

ANNUAL REPORT

2019-20

A Struggle to Revive



SHIELDING THE FUTURE

APPOLLO ISPAT COMPLEX LTD.

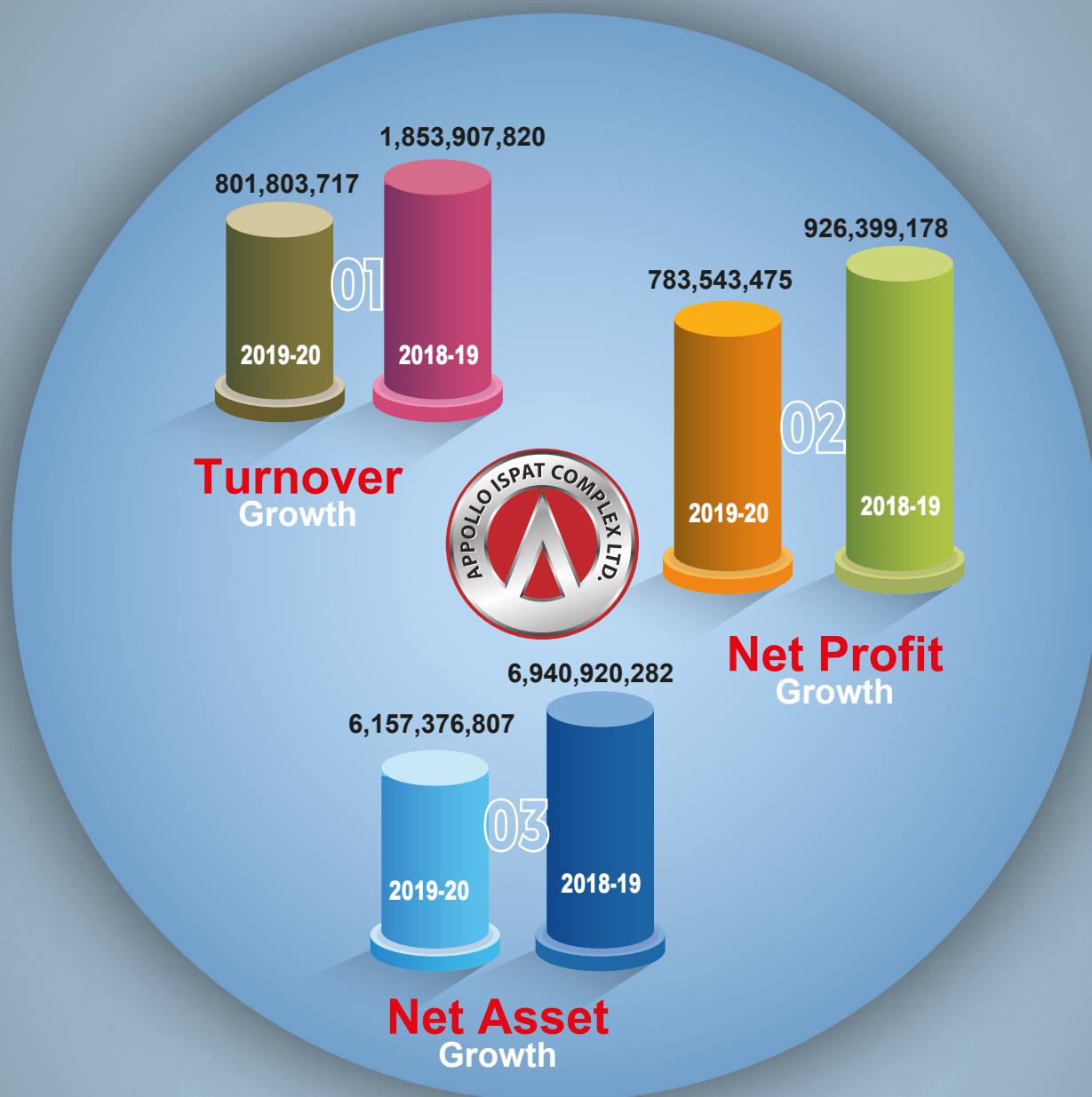


SHIELDING THE FUTURE

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PERFORMANCE AT A GLANCE - 2019-20



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, 2020

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 2020, Cashflow Statement, Statement of Changes in Equity for the year ended June 30th, 2020 and Auditor's Report thereon for your kind information and record.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'SK. Abul Hassan', is written over a large, stylized 'X' mark.

SK. Abul Hassan
Company Secretary
APPOLLO ISPAT COMPLEX LTD.

NOTICE OF THE 26TH ANNUAL GENERAL MEETING


Notice is hereby given that the 26th 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 2020 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 Auditors of the company for the year 2020-2021 and fix their remuneration.
5. To approve the appointment of Managing Director.
6. To appoint Compliance Auditor for the year ending 30 June 2021 and to fix their remuneration.
6. To appoint Independent Director.

Dated: December 19, 2019

By order of the Board


SK. Abul Nassan
Company Secretary
(Current Charge)

Notes:

- Shareholders whose names appear on the share register of the company or in the depository register on the Record Date, i.e., 4th December 2024, will be entitled to attend the AGM and receive the dividend.
- A Shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies in his/her stead and forms of proxy must be lodged at the company's factory premises Shimrail, Siddhirganj, Narayanganj.

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



Vision

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



Mission



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



SHIELDING THE FUTURE

COMPANY PROFILE



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

Initially the Authorized Capital of the Company was Tk. 1,000,000,000/- divided into 10,000,000 ordinary shares of Tk. 100/- each. Subsequently, the Company changed the face value of shares from Tk.100/- to Tk.10/- each and increased its Authorized Capital to Tk. 500,00,00,000/- divided into 50,00,00,000 ordinary shares of Tk. 10/- each on March 30, 2010. Paid up capital as on June 30, 2019 of the company is Tk.401,30,86,000/- divided into 40,13,08,600 ordinary shares of Tk. 10 each.

Appollo is the pioneer in CI sheet business in Bangladesh. It started its journey by establishing modern and sophisticated Continuous Galvanizing Line (CGL). Today, Appollo is much ahead by producing its own raw materials at its own art-of-the-state Cold Rolling Mill and established itself as one of the largest CI Sheet manufacturing in the country. The entire production facilities are highly sophisticated, operated by a group of skilled 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”**.

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

Nature of Business

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



Get In Touch With

APPOLLO ISPAT COMPLEXT LIMITED

Corporate office :

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



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

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

CORPORATE INFORMATION

AUDIT COMMITTEE

Mr. Mohammed Shoeb
Member

Mr. Abdur Rahman
Member

Mr. SK. Abul Hassan
Secretary

MANAGEMENT COMMITTEE

Mr. Sk. Abul Hassan
Company Secretary

Mr. Hasan S. Hannan
Sr. General Manager
(Commercial & General Affairs)

Mr. Md. Razib Hossain FCA
Sr. General Manager &
Chief Financial Officer (CFO)

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

AUDITOR

Malek Siddiqui Wali
Chartered Accountants

31, Kamal Ataturk
Road-17, Banani C/A
Dhaka-1213
E-mail: smcbd@citech.net

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.

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.

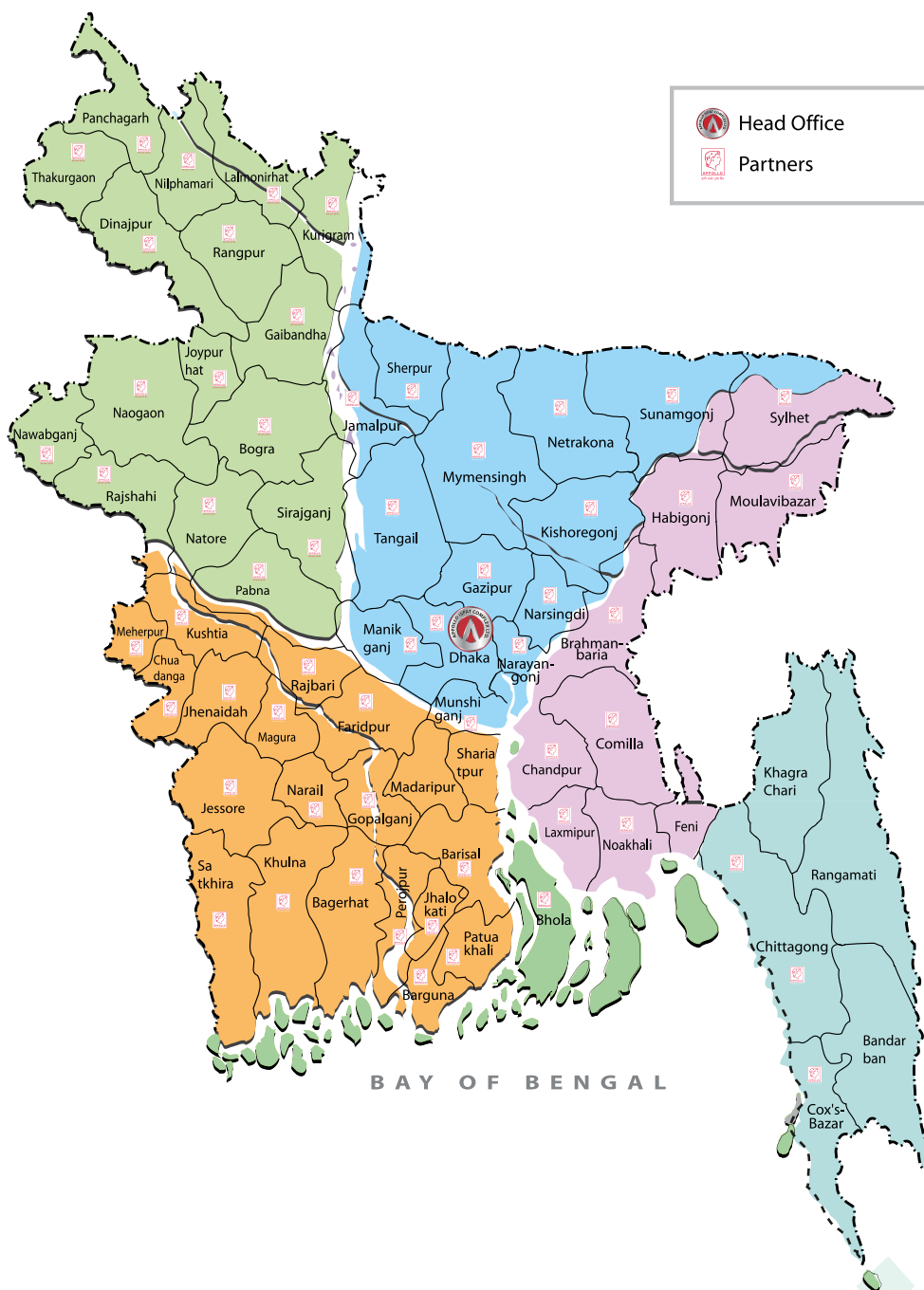
The manufacturing process of such sheets starts from lifting Iron ore from mine and processing it to slab through a series of process and treatments and then pressed to convert it into H.R. Coil (Hot Rolled Coil). HR coils are then 'cold rolled' into C.R. Coils before it is hot dipped, galvanized and 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



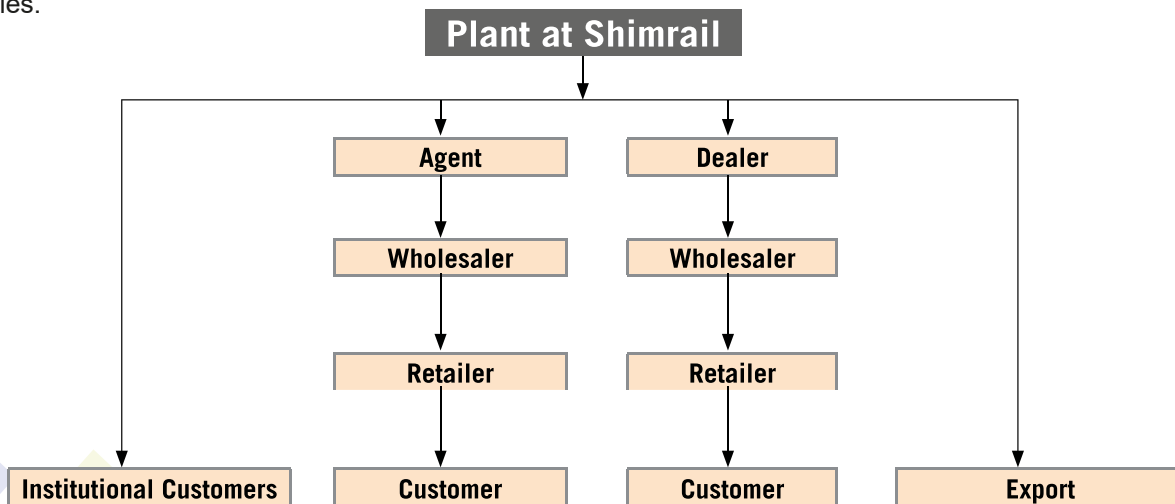
AREA WISE MARKETING GRAPH: APPOLLO RANI BRAND C.I. SHEET

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.



CHAIRMAN'S MESSAGE



Dear Shareholders,

Assalamualaikum

It is with a heavy heart that I address you today, as the financial year 2018-19 has proven to be another challenging year for Appollo Ispat Complex Ltd., following an already difficult period. Unfortunately, the challenges have only deepened this year due to a combination of external factors and, most importantly, internal shortcomings within the management of our company.

The root of these difficulties lies in the mismanagement and failure to properly calculate risks and losses associated with the NOF (Non-Oxidized Furnace) project. While the NOF project was envisioned as a revolutionary step towards cost-efficient and environmentally friendly production, its execution was fraught with uncalculated and poorly managed plans. The management's inability to foresee and mitigate potential challenges has led to significant delays and financial strain, amplifying the company's vulnerabilities.

As per the balance sheet, the total assets of the company stand at Tk. 13,54,05,66,083. Of this, property, plant, and equipment account for Tk. 4693056125. Current assets amount to Tk. 8,747251257, and non-current assets stand at Tk. 4793414825. However, these assets are overshadowed by the staggering liabilities reflected in the financial statements, further compounding the company's struggles.

The financial repercussions of management's failure to execute the NOF project efficiently, coupled with a sharp rise in raw material prices, have created a vacuum that the company has been unable to fill. As a result, it is with great regret that I must inform you that we are unable to declare any dividend for the year ended 30th June 2020.

For over three decades, Appollo Ispat Complex Ltd. has proudly served the market, building relationships with shareholders, partners, and stakeholders. This legacy is now being tested as we navigate an unprecedented crisis. While external factors have played a role, the internal shortcomings have undeniably contributed significantly to our current state.

In these trying times, I humbly request your understanding and support. Like you, we, too, are victims of these circumstances and are committed to learning from past mistakes. With resilience and determination, we aim to rebuild and steer the company towards stability.

Finally, I would like to take this opportunity to express my sincere and heartfelt gratitude to our esteemed shareholders, valued customers, bankers, financial institutions, suppliers, employees, government agencies, the BSEC, DSE, CSE, RJSC, CDBL, and other regulatory bodies. Your unwavering support and cooperation remain a source of strength for us. Together, I believe we can overcome these challenges and lay the foundation for a better future.

Thank you.

Sincerely Yours,
DEEN MOHAMMAD
Chairman



MANAGING DIRECTOR

Dear Shareholders,
AssalamuAlaikum,

It is with great honor and privilege that I welcome you all to the 26th Annual General Meeting of Appollo Ispat Complex Ltd. and present the Annual Report for the financial year 2019-2020.

The journey of Appollo Ispat Complex Ltd. has been both inspiring and challenging, but recent years have tested our resilience like never before. Following the resignation of the former Managing Director, Md. Ansar Ali, I was entrusted with the responsibility of taking over the reins as Managing Director. This transition occurred at a time when the company was grappling with significant operational and financial challenges, demanding immediate and decisive action.

Upon assuming this role, I, along with the Board, took several initiatives to address the prevailing issues and instill a sense of accountability within the organization. One of the major steps was to issue a show-cause letter to our Chief Financial Officer, Mr. Rajib, concerning instances of mismanagement and alleged misappropriation of funds. Despite our rigorous efforts, the response provided by Mr. Rajib was far from satisfactory, raising further concerns about the internal financial and operational controls within the company.

The company has been facing increasing liabilities with financial institutions and banks, placing us in an extremely vulnerable position. These challenges are compounded by the long-standing impact of operational inefficiencies and mismanagement from earlier years. As part of our efforts to bring about much-needed change, we introduced professional and younger members into the management team. However, it is worth noting that these changes came at a significantly delayed stage. By the time their recommendations and insights were brought to the table, the depth of the mismanagement had already inflicted substantial damage on the company's operations.

Despite these adversities, we have remained steadfast in our commitment to overcome these challenges and restore the company to a stable footing. We continue to focus on improving operational efficiency, strengthening governance, and building a foundation that is capable of sustaining long-term growth.

In conclusion, I would like to extend my heartfelt gratitude to all our stakeholders. To our esteemed shareholders, employees, dealers, financial institutions, bankers, government authorities, regulatory bodies including the BSEC, DSE, CSE, RJSCF, and CDBL-your unwavering support and trust have been a pillar of strength for us in these testing times. Most importantly, to our loyal customers, who have stood by us through thick and thin, we are deeply indebted to your consistent faith in Appollo Ispat Complex Ltd.

We believe that with your continued association and trust, we can work collectively to overcome the obstacles in our path and achieve greater milestones in the days ahead. Let us move forward together, with resilience and determination, 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	2019-20	2018-19	2017-18
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	-
Production (MT)	32,714	32,714	65,790
Capacity Utilization	-	23.36%	46.99%

The reason for low performance in 2017-2018 is mainly due to increase in price of the main raw materials H.R.Coil and Zinc Ingot in the international Market. As a result the turnover was also low as compared to earlier years.

PRODUCTION REVIEW

a) Existing Capacity:

Annual Production capacity of Cold Rolled Manufactur-ing (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	2018-19	2019-20
CI Sheet	14,69,54,511	55,84,57,288
CR Coil	1,56,21,49,175	239894300
GP Coil	13,44,27,975	16,12,800
Ridge	1,03,76,159	18,39,328
Total	1,85,39,07,820	80,18,03,717

FINANCIAL PERFORMANCE

The details of operational key performance indicator for the last two years from July 2019 to June 2020 are given below for your kind information and consideration:

(TK.In Million)

Particulars	2018-19	2019-20
Sales	1853.91	801.80
Gross Profit	311.21	125.108
Profit before interest,taxes, VPPF & Gratuity	(401.63)	(82.97)
Less:Interest Expenses	(729.27)	(820.31)
Less:Tax expenses	43.63	(19.02)
Non-Operating Income	233.47	101.042
Net profit After Tax	(926.4)	(783.54)
EPS	(2.31)	1.95

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 2020 there were 8 (eight) members on the Board. The Board comprises a Chairman, Vice Chair-man, Managing Director and Six 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. Deen Mohammad	Chairman	10	6
Mr. Md. Shoeb	Vice-Chairman	10	3
Mr. Md Rafique	Managing Director	10	4
Mr. Abdur Rahman	Deputy Managing Director	10	1
Mr. Md. Ansar Ali	Director	10	8
Mr. M.A. Majid	Director	10	9
Mrs. Roxshana Begum	Director	10	4
Mrs. Evana Fahmida Mohammad	Director	10	4

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 2019-20. 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 2019-2020.

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 2020-2021.

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 stakeholders.

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,

Deen Mohammad
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/80dated 03 June 2018]

We have examined the compliance status to the Corporate Governance Code by **Appollo Ispat Complex Limited** for the year ended on 30 June 2020. 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 Commission specify 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 this Code;
- (c) Proper books and records have been kept by the company as Required under the Companies Act, 1994, the securities laws and Other relevant; 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

Annexure-B

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 2020 by Appollo Ispat 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 9 (Nine) members including 1 (One) Independent Director
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.		✓	At least two independent directors required. Company appointed only one independent director.
1(2) (b)	'Independent director' means a director-			
1(2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		-
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		-
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		-
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		-
1(2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	✓		-
1(2) (b) (vi)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		-
1(2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		-

Condition No.	Title	Compliance Status (Put \sqrt in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2) (b) (viii)	who is not independent director in more than 5 (five) listed companies.	\sqrt		-
1(2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	\sqrt		-
1(2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	\sqrt		-
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	\sqrt		Independent Director was appointed by the company in its 23 rd Annual General Meeting (2016-2017)
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days and		\sqrt	Post of one out of two independent directors yet remained vacant.
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.	\sqrt		-
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;	\sqrt		-
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;			The only 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
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	✓		-

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

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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			Not Applicable
2 (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			Not Applicable
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			Not Applicable
2 (d)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.			Not Applicable
2 (e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.			Not Applicable
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3 (1)	Appointment			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		-
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		-
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		-
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		-
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		-
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	✓		-
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;	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		-
4	Board of Directors' Committee:-			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	✓		-
4 (ii)	Nomination and Remuneration Committee.		✓*	Committee Not Formed
5	Audit Committee:-			
5 (i)	Responsibility to the Board of Directors.			
5(i) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		-
5(i) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		-
5(i) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		-
5 (2)	Constitution of the Audit Committee			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		-
5 (2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		-
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (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	✓		-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	absence of the regular Chairperson shall be duly recorded in the minutes.			
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):		✓	No AGM hold due to deceased of Chairman of Board of Director and Managing Director and other issues.
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		-
5(4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		-
5(5)	Role of Audit Committee			
	The audit committee shall:-			
5(5) (a)	Oversee the financial reporting process;	✓		-
5(5) (b)	Monitor choice of accounting policies and principles.	✓		-
5(5) (c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5) (d)	Oversee hiring and performance of external auditors.	✓		-
5(5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		-
5(5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5) (g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	✓		-
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.	✓		-

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

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

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

SHAREHOLDING OF DIRECTORS

Directors and Other Sponsor Shareholdings:

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

APPOLLO ISPAT COMPLEX LTD.



FINANCIAL STATEMENTS

For the year ended 30th June 2020



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS

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Independent Auditor's Report To the Shareholders of Appollo Ispat Complex Limited Report on the Audit of the Financial Statements

Qualified Opinion:

We have audited the financial statements of Appollo Ispat Complex Limited (the Company), which comprise the Statement of financial position as at June 30, 2020, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standard (IAS)/International Financial Reporting Standard (IFRS) and in compliance with the Companies Act, 1994 and other applicable laws and regulations.

Basis for Qualified Opinion:

- 1 The balance of inventory value at the year-end arrived of Tk. 2,886,231,490. We could not physically verify the inventories at the year end. We were unable to satisfy ourselves concerning the inventory value stated in the financial statements. The inventory balance could be overstated as a result of damage, physically detonations or fake inventory, if any.
- 2 We have not obtained sufficient and appropriate audit evidence in respect of Advance, Deposit and prepayment. The financial statements of the Company contained of Tk. 2,854,702,502 in respect of Advance, Deposit and prepayment. The major item of Advance, Deposit and prepayment consisted by against goods and services, Against Land Purchases, Martial in transit, LC Margin and VAT current account which carry of taka 619,852,294, TK.153,498,652, TK. 973,530,143, TK. 492,160,384 and TK.69,014,369 respectively.
- 3 The financial statements of the Company contained of Tk. 2,965,649,415 of Account Receivable. We were unable to obtain required third party confirmation in respect of receivable balance. All the receivables of Company is due more than one year or more. So collectively of such receivable exposes significant doubt.
- 4 The company did not make deferred tax provision on revaluation reserve. The balance of revaluation reserve at the year-end is Tk. 1,141,578,189. If the Company makes deferred provision on revaluation reserve then deferred tax though it is required by IAS-12 income tax (paragraph-20) to make adequate provision of deferred tax on revaluation surplus. liability shall be increased by Tk. 171,236,728 correspondingly revaluation reserve (equity balance) will be reduced by the same amount.
- 5 According to the Bangladesh Security Exchange Commission Notification no BSEC/CMRRCD/2006-158/208/Admin/81 published on June 20, 2018, paragraph 4.4(a, d and

Associated firm of Reddy Siddiqui LLP, Chartered Accountants & Business Advisors, Park View, 183-189 The Vale, London, W3 7RW, UK
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- e) the company should present its operating cash flows following indirect method in addition of the Statement of Cash Flows under direct method but the company didn't do so. Which is noncompliance of this notification. In addition to this company should disclose the reason of significant deviation of Net asset value and Earning per share from previous year but we didn't observed such disclosure in the Financial Statements
- 6 The collateral detail, interest rate and other qualitative information of long-term loan were not disclosed in the notes of the financial statements. The security exchange rules 1987 (Para 9 and 10) states that the loan balance must contain some non-financial information e.g. interest rate, class of liability, security arrangement and so on. In addition to that, we have not been provided the third party confirmation in relation to the loan balances, interest charges and bank balances. So, completeness of closing balance loan outstanding at the year ended associated with interest expense for the year cannot reasonable be justified.
 - 7 We were not able to confirm the Sales Revenue and Purchase of the company with VAT returns due to inability of the said returns, which is the limitation of the scope of our audit.
 - 8 As per paragraph 81 (II) of IAS 12 income taxes company should disclose reconciliation between effective tax rate and applicable tax rate. During our audit we didn't observed such disclosure in the financial statements which is no compliance with IAS 12.
 - 9 In reference to the BSEC directive no. SEC/CMRRCD/2009-193/120/Admin/35, the directors of the listed security must hold jointly 30% of paid up capital. But the directors of the company just hold 20.24% paid-up capital.
 - 10 As per paragraph 234(b) of Bangladesh Labour Act 2006 Company should pay 10% of Workers Profit Participation Fund to Government Welfare Fund within nine month after the year end. But, no such payment was made rather it has been shown as liability.
 - 11 According to Company Act 1994 schedule XI, entity should disclose following:-
 - Inventory quantity
 - Meeting fee
 - Production Capacity
 - Import Quantity.

But such disclosure are missing in the financial statements, which is violation of Company Act 1994.
 - 12 We observed during our audit that, Company had taken loan from different individual as working capital and also management has several business transaction and contract with Jalalabad Steel Limited and FARMm Corporation Limited. We have not obtained source/supporting evidence in respect of such loan, due to insufficient documents which is the limitation of the scope of our audit.
 - 13 We were not able to confirm balances shown in the Statement of Cash Flows due to limitation of documents provided by the management.
 - 14 The percentage of inventory consumption in compare with sale is drastically reduced to 20% from 58% in comparative financial statements. This suggests that the balance of closing inventory is overstated or purchase cost is understated and equity balance is overstated.
 - 15 The company has invested of Tk. 2,152,549,599 in NOF project, which is transferred in PPE from "Capital Work In Progress" in the end of the year 2018. However, the production of

NOF project is not yet started. This suggests that a considerable impairment should be recognized in the financial statements in respect of the assets of NOF project.

- 16 The company persistently showing poor financial result year to year indicates the impairment, of asset of the company. As such, a comprehensive impairment review should be conducted and required impairment expenses should be recognized in the financial statements as per IAS- 36: Impairment of Assets.
- 17 The tax authority of Bangladesh (NBR) has made warrant for unpaid tax of TK. 84.54 crore. Due to non-payments of such outstanding tax, the tax authority issued an order for suspending the company's Bank transactions. The company did not yet recognize such tax liability. As such the net loss and tax liability are understated and equity balance is overstated.
- 18 The company did not call AGM since financial year 2018-2019. AS Such, neither the company's financial statements were approved by shareholders through ordinary resolution, nor auditors' appointment for the year June 30, 2020 was confirmed by the company's shareholders. However, the board of directors has given their consent to approve the financial statements for the year 30, 2019 in the company's board meeting. The board of directors have filled up the casual vacancy of statutory auditors by appointing current auditors for the financial year 2019-2020. However, the current auditor's appointment does not exceed the term of three years.
- 19 The Accompanying financial statements are prepared by assuming that the company is going concern. However, due to poor financial results, suspension of Bank transaction by tax authority, the huge tax claim by the tax authority, overvalued of company assets and other matters mentioned in above, the going concern assumption may not be appropriated.

Key Audit Matters:

Risk	Our response
Revenue recognition	
At the year ended, the company's reported total revenue of Tk. 80 crore.	We have tested the design and operating effectiveness of key controls focusing on the following:
Time of revenue recognition is matter. Considering the other inherent risk of the existence and the accuracy on revenue recognition, the revenue has been selected as key audit matter.	<ul style="list-style-type: none"> • Policy of revenue recognition. • Issuance of VAT challan; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; and • Finally assessed the appropriateness and presentation of disclosures against relevant

Risk	Our response
	accounting Standards.
Please see the note no. 21 in these financial statements.	
Valuation of inventory	
<p>The balance of inventory of the Company at the year-end was Tk. 288 crore held in the company's store.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Management's apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; • to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • to review the inventory costing procedures and methodology. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and • Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow- moving/obsolete stock are valid and complete.
Please see the note no. 5 in these financial statements.	
Measurement and recognition of deferred tax	
<p>The balance of reported deferred tax liability of the company was Tk. -1.71 crore as on June 30, 2020.</p> <p>The risk for the financial statements is that these provisions are not properly measured for all types of temporary difference as per IAS 12: Income Tax.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax.</p> <p>We have assessed the appropriateness of the carrying amounts of net asset value as per tax base and accounting base.</p> <p>We have also assessed the rate of deferred for each temporary difference.</p> <p>Also, we examined the accounting treatment of deferred tax.</p>
Please see the note no. 19 in these financial statements.	

Other Information:

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of

our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are



required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

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

- a) we have not obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the Statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are unable to check the agreement, in some respects, with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
March 20, 2021
DVC

Malek Siddiqui Wali
Chartered Accountants


Md. Waliullah, FCA
Enrolment No: 0247
2103200247AS852843

APPOLLO ISPAT COMPLEX LIMITED
Statement of Financial Position
As on 30 June' 2020

Particulars	Notes	Amounts in Taka	
		30th June' 2020	30th June' 2019
Non-Current Assets		4,693,056,125	4,965,282,955
Property, Plant and Equipment	3.00	4,693,056,125	4,965,282,955
Investment	4.00	100,258,700	100,258,700
Current Assets		8,747,251,257	8,517,522,647
Inventories	5.00	2,886,231,490	2,401,521,615
Trade & Other Receivables	6.00	2,965,649,415	3,077,231,556
Advances, Deposits and Prepayments	7.00	2,854,702,502	2,862,652,530
Cash and Cash Equivalent	8.00	40,667,850	176,116,947
TOTAL ASSETS		13,540,566,083	13,583,064,302
Source of Funds:			
Shareholders Equity		6,157,376,807	6,940,920,282
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	(197,287,382)	586,256,093
Non-Current Liabilities		3,951,204,931	1,871,502,019
Long Term Borrowings	13.00	3,968,396,034	1,863,591,028
Long Term Liabilities for Deferred Taxes	19.00	(17,191,103)	7,910,991
Current Liabilities		3,431,984,344	4,770,642,001
Short Term Borrowings	14.00	1,119,179,406	1,696,526,943
Bank Overdraft	15.00	247,926,838	288,868,854
Current Portion of Long Term Borrowings	13.00	1,558,148,672	2,340,512,451
Liabilities for Expenses	16.00	105,377,703	47,338,761
Trade & Other Payables	17.00	11,633,702	16,509,145
Provision for Income Tax	18.00	245,377,167	239,290,599
Other Provisions	20.00	144,340,857	141,595,248
TOTAL EQUITY AND LIABILITIES		13,540,566,083	13,583,064,302
CONTINGENT LIABILITIES & COMMITMENT			
Net Asset Value (NAV)	30.00	15.34	17.30

The accounting policies and other notes from 01 to 33 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 18.03.2021 and signed on its behalf by :

Company secretary (C.C.)

Chief Financial Officer

Director

Managing Director

Chairman

Signed in terms of our separate report of even date annexed.

Place : Dhaka

Dated: 20 March, 2021

Malek Siddiqui Wali
Chartered Accountants

APPOLLO ISPAT COMPLEX LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the Year ended 30 June, 2020

Particulars	Notes	Amounts in Taka	
		30th June'2020	30th June'2019
Net Turnover	21.00	801,803,717	1,853,907,820
Cost of Sales	22.00	(676,696,036)	(1,542,694,483)
A.Gross Profit		125,107,681	311,213,337
Operating Expenses:			
Administrative Expenses	23.00	(201,968,126)	(689,929,980)
Selling and Distribution Expenses	24.00	(6,112,661)	(22,913,976)
B.Total Operating Expenses		(208,080,787)	(712,843,957)
C.Profit from Operating Activities (A-B)		(82,973,107)	(401,630,619)
Financial Expenses	25.00	(820,313,532)	(792,271,380)
Net Profit from Operation		(903,286,639)	(1,193,901,999)
Non Operating Income	26.00	101,042,139	233,469,776
Profit before Gratuity and WPPF Fund		(802,244,500)	(960,432,224)
Provision For Gratuity	20.01	(314,500)	(9,601,461)
Provision for Workers Profit Participation Fund (WPPF)	20.02	-	-
Profit Before Income Tax		(802,559,000)	(970,033,685)
Taxation (Expenses)/Income	27.00	19,015,526	43,634,506
Net Profit / (Loss) after Tax		(783,543,475)	(926,399,179)
Basic Earning per share (Taka)	28.00	(1.95)	(2.31)

The accounting policies and other notes from 01 to 33 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 18.03.2021 and signed on its behalf by :


Company Secretary (C.C.)

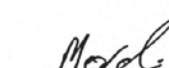

Chief Financial Officer


Director


Managing Director


Chairman

Signed in terms of our separate report of even date annexed.
Place : Dhaka
Dated: 20 March, 2021


Malek Siddiqui Wali
Chartered Accountants

APPOLLO ISPAT COMPLEX LIMITED
Statement of Cash Flows
For the Year ended 30 June'2020

Particulars	Amounts in Taka	
	July'19 to June'20	July'18 to June'19
Cash Flow from Operating Activities:		
Cash receipts from customers and others	913,385,858	2,064,073,740
Cash receipts from others income	101,042,139	233,469,776
Payment of Advance Income Tax	-	(16,965,965)
Cash payments for suppliers, employees and others	(1,033,637,435)	(2,957,043,862)
A) Net Cash used in Operating Activities	(19,209,437)	(676,466,311)
Cash Flow from Investing Activities:		
Purchase of property, plant and equipment	(77,800)	(66,231,202)
Capital Work in Process	-	-
Disposal of Non Current Assets	-	5,270,000
B) Net Cash used in Investing Activities	(77,800)	(60,961,202)
Cash Flow from Financing Activities:		
Dividend Paid	-	-
Borrowing Costs/Finance Costs	(820,313,532)	(792,271,380)
Increase/(Decrease) in bank overdraft	(40,942,016)	(523,041,909)
Increase/(Decrease) in short term borrowings	(577,347,538)	(662,427,914)
Increase/(Decrease) in long term borrowings	1,322,441,227	2,767,392,028
C) Net Cash Flow from Financing Activities	(116,161,860)	789,650,823
Net increase in Cash and Bank Balances (A+B+C)	(135,449,097)	52,223,311
Cash and Bank balances at beginning of period	176,116,947	123,893,636
Cash and Bank Balances at end of Period	40,667,849	176,116,947

Net Operating Cash Flows per share-NOCFPS (0.048) (1.69)

The accounting policies and other notes from 01 to 33 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 18.03.2021 and signed on its behalf by :


 Company secretary (C.C.)


 Chief Financial Officer


 Director



 Managing Director


 Chairman

Signed in terms of our separate report of even date annexed.

Place : Dhaka

Dated: 20 March, 2021



 Malek Siddiqui Wali
 Chartered Accountants

APPOLLO ISPAIT COMPLEX LIMITED
Statement of Changes In Equity

As on 30 June '2020


Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Reserve	Total Equity
Balance as at 01-07-2018	3,896,200,000	1,200,000,000	1,629,541,271	1,141,578,189	7,867,319,460
Net Profit after Tax	-	-	(926,399,178)	-	(926,399,178)
Cash Dividend Paid	-	-	-	-	-
Adjustment of Dividend	116,886,000	-	(116,886,000)	-	-
Bonus Share Issued	-	-	-	-	-
Closing Balance (30-06-2019)	4,013,086,000	1,200,000,000	586,256,093	1,141,578,189	6,940,920,282
Balance as at 01-07-2020	4,013,086,000	1,200,000,000	586,256,093	1,141,578,189	6,940,920,282
Net Profit after Tax	-	-	(783,543,475)	-	(783,543,475)
Less: Prior Year Adjustment	-	-	-	-	-
Increased in Paid up capital	-	-	-	-	-
Adjustment of Dividend	-	-	-	-	-
Less: Reversal Tax benefit on Unabsorbed	-	-	-	-	-
Closing Balance (30-06-2020)	4,013,086,000	1,200,000,000	(197,287,382)	1,141,578,189	6,157,376,807

The accounting policies and other notes from 01 to 33 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 18.03.2021 and signed on its behalf by :


Company secretary (C.C.)


Chief Financial Officer


Managing Director


Chairman

Malek Siddiqui Wali
Chartered Accountants



Signed in terms of our separate report of even date annexed.

Place : Dhaka

Dated: 20 March, 2021

APPOLLO ISPAT COMPLEX LIMITED
Notes to the Financial Statements
As at and for the period ended 30 June, 2020

1.00 Corporate Information

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

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

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

1.01 Nature of Business Activities:

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

1.02 Factory Operations:

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

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

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

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

These 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) as Bangladesh accounting standards (IAss) and Bangladesh Financial Reporting (IFRSs)

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 2020
- b) a statement of profit or loss and other comprehensive income for the year ended 30 June 2020
- c) a statement of changes in equity for the year ended 30 June 2020
- d) a statement of cash flows for the year ended 30 June 2020
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

2.03 Other Regulatory Compliances

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

- a) The Income Tax Ordinance, 1984
- b) The Income Tax Rules, 1984
- c) The Value Added Tax Act, 1991
- d) The Value Added Tax Rules, 1991
- e) The Securities and Exchange Ordinance, 1969
- f) The Securities and Exchange Rules, 1987
- g) The Securities and Exchange Commission Act, 1993
- h) The Customs Act, 1969
- i) Bangladesh Labour Law, 2006

2.04 Basis of Measurement

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

2.05 Functional and Presentation Currency

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

2.06 Going concern

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

2.07 Reporting Period:

1st July 2019 to 30 June 2020.

2.08 Use of Estimates and judgments

The preparation of financial statements in conformity with IFRSs require management to make judgement, 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 judgements 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 recognised 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 judgements, which have the most significant effect on the amounts recognised 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

2.09 Investments in associates

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

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

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

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

2.10 Compliance with BAS:

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

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

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

2.11 Net Profit Before Tax:

Net Profit Before Tax for the year were not materially affected by:

- (a) Transaction of a nature not usually undertaken by the company;
- (b) Circumstances of an exceptional or non-recurring nature;
- (c) Changes of credits relating to prior years; and
- (d) Changes in accounting policies.

2.12 Comparative Information

The financial statements 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.

2.13 Consistency of presentation

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

2.14 SIGNIFICANT ACCOUNTING POLICIES

2.15 Current versus non-current classification

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

An assets is current when it is:

- a) Expected to be realised or intended to sold consumed in the normal operating cycle
- b) Held primarily for the purpose of trading
- c) Expected to be realised 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 lest twelve months after the reporting period.

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

2.16 Fair Value Mesurement

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 trnsfer 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 fer 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

Fair - value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes:

Property , plant and equipment under revaluation Note-12

2.17 Recognition and measurement of Tangible Fixed Assets:

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

2.18 Property , plant and equipment

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

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

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

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognised criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected for the decommissioning 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 recognised 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.

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 recognised when risks and rewards associated with such assets are transferred to the company.

2.23 Borrowing Costs

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

2.24 Inventories:

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

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

2.24 Impairment of Assets:

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

2.26 Subsequent Costs:

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

2.27 Financial Instruments

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

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 recognised is derecognised upon disposal (i.e 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 derecognised.

2.19 Recognition and measurement of Tangible Fixed Assets:

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

2.20 Revaluation of property, plant and equipment

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

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

2.21 Derecognition:

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

2.22 Capital Work in Process:

a) Financial assets

Recognition and measurement

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

Financial assets are classified into the following categories. Financial assets at fair value through profit or loss, held to maturity, loan 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 recognised at fair value plus any transaction costs. Subsequent to initial recognition, they are measured at amortised 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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivable are measured at amortised 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 category of financial assets. Generally, available-for-sale financial assets are recognized initial recognition at fair value other than impairment losses are recognized in other comprehensive income.

b) Financial Liabilities

Recognition and measurement

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

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

2.28 Trade Debtors:

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

2.29 Cash and cash equivalents

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

2.30 Provisions , contingent liability and contingent assets general

Provisions are recognised 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 recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Contingent Liability

Contingent Liability

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

2.31 Income Tax:

2.31.1 Provision For Income Tax:

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

2.31.2 Deferred Tax:

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

2.32 Revenue Recognition:

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

2.33 Employee Benefits:

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

a) Defined Benefit Plan (Provident fund):

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

b) Defined Benefit Plan

1) Staff Gratuity:

The Company Operates gratuity scheme, and provision in respect of which is made annually covering all its 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.

2.34 Financial expenses/ Borrowing cost:

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

Statement of Cash Flows:

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

2.35 Provisions:

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

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

2.36 Dividend

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

2.37 Earnings Per Share:

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

2.38 Responsibility for preparation and presentation of Financial Statements:

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

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

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

APPOLLO ISPAT COMPLEX LTD.
Notes to the Financial Statements
As at and for the Year ended 30 June'2020

Amounts in Taka	
30th June' 2020	30th June' 2019

3.00 Property, Plant and Equipment :

These have arrived at as under:

Cost (Opening Balance)

Add: Revaluation surplus of land

Add: Addition during the period

Add: Transfer from Capital Work in Process(NOF)*

Adjustment/disposal

Less: Accumulated Depreciation (Opening Balance)

Less: Accumulated Depreciation (Disposal)

Add: Charged during the period

Total

Add: Fair Value of Vehicle & Transport

Written down value : (WDV)

	7,440,381,163	7,099,932,228
	-	-
	7,440,381,163	7,099,932,228
	77,800	355,480,764
	-	-
	-	15,031,829
Total Cost	7,440,458,963	7,440,381,163
	2,475,098,208	2,180,830,590
	-	(8,832,584)
	272,304,630	303,100,202
	2,747,402,838	2,475,098,208
	4,693,056,125	4,965,282,955

4.00 Investment:

This amount consists as follows:

Un-Quoted

Palash Spinning Mills Ltd.

Phoenix Holdings Ltd.

Total

Notes # 4.01

Notes # 4.02

100,000,000	100,000,000
258,700	258,700
100,258,700	100,258,700

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

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

5.00 Inventories :

Finished goods

Work in Process

Raw Materials

Spare Parts

Total

743,645,708	617,014,688
1,121,935,653	895,857,325
579,151,826	795,126,436
91,498,302	93,523,165
2,886,231,490	2,401,521,615

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

Add: Sales and Scrap Sales during the period

Less: Adjustment/recovery

Less: Irrecoverable debt written off

Total Trade Receivable

B. Other Receivable:

3,038,888,040	3,249,053,959
801,803,717	1,853,907,820
3,840,691,757	5,102,961,779
(795,276,157)	(1,463,166,640)
(118,109,702)	(600,907,100)
2,927,305,899	3,038,888,040

Insurance Receivable
Interest Receivable
Total Other Recievable

Amounts in Taka	
30th June' 2020	30th June' 2019
38,343,516	38,343,516
-	-
38,343,516	38,343,516
2,965,649,415	3,077,231,556

Total Trade & Other Receivables : (A+B)

A district wise break down given below:

	90	90
BAGERHAT	79,612,317	79,612,317
B. BARIA	68,311,908	66,279,348
BHOLA	584,449,854	670,204,904
BOGURA	1,211,956	1,211,956
BORGUNA	(2,676,209)	(3,727,117)
BORISAL	47,397,061	46,208,696
CHADPUR	5,348,565	5,348,565
CHITTAGONG	11,765,940	20,641,827
CHUYADANGA	46,269,909	46,373,683
COMILLA	937,552,083	894,122,908
DHAKA	(58,033,739)	(77,174,828)
DINAJPUR	685,936	685,936
FENI	(1,485,995)	(2,489,959)
FORIDPUR	93,307,345	93,307,345
GAIBANDA	83,738,785	79,240,694
GAZIPUR	284,491	(701,258)
GOPALGONJ	49,294,177	48,389,151
JAMALPUR	61,933,051	62,108,051
JESSORE	(9,660,900)	(18,811,175)
JHALOKHATHI	529,475	(890,855)
JHINAIDA	32,840,778	31,215,623
KHULNA	944,897	2,650,342
KISHORGONJ	92,739	92,739
KURIGRAM	47,061	47,061
KUSHTIA	(4,074,600)	(5,159,199)
LALMONIRHAT	589,581	589,581
MADARIPUR	322,205	422,205
MAGURA	(6,823,111)	(6,823,111)
MANIKGONJ	3,721,065	(404,490)
MAYMENSING	1,782	1,782
MUNSHIGONJ	(4,413,247)	(10,825,824)
NAOGAON	(398,627)	(3,601,676)
NARAIL	1,943,507	1,943,507
NATOR	26,543,866	26,557,362
NAYABAZAR	1,626,040	1,676,040
NETROKONA	5,727,714	5,727,715
N. GONJ	60,556,190	57,691,172
NILFAMARI	2,254,119	2,764,204
NOAKHALI	15,898,427	15,884,487
NORSHINDI	557,949,749	582,077,042
Others (Trade Debtors)	355,693	184,115
PABNA	58,472,570	60,340,122
PANCHOGAR	(129,234)	404,941
PIROJPUR	202,383	202,383
POTUAKHLI	(3,181,902)	(4,135,072)
RAJBARI	(30,586,900)	(33,559,443)
RAJSHAHI	65,462,800	103,753,518
RONGPUR	291,988	291,988
SATKHIRA	42,731	42,731
SHARIYATPUR	30,151,471	14,964,326
SHERPUR	131,745	131,745
SIRAJGONJ	46,354	46,354
Suspenses A/c (Trade Debtors)	130,745,523	128,951,049
SYHLET	88,623,137	45,646,411
TANGAIL	16,957,974	17,207,974
THAKURGAON	(7,356,966)	(8,051,941)
ZINZIRA	3,045,415,600	3,038,888,040
Total		

6.01 Ageing of trade and other receivable:

0-90 days
91-180 days
181-365 days
1-2 years
over 2 years

Amounts in Taka	
30th June' 2020	30th June' 2019
502,493,573	501,416,526
1,084,167,953	1,081,844,142
785,717,225	784,033,114
286,269,067	285,655,476
386,767,782	385,938,781
3,045,415,600	3,038,888,040

7.00 Advances, Deposits and Prepayments :

This amount consists as follows:

Advances

Note-7.01

Deposits and Investments

Note-7.03

2,775,151,474	2,749,448,016
79,551,028	113,204,514
2,854,702,502	2,862,652,530

7.01 Advances :

Against goods and services
Against Salary
Against Land purchase
Advance for Preliminary & Pre-Operating Expense (NOF)
Advance Income Tax
Material in Transit
LC margin
VAT current account

Note-7.04

Note-7.02

619,852,294	565,264,022
658,219	18,594,049
153,498,652	153,498,652
12,573,308	19,171,846
453,864,104	445,204,610
973,530,143	985,117,957
492,160,384	488,630,384
69,014,369	73,966,495
2,775,151,474	2,749,448,016

7.02 Advance Income Tax :

Opening Balance

Add: Addition during the year

Less: Refund during the year

Less : Adjusted after Tax Assessment

Closing Balance

445,204,610	428,238,645
8,659,494	16,965,965
453,864,104	445,204,610
-	-
-	-
453,864,104	445,204,610

7.03 Deposits and Investments:

CDBL
FDR with South East Bank Ltd.
FDR with IFIC Bank Ltd.
FDR with Jamuna Bank Ltd.
Bank Guarantee Bond
Deposit Against GAS cylinder
Security deposit with Titas Gas, WASA, DESA & Custom
Total

500,000	500,000
1,381,657	4,065,095
22,098,096	53,068,144
1,897	1,897
23,216,586	23,216,586
60,000	60,000
32,292,792	32,292,792
79,551,028	113,204,514

7.04 Advance for Preliminary & Pre-Operating Expense (NOF)

Opening Balance

Add: Addition during the year

Less : Amortization

Closing Balance

19,171,846	26,154,194
-	-
19,171,846	26,154,194
6,598,538	6,982,348
12,573,308	19,171,846

8.00 Cash and Bank balances :

This amount consists as follows:

Cash in Hand

Factory current account

Cash at Bank (Notes-8.01)

397,874	1,932,292
9,015,939	725,094
31,254,037	173,459,561
40,667,850	176,116,947

		Amounts in Taka	
		30th June' 2020	30th June' 2019
8.01 Cash at Bank:			
Bank Name	A/c No		
Agrani Bank Ltd Tejgaon Br.	02-699597	161,385	15,119
AB Bank Ltd Kawran Bazar Br.	STD 750680-430	1,001	1,081
Al-Arafah Islami Bank Ltd Jatra Bari	200078491	30,032	30,032
Al-Arafah Islami Bank Ltd Motijheel	5224	12,744	-
Bank Asia Ltd Scotia Br.	IPO STD-00736-764	5,078,206	5,078,206
Bank Asia Ltd Scotia Br.	00736-495	9,298	11,393
Basic Bank Ltd Karwan Bazar	3110-01-180	5,160	5,505
BRAC Bank Ltd Gulshan Br.	1501200130284002	18,237	18,237
BRAC Bank Ltd Kawran Bazar Br.	1540100130284001	26,341	26,341
City Bank Ltd Motijheel (Share Dididend A/c)	3102004872002	407,445	407,445
City Bank Ltd Motijheel (P.O)	2001	4,817	-
Dutch Bangla Bank Ltd /Local KB	11053	118,690	124,989
Dutch Bangla Bank Ltd (Motijheel)		934	-
Dhaka Bank Ltd (Motijheel)		9,530	9,530
Dhaka Bank Ltd (k.Bazar)	6359	3,301	-
IFIC Bank (CD)	0170358174001	23,361,537	-
IFIC Bank (K. Bazar)	0001	5,114	-
Eastern Bank Ltd Sonargoan Br.	105106-8112	11,966	11,966
Exim Bank Ltd Motijheel	001111-11871	7,936	8,856
Islami Bank BD Ltd Gandria	5107	5,000	5,000
Islami Bank BD Ltd Bangshal	9407	17,063	-
Islami Bank BD Ltd Mohakhali	1007	79,494	-
Jamuna Bank Ltd Dhilkusha	0195	300,466	24,971,563
Janata Bank Ltd Bangshal Br.		5,170	6,211
Janata Bank Ltd Farmgate Br.	9789	108,396	-
Mercantail Bank (Motijheel)	8535	-	14,000,000
Mutual Trust Bank Ltd Motijheel Br.	0002-0210010672	1,745	4,008,219
Mutual Trust Bank Ltd Dhanmondi Br.	01875	10,000	10,000
National Bank Ltd Dhilkusha Br.	1140	18,069	18,058
National Bank Ltd Dhilkusha Br.	New Ipo	10,000	10,000
National Bank Ltd K. Bazar.		7,876	-
NCC Bank Ltd Dhanmondi Br.	00100210010127	-	39,975,000
NRB bank	22067	10,000	10,000
One Bank	8007	1,179	-
Prime Bank Ltd K.Bazzar	5394	1,075,499	7,818
Primier Bank Ltd Gulshan Br.	0102111-7477	1,717	1,717
Pubali Bank Ltd Tejgaon	161	20,894	2,360
Rupali Bank Ltd Green Road	0414024-15	35,410	12,913
Southeast Bank Ltd Dhanmondi Br.-25	0012111-9826	18,810	14,105
Southeast Bank Ltd Dhanmondi Br.	0012131-939	20,085	20,085
Shajalal Bank Ltd Motijheel Br.	4001111-6337	10,145	10,490
Social Islami Bank Ltd Motijheel Br.	0021330037219	-	84,462,000
Social Islami Bank Ltd Panthopath Br.	979	-	-
Sonali Bank Ltd Tejgaon Br.	012424-236	76,584	76,584
Sonali Bank Ltd Motejheel Br.	8235	4,940	4,940
Sonali Bank (Reg Br.)	0006	46,779	-
Sonali Bank (STD- Awlad H. Market)		-	-
Sonali Bank Ltd RJC Motejheel Br.	131303-6	-	-
State Bank Of India	0516030202-1	4,130	4,130
Uttara Bank Awlad H. Market Br.	2361	10,865	-
United Commercial Bank Ltd Mohakhali Br.	0781301-176	18,762	18,382
United Commercial Bank Ltd Karwan Bazar Br.	802	5,000	5,000
United Commercial Bank Ltd Naya Bazar Br.	000125	56,284	56,284
Total		31,254,037	173,459,561

9.00 Share Capital :

Authorized Capital : Tk.

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

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

Issued, Subscribed and paid up Capital:

This amount consists as follows:

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

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

Bonus Share

Note 9.01

Amounts in Taka	
30th June' 2020	30th June' 2019
1,513,086,000	1,513,086,000
4,013,086,000	4,013,086,000

9.01 Bonus Share capital:

This amount consists as follows:

Bonus 2013-2014 : 37,500,000 Bonus Share@ Tk.10 each.
 Bonus 2014-2015 : 34,500,000 Bonus Share@ Tk.10 each.
 Bonus 2015-2016 : 32,200,000 Bonus Share@ Tk.10 each.
 *Bonus 2016-2017 : 35,420,000 Bonus Share@ Tk.10 each.
 *Bonus 2017-2018: 11,688,600 Bonus Share@ Tk.10 each.

375,000,000	375,000,000
345,000,000	345,000,000
322,000,000	322,000,000
354,200,000	354,200,000
116,886,000	116,886,000
1,513,086,000	1,513,086,000

For the Financial Year 2017-2018 Board of Directors of the company proposed Dividend: 03% Stock; with due approval at 24rd Annual General Meeting held on 31rd December 2018.

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

A. Director's Shareholding

Name	No. of Shares	Status with the Company	30 June' 2020	30 June' 2019
			% of Holding	% of Holding
Deen Mohammad	13,195,026	Chairman	0.033	3.29
Mohammad.Shoeb	9,984,557	Vice Chairman	0.025	2.49
Md. Ansar Ali	8,026,172	Managing Director	0.020	2.00
Md. Abdur Rahman	8,026,172	Dy Managing Direc	0.020	2.00
M.A Majid	10,191,167	Director	0.025	2.54
Md Rafique	8,026,172	Director	0.020	2.00
Md. Abu Kaiser	-	Ind. Director	-	-
Ms. Roxshana Begum	8,026,597	Director	0.020	2.00
Evana Fahmida Mohammad	8,026,597	Director	0.020	2.00
Md Sirajul Haque	7,129,137	Sponsor	0.018	1.78
Murshida Haque	590,062	Sponsor	0.001	0.15
Md. Mustafijul Haque	15,530	Sponsor	0.000	0.00
Total	81,237,189		0.2024	20.24

*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' 2020	30 June' 2019
		% of Holding	% of Holding
Above 5 % shareholding:	Shareholders	5.10	5.10
Below 5% shareholdings	Shareholders	74.66	74.66
Total		79.76	79.76
Grand Total (A+B)		100	100

10.00 Share Premium :

100,000,000 Ordinary Shares of Tk.12 each,
 fully paid up in cash

30th June' 2020	30th June' 2019
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
 Add: Profit for the period
 Add:Unabsorbed Carry Forwrded u/s 42(6)

566,256,093	1,629,541,271
(783,543,475)	(926,399,178)
-	-

Less: Amount Transferred to Share Capital as Bonus Share of 3,542,000,000 (10% Stock Bonus) @ Tk. 10 each with due approval at 23rd Annual General Meeting. Bonus Share of 3,898,200,000 (3% Stock Bonus) @ Tk. 10 each with due approval at 24th Annual General Meeting
Less: Prior Year Adjustment

Amounts in Taka	
30th June' 2020	30th June' 2019
(197,287,382)	703,142,093
-	-
-	(116,888,000)
(197,287,382)	586,256,093

13.00 Long Term Borrowings:
This amount consists as follows:

Name of Bank	30th June' 2020		30th June' 2019	
	Due within one year	Due after more than one year	Due within one year	Due after more than one year
Jamuna Bank Ltd.	213,072,000	866,072,126	113,468,400	162,091,837
IFIC Bank Ltd.	917,640,000	1,789,291,045	1,727,100,000	732,872,672
Mercantile Bank limited	31,704,000	127,908,998	31,704,000	119,957,142
Mutual trust Bank limited	75,622,428	122,335,681	47,865,006	58,856,008
Phoenix Finance & Investment	199,349,820	377,728,416	199,349,820	293,062,151
GSP Finance Company Ltd	-	47,916,444	14,155,164	31,777,335
GSP Finance Company Ltd(Lease)	-	55,028,286	16,994,544	34,356,496
NCC Bank limited	15,280,424	30,756,325	41,800,705	-
Islamic Finance & Investment Ltd	-	171,557,477	55,593,960	103,084,132
Social Islami Bank limited	16,680,000	30,114,133	18,426,898	26,661,335
Southeast Bank Ltd.	88,800,000	349,687,103	42,253,954	121,129,367
Union Capital	-	-	31,800,000	179,742,553
Total	1,558,148,672	3,968,396,034	2,340,512,451	1,863,591,028
Total Long Term Borrowings		5,526,544,706		4,204,103,480

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:

Jamuna Bank Ltd (TR)	-	104,866,803
Jamuna Bank Ltd (Demand)	-	537,466,231
Mutual Trust Bank Ltd	7,929,519	97,985,137
IFIC Bank Ltd (Deferred & LG)	326,742,584	254,859,451
GSP Finance Company Ltd.	379,395,175	336,460,202
Southeast Bank Ltd	-	230,204,336
Time loan with Jamuna bank Ltd.	-	20,276,187
MIDAS Finance Ltd.	113,720,833	114,408,596
Union Capital Ltd.	229,977,017	-
Total	1,119,179,406	1,696,526,943

15.00 Bank overdraft:
This consist of the following:

Jamuna Bank OD A/c	-	65,898,831
IFIC Bank Ltd OD A/C	247,926,838	221,368,789
IFIC KB	-	1,477,711
Sonali STD Awlad	-	42,850
Dutch Bangla Bank Ltd. (salary A/c)	-	80,673
Total	247,926,838	288,868,854

16.00 Liabilities for Expenses :
This consist of the following:

Audit fee	555,000	555,000
Electricity	38,420,129	5,037,818
Gas	26,365,246	6,472,513
Salary and Allowances**	13,209,520	9,482,472
Wages and Salary	642,958	4,090,250

	Amounts in Taka	
	30th June' 2020	30th June' 2019
AIT payable	1,762,916	1,764,705
Income Tax Deducted at source from Salary	558,160	602,443
VAT Deducted at source	2,678,024	2,645,880
Duty payable	8,213	8,213
Telephone	832,984	887,387
Stock Exchange Fee Payable	7,344,200	7,344,200
AGM Expenses Payable	191,000	191,000
Head Office Rent Payable	1,350,351	1,197,143
Contribution to Provident fund	11,459,002	7,059,737
	105,377,703	47,338,761

16.01 Salary, wages & allowance Payable

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

17.00 Trade & Other Payables:

This amount consists as follows:

Trade Payables	4,101,008	8,976,451
Other Payables	7,532,694	7,532,694
	11,633,702	16,509,145

17.01 Trade Payables:

AK Traders	(789,806)	1,691,136
ABB Ltd (gulshan)	265,000	265,000
Airtech	337,500	337,500
Abul Hossain & co.	126,000	126,000
Ator Banu Traders	143,450	143,450
Barishal Printers	13,401	13,401
Bow Engineering Ltd.	221,500	221,500
M.I Rubber Engineering Workshop	(206,896)	-
Bashundhara Industrial Complex Ltd	144,000	144,000
CDBL Payable	106,000	106,000
Eastern Chemical	23,289	23,289
Electro Mech Automation	195,890	165,890
Fars Hotel & Resorts	137,476	137,476
Fritz & Fixabit Inc	13,885	13,885
HR International	(1,655,090)	-
Global Connection Tours & travels	1,620	1,620
ION Exchange	260,000	260,000
MD Steel Casting Indus.	65,000	65,000
Hilfu We Engoneering	150,000	150,000
Khan Thai Aluminium & Fabricators	84,743	84,743
Happy Int.	(2,180)	1,620
Progressive Engineering Corporation	441,890	499,930
Mofizul Islam Technical Boaring	662,864	662,864
Global Business Soluation	24,000	-
Majumder & Associations	40,000	40,000
Mr. Shamol	25,000	25,000
Morols International A	115,000	115,000
Motaleb Iron Store	30,000	30,000
National Steel Corp.	(402,473)	247,527
Navigator	42,900	42,900
Popular Trevel & Tours	42,864	42,864
Oriental Oil Com Ltd.	130,200	130,200
Golden Traders	971,376	971,376
Divine IT	20,000	20,000
Prime Technologies	12,000	12,000
Surgeineer power Technologies	66,000	-
Prince Carbon	101,500	111,500
Rashid Ent (RE)	(77,950)	117,050
Rafi Ent.	140,000	140,000
Pakard Eng. Ltd.	12,226	12,226
Royal Rubber Inds.	509,664	251,428
S Construction	83,654	83,654
Shafique Ent.	235,516	235,516
Sunrise chemical	(1,374,998)	57,252
Shopno Computers	(100,000)	32,000

Narayangonj City Corp.
SMA Eng. Co.
One Automation Solution
Surat Ali Enterprise
Karnofully Steel Constructions
Anex Engineering & Electric Com.
Rana Auto

Amounts in Taka	
30th June' 2020	30th June' 2019
2,780,339	-
350,000	350,000
(1,000,000)	-
85,000	85,000
384,654	384,654
225,000	325,000
(110,000)	-
4,101,008	8,976,451

17.02 Other Payables:
Dividend Unpaid
IPO Applicant (Refund warrant with Bank Asia)

3,418,454	3,418,454
4,114,240	4,114,240
7,532,694	7,532,694

18.00 Provision for Income Tax :

Opening balance
a) Provision made during the Period

Less: Adjusted/Paid during the Period as per Assessment
Closing balance

239,290,599	225,505,338
6,086,568	13,785,261
245,377,167	239,290,599
-	-
245,377,167	239,290,599

19.00 Liabilities for Deferred Tax :
This has been arrived as under,

Carrying Value of Fixed Assets
As Tax Base
Temporary Difference
Addition not included Tax Base
Net Temporary Difference

Deferred Tax Liabilities @ 25%
Deferred Tax Expenses/(Income) during the Period

2,450,741,671	2,722,968,500
284,698,728	456,594,984
2,166,042,942	2,266,373,517
(2,234,807,354)	(2,234,729,554)
(68,764,412)	31,643,963
(17,191,103)	7,910,991
(25,102,094)	(57,419,767)

20.00 Other Provisions:

Provision For Gratuity : Note- 20.01
Provision for Workers Profit Participation Fund (WPPF) : Note- 20.02
Provision for Bad Debts : Note- 20.03

37,163,525	36,849,025
77,005,343	77,005,343
30,171,989	27,740,879
144,340,857	141,595,248

20.01 Provision For Gratuity :

Opening balance
Add. Addition made during the period
Less: Gratuity Paid
Total

36,849,025	32,330,447
314,500	9,601,461
-	(5,082,883)
37,163,525	36,849,025

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

20.02 Provision for Workers Profit Participation Fund (WPPF) :

This amount consists as follows:

Opening balance
Add. Addition made during the period
Less: Paid during the year as per rule
Total

77,005,343	78,752,129
-	-
-	(1,746,786)
77,005,343	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
Add. Addition made during the period

27,740,879	31,055,540
2,431,110	9,560,763

Less: Recovery during the Period
Closing balance

Amounts in Taka	
30th June' 2020	30th June' 2019
30,171,989	40,616,303
-	12,875,424
30,171,989	27,740,879

21.00 Net Turnover :

This amount consists as follows:

CI Sheet
CR Coil
GP Coil
Ridge
Total

558,457,288	146,954,511
239,894,300	1,562,149,175
1,612,800	134,427,975
1,839,328	10,376,159
801,803,717	1,853,907,820

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)

895,857,325	870,098,901
525,520,099	1,196,858,895
1,421,377,424	2,066,957,796
1,121,935,653	895,857,325
299,441,770	1,171,100,471
503,885,286	460,839,877
803,327,056	1,631,940,348
617,014,688	527,768,823
1,420,341,744	2,159,709,171
743,645,708	617,014,688
676,696,036	1,542,694,483

22.01 Raw Material Consumed :

A. Opening Stock of Raw Materials

HR Coil
Zinc Ingot
Chemical
Spare parts

695,328,478	250,945,486
76,914,974	87,356,582
22,882,984	23,824,706
93,523,165	92,049,595
888,649,601	454,176,369

B. Add: Raw Material Purchased

HR Coil
Zinc Ingot
Chemical
Spare parts

211,474,269	1,206,411,339
36,592,140	362,889,913
43,034,024	46,765,650
16,420,193	15,265,225
307,520,626	1,631,332,127

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

1,196,170,227	2,085,508,496
----------------------	----------------------

D. Less: Closing 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

22.01.1 Raw Material Consumption

HR Coil
Zinc Ingot
Chemical
Spare parts

336,473,814	762,028,347
113,507,114	373,331,521
57,094,115	47,707,372
18,445,056	13,791,655
525,520,099	1,196,858,895

22.02 Factory Overhead :

This consist of the following:

Depreciation
Electricity
Electric lighting & fittings
Gas Bill
Entertainment
Insurance Premium on Fire and RSD
Office maintenance factory
Labour and carrying charge
Medical Expenses

258,689,399	287,945,192
59,870,217	55,115,249
1,840	20,940
38,866,775	49,215,263
118,542	360,004
48,257,872	3,891,569
495,375	496,080
372,595	513,115
18,173	46,838

Repair and Maintenance
Travel & conveyance
Postage & courier
Salary and Allowances
Telephone
Wages and Allowances

Amounts in Taka	
30th June' 2020	30th June' 2019
22,394,629	18,881,277
83,467	58,843
20,281	7,533
43,784,285	17,061,301
14,603	20,729
30,897,234	27,205,944
503,885,286	460,839,877

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

b) Repair and Maintenance includes Factory maintenance, Forklift maintenance, Generator maintenance, Machinery maintenance, Boiler Machine maintenance, Factory building maintenance, Crane maintenance and Vehicle maintenance.

23.00 Administrative Expenses :
This consist of the following:

Audit Fee	425,000	900,250
Accounting software expenses	20,000	30,000
AGM Expenses	-	1,148,084
Amortization Expenses	6,598,538	6,982,348
Bond Stamp	12,055	14,161
Board Meeting Expenses	-	100,000
Business Development	3,143,049	3,980,158
Canteen Expenses	229,332	698,730
Consultancy & services charge	-	148,165
Conveyance	192,086	367,554
Director Remuneration	217,742	3,500,750
Depreciation	13,615,232	15,155,010
Donation	58,400	57,000
Electricity	522,615	789,992
Entertainment	361,348	628,294
Fees and Professional Charges	5,385,000	2,012,982
Tour & Travels Expenses	-	21,420
Legal Fee	1,468,660	988,181
License and Renewal & Fitness Fee	208,132	384,039
Miscellaneous Expenses	10,200	392,972
Medical Expenses	13,810	16,097
Newspaper and Periodicals	13,435	61,389
Office Rent including Garage Rent	4,265,626	4,265,628
Office Refreshment Expenses	19,903	113,507
Plantation	270	7,585
Postage and courier	621	3,746
Printing	30,355	62,951
Rent Rates and Taxes	3,109,739	685,064
Repair and Maintenance	706,230	1,286,729
Salary and Allowances	22,829,001	40,630,416
Stationery expenses	54,157	2,093
Stock exchange & fees /CDBL exp/BO A/c fees	18,400	2,752,288

Telephone & Internet
Welfare Exp.
Written off against Advance Salary
Irrecoverable Debt Written Off
Total

Amounts in Taka	
30th June' 2020	30th June' 2019
264,791	835,297
5,000	-
20,059,698	-
118,109,702	600,907,100
201,968,126	689,929,980

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

23.01 Key Management Personnel Compensation:
Short term employee benefits (Salary and other allowances)
Post employment benefits (provident fund, gratuity etc.)

9,342,600	7,638,674
1,060,905	676,227
10,403,505	8,314,901

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)

325,000	325,000
325,000	325,000

24.00 Selling and Distribution Expenses :
This consist of the following:

Advertisement
Delivery charges
Entertainment
Other Expenses
Salary & Allowance
Sales promotion expenses
Bad debts
Telephone/Mobile & Internet Expenses

343,092	193,250
1,755,905	2,433,340
-	24,523
17,875	450
1,488,177	6,857,525
76,502	3,484,125
2,431,110	9,560,763
-	360,000
6,112,661	22,913,976

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

25.00 Financial Expenses :
This consist of the following:

Bank Charge & Commission
Bank Gurantee Commission
Exchange Rate Fluctuation Loss/(Gain)
Interest on bank Loan

776,041	12,661,302
6,440	167,699
363,956	6,567,748
819,167,096	772,874,631
820,313,532	792,271,380

26.00 Non Operating Income :
This consist of the following:

Scrap sales and Others
Other Income-InterestReceived/Receivable
CR & GP Processing Charges
Profit/(Loss) on Investment
Profit/(Loss) on Disposal of Non current assets

39,636,639	102,191,622
1,013,225	2,695,038
60,392,276	129,571,542
-	(59,181)
-	(929,245)
101,042,139	233,469,776

26.02 Profit/(Loss) on Disposal of Non current assets:
Vehicals & Transport:

Total Cost
Accumulated Depreciation
Carrying Value as at 01.07.2019
Disposal value
Loss on disposal

-	15,031,829
-	(8,832,584)
-	6,199,245
-	(5,270,000)
-	929,245

27.00 Taxation:
Current Tax Expenses
Prior Year adjustment
Deferred Tax (Income)/Expenses
Tax Expenses/(Income)

Note: 19.00

6,086,568	13,785,261
-	-
(25,102,094)	(57,419,767)
(19,015,526)	(43,634,506)

Amounts in Taka	
30th June' 2020	30th June' 2019

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

Gross Receipt	1,014,427,998	2,297,543,516
Minimum Tax Rate '@ 0.6% on Gross Receipts	6,086,568	13,785,261
Current Tax Expenses	(20,063,975)	(242,508,421)
Whichever is Higher between above	6,086,568	13,785,261

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	(783,543,475)	(926,399,178)
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 *	(1.95)	(2.31)
Number of ordinary shares Considering the 2017-18 Stock Dividend	401,308,600	401,308,600
EPS for the period ended has been restated based on the new weighted	(1.95)	(2.31)

average number of ordinary shares in accordance with para 64 of BAS 33.

29.00 Net Assets Value Per Share :

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

Total Assets	13,540,566,083	13,583,064,302
Non-Current Liabilities plus Current Liabilities	7,383,189,276	6,642,144,020
Net Assets Value including Revaluation Surplus	6,157,376,807	6,940,920,282
Number of ordinary shares at the year end	401,308,600	401,308,600
* Net Asset Value (NAV) including Revaluation Surplus	15.34	17.30
Net Assets Value Excluding Revaluation Surplus	5,015,798,618	5,799,342,093
Net Assets Value (RNAV) per Share Excluding Revaluation Surplus	12.50	14.45

30.00 Cash flow per share from operating activities

Net Operating Cash Flows Per Share - NOCFPS	(0.048)	(1.69)
--	----------------	---------------

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	Outstanding/ Advance Value
Phoenix Finance and Investments Ltd.	Common Shareholder	Term Loan	577,078,236
Phoenix Insurance Company Ltd.	Common Shareholder	Insurance	Nil
Eastern Dyeing and Calendering Works Ltd.	Common Shareholder	Office Rent	Nil

	Amounts in Taka	
	30th June' 2020	30th June' 2019
Tiger wire (Re-rolling) Mills Ltd.	Common Shareholder	Advance Against Land Purchase 261,962,500

32.00 Employees

The Company had 484 Permanent and 03 provisional employees as on 30 June 2020 and a varying number of seasonal and temporary workers (about 150) as required. The table given below shows the segregation of those employees.

Particulars	Permanent	Provisional	Total No of Employee	Below Basic Tk. 6000
Officer	47	1	48	1
Staff	52	0	52	17
Workers	208	0	208	55
Total	307	1	308	73

33.00 Approval of the Financial Statements:

These financial statements were authorized for issue in accordance with a resolution of the company's board meeting on 18 March, 2020.

APPOLLO ISPAT COMPLEX LIMITED
Schedule of Property, Plant and Equipments
As on 30 June 2020

Annexure-A

Fig in Taka

Category of Assets	Cost				Rate %	Depreciation				Written Down Value as on 30.06.2020
	Balance as on 01.07.2019	Addition	Revaluation	Disposal		Balance as on 01.07.2019	Charge During the Year	Disposal	Accumulated Dep. as on 30.06.2020	
Land and Land Development	1,630,328,144	-	-	-	-	-	-	-	-	1,630,328,144
Land and Land Development (NOF)	611,986,310	-	-	-	0%	-	-	-	-	611,986,310
Plant and Machinery	3,303,318,012	-	-	-	10%	1,700,916,588	160,240,142	-	1,861,156,730	1,442,161,282
Factory Building	1,463,122,143	65,390	-	-	10%	561,435,479	90,175,205	-	651,610,684	811,576,849
Office Building	114,079,497	-	-	-	10%	49,146,980	6,493,252	-	55,640,232	58,439,265
Office Building (Rangs Bhaban)	16,000,000	-	-	-	10%	16,000,000	-	-	16,000,000	-
Factory Office Equipment	1,831,305	-	-	-	10%	1,237,876	59,343	-	1,297,219	534,086
Gas Generator	43,682,397	-	-	-	10%	27,493,861	1,618,854	-	29,112,714	14,569,633
Water Installation	7,547,204	-	-	-	10%	5,242,083	230,512	-	5,472,595	2,074,609
Telephone Installation	5,021,744	-	-	-	10%	3,105,537	191,621	-	3,297,158	1,724,586
Gas Installation	33,158,425	-	-	-	10%	6,978,506	2,617,992	-	9,596,498	23,561,927
Electric Installation	153,072,325	-	-	-	10%	69,339,700	8,373,263	-	77,712,962	75,359,363
Vehicle and Transport	10,737,021	-	-	-	10%	6,007,021	473,000	-	6,480,021	4,257,000
Tools and Equipment	15,485,011	-	-	-	10%	10,750,476	473,453	-	11,223,930	4,261,081
Office Equipment	6,189,194	12,410	-	-	10%	3,473,985	272,762	-	3,746,747	2,454,857
Furniture and Fixture	7,042,530	-	-	-	10%	4,973,376	206,915	-	5,180,291	1,862,239
Air Condition	12,677,790	-	-	-	10%	5,888,844	678,895	-	6,567,739	6,110,051
Other Assets	5,102,111	-	-	-	10%	3,107,896	199,422	-	3,307,318	1,794,794
Total	7,440,381,163	77,800	-	-		2,475,098,208	272,304,630	-	2,747,402,838	4,693,056,125

Factory overhead	258,689,399
Administrative overhead	13,615,232
Total	272,304,630



SHAREHOLDER'S INFORMATION

Annual General Meeting (AGM)

No. of AGM: 26th Annual General Meeting

Date :19th December,2020

Venue :Factory Premises-Shimrail, Siddhirganj, Narayanganj

Time :03:00 pm.

Financial Calendar

Financial Year: 1st July 2019 to 30th June 2020

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



SHIELDING THE FUTURE

APPOLLO ISPAT COMPLEX LIMITED

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

PROXY FORM

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 26th 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



SHIELDING THE FUTURE

APPOLLO ISPAT COMPLEX LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the 26th 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: _____

Date: _____ 2024

Signature Verified

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.