the Company changed the face value of shares from Tk. 100/- to Tk. 10/- each and increased its Authorized Capital to Tk. 500,00,00,000/- divided into 50,00,00,000 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.

Apollo is the pioneer in CI sheet business in Bangladesh. It started its journey by establishing modern and sophisticated Continuous Galvanizing Line (CGL). Today, Apollo 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 technicians 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"**.

Apollo 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
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

Mr. Muhammad Abid Hossain FCMA
Asst. General Manager &
Head of internal Audit

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

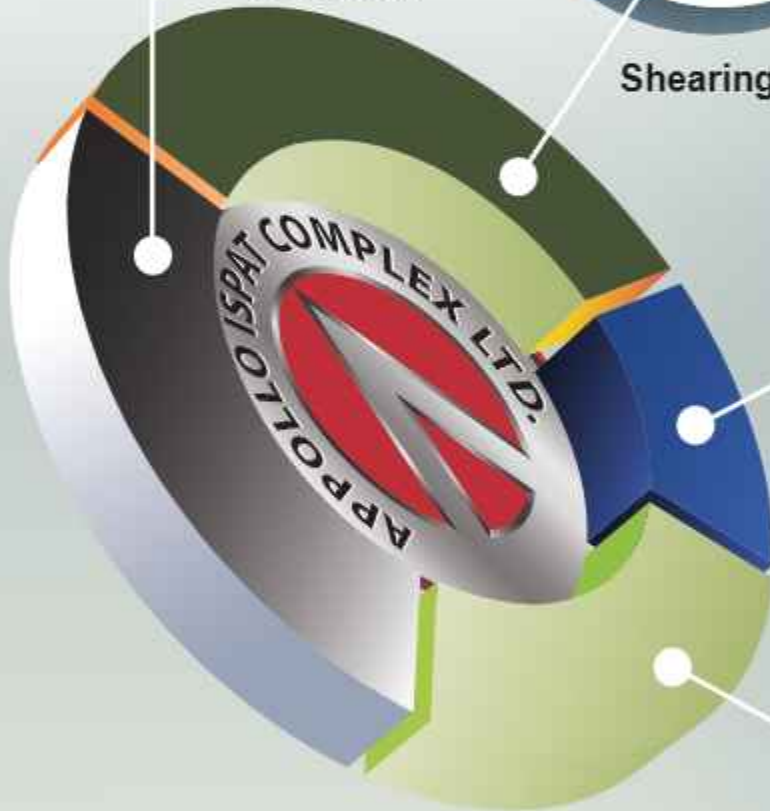


Corrugation

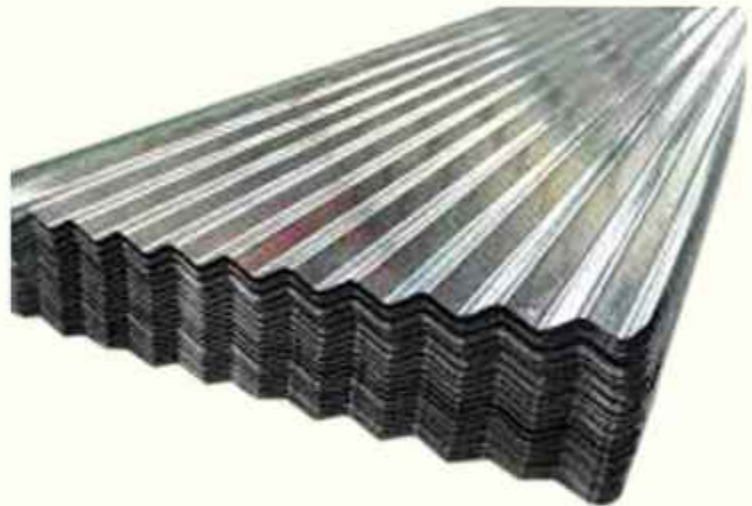
8



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.

FEATURES :

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



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

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

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

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

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



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

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

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

QUALITY CONTROL

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

- ❖ Procure Hot Rolled Coils 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.



OUR PRIDE AND RESPECT

DEEN MOHAMMAD (1938-2021)



Today, the growth of Bangladesh has reached remarkable heights, but such progress was not achieved overnight. It came through relentless efforts and significant contributions from visionary leaders. Among them, the late Mr. Deen Mohammad stood as a guiding light—a Bright Star and Living Legend of the industrial and financial sectors in Bangladesh. His legacy as a pioneer and a builder of modern industry inspires us even today.

Today, however, as we face his absence, we find ourselves adrift in challenging times. Mr. Deen Mohammad was not merely a leader; he was our mentor and guardian, someone whose guidance illuminated our path and inspired confidence. Without him, we are confronted with a void—a lack of guardianship that is profoundly felt.

As we navigate these difficulties, we earnestly seek the support and understanding of all stakeholders. The loss of such an extraordinary figure has left us vulnerable, but we are determined to honor his memory by striving to continue his legacy.

Mr. Deen Mohammad will forever be remembered for his unparalleled contributions to the development of Bangladesh, his leadership, and his inspiring vision.

VICE-CHAIRMAN'S MESSAGE

An Overview of APPOLLO ISPAT COMPLEX LTD-2021



Dear Shareholders,

Assalamualaikum

With profound sorrow, I stand before you to acknowledge and honor the irreplaceable loss that APPOLLO ISPAT COMPLEX LTD. has endured. The passing of our founding father, Mr. Deen Mohammed, has left an indelible void in our organization. Prior to his sad demise, we also lost two other pillars of our company—Mr. Ansar Ali, the Founder Managing Director, and Mr. Abdur Rahman, the Deputy Managing Director—who were at the helm of our day-to-day operations.

Mr. Deen Mohammed lived a remarkable life, marked by relentless effort and an unwavering capitalist spirit. He made immense contributions to the economy of Bangladesh, creating employment opportunities for thousands of people. In his lifetime, he established institutions across banking, insurance, finance, garments, steel, and re-rolling industries. He was the esteemed Chairman of several successful companies, including Phoenix Insurance, Phoenix Finance, Phoenix Securities, and City Bank PLC. Among all these achievements, one of his dearest dreams was APPOLLO ISPAT COMPLEX LTD.

During the harsh and unforgiving days of the COVID-19 pandemic, we lost three of our key directors, including Mr. Deen Mohammed. Their advanced age and weakened health made them unable to withstand the devastating effects of the virus. The departure of these extraordinary individuals left our company in a state of deep sorrow and organizational uncertainty.

In these challenging times, the burden of leadership fell heavily on the remaining board members—Mr. Mohammed Shoeb, Mr. M.A. Majid and the rest of the board members. However, the primary responsibility to steer the company through its darkest hours fell on my shoulder and Mr. M.A. Majid.

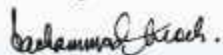
Upon further investigations into the company's operations, it became evident that APPOLLO ISPAT COMPLEX LTD. was grappling with substantial debts and financial burdens. Despite this daunting realization, I and Mr. M.A. Majid refused to give up. We worked tirelessly to convene board meetings, maintain operational functionality, and explore avenues for survival.

I myself in particular, went above and beyond. I traveled extensively, both domestically and internationally, to seek potential investors and partners for APPOLLO ISPAT COMPLEX LTD. Yet, the company's overwhelming financial liabilities deterred many from engaging with us. Despite these setbacks, I remained steadfast, fighting each day to keep the company afloat.

Even as our operations slowed, the weight of daily expenses, utilities, and employee salaries remained constant. In these dire circumstances, myself along with Mr. Majid went beyond our professional obligations. We drew upon our personal savings and resources from our other ventures to cover these essential costs.

Today, as someone who was always deeply rooted in the financial sector, immersed in the world of banking and insurance, I find myself, almost by the force of circumstance, at the heart of APPOLLO ISPAT COMPLEX LTD. It is not a role I sought, but rather one that life compelled me to undertake. Facing insurmountable challenges and bearing the weight of its struggles, I have been left with no choice but to confront the company's immense burdens head-on, striving hopelessly to revive a dream that was not originally mine to lead. Together, we face these challenges head-on.

Thank you.



Mohammed Shoeb
Vice-Chairman



MANAGING DIRECTOR

Dear Shareholders,

Assalamu Alaikum,

It is my honor and privilege to welcome you all to the 27th Annual General Meeting of Appollo Ispat Complex Ltd. and to present the Annual Report for the financial year 2020-2021.

The journey of Appollo Ispat Complex Ltd. has always been one of resilience and determination. However, the challenges of recent years have been unparalleled. The year 2021, in particular, was a period of immense loss and hardship for us. The passing of our beloved Chairman, Mr. Deen Mohammad, along with two key directors, Mr. Ansar Ali and Mr. Abdur Rahman, has left us not only heartbroken but also without the guidance and leadership that were the cornerstone of our company's progress. Their absence has created a void that we have struggled to fill, and we have keenly felt the lack of their wisdom and direction in navigating these turbulent times.

Amid these losses, the company faced mounting liabilities with financial institutions and banks, exacerbating the already challenging operational landscape. Mismanagement from previous years, compounded by delayed corrective actions, left the company in a vulnerable position. Although professional and younger members were brought into the management team, their efforts came too late to fully counteract the damage inflicted by years of inefficiencies.

Despite these adversities, we remain steadfast in our commitment to rebuilding the company. Our focus is on restoring operational efficiency, implementing stronger governance, and laying the foundation for sustainable growth.

In closing, I wish to extend my deepest gratitude to all our stakeholders. To our esteemed shareholders, employees, dealers, financial institutions, bankers, government authorities, and regulatory bodies, including the BSEC, DSE, CSE, RJSCF, and CDBL—your support has been invaluable during these trying times. Most importantly, to our loyal customers, your unwavering trust has been our beacon of hope.

We are determined to honor the legacy of our late leaders by striving for stability and success. Together, with your continued support and faith, we will overcome these challenges and work towards a brighter future for Appollo Ispat Complex Ltd.

Thank you

Md. Rafique
Managing Director

DIRECTORS REPORT



SHIELDING THE FUTURE

Dear Shareholders,

Your directors have the immense pleasure in presenting their 26th Annual Report to you together with the Audited Financial Statements of the company for the financial year ended 30th June 2020. 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. In Bangladesh, around 81% in the

roofing and 42% in the fencing of 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	2020-21	2019-20	2018-19
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%	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	2019-20	2020-21
CI Sheet	55,84,57,288	658,949,783
CR Coil	239894300	84,939,823
GP Coil	16,12,800	-
Ridge	18,39,328	-
Baby Coil	-	20,725,613
Total	80,18,03,717	764,615,219

FINANCIAL PERFORMANCE

The details of operational key performance indicator for the last two years from July 2020 to

June 2021 are given below for your kind information and consideration:

(TK. In Million)

Particulars	2019-20	2020-21
Sales	801.80	764.62
Gross Profit	125.108	(1098.05)
Profit before interest,taxes, VPPF & Gratuity	(82.97)	(4290.54)
Less:Interest Expenses	(820.31)	(712.86)
Less:Tax expenses	(19.02)	(15.82)
Non-Operating Income	101.042	356.94
Net profit After Tax	(783.54)	(4630.65)
EPS	1.95	(11.54)

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.

RESERVE AND SURPLUS

Retained earnings during the financial year 2018-19 of the company arrived at Taka 586.26 (mn) against Taka 1,629. (mn) in financial year 2017-2018.

BOARD OF DIRECTORS

(i) Composition and size of the Board:

As on,30th June 2021 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	5
Mr.M.A. Majid	Director	5	3
Mrs.Roxshana Begum	Director	5	3
Mr. Md. Monirul Islam	Independent Director	5	4
Mr. Md. Moshir Rahman	Independent Director	5	4
Mrs.Evana Fahmida Mohammad	Director	5	3

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 2020-21. 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 2020-2021.

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 2021-2022.

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 2021. 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:

- (a) 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;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by thisCode;
- (c) Proper books and records have been kept by the company as Required under the Companies Act, 1994, the securities laws and Other relevant; And
- (d) The Governance of the company is Satisfactory.


Obal..... CA
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 2021 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;	✓		-
1(2) (b) (viii)	who is not independent director in more than 5 (five) listed companies.	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 (NBFIs); 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.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 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 then 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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	✓		-
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:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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);	✓		-
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.	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 and Chief Executive Officer of the company;		✓	NRC not formed
1.7. (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		✓	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)	Appoinment			
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);	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	✓		-
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.		γ*	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;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(l) (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 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			Not Applicable
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.	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	✓		-
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.	-		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 o such reportable case found during the year.
6	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a 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;		✓	NRCnot formed
6(2)(b)	All members of the Committee shall be non-executive directors;		✓	NRCnot formed
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;		✓	NRCnot formed
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			Not applicable

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			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
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:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.			
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;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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

SHAREHOLDING OF DIRECTORS

Directors and Other Sponsor Shareholdins:

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. Deen 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 2021



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(financial year 2020-2021) 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 Majid – 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 2020-2021 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.

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 Ishpat 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 etc. in the special audit conducted by S.R. Islam & Co., Chartered Accountants and started working on those matters. 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 2020-2021 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 2021;
- Reviewed the Management Discussion and Analysis for the year ended 30 June 2021;
- 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.



FINANCIAL STATEMENTS

For the year ended 30th June 2021

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

Report on the Audit of the Financial Statements

Qualified Opinion

We were engaged in the audit of financial statements of **APPOLLO ISPAT COMPLEX LIMITED** ('the company) which comprise the Statement of Financial Positions on **30th June, 2021** 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.

In our opinion, the accompanying Financial Statements give true and fair view 'except for' the issues described in the basis for qualified opinion paragraph, in all material respect of the Financial Position of the company as at **30 June, 2021**, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), The Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

- I. **Opening Balance:** The books of accounts were not maintained properly, which hindered our ability to verify and confirm the carry-forward amounts. As a result, we were unable to conclude that the opening balances in the financial position are free from material misstatements.
- II. **We refer to Note # 21 & 26: Revenue from sales Tk. 764,615,219/ and Non Operating Income Tk. 356,941,501 /-** Management was failed to provide us adequate documentation (e.g., ledger, invoices, work orders, VAT Challan). As an alternative procedure, we attempted to reconcile the sales with the VAT return and bank deposits, but this was not possible due to a lack of supporting evidence. Non-operating income Tk. **356,941,501 /-** is not supported by sufficient appropriate evidence. Therefore it was not possible for us to conclude that the balances are free of material misstatements or not.
- III. **We refer to Note # 06: Accounts Receivables Tk. 981,880,116/-** The accounts receivable balance was unsupported by proper books of accounts, and there were no party contact details available to conduct external confirmations. The aging details were also not provided, and there was significant doubt about the recoverability of the year-end receivables. As a result we conclude that the balances may be materially misstated.
- IV. **We refer to Note #: 3.00 Property, Plant and Equipment Tk. 4,636,610,555/-** No organized asset register were found to verify the physical existence of assets and ensure proper depreciation was charged. The addition to fixed assets did not match the records in the improperly maintained books of accounts.
- V. **We refer to note #: 4.00 Investment in Palash Spinning Mills Ltd. and Phoenix Holdings Ltd. amounting Tk. 100,258,700/-** against investment in Palash Spinning Mills Ltd we received RJSC Schedule-X but no audited financials were available. Neither any legal documents nor any audited Financial Statements of Phoenix Holdings Ltd. were found. No reliable measurement of fair value of these investments was possible.

- VI. **We refer to note # 5.00: Inventory Tk. 1,201,405,888/-** Since we were appointed as auditors long after the year end, it was not possible for us to conduct year end physical verification of Inventory held at 30 June 2021. Moreover, they did not maintain any store register that refrained us to conduct alternative procedure. No yearend inventory counting report was provided by management and no justification were made to ensure that inventories are presented at lower of cost and net realizable value (NRV) as per IAS-2 Inventories. Therefore we cannot ensure whether the balance is free of material misstatement.
- VII. **We refer to note no: 7.00 Advance, Deposit & Prepayment Tk. 2,085,766,666/-** Management failed to provide us any evidence for Advance against goods, advance for land and advance for goods in transit. No reconciliation were provided to confirm AIT closing balances with treasury challan.
- VIII. **We refer to note #: 13.00& 14.00 Long Term & Short Term borrowings Tk.6,701,792,479.75/-** Since the loans were classified as bad, no interest were charged by bank on regular basis. The company did not reschedule the loan and made no provision for interest and penalty amount.
- IX. **Refer to note # 17: Trade and Other Payables Tk. 20,654,492/-** Company did not maintain proper books of accounts. As a result, we were unable to obtain external confirmation of the closing balances, and the addresses of suppliers were not available.
- X. **Refer to note # 20:00 –Gratuity—Tk. 19,147,889/- & WPPF— Tk. 10,500,000/-** No payment evidence were found for Gratuity and WPPF.
- XI. **We refer to note # 22: Cost of Goods Sold Tk.(1,862,663,432)/-** It was not in agreement in terms of analysis for material usage, material purchased, opening & closing balances of inventory and capacity utilization against production quantity. Therefore we were unable to conclude that the balances are free of material misstatement or not.
- XII. **We refer to note no: 23.00 Administrative expenses and note no: 24.00 Selling & Distribution expenses Tk. (113,864,973)/- & Tk. (56,503,384)/- respectively.** Most of the expenses were made in cash and no statutory deductions were made in terms of source Tax & VAT. Therefore we cannot identify whether the transactions were authentically occurred.
- XIII. Numbers 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. The company did not made any provision against none of these. On compliance with Income Tax Act-2023 and Value Added Tax and Supplementary Duties Act-2012 & Rules-2016 was also evident. Company legal counsel was unable to provide detailed current status of the legal matters.
- XIV. **Going Concern:** The production unit of the company is in 'No-Operation' status currently. No arrangement for working capitals were made till reporting date to open & run the company. Chairman, Managing Director and CFO positions were vacant for long and no initiative taken to fulfill the positions. The bank loan were classified as bad and no fund arrangement were negotiated so far to settle debts. The company did not provide adequate disclosures related to going concern uncertainty in the policy notes section of the financial statements. Due to the possible effect of these issues along with other matters there are material uncertainty exist that may cast significant doubt about companies' ability to continue as a going concern.

Other matters

The last years auditors was Malek Siddiqui Wali, Chartered Accountants and they have given qualified opinion on 1. Opening balance 2. Property plant and equipment 3. Investment in subsidiary 4. Inventory 5. Receivable 6. Advance deposit and Prepayments 7. Loan 8. Trade payables 9. Gratuity 10. Revenue 11. Cost of sale 12. Revenue exp 13. Law suits 14. Going Concern.

All these above mentioned issues either stand alone or together with others considered as material misstatement to the financial statements for the year ended **30 June, 2021**.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the 'International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and The Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1.Revenue Recognition Ref: Note 21.00	
Key audit matters	Key audit matters
<p>Sales Revenue is recognized for Tk.764,615,219/- for the year ended 30th June, 2021.</p> <p>Revenue recognition have significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicators in almost all sector, there always exist risk of revenue smoothing or window dressing.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.</p>	<p>Our procedures included, but not limited to following:</p> <ul style="list-style-type: none"> -We tested the completeness of journal entries compared to financial statements and make sure that there are no unusual items. -We checked company monthly VAT return and confirmed the amount disclosed as direct export & deemed export. - We tried to review general ledger for revenue and inspect year end adjusting entries to ensure no material journal was made. -We further tried testing for party wise opening receivable balances, current period sales and subsequent realization. When doing this, we specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off. -We tried out third party receivable confirmation procedure to ensure the correctness of the balances along with alternative audit procedure where necessary. -We verified the adequacy of disclosure made under IFRS-15 Revenue from contracts with Customers.
2. Property Plant & Equipment Ref: Note 3.00	
Key audit matters	How our audit address the matter
<p>In the year ended 30th June, 2021 the company accounted for Property Plant and Equipment WDV of Tk.4,636,610,555/- & Tk. 4,937,862/- as current</p>	<p>Our procedures included, but not limited to following:</p> <ul style="list-style-type: none"> -We asked for asset register to confirm the opening balances that are carried forward from last year.

<p>year addition to fixed asset.</p> <p>The written down balance represents around 51.41% of total assets. Large amount and number of fixed assets and subsequent additions subject to huge amount of depreciation charged against profit. Error in addition to fixed asset & depreciation calculation could result in over or understatement of profit / assets.</p>	<ul style="list-style-type: none"> -We tried to obtain current year purchase / addition to fixed asset documents and ensure their complete recording in ledger. -We tried to obtain purchase order, delivery challan, goods received note, invoice and money receipt to ensure occurrence, accuracy & completeness of transaction. -We inspected the physical existence of fixed assets & machineries at production unit and tried to match against register. -We recalculate the depreciation charged against assets in current year. -We carried out analytical procedure to detect any unusual fluctuation in value in comparison with last year. - We discuss with management and consider other issues to assess the requirement for an impairment review. -We evaluate the appropriateness of disclosures in financial statements in line with IAS-16.
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3.Valuation of Inventory Ref: Note 5.00	
Key audit matters	How our audit address the matter
<p>Closing inventory of Tk. 1,201,405,888/- represents almost 13.32% of total assets .The closing inventory figure have significant impact in determining the cost of goods sold.</p> <p>Inventories are usually carried in financial statements at the lower of cost and net realizable value. Since frequent changes in customer demand is unavoidable in manufacturing industry and a large quantity of raw material is held. As a result, there is risk that the carrying value of inventory exceeds net realizable value.</p>	<p>Our procedures included, but not limited to following:</p> <ul style="list-style-type: none"> -We obtained understanding of the inventory recording & valuation process used by the company. -We tried to ensure the correct opening balances are carried forward correctly from previous year's ledger. -We asked for inventory counting report provided by management and assess the appropriateness of presentation. -We did not attain physical counting & recheck sample basis counting accuracy due to late appointment. -We checked the NRV testing on sample basis. -We checked record with inventory ledger, usage during the year & purchase of inventory item in line with purchase order, delivery challan, GRN and Invoice. -We conducted analytical procedure to detect unusual fluctuation in inventory purchase and usage against current year production & sale. -We have also considered the adequacy of the company's disclosures in respect IAS-2.

Other Information

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.

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information.

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

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

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

Management is responsible for the preparation 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

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) We were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) 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;
- c) 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
- d) Insufficient evidence found to confirm expenditure incurred was for the purposes of the Company's business.

Place: Dhaka
Date: 08.09.2024



Md. Ashraf Uddin Ahmed FCA, CFC
Enrollment No: 210
Managing Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC:2409080210AS816564

APPOLLO ISPAT COMPLEX LIMITED

**Statement of Financial Position
As on 30 June 2021**

Particulars	Notes	Amounts in Taka	Amounts in Taka
		30th June' 2021	30th June' 2020
Application of Funds			
Non-Current Assets			
Property, Plant and Equipment	3.00	4,636,610,555	4,693,056,125
Investment	4.00	100,258,700	100,258,700
Current Assets			
Inventories	5.00	1,201,405,888	2,886,231,490
Trade & Other Receivables	6.00	981,880,116	2,965,649,415
Advances, Deposits and Prepayments	7.00	2,085,766,666	2,854,702,502
Cash and Cash Equivalent	8.00	12,299,683	40,667,850
TOTAL ASSETS		9,018,221,607	13,540,566,083
Source of Funds:			
Shareholders Equity			
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	(4,827,933,165)	(197,287,381)
Non-Current Liabilities			
Long Term Borrowings	13.00	4,606,570,741	3,968,396,034
Long Term Liabilities for Deferred Taxes	19.00	(39,739,991)	(17,191,103)
Current Liabilities			
Short Term Borrowings	14.00	1,231,062,918	1,119,179,406
Bank Overdraft	15.00	256,451,882	247,926,838
Current Portion of Long Term Borrowings	13.00	864,158,820	1,558,148,672
Liabilities for Expenses	16.00	164,099,177	105,377,702
Trade & Other Payables	17.00	20,654,492	8,215,248
Provision for Income Tax	18.00	252,106,507	245,377,167
Dividend Payable	17.02	27,212,152	3,418,454
Other Provisions	20.00	108,913,884	144,340,857
TOTAL EQUITY AND LIABILITIES		9,018,221,607	13,540,566,083
CONTINGENT LIABILITIES & COMMITMENT			
Net Asset Value (NAV)	30.00	3.80	15.34

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
Date: 08.09.2024


Md. Ashraf Uddin Ahmed FCA, CFC
Enrollment No. 210
Managing Partner
Ashraf Uddin & Co.
Chartered Accountants
D/C. 2409080210ASB16564

APPOLLO ISPAT COMPLEX LIMITED

Statement of Profit or Loss and Other Comprehensive Income For the Year ended 30 June, 2021

Particulars	Notes	Amounts in Taka	
		30th June' 2021	30th June' 2020
Net Turnover	21.00	764,615,219	801,803,717
Cost of Sales	22.00	(1,862,663,432)	(676,696,036)
A. Gross Profit		(1,098,048,213)	125,107,681
Operating Expenses:			
Administrative Expenses	23.00	(113,864,973)	(201,968,126)
Selling and Distribution Expenses	24.00	(56,503,384)	(6,112,661)
Impairment (Expected Credit Loss)		(3,022,126,089)	
B. Total Operating Expenses		(3,192,494,446)	(208,080,787)
C. Profit from Operating Activities (A-B)		(4,290,542,659)	(82,973,106)
Financial Expenses	25.00	(712,864,175)	(820,313,532)
Net Profit from Operation		(5,003,406,833)	(903,286,638)
Non Operating Income	26.00	356,941,501	101,042,139
Profit before Gratuity and WPPF Fund		(4,646,465,333)	(802,244,499)
Provision For Gratuity	20.01	-	(314,500)
Provision for Workers Profit Participation Fund (WPPF)	20.02	-	-
Profit Before Income Tax		(4,646,465,333)	(802,558,999)
Taxation (Expenses)/Income	27.00	15,819,548	19,015,526
Net Profit / (Loss) after Tax		(4,630,645,785)	(783,543,474)
Basic Earning per share (Taka)	28.00	(11.54)	(1.95)

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



Vice-Chairman



Managing Director



Chief Financial Officer



Company Secretary



Md. Ashraf Uddin Ahmed FCA, CFC
Enrollment No: 210
Managing Partner
Ashraf Uddin & Co.
Chartered Accountants
DVC: 2409080210AS816564

Place: Dhaka
Date: 08.09.2024

APPOLLO ISPAT COMPLEX LIMITED

**Statement of Cash Flows
For the Year ended 30 June, 2021**

Particulars	Amounts in Taka	Amounts in Taka
	30th June' 2021	30th June' 2020
Cash Flow from Operating Activities:		
Cash receipts from customers and others	764,615,219	913,385,858
Cash receipts from others income	356,941,501	101,042,139
Payment of Advance Income Tax	-	-
Cash payments for suppliers, employees and others	(1,209,580,437)	(1,033,637,435)
A) Net Cash used in Operating Activities	(88,023,717)	(19,209,438)
Cash Flow from Investing Activities:		
Purchase of property, plant and equipment	(4,937,862)	(77,800)
Capital Work in Process	-	-
Disposal of Non Current Assets	-	-
B) Net Cash used in Investing Activities	(4,937,862)	(77,800)
Cash Flow from Financing Activities:		
Dividend Paid	-	-
Borrowing Costs/Finance Costs	-	(820,313,532)
Increase/(Decrease) in bank overdraft	8,525,045	(40,942,016)
Increase/(Decrease) in short term borrowings	111,883,512	(577,347,538)
Increase/(Decrease) in long term borrowings	(55,815,145)	1,322,441,227
C) Net Cash Flow from Financing Activities	64,593,412	(116,161,859)
Net increase in Cash and Bank Balances (A+B+C)	(28,368,167)	(135,449,097)
Cash and Bank balances at beginning of period	40,667,850	176,116,947
Cash and Bank Balances at end of Period	12,299,683	40,667,850
Net Operating Cash Flows per share-NOCFPS	(0.22)	(0.048)

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

Date: 08.09.2024

APPOLLO ISPAT COMPLEX LIMITED

Statement of Changes In Equity

For the Year ended 30 June, 2021

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Reserve	Total Equity
Balance as at 01-07-2020	4,013,086,000	1,200,000,000	(197,287,381)	1,141,578,189	6,157,376,808
Net Profit after Tax			(4,630,645,785)		(4,630,645,785)
Cash Dividend Paid	-		-		-
Adjustment of Dividend	-		-		-
Bonus Share Issued	-		-		-
Closing Balance (30-09-2020)	4,013,086,000	1,200,000,000	(4,827,933,165)	1,141,578,189	1,526,731,024

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

Date: 08.09.2024

APPOLLO ISPAT COMPLEX LIMITED**Notes to the Financial Statements**

As at and for the year ended 30 June, 2021

1.00 Corporate Information

AppolloIspat 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 MarkaDheutin" which is used mainly in rural and semi-urban areas of Bangladesh for construction of traditional houses and fencing and raw materials of Colour coated CI Sheet Industries.

1.02 Factory Operations:

AppolloIspat 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 viz India, Japan, Germany etc.

2.00 BASIS OF PREPARATION**2.01 Statement of Compliance**

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 2021
- b) A Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2021
- c) A Statement of Changes in Equity for the year ended 30 June 2021
- d) A Statement of Cash Flows for the year ended 30 June 2021
- e) Notes to the Financial Statement for the year ended 30 June 2021.

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
- 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 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.

2.05 Reporting Year: 1st July 2020 to 30 June 2021

2.06 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
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

2.07 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 or 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

2.8 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.

2.9 Net Profit before Tax:

Net Profit before Tax for the year was 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.

2.10 Comparative Information

The Financial Statements provides 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.

2.11 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 2021 are consistent with those policies and methods applied in preparing the financial for the year ended 30 June 2020.

2.12 Current versus non-current classification

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

An asset is current when it is:

- 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 noncurrent assets and liabilities.

2.13 Fair Value Measurement

Fair Value is the price that would be received to sell an 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 liability 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

2.14 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.

2.15 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) It's 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 depreciates 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, plant 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, plant 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.

2.16 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.

2.17 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 has 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. Increases in the carrying amount arising on revaluation are credited to "Revaluation Surplus" under share holder's 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.

2.18 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 losses 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.

2.19 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.

2.20 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.

2.21 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

2.22 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.

2.23 Subsequent Costs:

The cost of replacing part of 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.

2.24 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 becomes 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.

2.25 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.

2.26 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.

2.27 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 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.

2.28 Income Tax:

2.28.1 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.

2.28.2 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.

2.29 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.

2.30 Employee Benefits:

AppolloIspat 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 have 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 all eligible 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.

2.31 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".

2.32 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.

2.33 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.

2.34 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.

2.35 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).

2.36 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-2021

APPOLLO ISPAT COMPLEX LTD.
Notes to the Financial Statements
As at and for the Year ended 30 June 2021

		Amounts in Taka	Amounts in Taka
		30th Jun' 2021	30th June' 2020
3.00 Property, Plant and Equipment :			
These have arrived at as under:			
Cost (Opening Balance)		7,440,458,963	7,440,381,163
Add: Revaluation surplus of land		-	-
		7,440,458,963	7,440,381,163
Add: Addition during the period		4,937,862	77,800
Add: Transfer from Capital Work in Process(NOF)*		-	-
Adjustment/disposal		-	-
Total Cost		7,445,396,825	7,440,458,963
Less: Accumulated Depreciation (Opening Balance)		2,747,402,838	2,475,098,208
Less: Accumulated Depreciation (Disposal)		-	-
Add: Charged during the period		61,383,432	272,304,630
Total		2,808,786,270	2,747,402,838
Add: Fair Value of Vehicle & Transport			
Written down value : (WDV)		4,636,610,555	4,693,056,125
4.00 Investment:			
This amount consists as follows:			
Un-Quoted			
Palash Spinning Mills Ltd.	Notes # 4.01	100,000,000	100,000,000
Phoenix Holdings Ltd.	Notes # 4.02	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		
5.00 Inventories :			
Finished goods		500,243,575	743,645,708
Work in Process		581,955,168	1,121,935,653
Raw Materials		6,460,148	579,151,826
Scrap		-	-
Spare Parts		112,746,997	91,498,302
Total		1,201,405,888	2,536,231,489
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		2,965,649,415	3,038,888,040
Add: Addition during the period		1,038,356,790	801,803,717
		4,004,006,205	3,840,691,757
Less: Adjustment/recovery		-	(795,276,157)
Less: Irrecoverable debt written off (Impairment)		(3,022,126,089)	(118,109,702)
Total Trade Receivable		981,880,116	2,927,305,899
B. Other Receivable:			
Insurance Receivable		-	38,343,516
Interest Receivable		-	-
Total Other Receivable		-	38,343,516
Total Trade & Other Receivables : (A+B)		981,880,116	2,965,649,415
7.00 Advances, Deposits and Prepayments :			
This amount consists as follows:			
Advances	Note-7.01	2,006,217,535	2,775,151,474
Deposits and Investments	Note-7.03	79,549,131	79,551,028
Total		2,085,766,666	2,854,702,502

NOTE TO THE FINANCIAL STATEMENTS-2021

	Amounts in Taka	
	30th Jun' 2021	30th June' 2020
7.01 Advances :		
Against goods and services	487,031,232	619,852,294
Against Salary	-	658,219
Against Land purchase	53,468,000	153,498,652
Advance for Preliminary & Pre-Operating Exp: Note-7.04	7,074,528	12,573,308
Advance Income Tax Note-7.02	456,895,068	453,864,104
Material in Transit	973,530,143	973,530,143
LC margin	-	492,160,384
VAT current account	28,218,564	69,014,369
	2,006,217,535	2,775,151,474
7.02 Advance Income Tax :		
Opening Balance	453,864,104	445,204,610
Add: Addition during the year	3,030,964	8,659,494
	456,895,068	453,864,104
Less: Refund during the year	-	-
Less : Adjusted after Tax Assessment	-	-
Closing Balance	456,895,068	453,864,104
7.03 Deposits and Investments:		
CDBI.	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.	-	1,897
Bank Guarantee Bond	23,216,586	23,216,586
Deposit Against GAS cylinder	60,000	60,000
Security deposit with Titas Gas,WASA, DESA & Custom	32,292,792	32,292,792
Total	79,549,131	79,551,028
7.04 Advance for Preliminary & Pre-Operating Expense (NOF)		
Opening Balance	12,573,308	19,171,846
Add: Addition during the year	-	-
	12,573,308	19,171,846
Less : Amortization	5,498,780	6,598,538
Closing Balance	7,074,528	12,573,308
8.00 Cash and Bank balances :		
This amount consists as follows:		
Cash in Hand	768,562	397,874
Factory current account	-	9,015,939
Cash at Bank (Notes-9.01)	11,531,121	31,254,037
	12,299,683	40,667,850
8.01 Cash at Bank:		
AB Bank Ltd, A/c No 4002750680000(Kawran Bazar)	66,620	-
AB Bank Ltd, STD A/C 4002750680430 (Kawran Bazar)	1,081	1,001
Agrani Bank Ltd.A/c No 0200000699597(Tejgoan Corpor	28,039	161,385
AL-Arafa Bank Ltd.A/c No 0151020015224(Motijeet, Co	22,606	30,032
Al-Arafa Islami Bank A/c#0511020007849(Jatrabari Br	30,032	12,744
Bank Asia(Delta Entp.Cd.2682)	-	-
Bank Asia(Jamuna Steel.4128)	-	-
Bank Asia Ltd.A/C#00733001967 (Scotia Branch)	4,696	-
Bank Asia Ltd. Ac/# 0736000764 Scotia Br(IPO)	5,200,000	5,078,206
Bank Asia Ltd (STD) A/c No 00736000495(Scotia)	4,439	9,298
Bank Asia (New Popular Store)	-	-
Bank Asia(Rahman Enterp.4127)	-	-
Bank Asia (Seem Trade Link Ltd)	-	-
Bank Asia(Zinc Imp.Cd.2675)	-	-
Basic Bank Ltd. A/c No 3110010000180 (Kawran Bazar)	7,630	5,160
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	4,817
City Bank Ltd A/c No 3102004872002(Motijeel, Share)	227,445	407,445

NOTE TO THE FINANCIAL STATEMENTS-2021

	Amounts in Taka 30th Jun' 2021	Amounts in Taka 30th June' 2020
City Bank Ltd.(Seem Trade Link)	-	-
City Bank Ltd(STD-A/c No 3102004872001(Principal Br	78,760	-
Dhaka Bank Ltd.A/c No 2011008522(Local Office)	9,530	9,530
Dhaka Bank Ltd A/c No 2071006359(Kawran Bazar)	541	3,301
Dutch Bangla Bank Ltd.A/C#107.110.53 (Kawran Bazar)	124,989	118,690
Dutch Bangla Bank Ltd.A/c No 1011202704(Local Office	42,579	934
Eastern Bank Ltd.(Sonargaon Br.)	-	11,966
Exim Bank Ltd.A/c No 0111100011871(Motijheel)	7,016	7,936
First Security Bank Ltd.A/c 0013100000518(Mohakhali	41,448	-
IFIC Bank A/C.No.0170358174001(CD)	33,798	23,361,537
IFIC Bank Ltd.A/c No 1017124260001(Kawran Bazar)	1,166	5,114
Islami Bank BD Ltd A/c No 20501910900001007(Mohakhali	58,783	5,000
Islami Bank(Gondaria Br.) A/c No 20503370100105107	5,000	17,063
Islami Bank Ltd A/c No 20501790100279407(Bangshal)	15,819	79,494
Jamuna Bank Ltd.A/c No 0060320000195(Dilkusha)	5,086,617	300,466
Janata Bank Ltd.A/c No 0000036000173 (Farmgate)	25,244	5,170
Janata Bank Ltd.A/c No 0000210040010(Bangshal)	3,100	108,396
Mutual Trust Bank Ltd.(Dhanmondi)	10,000	10,000
Mutual Trust Bank Ltd Loan Ac#0210010672 (Motijheel)	6,987	1,745
Mutual Trust Bank Ltd.(Noma Traders)	10,000	-
National Bank Ltd.A/c No 1048000662855(Kawran Bazar	52,687	7,876
National Bank Ltd. A/c No 1999001781140(Dilkusha)	746	18,069
National Bank Ltd.(IPO-No.3536)	10,000	10,000
National Credit & Commerce AC#0210010127(Dhanmondi)	2,916	-
N.R. B. Bank AC#102201002267 (Gulshan Br)	10,000	10,000
One Bank Ltd.A/c No 0010016238/007(Principle)	474	1,179
Premier Bank Ltd(Gulshan)	1,717	1,717
Prime Bank Ltd A/c No 11331030018756(Kawran Bazar)	56	1,075,499
Pubali Bank Ltd.A/c No 2369901009161(Teigon)	-	20,894
Pubali Bank Ltd(STD-Tejgaon)	2,360	35,410
Rupali Bank Ltd.A/c No 0000240000155(Green Road Br)	32,064	-
Shahjalal Bank Ltd A/c No 40011100006337(Dhaka Mai	9,455	10,145
Social Islami Bank Ltd A/c 0150360000979(Panthapath	11,601	-
Sonali Bank A/c 0131303000006(Resitration Complex)	31,000	46,779
Sonali Bank Ltd. A/C#0000240000236 (Tejgaon Branch)	23,380	76,584
Sonali Bank Ltd A/c No 1634536000097(Awlad H Market	16,886	-
Sonali Bank Ltd. No # 48235, Motijheel (Motijheel, Local Office)	4,940	4,940
Southeast Bank Ltd A/c No 0011100009826(Dhanmondi)	27,434	18,810
Southeast Bank Ltd(STD-939)	20,085	20,085
State Bank Of India(CD-Motijheel)	3,095	4,130
United Com Bank Ltd A/c No 0781301000000176(Mohakhali	27,045	18,762
United Commercial Bank A/C# 05313200000125 (N.Bazar)	2,000	56,284
United Commercial Bank(K.Bazer) A/C.802	5,000	5,000
Uttara Bank Ltd.A/c No 0012200212361(Awlad H Market	-	10,865
Total	11,531,121	31,254,037
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	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 : 345,000,000 Bonus	3,450,000,000	3,450,000,000
Share@ Tk.10 each.	322,000,000	322,000,000
*Bonus 2015-2016 : 32,200,000 Bonus	322,000,000	322,000,000
Share@ Tk.10 each.	354,200,000	354,200,000
*Bonus 2016-2017 : 35,420,000 Bonus	354,200,000	354,200,000
Share@ Tk.10 each.	116,886,000	116,886,000
*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

NOTE TO THE FINANCIAL STATEMENTS-2021

Amounts in Taka	Amounts in Taka
30th Jun' 2021	30th June' 2020

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' 2021	30 June' 2020
			% of Holding	% of Holding
Deen Mohammad	13,195,026.00	Chairman	3.29	3
Mohammad Shoeb	9,984,557.00	Vice Chairman	2.49	2
Md. Ansar Ali	8,026,172.00	MD	2.00	2
Md. Abdur Rahman	8,026,172.00	DMD	2.00	2
M.A Majid	10,191,167.00	Director	2.54	3
Md Rafique	8,026,172.00	Director	2.00	2
Md. Abu Kaiser	-	Ind. Director	-	-
Ms. Roxshana Begum	8,026,597.00	Director	2.00	2
Evana Fahmida Mohammad	8,026,597.00	Director	2.00	2
Md.Sirajul Haque	7,129,137.00	Sponsor	1.78	2
Murshida Haque	590,062.00	Sponsor	0.15	0
Md. Mustafizul Haque	15,530.00	Sponsor	0.00	0
Total	81,237,189.00		20.2431	20

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

B. Other Shareholders

Name	Status with the Company	30 June' 2021	30 June' 2020
		% of Holding	% of Holding
Above 5 % shareholding:	Shareholders	5.10	5
Below 5% shareholdings	Shareholders	74.66	75
Total		79.76	80
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	(197,287,381)	586,256,093
Add: Profit for the period	(4,630,645,785)	(783,543,474)
Add:Unabsorbed Carry Forwarded u/s 42(6)	-	-
	(4,827,933,165)	(197,287,381)
Less: Amount Transferred to Share Capital as	-	-
Less: Prior Year Adjustment	-	-
	(4,827,933,165)	(197,287,381)

NOTE TO THE FINANCIAL STATEMENTS-2021

Amounts in Taka	Amounts in Taka
30th Jun' 2021	30th June' 2020

13.00 Long Term Borrowings:

This amount consists as follows:

Name of Bank	30 June 2021	30 June 2021	30 June 2020	30 June 2020
	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.	757,755,387.57	1,997,508,104	917,640,000	1,789,291,045
Term Loan -Jamuna Bank Ltd.	57,269,859.20	1,035,994,461	213,072,000	866,072,126
Term Loan.Mutual Trust Bank Ltd	4,877,855.22	205,412,684	75,622,428	122,335,681
Term Loan.Southeast Bank Ltd.	10,676,037.98	474,715,720	88,800,000	349,687,103
GSP Finance Company Ltd	-	-	-	47,916,444
GSP Finance Company Ltd(Lease)	-	-	-	55,028,286
Phoenix Finance & Investment	31,753,978.74	619,251,689	199,349,820	377,728,416
Mercantile Bank Ltd, A/c No # 00192	1,346,533.66	173,137,681	31,704,000	127,908,998
NCC Bank Ltd, A/c No # 1208347	219,790.10	49,571,984	15,280,424	30,756,325
NCC Bank (Term Loan.2600000013/19)	-	-	-	-
Islamic Finance & Investment Ltd	-	-	-	171,557,477
Social Islami Bank Ltd, A/c No # 51	259,477.82	50,978,420	16,680,000	30,114,133
	-	-	-	-
Total	864,158,820.30	4,606,570,741	1,558,148,672	3,968,396,034
Total Long Term Borrowings	5,470,729,561.75		5,526,544,706	

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)		326,742,584
GSP, Finance Company Ltd.	143,903,902	379,395,175
GSP, Finance Company Ltd-A.	320,556,839	-
Islamic Finance & Investment Ltd	151,457,080	-
Midas Finance Ltd.	121,474,999	113,720,833
Mutual Trust Bank Ltd		7,929,519
Union Capital Ltd.	250,600,398	229,977,017
FORCE LOAN-IFIC	243,069,700	61,414,278
Total	1,231,062,918	1,119,179,406

15.00 Bank overdraft:

This consist of the following:

IFIC Bank Ltd(SOD General-0000106747-044)	(3,397,875)	-
IFIC Bank (OverdraftA/C No 1008106747001(Federation	259,942,618	247,926,838
Jamuna Bank (SOD.No33010145)	(92,861)	-
	-	-
Total	256,451,882	247,926,838

16.00 Liabilities for Expenses :

This consist of the following:

AGM Expenses Payable	-	191,000
AIT Payable	1,403,443	1,762,916
Audit Fee Payable	-	555,000
Chittagong Stock Exchange Payable	3,492,100	-
Custom Duty Payable (Bond)	71,492,777	-
Contribution to Provident fund ,Gartuity	9,423,801	11,459,002
Dhaka Stock Exchange Payable	2,511,629	7,344,200
Duty & Vat Payable	8,213	8,213
Electric Bill Payable	4,695,232	38,420,129
Gas Bill Payable	2,140,056	26,365,245
Head Office Rent Payable	20,601,018	1,350,351
Narayangonj City Corporation	2,868,849	-
Overtime Bill Payable	383,870	-
Phoenix Insurance Payable(FirePolicy)	7,054,845	-
Salary & Allowance Payable	26,175,958	13,209,520
Salary & Allowance Payable(AIT)	59,014	558,160
Salary & Wages Payable	4,290,830	642,958
Telephone Bill Payable	32,287	832,984
VAT Payable	7,465,257	2,678,024
Long Term Borrowings:	164,099,177	105,377,702

NOTE TO THE FINANCIAL STATEMENTS-2021

Amounts in Taka	Amounts in Taka
30th Jun' 2021	30th June' 2020

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

17.00 Trade & Other Payables:

This amount consists as follows:

Trade Payables

Other Payables

16,035,017	4,101,008
31,831,627	7,532,694
47,866,644	11,633,702

17.01 Trade Payables:

AK Traders

ABB Ltd (gulshan)

Airtech

Abul Hossain & co.

Ator Banu Traders

Barishal Printers

Buzz Communication

Bow Engineering Ltd.

M.I Rubber Engineering Workshop

Bashundhara Industrial Complex Ltd

CDBL Payable

Eastern Chemical

Electro Mech Automation

Fars Hotel & Resorts

Fritz & Fixabit Inc

HR International

Global Connection Tours & travels

ION Exchange

MD Steel Casting Indus.

Hillu We Engoneering

Khan Thai Aluminium & Fabricators

Happy Int.

Progressive Engineering Corporation

Mofizul Islam Technical Boaring

Global Business Solution

Majumder & Associations

Mr. Shamol

Movols International A

Motaleb Iron Store

National Steel Corp.

Navigator

Popular Trevel & Tours

Oriental Oil Com Ltd.

Golden Traders

Divine IT

Prime Technologies

Surgineer power Technologies

Prince Carbon

Rashid Ent (RE)

Rafi Ent.

Pakard Eng. Ltd.

Royal Rubber Insd.

S Construction

Satcom IT Ltd

Shafique Ent.

Sunrise chemical

Shopno Computers

Narayangonj City Corp.

SMA Eng. Co.

One Automation Solution

Surat Ali Enterprise

Karnofully Steel Construction

Anex Engineering & Electric Com.

Rana Auto

871,827	(789,806)
-	265,000
-	337,500
126,000	126,000
-	143,450
-	13,401
-	-
-	221,500
119,060	(206,896)
64,000	144,000
106,000	106,000
-	23,289
-	195,890
-	137,476
-	13,885
-	(1,655,090)
-	1,620
260,000	260,000
65,000	65,000
-	150,000
84,743	84,743
-	(2,180)
235,890	441,890
-	662,864
24,000	24,000
-	40,000
-	25,000
115,000	115,000
-	30,000
533,602	(402,473)
-	42,900
42,864	42,864
-	130,200
678,940	971,376
-	20,000
12,000	12,000
25,000	66,000
-	101,500
117,050	(77,950)
-	140,000
-	12,226
-	509,664
-	83,654
-	-
71,871	235,516
2,622,062	(1,374,998)
-	(100,000)
-	2,780,339
-	350,000
-	(1,000,000)
85,000	85,000
-	384,654
-	225,000
-	(110,000)
6,259,909	4,101,008

NOTE TO THE FINANCIAL STATEMENTS-2021

	Amounts in Taka 30th Jun' 2021	Amounts in Taka 30th June' 2020
17.02 Other Payables:		
Dividend Unpaid	27,212,152	3,418,454
IPO Applicant (Refund warrant with Bank Asia)	4,619,475	4,114,240
	-	-
	31,831,627	7,532,694
18.00 Provision for Income Tax :		
Opening balance	245,377,167	239,290,599
a) Provision made during the Period	6,729,340	6,086,568
	252,106,507	245,377,167
Less: Adjusted/Paid during the Period as per Assessment	-	-
Closing balance	252,106,507	245,377,167
19.00 Liabilities for Deferred Tax :		
This has been arrived as under;		
Carrying Value of Fixed Assets	2,393,953,851	2,450,741,671
As Tax Base	313,168,601	284,698,728
Temporary Difference	2,080,785,250	2,735,440,399
Addition not included - Tax Base	(2,239,745,216)	(2,234,807,354)
Net Temporary Difference	(158,959,966)	(68,764,412)
Deferred Tax Liabilities @ 25%	(39,739,991)	(17,191,103)
Deferred Tax Expenses/(Income) during the	(22,548,889)	(25,102,094)
20.00 Other Provisions:		
Provision For Gratuity : Note- 21.01	19,147,889	37,163,525
Provision for Workers Profit Participation Note- 21.02	10,500,000	77,005,343
Provision for Bad Debts : Note- 21.03	79,265,995	30,171,989
	108,913,884	144,340,857
20.01 Provision For Gratuity :		
Opening balance	37,163,525	36,849,025
Add. Addition made during the period	(18,015,636)	314,500
Less: Gratuity Paid	-	-
Total	19,147,889	37,163,525
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		
This amount consists as follows:		
Opening balance	77,005,343	77,005,343
Add. Addition made during the period	-	-
Less: Paid during the year as per rule	(66,505,343)	-
	-	-
Total	10,500,000	77,005,343
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	30,171,989	27,740,879
Add. Addition made during the period	49,094,006	2,431,110
	79,265,995	30,171,989
Less: Recovery during the Period	-	-
Closing balance	79,265,995	30,171,989
21.00 Net Turnover :		
This amount consists as follows:		
CI Sheet	658,949,783	558,457,288
CR Coil	84,939,823	239,894,300
GP Coil	-	1,612,800
Ridge	-	1,839,328
Baby Coil	20,725,613	-
Total	764,615,219	801,803,717

NOTE TO THE FINANCIAL STATEMENTS-2021

22.00 Cost of Goods Sold :

This has been arrived as under:

Work in process (opening)

Add: Raw Material Consumed

Total Work in Process

Less: Work in Process (Closing)

Total Consumption

Add: Factory Overhead

Cost of Production

Add: Finished Goods (Opening)

Finished Goods Available

Less: Finished Goods (Closing)

Amounts in Taka	Amounts in Taka
30th Jun' 2021	30th June' 2020

1,121,935,653	895,857,325
747,766,152	525,520,099
1,869,701,805	1,421,377,424
581,955,168	1,121,935,653
1,287,746,637	299,441,770
331,514,662	503,885,286
1,619,261,299	803,327,056
743,645,708	617,014,688
2,362,907,007	1,420,341,744
500,243,575	743,645,708
1,862,663,432	676,696,036

22.01 Raw Material Consumed :

A. Opening Stock of Raw Materials

HR Coil

Zinc Ingot

Chemical

Spare parts

570,328,933	695,328,478
-	76,914,974
8,822,893	22,882,984
91,498,302	93,523,165
670,650,129	888,649,601

B. Add: Raw Material Purchased

HR Coil

Zinc Ingot

Chemical

Spare parts

Amounts in Taka	Amounts in Taka
30th Jun' 2021	30th June' 2020
69,489,877	211,474,269
27,600,486	36,592,140
38,313,700	43,034,024
60,919,105	16,420,193
196,323,168	307,520,626
866,973,297	1,196,170,227

C. Raw Material available for Consumption (A+B)

D. Less: Closing Stock of Raw Materials

HR Coil

Chemical

Spare parts

6,460,148	570,328,933
	8,822,893
112,746,997	91,498,302
119,207,145	670,650,129

22.01.01 Raw Material Consumption

HR Coil

Zinc Ingot

Chemical

Spare parts

633,358,662	336,473,814
27,600,486	113,507,114
47,136,594	57,094,115
39,670,410	18,445,056
747,766,152	525,520,099

22.02 Factory Overhead :

This consist of the following:

Carrying & Labour

Conveyance

Donation

Depreciation

Electric Bill

Electric Goods

Entertainment

Repair and Maintenance

Gas Bill

Insurance Premium

Medical Expenses

Office Maintenance

Postage & courier

Wages and Allowances

Printing & Stationary

Salary & Wages

Telephone Bill

490,919	372,595
211,200	83,467
6,000	-
58,314,260	258,689,399
66,575,289	59,870,217
10,813	1,840
80,052	118,542
70,411,072	22,394,629
27,529,239	38,866,775
5,709,783	48,257,872
73,406	18,173
564,559	495,375
	20,281
29,787,771	43,784,285
55,136	-
31,108,605	30,897,234
17,500	14,603
331,514,662	125,971,322

NOTE TO THE FINANCIAL STATEMENTS-2021

	Amounts in Taka	Amounts in Taka
	30th Jun' 2021	30th June' 2020
23.00 Administrative Expenses :		
This consist of the following:		
Audit Fee	425,000	425,000
Software expenses	253,000	20,000
AGM Expenses	-	-
Amortization Expenses	5,498,780	6,598,538
Bond Stamp	7,500	12,055
Board Meeting Expenses	-	-
Business Development	18,783,235	3,143,049
Canteen Expenses	292,700	229,332
Consultancy & services charge	1,650,000	-
Conveyance	504,247	192,086
Director Remuneration	150,000	217,742
Depreciation	3,069,172	13,615,232
Donation	2,610,297	58,400
Electricity	235,000	522,615
Entertainment	398,199	361,348
Fees and Professional Charges	280,192	5,385,000
Tour & Travels Expenses	574,331	-
Gift & Presentation	-	-
Itinary Allowances	4,400	-
Legal Fee	1,838,510	1,468,660
License and Renewal & Fitness Fee	754,889	208,132
Liveries and Uniform	650	-
Miscellaneous Expenses	111,523	10,200
Medical Expenses	98,170	13,810
Newspaper and Periodicals	12,497	13,435
Office Rent including Garage Rent	3,556,191	4,265,628
Office Refreshment Expenses	46,475	19,903
Plantation	-	270
Postage and courier	15,350	621
Printing	128,967	30,355
Rent Rates and Taxes	1,028,936	3,109,739
Repair and Maintenance	374,802	706,230
Salary and Allowances	63,874,989	22,829,001
Stationery expenses	-	54,157
Stock exchange & fees /CDBL exp/BO A/c fees	-	18,400
Telephone & Internet	249,128	264,791
Welfare Exp.	398,293	5,000
Written off against Advance Salary	-	20,059,698
Air Condition Maintenance	207,280	-
Computer Maintenance	402,780	-
Connection Fee	12,300	-
Fees & Fines	243,848	-
Fuel & Lubricants	128,784	-
Gratuity & Leave Pay-A	-	-
Insurance Premium A	4,508,699	-
Office Maintenance-A	763,119	-
Photocopy Machine Maintenance	20,550	-
Service Charge	314,141	-
Special Allowance	38,050	-
Irrecoverable Debt Written Off	-	118,109,702
Total	113,864,973	201,968,129
23.01 Key Management Personnel Compensation:		
Short term employee benefits (Salary and other allowances)	-	9,342,600
Post employment benefits (provident fund, gratuity etc.)	-	1,060,905
	-	10,403,505
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)	425,000	325,000
	425,000	325,000

NOTE TO THE FINANCIAL STATEMENTS-2021

24.00 Selling and Distribution Expenses :

This consist of the following:

Advertisement
Delivery charges
Entertainment
Other Expenses
Traveling & Conveyance expenses
Salary & Allowance
Sales promotion expenses
Bad Debt
Discount on sales
Vat on Sales
Telephone/Mobile & Internet Expenses

Amounts in Taka	Amounts in Taka
30th Jun' 2021	30th June' 2020

1,939,707	343,092
2,052,101	1,755,905
-	-
-	17,875
-	-
689,934	1,488,177
524,285	76,502
49,094,006	2,431,110
2,203,351	-
-	-
-	-
56,503,384	6,112,661

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

25.00 Financial Expenses :

This consist of the following:

Bank Charge & Commission
Bank Guarantee Commission
Exchange Rate Fluctuation Loss/(Gain)
Interest on bank Loan
Excise Duty
Interest on Temporary Loan

223,925	776,041
152,809	6,440
-	363,956
712,487,441	-
-	-
-	819,167,096
712,864,175	820,313,533

26.00 Non Operating Income :

This consist of the following:

Scrap sales and Others
Other Income-InterestReceived/Receivable
Misc. Sales
Unauthorised Salary (Special deduct)
CR & GP Processing Charges
Delivery Charges

9,182,688	39,636,639
1,836,810	1,013,225
28,422,199	-
679,805	-
316,792,820	60,392,276
27,180	-
-	-
-	-
356,941,501	101,042,140

27.00 Taxation:

Current Tax Expenses	
Deferred Tax (Income)/Expenses	Note: 20.00
Tax Expenses/(Income)	

6,729,340	6,086,568
(22,548,889)	(25,102,094)
(15,819,548)	(19,015,526)

28.00 Earning Per Share :

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

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

Profit after taxation	(4,630,645,785)	(783,543,474)
Number of ordinary shares at the period end	401,308,600	401,308,600
Weighted Average number of ordinary shares outstanding	401,308,600	401,308,600
Earning per share *	(11.54)	(1.95)
Number of ordinary shares Considering the 2017-18 Stock Dividend	401,308,600	401,308,600
EPS for the period ended has been	(11.54)	(1.95)

NOTE TO THE FINANCIAL STATEMENTS-2021

29.00 Net Assets Value Per Share :

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

	Amounts in Taka 30th Jun' 2021	Amounts in Taka 30th June' 2020
Total Assets	9,018,221,607	13,540,566,083
Non-Current Liabilities plus Current Liabilities	7,491,490,583	7,383,189,275
Net Assets Value including Revaluation Surplus	1,526,731,024	6,157,376,808
Number of ordinary shares at the year end	401,308,600	401,308,600
* Net Asset Value (NAV) including Revaluation Surplus	3.80	15.34
Net Assets Value Excluding Revaluation Surplus	385,152,835	5,015,798,619
Net Assets Value (RNAV) per Share Excluding Revaluation Surplus	0.96	12.50

30.00 Statement of Cash Flows (Indirect method)

Particulars	Amounts in Taka	
	July'20 to June'21	
Net Profit	(4,872,819,311.42)	
Adjustments for:		
Depreciation	61,383,432.07	
(Increase) / Decrease in trade & other receivables	1,983,769,298.97	
(Increase) / Decrease in Advance	1,011,109,365.47	
(Increase) / Decrease in inventory	1,684,825,601.91	
Increase / (Decrease) in trade payable	12,439,244.08	
Increase / (Decrease) Other Payable	47,088,199.62	
Increase / (Decrease) Tax Payable	(15,819,548.28)	
Net Cash used in Operating Activities	(88,023,717.58)	
Cash flow per share from operating activities(Indirect Method)	(0.220)	(0.048)

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 is making financial and operating decision. APPOLLO ISPAT COMPLEX Ltd carried out transaction in the ordinary course of the business on an arm's length basis at commercial rate with its related parties. During the year, the company carried out transactions with related parties.

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

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

Particulars	Permanent	Provisional	Total No of Employee	Total No of Employee
Officer	47.00	1	48	48
Staff	52.00	0	52	52
Workers	208.00	0	208	208
Total	307.00	1	308	308

APPOLLO ISPAT COMPLEX LIMITED

Schedule of Property, Plant and Equipments As on 30. June 2021

Accounts-A
Pg. no. 56

Category of Assets	Cost				Depreciation			Written Down Value as on 30.06.2021		
	Balance as on 01.07.2020	Addition	Revaluation	Disposal	Total Cost as at 30.06.2021	Rate %	Balance as on 01.07.2020		Charge During the Year	Accumulated Dep. as on 30.06.2021
Land and Land Development	1,630,328,144	342,250	-	-	1,630,670,394	-	-	-	-	1,630,670,394
Land and Land Development (NOF)	611,986,310	-	-	-	611,986,310	0%	-	-	-	611,986,310
Plant and Machinery	3,303,395,812	2,824,517	-	-	3,306,220,329	10%	1,973,221,218	33,324,978	2,006,546,196	1,299,674,133
Factory Building	1,463,122,143	-	-	-	1,463,122,143	10%	561,435,479	22,542,167	583,977,646	879,144,497
Office Building	114,079,497	-	-	-	114,079,497	10%	49,146,980	1,623,313	50,770,293	63,309,204
Office Building (Banga Bahar)	16,000,000	-	-	-	16,000,000	10%	16,000,000	-	16,000,000	-
Factory Office Equipment	1,831,305	390,000	-	-	2,221,305	10%	1,237,876	24,586	1,262,462	938,843
Gas Generator	43,682,397	-	-	-	43,682,397	10%	27,493,861	404,713	27,898,574	15,783,823
Water Installation	7,547,204	-	-	-	7,547,204	10%	5,262,083	57,628	5,299,711	2,247,493
Telephone Installation	5,021,744	-	-	-	5,021,744	10%	3,105,537	47,905	3,153,442	1,868,302
Gas Installation	33,138,425	-	-	-	33,138,425	10%	6,978,506	654,498	7,633,004	25,525,421
Electric Installation	133,072,325	-	-	-	133,072,325	10%	69,339,700	2,093,316	71,433,016	81,639,309
Vehicle and Transport	10,737,021	-	-	-	10,737,021	10%	6,007,021	118,250	6,125,271	4,611,750
Tools and Equipment	15,485,011	175,000	-	-	15,660,011	10%	10,750,476	122,738	10,873,214	4,786,797
Office Equipment	6,189,194	95,200	-	-	6,284,394	10%	3,473,985	70,260	3,544,245	2,740,149
Furniture and Fixture	7,042,530	238,937	-	-	7,281,467	10%	4,973,376	57,702	5,031,078	2,250,389
Air Condition	12,677,790	92,000	-	-	12,769,790	10%	5,888,844	172,024	6,060,868	6,708,922
Other Assets	5,102,111	779,958	-	-	5,882,069	10%	3,107,896	69,354	3,177,250	2,704,819
	7,440,658,963	4,937,862	-	-	7,445,596,825		2,747,402,838	61,383,432	2,808,786,270	4,636,610,555

A) Allocation of Depreciation

Factory overhead	88,314,260
Administrative overhead	3,069,172
	61,383,432

SHAREHOLDER'S INFORMATION

Annual General Meeting (AGM)

No. of AGM: 27th Annual General Meeting

Date : 19th December,2024

Venue : Factory Premises-Shimrail, Siddhirganj, Narayanganj

Time :03:00 pm.

Financial Calendar

Financial Year: 1st July 2020 to 30th June 2021

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



APPOLLO ISPAT COMPLEX LIMITED
Registered Office: 407, Tejgoan Industrial Area (4th floor), Dhaka-1208
PROXY FORM

SHIELDING THE FUTURE

I/We _____ (Name) of _____
_____ (Address) being a shareholder of Appollo Ispat Complex Limited
(the "Company") hereby appoint, Mr./Ms _____
(Name) of _____ (Address) as my/our proxy,
to attend on my/our behalf at the 27th Annual General Meeting of the company to be held on December 19, 2024 and at any adjournment
thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/ she thinks fit on all Resolutions.

As witness my/our hand this _____ day of December, 2024

(Signature of the Shareholder)
Date: _____

Affix taka.20
revenue
stamp.

(Signature of Proxy)
Date: _____

BO ID No:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

No. of shares held:

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

Signature Verified

Authorized Signature
Appollo Ispat Complex Limited



APPOLLO ISPAT COMPLEX LIMITED
Registered Office: 407, Tejgoan Industrial Area (4th floor), Dhaka-1208
ATTENDANCE SLIP

I hereby record my presence at the 27th Annual General Meeting of Appollo Ispat Complex Limited on Saturday, December 19, 2024 at
3:00 P.M. at Phoenix Tower-2, 408, Tejgaon Industrial Area, Dhaka-1208

BO ID No:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Name of Member/Proxy: _____

Signature: _____

Signature Verified

Date: _____ 2024

No. of shares held:

Authorized Signature
Appollo Ispat Complex Limited

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

