

**Auditors' Report along with Financial Statements
of
Ratanpur Steel Re-Rolling Mills Ltd.
As at and for the year ended 30 June 2021**

AUDITOR:

Mahfel Huq & Co.

Chartered Accountants

BGIC Tower (4th Floor), 34 Topkhana Road,

Dhaka-1000, Bangladesh

Ph: +880-2-9553143

Email: info@mahfelhuq.com, Web: www.mahfelhuq.com

TABLE OF CONTENTS

Sl. No.	Particulars	Page No.
1	Auditor's Report	1-5
2	Statement of Financial Position	6
3	Statement of Profit or Loss & Other Comprehensive Income	7
4	Statement of Changes in Equity	8
5	Statement of Cash Flows	9
6	Notes to the Financial statements	10-31
7	Fixed Assets Schedule	32-33



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com



An independent member firm of AGN International

Independent Auditor's Report

To the Shareholders of Ratanpur Steel Re-Rolling Mills Ltd.

Report on the Audit of the Financial Statements

Qualified of Opinion

We were engaged to audit the financial statements of Ratanpur Steel Re-Rolling Mills Ltd ('the Company'), which comprise the statement of financial position as at June 30, 2021, and 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.

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, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified of Opinion

1. Inventories and Purchase

We could not obtain sufficient appropriate audit evidence of BDT 1,563,265,655 for inventory in note no. 07 to the financial statements. In addition, we could not obtain sufficient appropriate audit evidence of the purchases made by the company during the year of an amount of BDT 1,208,176,003 in note no. 20.01 to the financial statements.

2. Revenue and Accounts Receivables

Included in the Revenue in note no 19 to the financial statements, we could not obtain sufficient appropriate audit evidence of BDT 1,450,572,204. Furthermore, we could not verify the accounts receivables of BDT 3,393,975,713.

3. Capital Work-In-Progress

Included in the non-current assets within Capital Work in Progress in note no. 05 to the financial statements an amount of BDT 54,213,190. In our opinion, the company should recognize the capital work in progress in the Property, Plant and Equipment and depreciation should be charged thereon.

4. Property, Plant and Equipment

We could not verify the appropriateness of book value of the Property, Plant and Equipment of the company shown in note no. 04 to the financial statements.

5. Going Concern

As discussed in note no. 14 to the financial statements, the Company has outstanding loan of BDT 949,958,730. The company has not paid the loan amount when it becomes due. The company



could not arrange any fund to repay the due amount within the prescribed time. The amount of gross loss for this year is BDT 190,352,234 which results from the excessive costs of production and the net negative operating cash flow is BDT 27,378,095. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this matter.

6. Lease

As per para 9 of IFRS 16, at inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. We could not obtain sufficient appropriate evidence to conclude whether any lease obligations are required to calculate or not.

7. WPPF, Welfare Fund and Worker's Welfare Foundation Fund

We could not obtain sufficient appropriate evidence regarding the reimbursement of the payment of WPPF and Welfare Fund to employees amount of BDT 7,118,474 as described in note no. 17. The company has not yet been constituted any such fund on Worker's Welfare Foundation Fund.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Property, Plant and Equipment	
<p>This represents a significant amount in the company's (Balance Sheet) Statement of Financial Position. There is a risk of determining which costs meet the criteria for capitalization. Determining the date on which the assets are recognized to property, plant and equipment and depreciation commences. This estimation of economic useful lives and residual value assigned to fixed assets.</p> <p>We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgement involved and its significance to the financial statements.</p> <p>At June 30, 2021, the company reported the carrying value of property, plant and equipment amounts BDT 1,894,101,897 (June 30, 2020: BDT 1,905,559,420)</p>	<p>Our audit procedures to assess the carrying value of property, plant and equipment, include the following controls testing and substantive procedures:</p> <ul style="list-style-type: none"> • Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment including the key internal controls over the estimation of useful economic lives and residual values: • Assessing, on a sample basis, costs capitalized during the year by comparing the costs capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization. • Testing the key controls over the management's judgement in relation to the accounting estimates of the depreciable lives and residual values of property, plant and equipment. • Reconcile on a sample basis the additional capitalized costs for the year to the underlying invoices and supporting documents. • We traced payments to supporting documents. We assessed the adequacy of the disclosures of the financial statements.
See note no. 4.00 and Annexure-A to the financial statements	
Measurement of deferred tax liability	
<p>Company reported net deferred tax liability totaling BDT 147,964,140 as at June 30, 2021. Significant judgment is required in relation to deferred tax liabilities as their calculation is a complex one.</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 liabilities and the assumptions used in estimating the useful life of the assets.</p>
See note no. 12.00 to the financial statements	



Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.



We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

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 obtained all the information and explanations except noted above 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 statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are not in agreement with the books of accounts and returns; and
- d) The expenditures, except as noted above, was incurred for the purpose of the Company's business.



Howlader Mahfel Huq FCA
ICAB Enrolment No. 0105
Managing Partner
Mahfel Huq & Co.
Chartered Accountants
DVC: **2111180105AS324679**
Dhaka, November 18, 2021

Ratanpur Steel Re-Rolling Mills Limited
Statement of Financial Position
As on 30 June, 2021

Particular	Notes	Amount in BDT	
		30-Jun-21	30-Jun-20
Assets			
Non-Current Assets		1,948,315,088	1,952,919,475
Property Plant and Equipment	4.00	1,894,101,898	1,905,559,420
Capital Work-In-Progress	5.00	54,213,190	47,360,055
Current Assets		5,332,504,250	5,560,964,404
Advances, Deposits and Prepayments	6.00	368,925,683	248,503,723
Inventories	7.00	1,563,265,655	1,846,028,730
Accounts Receivable	8.00	3,393,975,713	3,425,863,520
Cash and Cash Equivalents	9.00	6,337,200	40,568,431
Total Assets		7,280,819,338	7,513,883,879
Equity and Liabilities			
Shareholders' Equity		4,546,962,221	5,027,961,423
Share Capital	10.00	1,011,890,880	1,011,890,880
Share Premium		750,000,000	750,000,000
Revaluation Surplus of Land	11.00	943,950,000	943,950,000
Retained Earnings		1,841,121,341	2,322,120,543
Non-Current Liabilities		1,134,688,302	1,057,664,172
Deferred Tax Liability	12.00	147,964,140	146,238,371
Long term Liabilities	13.00	986,724,163	911,425,801
Current Liabilities		1,599,168,815	1,428,258,284
Short term Liabilities	14.00	949,958,730	870,474,062
Creditors and Accruals	15.00	213,831,260	118,990,356
Income Tax Liability	16.00	435,378,824	431,675,391
Liability for WPPF and Welfare Fund	17.00	-	7,118,474
Total Liabilities		2,733,857,117	2,485,922,456
Total Shareholders' Equity and Liabilities		7,280,819,338	7,513,883,879
Net Asset Value (NAV) Per Share	18.00	44.94	49.69


The annexed notes form and integral part of these financial statements






 Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed in terms of our separate report of same date.


Howlader Mahfel Huq, FCA
 ICAB Enrolment No. 105
 Managing Partner
Mahfel Huq & Co.
 Chartered Accountants

Dhaka, November 18, 2021.

DVC:2111180105AS324679

Ratanpur Steel Re-Rolling Mills Limited
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June, 2021

Particular	Notes	Amount in BDT	
		30-Jun-21	30-Jun-20
Revenue	19.00	1,450,572,204	3,239,046,345
Cost of Goods Sold	20.00	(1,640,924,437)	(2,889,022,732)
Gross (Loss) / Profit		(190,352,233)	350,023,613
Operating Expenses		(39,197,092)	(51,727,355)
Administrative and Other Expenses	21.00	(19,944,552)	(19,411,718)
Selling and Distribution Expenses	22.00	(19,252,540)	(32,315,637)
Operating (Loss) / Profit		(229,549,325)	298,296,258
		(139,831,587)	(148,808,314)
Finance Cost	23.00	(141,581,129)	(150,058,352)
Finance & Other Income	24.00	1,749,541	1,250,038
Profit before WPPF and Income Tax		(369,380,913)	149,487,944
Contribution to WPPF and Welfare Fund @ 5%	25.00	-	(7,118,474)
Net (Loss) / Profit Before Income Tax		(369,380,913)	142,369,471
Tax Expenses			
Current Tax	26.00	(8,703,433)	(31,482,835)
Deferred Tax		(1,725,768)	(4,633,214)
Net (Loss) / Profit After Tax		(379,810,114)	106,253,422
Earning Per Share (EPS)	27.00	(3.75)	1.05


The annexed notes form and integral part of these financial statements






Chief Financial Officer Company Secretary Director Managing Director Chairman

Signed in terms of our separate report of same date.


Howlader Mahfel Huq, FCA
 ICAB Enrolment No. 105
 Managing Partner
Mahfel Huq & Co.
 Chartered Accountants

Dhaka, November 18, 2021.

DVC: **2111180105AS324679**

Ratanpur Steel Re-Rolling Mills Limited
Statement of Changes in Equity
For the Year ended 30 June, 2021

Amount in BDT

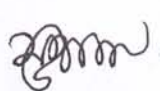
Particulars	Share Capital	Retained Earnings	Revaluation Reserve	Share Premium	Total Equity
Balance as on 01 July 2020	1,011,890,880	2,322,120,543	943,950,000	750,000,000	5,027,961,423
Profit / (Loss) after tax	-	(379,810,114)	-	-	(379,810,114)
Cash Dividend	-	(101,189,088)	-	-	(101,189,088)
Balance as on 30 June - 2021	1,011,890,880	1,841,121,341	943,950,000	750,000,000	4,546,962,221

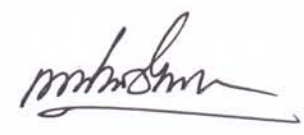
Proposed Dividend (Cash @ 0%)	Tk. 0
Proposed Dividend (Stock @ 0%)	Tk. 0

For the year ended 30 June, 2020


Particulars	Share Capital	Retained Earnings	Revaluation Reserve	Share Premium	Total Equity
Balance as on 01 July 2019	1,011,890,880	2,300,956,392	943,950,000	750,000,000	5,006,797,272
Profit / (Loss) after tax	-	106,253,421	-	-	106,253,421
Cash Dividend	-	(85,089,270)	-	-	85,089,270
Balance as on 30 June - 2020	1,011,890,880	2,322,120,543	943,950,000	750,000,000	5,027,961,423

The annexed notes form and integral part of these financial statements


Chief Financial Officer


Company Secretary


Director


Managing Director

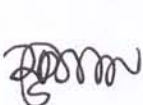


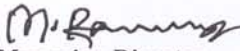


Chairman



Ratanpur Steel Re-Rolling Mills Limited
Statement of Cash Flows
For the Year ended 30 June, 2021

Particular	Notes	Amount in BDT	
		30-Jun-21	30-Jun-20
A. Cash Flows from Operating Activities			
Collection from sales and other income		1,484,209,552	3,381,550,157
Less: Payment for cost and other expenses		(1,506,587,647)	(3,215,364,031)
Less: Interest Paid		-	(77,548,170)
Less: Income Tax/ Advance Tax Paid		(5,000,000)	(10,906,393)
Net cash inflow /(outflow) from Operating Activities		(27,378,095)	77,731,563
B. Cash flows from Investing Activities			
Acquisition of property, plant & equipment		-	-
Investment in FDR		-	-
Capital work in progress		(6,853,135)	-
Net cash inflow /(outflow) from Investing Activities		(6,853,135)	-
C. Cash flows from Financing Activities			
Short term loan Repayment		-	-
Dividend Paid		-	(85,089,270)
Lease Loan Repayment		-	-
Net cash inflow /(outflow) from Financing Activities		-	(85,089,270)
D. Net increase/(Decrease) in cash & cash equivalents (A+B+C)		(34,231,231)	(7,357,707)
E. Cash and cash equivalents at the beginning		40,568,431	47,926,138
F. Cash and cash equivalents at the end (D+E)		6,337,200	40,568,431
G. Net Operating Cash Flow Per Share		(0.27)	0.77

The annexed notes form and integral part of these financial statements

 Chief Financial Officer	 Company Secretary	 Director	 Managing Director	 Chairman
---	---	--	--	--



Ratanpur Steel Re-Rolling Mills Limited
Notes to the Financial Statements
For the year ended 30 June, 2021

1.00 REPORTING ENTITY

1.01 Legal form of the entity

Ratanpur Steel Re-Rolling Mills Limited (hereinafter referred to as 'RSRM') was incorporated on 22 April, 1986 vide the certificate No C-15492/1058 of 1985 to 1986 as a private limited (a company limited by shares) company in Bangladesh under the companies Act; 1913. The company was converted to a public limited company on 12 June 2012 complied as per provision of companies act, 1994. The Company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 22 September, 2014. The company set up its Re-Rolling Mills factory at 176, BaizidBostami I/A, BaizidBostami road, Nasirabad, Chittagong and started its commercial operation/production from 01 July, 1986. The registered office of the company is situated at Nahar Mansion, 116, CDA Avenue, Muradpur, Chittagong.

1.02 Nature of the Business

The Principal activities of the company are to manufacture & sales of M.S Bar of various grades (60 Grade/500 W TMT) from MS Billet.

2.00 Basis Of Accounting

These Company statements have been prepared on historical cost basis except for certain assets which are stated either at revalued amount or fair market value as explained in the in the accompanying notes and, therefore, do not take into consideration the effect of inflation. Historical cost is generally based on the fair value of the consideration give in exchange for goods and services at the time pf their acquisition.

2.01 Statement of Compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow Statement and the disclosures of information made in accordance with the requirements of the Company Act 1994, the Securities & Exchange Rules 1987 and International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) as International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

2.02 Preparation and Presentation of Financial Statements

The Board of Directors, whose are responsible for preparation and presentation of the financial statement including adequate disclosures, as well as they approved and authorized for issue of these said financial statements.

2.03 Basis of Reporting

This Financial Statements includes statement of financial position and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity & Notes to the accounts that have been prepared & presented in accordance with the IAS-1 "Presentation of Financial Statements" based on accrual basis of accounting following going concern assumption. Statements of cash flow are prepared in accordance with the IAS-7 "Statement of Cash Flows". This Financial Statements are prepared and presented by the company for all stakeholders or external users in accordance with identified financial reporting framework.

2.04 Other Regulatory Compliances

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- a) The Income Tax Ordinance 1984;
- b) The Income Tax Rules 1984;
- c) Value Added Tax and Supplementary Duty Act, 2012;
- d) Value Added Tax and Supplementary Duty Rules, 2016;
- e) The Customs Act, 1969;
- f) Bangladesh Labor Act, 2006 (Amendment 2015);
- g) The Securities & Exchange Ordinance, 1969;
- h) The Securities & Exchange Rules, 1987.



2.05 Basis of Measurement

The financial statements have been prepared on a going concern basis under the historical cost convention except for some classes of Property, Plant and Equipment (PPE) which are measured at revalued amount and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous year.

2.06 Going Concern

The company has adequate resources to continue its operations for the foreseeable future. For this reason the directors continue the procedures to adopt the going concern basis in preparing the Financial Statements. The current revenue generations and resources of the company are sufficient to meet the present obligation of its existing businesses and operations.

2.07 COVID-19 pandemic

Crises and global effects of pandemics were described as an unforeseen event which have negatively affect on project developments in the real estate industry. In consequence, revenue has been fall .

2.08 Reporting Period

The financial statements of the company cover twelve (12) months from 01 July, 2020 to 30 June, 2021.

2.09 Authorization for Issue

These financial statements has been authorized for issue by the Board of Directors at 18 November, 2021

2.10 Consistency

Unless otherwise stated, the accounting policies and methods for computation used in preparation of the financial statements as at and for the period/year then ended are consistent with those policies and methods adopted in preparing the Financial Statements for the previous period/year then ended.

2.11 Comparative Information

Comparative information has been disclosed in accordance with IAS-1: Presentation of financial Statement in respect of the previous period for all numerical information in the current financial statements as below:

- a) Statement of Financial Position as at the end of the preceding financial period;
- b) Statement of Profit or Loss and other Comprehensive Income for the comparable year of preceding financial period;
- c) Statement of Changes in Equity for the comparable period of preceding financial year;
- d) Statement Cash Flows for the comparable period of preceding financial year; and
- e) Notes, comprising a summary of a significant accounting policies and explanatory information.

The narrative and descriptive information where it is relevant for understanding of the current period financial statement has also represented.

Re-arrangement

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 liability as reported in the financial statement.

2.12 Functional and presentation currency

These financial statements are prepared and presented in Bangladeshi currency (Taka), which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

2.13 Use of Estimates and Judgments

The preparation of these financial statements, in conformity with IASs/IFRSs, required management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed according to going concern basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation of uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Note: 4 Property, plant and equipment
Note: 5 Capital Work in Progress
Note: 6 Advance, Deposits and Prepayments



Note: 7	Inventories
Note: 8	Accounts receivables
Note: 12	Deferred tax liabilities
Note: 15	Creditors & Accruals
Note: 16	Income tax liability
Note: 32	Depreciation to be charged

2.14 Measurement of fair values

A number of accounting policies and disclosures require for the measurement of fair values, for both financial and non-financial assets and liabilities. The companies have an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. Significant valuation issues are reported to the Group's Audit Committee. When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into 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 markets for identical assets and liabilities

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

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

If the inputs used to measure the fair value of an assets or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

2.15 Financial Risk Management

International Financial Reporting Standard IFRS 7- Financial Instruments: Disclosures – requires disclosure of information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the companies policies for controlling risks and exposures.

The company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The company's management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limit.

Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Company has exposure to the following risks from its use of financial instruments:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

The company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The company does not hold or issue derivative financial instruments for speculative or trading purposes.

2.15.1 Credit Risk

Credit risk is the risk of a potential financial loss of the company resulting from the failure of a customer or counterparty to a financial instruments fails to meets its financial and contractual obligations to the company as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of Finished Goods. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the number of parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.



2.15.2 Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company operations and to mitigate the effects of fluctuations in cash flows.

2.15.3 Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

2.15.4 Foreign Currency Risk

The company is exposed to currency risk on sales, purchases, borrowings and payables that are denominated in a currency other than the functional currencies of the company. To manage this exposure, the company has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

2.15.5 Transaction risk

Transaction risk is the risk that the company will incur exchange losses when the accounting results are translated into the home currency.

2.15.6 Economic risk

Economic risk refers to the effect of exchange rate movements on the international competitiveness of the company.

2.15.7 Interest Rate Risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to repay debts as they fall due and to minimize the risks surrounding interest payments and receipts. The Company has no significant risk of fluctuations in interest rates.

2.16 Fair Values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities are taken to their approximate their carrying value.

2.17 Components of the Financial Statements

According to the International Accounting Standards (IAS)-1 as adopted by ICAB as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

- a) Statement of financial position as at 30 June 2021;
- b) Statement of profit or loss and other comprehensive income for the year ended 30 June 2021;
- c) Statement of cash flows for the year ended 30 June 2021;
- d) Statement of changes in equity for the year ended 30 June 2021;
- e) Notes, comprise a summary of significant accounting policies and other explanatory information for the year ended 30 June 2021;

2.18 Related Party Disclosures

The company carried out a number of transactions with related party in the normal course of business and on arms' length basis. The information as required by IAS 24: Related Party Disclosures has been disclosed in a separate note to the accounts.

2.19 Compliance with the requirements of applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The following IASs and IFRSs are applicable for the preparation and presentation of financial statements of the company for the year under audit



SL	IASs or IFRSs No.	Name of IASs or IFRSs
1	IAS-1	Presentation of Financial Statements
2	IAS-2	Inventories
3	IAS-7	Statement of Cash Flows
4	IAS-8	Accounting Policies, Changes in Accounting Estimated and Errors
5	IAS-10	Event After Reporting Period
6	IAS-12	Income Taxes
7	IAS-16	Property, Plant and Equipment
8	IAS-19	Employee Benefits
9	IAS-20	Accounting for Government Grants and Disclosure of Government Assistance
10	IAS-21	The Effects of Changes in Foreign Exchange Rates
11	IAS-24	Related Party Disclosures
12	IAS-32	Financial Instrument: Presentation
13	IAS-33	Earnings Per Share
14	IAS-36	Impairment of Assets
15	IAS-37	Provision, Contingent Liabilities and Contingent Assets
16	IAS-38	Intangible Assets
17	IFRS-7	Financial Instrument: Disclosures
18	IFRS-8	Operating Segment
19	IFRS-9	Financial Instruments
20	IFRS-12	Disclosure of Interest in Other Entities
21	IFRS-13	Fair Value Measurement
22	IFRS-15	Revenue from Contracts with Customer
23	IFRS-16	Leases

3.00 SUMMARY SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies have been selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 "Presentation of Financial Statements" in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". This recommendation of IAS-1 relating to the format of financial statements was also taken into full consideration for fair presentation.

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the period/year then ended are consistent with those policies and methods adopted in preparing the Financial Statements for the previous period/year.

3.02 Current versus non-current classification

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

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.

Or

- Cash or cash equivalent unless restricted from being exchanged or use 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:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.03 Property, Plant & Equipment

3.03.1 Recognition and Measurement

Property, plant & Equipment are accounted for according to IAS 16 "Property, Plant and Equipment" at Historical cost less cumulative depreciation except land and land development which consider to carried at revalued amount, being fair values at the date of revaluation less subsequent impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self-constructed or installed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the working condition for its intended use and the cost of dismantling and removing an item and restoring the site on which they are located.

When parts of an item of Property, Plant and Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

3.03.2 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 economic benefit embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day to day servicing of Property, Plant and Equipment are recognized in profit and loss as incurred.

3.03.3 Depreciation

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 the statement of profit or loss and other comprehensive income on the diminishing balance method over the estimated useful lives of property, plant and equipment. Depreciation is charged on addition when it is ready for use and no depreciation is charged in the month of disposal. The depreciation method used reflects the pattern in which the assets economic benefits are consumed by the entity. The depreciation charge for each period is recognized as an expense unless it is included in the carrying amount of another asset. Depreciation is charged in compliance with IAS: 16 (Property, Plant and Equipment). Depreciation is provided on a diminishing balance method at the rate(s) shown below:

Category	Rate
Land and land Development	0%
Factory Building & Civil Construction	4%
Plant & Machinery	7%
Logistics Equipment	7%
Furniture & Fixture	10%
Motor Vehicles	20%
Office Equipment	10%
Machinery under capital lease	7%

Depreciation methods, useful lives and residual values (if any) are reassessed at the reporting dates every year. Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

3.03.4 Revaluation of Fixed Assets

The company revalued its land & land development on 12 April 2012 by Emerging Resources Ltd. following the resolution of the Board of Directors on 30 April 2012 to make a reflection of the present value of those assets in the financial statements as on 30 June 2012. The Company did not revalue its other assets as because the difference of present value and book value of such asset is insignificant.

3.04 Capital/Construction work in Progress

Construction work in progress is a general ledger account in which the costs are recorded that are directly associated with constructing an asset. This can be one of the largest fixed asset accounts, given the amount of expenditures typically associated with constructed assets. The account has a natural debit balance. Once an asset is placed in service, all costs associated with it that are stored in the construction work in progress account are shifted into whichever fixed asset account is most appropriate for the asset. The most common fixed asset account to which these costs are shifted is Buildings, since most construction projects relate to that fixed asset. However, the account is also sometimes used for machinery, and as such

would store the costs associated with buying, transporting, installing, and testing machinery. While costs are being accumulated in the construction work in progress account, do not commence depreciating the asset, because it has not yet been placed in service. Once the asset is placed in service and shifted to its final fixed asset account, begin depreciating it. Thus, the construction work in progress is one of only two fixed asset accounts that are not depreciated. The other account that is not depreciated is the land account.

3.05 Intangible Assets

Recognition and measurement

Intangible Assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible Assets are recognized when all the conditions for recognition as per IAS 38 "Intangible Assets" are met. The cost of intangible Assets comprises its purchase price and directly attributable cost of preparing the assets for its intended use. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred. Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use. Presently the company has no acquired intangible assets or internally generated intangible assets.

3.06 Inventories

3.06.1 Nature of Inventories

Inventories comprise Raw Materials (MS Billet), Packing Material, Stores and Spares, and Finished Goods (MS Rod).

3.06.2 Valuation of the Inventories

Inventories are measured at the lower of cost and ex-factory net realizable value in compliance with "IAS 2: Inventories". The cost of inventories is based on weighted average principle and includes expenditure for acquiring the inventories and bringing them to their existing location and condition. Net realizable value is estimated upon selling price in the ordinary course of business less estimated cost of completion. When the inventories are used, the carrying amounts of those inventories are recognized as an expense in the year in which the related revenue is recognized.

According to the requirement of IAS-2, Inventories are valued at the lower of cost or net realizable value.

Category	Valuation
Finished goods	Finished goods are valued at cost or net realizable value, whichever is lower.
Raw materials	Raw materials are valued at cost or net realizable value, whichever is lower.
Store items	Based on weighted average method.

3.07 Leased assets

The leased liability is considered as a Finance lease. So the interest expense on Lease liability is charged to the statement of profit or loss and other comprehensive income under finance cost.

3.08 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to IAS 21: "The effect of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in the foreign currencies are translated at prevailing rates on the balance sheet (financial position) date. Non-monetary assets and liabilities denominated in foreign currencies, which are related at historical cost, are translated into Bangladesh Taka at the exchange date ruling at the date of transactions. Foreign exchange fluctuation gain/losses are charged to the statement of profit or loss and other Comprehensive Income for the respective period. In the financial year 2020-2021, there is no foreign currency transaction happened except translation of foreign currency account of IPO refund warrant.

3.09 Financial Instruments

The company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date of group becomes a party to the contractual provisions of the instrument. The company derecognizes financial assets when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all risks and rewards of ownership of the financial asset are transferred. Financial Assets comprise accounts receivables; Advance, Deposits and Prepayments; Cash and Cash Equivalent. The company recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instruments. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise Accounts payable and other financial obligation.

3.09.1 Accounts Receivable

Accounts receivable are recognized initially at invoice value which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized. Provision for doubtful debts is made based on the company policy. Bad debts are written off considering the status of individual debtors. Receivables from foreign currency transactions are recognized in Bangladeshi Taka using the exchange rates prevailing on the date of transaction.

3.09.2 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment; Inventory or Expenses. Deposits are measured at payment value. Prepayments are initially measured at cost, after initial recognition, prepayments are carried at cost less charges to profit or loss.

3.09.3 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

3.09.4 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

3.09.5 Accounts Payable

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

3.10 Impairment

3.10.1 Financial Assets

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

Initial Measurement

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and subsequent measurement of financial assets

Financial assets are classified in the following measurement categories:

- a) Fair value through profit or loss (FVPL);
- b) Fair value through other comprehensive income (FVOCI); or
- c) Amortized cost.

Classification and subsequent measurement of financial liabilities.

Financial liabilities are classified in the following measurement categories:

- a) Fair value through profit or loss (FVPL);
- b) Amortized cost.

3.10.2 Non-Financial Assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of the assets are estimated. An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

3.11 Statement of Cash Flows

Statement of cash flows is prepared in accordance with "IAS-7: Statement of Cash Flows" and the cash flows from operating activities have been presented under Direct Method as required by the Securities and Exchange Rules 1987 and considering the provisions that "Enterprises are Encouraged to Report Cash Flow from Operating Activities using the Direct Method".



3.12 Provisions, Contingent Liabilities and Contingent Assets

As per "IAS-37: Provisions, Contingent Liabilities and Contingent Assets" a provision recognized on the date of statement of financial position if, as a result of past event Company has a present obligation that can be estimated reliably, and it is probable the outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are current or possible obligations, arising from past events and whose existence is due to the occurrence or non- occurrence of one or more uncertain future events, which are not within the control of the company.

Contingencies arising from claim, litigation assessment, fines, penalties, etc. are recorded, it is probable that a liability has been incurred and the amount can be measured reliably accordance with "IAS-37: Provisions, Contingent Liabilities and Contingent Assets".

3.13 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognized as expenses in the period in which they are incurred, unless such borrowing cost relates to acquisition/ construction of assets in progress that are capitalized as per IAS-23 "Borrowing Costs"

3.14 Taxation

3.14.1 Current Tax

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or subsequently enacted after the reporting date and any adjustment to tax payable in respect of previous years.

The company has been maintaining provision for taxation using rates enacted at the reporting date as per Income Tax Ordinance, 1984. Provision for taxation is calculated on the basis of applicable current tax rate and in compliance with Finance Act, 2021.

3.14.2 Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences.

Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying value of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted and substantially enacted at the statement of Financial Position date.

3.15 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings.

3.16 Worker's profit participants & welfare funds

The company contributed 5% of net profit before charging the amount to the aforementioned fund in accordance with the requirement of section 234 of labor Act, 2006, (Amendment 2015).

3.17 Revenue Recognition

Under IFRS-15, The entity should recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. IFRS 15 is a 5-steps approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation



3.18 Finance Income & Costs

3.18.1 Finance Income

Interest income from bank deposits and loan to related company (if any) is recognized in the profit or loss on accrual basis following specific rate of interest in agreement with banks and related companies.

3.18.2 Finance Costs

Interest expenses except expenses related to acquisition/ construction of assets, incurred during the year are charged to Statement of Profit or Loss and Other Comprehensive income on accrual basis.

3.18.3 Other Operating Income

Other Operating Income includes interest income on delayed receipts from customers, gain / (loss) on sales of fixed assets and miscellaneous receipts. Other operating income is recognized as revenue income as and when realized.

3.19 Earnings Per Share (EPS)

The company calculates Earnings Per Share (EPS) in accordance with the International Accounting Standard IAS 33 "Earnings Per Share" which has been shown on the face of statement of profit or loss and other Comprehensive Income.

3.19.1 Basic Earnings per share

This represents earnings for the period attributable to the ordinary shareholders. As there no preference dividend, minority interest or extraordinary items, the net profit for the year has been considered as fully attributable to ordinary shareholders. Basic earnings per share have been calculated by dividing the net profit or loss by the number of ordinary shares outstanding during the year.

3.19.2 Diluted Earnings per Share (DEPS)

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there were no potential ordinary shares during the relevant period. But the present DEPS existing numbers of share outstanding.

3.20 Measurement of Fair Values:

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into 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 markets for identical assets and liabilities

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

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

If the inputs used to measure the fair value of an assets or liability might be categorized in different levels of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Property, Plant and Equipment

The fair value of items of property, plant and equipment has been determined based on the depreciated replacement cost method and net realizable value method as applicable.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under 'Level 1' of the fair value hierarchy.

3.21 Event after the Reporting Period

As per IAS - 10 "Event after Balance Sheet Date" are arose event favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statement are authorized for issue. Two types of events can be identified: Those that are provide evidence of conditions that existed at the end of the reporting year (adjusting events after reporting date); and Those that are indicative of conditions that arose after the reporting year (Non-adjusting events after balance sheet date). Adjusting events are required to made necessary adjustment & in case of non-adjusting events, required adequate disclosures.

3.22 Comparative Information

Comparative Information is disclosed in respect of the prior period/ year in accordance with IAS-1: Presentations of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's/years financial statements. Prior period's/ year's figure is rearranged wherever considered necessary to ensure comparability with the current period.

3.23 Finance Lease

Lease in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased assets is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.



	Amount in BDT	
	30-Jun-21	30-Jun-20
4.00 Property Plant and Equipment		
At cost	2,553,249,049	2,508,700,319
Land and land Development	1,048,750,000	1,048,750,000
Factory Building & Civil Construction	402,531,158	402,531,158
Plant & Machinery	967,877,119	793,428,390
Logistics Equipment	77,810,979	77,810,979
Furniture & Fixture	2,962,460	2,962,460
Motor Vehicles	39,806,505	39,806,505
Office Equipment	13,510,827	13,510,827
Machinery under capital lease	-	129,900,000
Accumulated Depreciation	659,147,151	603,140,899
Land and land Development	-	-
Factory Building & Civil Construction	132,129,636	120,862,906
Plant & Machinery	443,428,409	342,585,479
Logistics Equipment	40,471,027	37,660,493
Furniture & Fixture	2,023,229	1,918,870
Motor Vehicles	32,664,535	30,879,042
Office Equipment	8,430,315	7,865,814
Machinery under capital lease	-	61,368,296
Written down value	1,894,101,898	1,905,559,420
<i>Details shown in Annexure-1.</i>		
5.00 Capital Work in Progress		
Opening Balance	47,360,055	41,749,732
Plant & Machinery	6,853,135	5,610,323
	54,213,190	47,360,055
6.00 Advances, Deposits and Prepayments		
Advances (Note:6.1)	354,547,489	234,859,264
Deposits (Note: 6.2)	14,378,194	13,644,459
	368,925,683	248,503,723
6.01 Advance		
Factory Staff	3,277,608	4,052,360
Advance Income Tax (Note- 6.1.1)	17,273,782	10,906,393
Advance to Supplier Party	333,996,099	175,351,782
Advance against L/C	-	44,548,729
Value Added Tax-Current Account	-	-
	354,547,489	234,859,264
6.1.1 Advance Income tax		
Opening	10,906,393	31,542,374
Adjustment during the year	-	(31,542,374)
Payment During the year	6,367,389	10,906,393
	17,273,782	10,906,393
6.02 Deposits		
Bangladesh Power Development Board	1,140,000	1,140,000
FDR	13,226,194	12,492,459
BTCL	12,000	12,000
	14,378,194	13,644,459



7.00 Inventories

Finished Goods
Raw Materials
Spares Parts

Amount in BDT	
30-Jun-21	30-Jun-20
840,447,153	945,196,695
693,291,972	863,779,405
29,526,530	37,052,630
1,563,265,655	1,846,028,730

8.00 Accounts Receivable

3,393,975,713	3,425,863,520
----------------------	----------------------

The Management believe that above Receivables are good and fully Releasable.

8.01 Ageing of Accounts Receivables are as follows

Less than 30 days
Over 30 days but less than 60 days
Over 60 days but less than 90 days
Over 90 days

735,451,315	750,492,578
673,349,180	685,236,987
1,100,311,134	1,105,269,871
884,864,084	884,864,084
3,393,975,713	3,425,863,520

9.00 Cash and cash equivalents

Cash in Hand
CD Accounts
CD, STD & SND Accounts

1,079,718	2,563,520
842,744	-
4,414,738	38,004,911
6,337,200	40,568,431

9.01 Cash at Banks

AB Bank Limited # 4000
AB Bank Limited # 4430
Agrani Bank Ltd # 9069
Al Arafa Islami Bank Limited # 3027(1331)
Bank Asia # 240
City Bank Limited # 6001
Dutch-Bangla Bank Limited # 0963
Exim Bank Limited # 2676
First Security Islami Bank Limited # 2598
HSBC # 004-111092-011
ICB Islami Bank Limited # 3098
Islami Bank Bangladesh Limited # 3718
Janata Bank Limited # 2788
Janata Bank Limited # 293
Meghna Bank Limited # 0007
Meghna Bank Limited # 0131
Mercantile Bank Limited # 2525 (588)
National Bank Limited # 1876 NEW 915
National Credit and Commerce Bank Limited # 804
One Bank Limited # 275
Premier Bank Limited # 1729
Pubali Bank Limited # 0724
Sonali Bank Limited # 17497
South Bangla Agriculture & Commerce Bank Limited # 487 (45119)
South Bangla Agriculture & Commerce Bank Limited # 305 (0778)
Southeast Bank Limited # 02091
Southeast Bank Limited # 45907
Southeast Bank Limited # 998

14,541	15,922
49,294	46,359
107,042	21,075
8,771	216,508
702,644	340,129
1,613	56,007
62,127	319,354
9,204	38,549
2,508	26,210,489
54,681	54,681
60	60
81,397	175,148
8,271	9,135
10,547	11,326
19,533	62,239
15,826	16,516
26,103	24,604
3,844	17,426
5,846	2,090,443
5,049	17,098
5,914	859,481
18,953	366,250
29,275	70,197
64,233	1,182,981
20,056	340,236
8,155	43,180
8,735	9,425
13,075	9,682



Social Islami Bank-1342
Standard Bank Limited # 217
Trust Bank Limited # 1020
Trust Bank Limited # 277
Trust Bank Limited # 015 (IPO A/C)
United Commercial Bank Limited # 238
United Commercial Bank Limited # 601(New 168)
United Commercial Bank Limited # 6785(new-158)

Amount in BDT	
30-Jun-21	30-Jun-20
206,935	203,718
5,063	31,477
3,201,345	3,165,075
40,794	54,776
349,067	349,067
27,642	1,503,868
65,609	62,721
3,731	9,711
5,257,482	38,004,911

10.00 Share Capital

Authorised Share Capital

50,000,000 Ordinary Shares of BDT 10 each

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

Authorised Share Capital are increased to 500 Crore by decided in Board of Directors Meeting and subsequently approved by the shareholders in 1st EGM

Issued, Subscribed and Paid-up capital

29,600,000 Ordinary Shares of Tk. 10 each (For the year 2014)
35,920,000 Ordinary Share as at Tk. 10 each (For the year 2015)
131,040,000 Ordinary Shares as at Tk. 10 each (For the year 2016)
78,624,000 Ordinary Shares as at Tk. 10 each (For the year 2017)
14,702,688 Ordinary Shares as at Tk. 10 each (For the year 2018)
101,189,088 Ordinary Shares of BDT 10 each

296,000,000	296,000,000
359,200,000	359,200,000
131,040,000	131,040,000
78,624,000	78,624,000
147,026,880	147,026,880
1,011,890,880	1,011,890,880

Compositon of Shareholders as on 30 June 2021

Name of Shareholders	Holding (%)	
	Sponsor Shareholders	47.03%
Institute Shareholders	18.52%	21.11%
Other Shareholders	34.45%	31.86%
Total	100%	100%

Composition of Share holding as on 30 June 2021

Name	Holding (%)	
	ICB (Corporate Director, Nominated To Md. Abul Hossain)	17.10%
Mr. Maksudur Rahman (Managing Director)	14.78%	15%
Md. Younus Bhuiyan (Director)	5.22%	5%
Shamsun Nahar Rahman (Director)	5.81%	6%
Marzanur Rahman (Director)	2.05%	2%
Mizanur Rahman (Director)	2.05%	2%
Other Shareholders	52.97%	53%
Total	100%	100%

11.00 Revaluation Surplus of Land

The company revalued its land & land development on 12 April 2012 by Emerging Resources Ltd. following the resolution of the Board of Directors on 30 April 2012 to make a reflection of the present value of those assets in the financial statements as on 30 June 2012. The Company did not revalue its other assets as because the difference of present value and book value of such asset is insignificant. Details of the revaluation of the assets are given below:



Particulars	Net Book value Taka (30.06.2011)	Amount in BDT	
		30-Jun-21	30-Jun-20
Land & Land development	104,800,000	1,048,750,000	943,950,000

12.00 Deferred tax Liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment as per financial statements and tax written down value and financial position's liability method for gratuity obligation.

Opening balance	146,238,371	141,605,157
Deffered tax liability /(assets) as on 30 June.	147,964,140	4,633,214
Increase /(decrease) of deffered tax liability	1,725,768	146,238,371

Details Shown in Annexure-2.

13.00 Long Term Liabilities:

Block Loan:

CC Hypo & Pledge
Sonali Bank # LTR

328,324,733	310,457,527
658,399,430	600,968,274
986,724,163	911,425,801

13.01 Terms of CC loan (Sonali Bank)

Lender:

Sonali Bank Limited

Total loan:

Total loan amount Limit is Tk. 75 crore which consist of Tk. 45 crore of Hypothecation and Tk. 30 crore of pledge loan.

Interest rate:

Annually Hypo-13% and pledge-13% compound interest on three month installment basis. Thereafter the rate of interst shall be reviewed at annual intervals.

Margin:

20% margin on both Hypo and Pledge Facility.

Re-payment:

From sale of finished goods on Daily, weekly or lumpsum payment before the specified date of repayment.

Security:

Hypo & Pledge

a) Raw-materials, work in progress, finished goods, machineries, spare parts etc stored in the Factory and warehouse.

b) Industrial Plot no 175 & 176 contained 100 Decimal Land situated Baizid Bostami Industrial Area, Chittagong.

Purpose:

To meet the working capital requirements.



Amount in BDT	
30-Jun-21	30-Jun-20

Terms of LTR Loan (Sonali Bank)

Lender

Sonali Bank

Total Loan Facility

Tk 50 Crore LTR Facility for 90 days Period.

Interest Rate Applied

Annually 13% Interest Rate.

Security

- Personal Guarantee of all the Directors of Ratanpur Steel Re-rolling Mills Limited.
- Post Dated Cheque
- Industrial Plot no 175 & 176 contained 100 Decimal Land situated Baizid Bostami Industrial Area, Chittagong.

Maturity date: Apprx. 90 days from disposal

14.00 Short Term Liabilities

Sonali Bank: Pledge # 08	354,980,720	324,079,091
Sonali Bank: Hypo # 22	558,346,490	509,763,450
Sonali Bank PAD	36,631,520	36,631,521
	949,958,730	870,474,062

15.00 Creditors and Accruals

Accounts payable	-	896,530
Advance Against Sales	-	1,253,690
For Revenue Expenses (Note: 15.01)	5,812,959	45,969,201
Value Added Tax-Current Account	103,214,568	66,249,370
Dividend Payable	101,189,088	-
Other Finance	3,614,645	4,621,565
	213,831,260	118,990,356

15.01 For Revenue Expenses

Accrued for Salary & wages	3,466,755	3,649,206
Accrued for Electricity Bill	183,073	39,852,601
Accrued for Gas Bill	1,563,131	2,154,230
Accrued for Wasa Bill	-	11,256
Accrued for Telephone Bill	-	1,908
Audit Fees	600,000	300,000
	5,812,959	45,969,201

16.00 Income Tax Liability

Opening balance	431,675,391	463,320,986
Provision made for the Year (Annexure-3)	8,703,433	31,482,835
Tax Paid (Including Advance Income Tax during the Year)	(5,000,000)	(63,128,430)
	435,378,824	431,675,391

Details shown in Annexure-3.

17.00 Workers' Profit Participation Fund and Welfare Fund

Opening Balance	7,118,474	37,497,618
Add: Addition during the year @ 5%	-	7,118,474
	7,118,474	44,616,091
Less: Paid during the year	(7,118,474)	(37,497,618)
Closing Balance	-	7,118,474



18.00 Net Asset Value per share (NAV)

Total Assets
Less: Total Liabilities
Shareholders' Equity
Number of Ordinary Shares at the year end
Net Asset Value per share (NAV)

Amount in BDT	
30-Jun-21	30-Jun-20
7,280,819,338	7,513,883,879
2,733,857,117	2,485,922,456
4,546,962,221	5,027,961,423
101,189,088	101,189,088
44.94	49.69



		Amount in BDT	
		30-Jun-21	30-Jun-20
19.00 Revenue			
Local Sales		1,450,572,204	3,239,046,345
20.00 Cost of Goods Sold			
Raw Materials Used (Note: 20.01)		1,378,663,436	2,775,023,698
Direct Labor		33,042,560	34,885,544
Electricity Bill		37,954,138	54,482,200
Wasa Bill		108,280	190,520
Spare Parts Used (Note : 20.02)		19,776,725	34,362,016
Loading & Unloading Bill		2,663,569	5,310,025
Gas Bill		10,369,450	15,711,435
Prime Cost (A)		1,482,578,158	2,919,965,437
Indirect Expenses associated with production (B)		53,596,738	54,522,863
Repair & Maintenance		265,138	135,620
Medical Exp.		125,661	402,530
Depreciation (Annexure-01)		53,205,939	53,984,713
Cost of Production (A+B)		1,536,174,895	2,974,488,300
Opening Finished Goods		945,196,695	859,731,126
Cost of Goods Available for Sale		2,481,371,590	3,834,219,427
Closing Finished Goods		(840,447,153)	(945,196,695)
Cost of Goods Sold		1,640,924,437	2,889,022,732
20.01 Raw Materials Used			
Opening Stock of Raw Materials		863,779,405	830,740,603
Purchases of Raw Materials		1,208,176,003	2,808,062,500
Cost of Raw Materials available for use		2,071,955,408	3,638,803,103
Closing Raw Materials		(693,291,972)	(863,779,405)
Cost of Raw Materials used		1,378,663,436	2,775,023,698
20.02 Spare Parts used			
Opening Stock of Spare Parts		37,052,630	40,312,825
Purchase during the year		12,250,625	31,101,821
Spare Parts available for use		49,303,255	71,414,646
Closing Stock of Spare Parts		(29,526,530)	(37,052,630)
Spare Parts used during the year		19,776,725	34,362,016
21.00 Administrative and Other Expenses			
Director's remuneration (Note-27)		1,965,000	1,965,000
Salary & Allowance		4,456,980	4,752,630
Entertainment		548,717	520,360
Travelling Expenses		346,094	978,520
Legal Expenses		131,000	60,520
Stationary		225,739	435,620
Paper & Periodicals		9,383	8,720
Postage & Stamp		74,744	125,630
Mobile Bill		1,259,340	1,352,630
Electricity Expenses		554,784	801,520
Audit Fees		300,000	300,000
Telephone Bill		16,383	6,523
Internet Bill		956,567	616,294
Fire License Expenses.		6,000	1,890
Office Expenses		1,213,096	452,630
Sundry Expenses		953,607	952,630
Office rent		240,000	240,000
Conveyance		581,492	380,526
Depreciation (Annexure-01)		2,800,313	2,841,301
Certificate and Membership Expenses		263,000	154,980
Guest house Expenses		95,748	235,630



	Amount in BDT	
	30-Jun-21	30-Jun-20
Repairs and maintenance	1,335,979	896,352
Medical Expenses	11,403	205,630
AGM Related Expense	427,308	651,422
Trade License	-	22,400
Vehicle Expenses	1,171,875	452,360
	19,944,552	19,411,718
22.00 Selling and Distribution Expenses		
Carriage Outwards	6,406,153	16,052,360
Salary & Allowance	4,101,520	4,152,301
TA & DA of Sales Representative	2,951,710	2,259,306
Travelling Expenses	28,230	103,520
Rod testing Expenses	86,195	219,520
Advertisement Expenses	5,678,732	9,528,630
	19,252,540	32,315,637
23.00 Finance Cost:		
Sonali Bank Limited: Hypo # 1027	48,543,040	45,878,838
Sonali Bank Limited: Pledge # 1084	30,861,628	29,915,153
Interest on CC- Hypo & Pledge (Block)	13,339,462	20,933,047
Interest on Sonali Bank # LTR	48,145,490	52,767,949
Bank Charges	691,510	563,365
	141,581,129	150,058,352
24.00 Finance & Other Income	1,749,541	1,250,038
SND & STD Interest	230,854	347,124
FDR Interest	811,487	855,554
Other Income	707,200	47,360
25.00 Contribution to WPPF and Welfare Fund		
Profit before WPPF and Income Tax		142,369,471
Contribution Rate to WPPF & WF		5%
	-	7,118,474
26.00 Tax Expenses		
Income Tax Expenses-Current	8,703,433	31,482,835
Income Tax Expenses/(Income)-Deferred (Note-12)	1,725,768	4,633,214
	10,429,202	36,116,049
27.00 Earnings per share (EPS)		
Net profit attributable to the shareholders for the year	(379,810,114)	106,253,422
Number of Ordinary Shares at year end	101,189,088	101,189,088
Basic EPS	(3.75)	1.05
28.00 Quantitative movement of Inventories		
Raw Materials		
Opening stock	19,252	18,352
Purchase during the year	22,603	62,750
Total	41,855	81,102
Consumed during the year	(27,850)	(61,850)
Closing stock	14,005	19,252
Finished Goods		
Opening stock	19,370	18,055
Production during the period	26,007	60,520
Total	45,377	78,575
Sales during the period	(30,010)	(59,205)
Closing Stock	15,367	19,370



Amount in BDT	
30-Jun-21	30-Jun-20

29.00 Revenue from Contract with Customer (IFRS-15)

The company has recognized the following amount in the statement of profit and loss

Revenue from Contract with Customer

Segregation of revenue from contracts with customer

Note

Revenue from Local Sales 19
Timing of Revenue Recognition at a Point in Time

-	-
1,450,572,204	3,239,046,345

Contract Assets and Liabilities

The Company has recognized no contract assets and liabilities.

Accounting Policy

The Company sells a number of MS Rod 500-W. Sales are recognized when products are delivered to Customer and there is no unfulfilled obligation that affects the recognition of sales and revenue.



Amount in BDT	
30-Jun-21	30-Jun-20

30.00 Payment information to Directors as Per requirement of schedule XI, part II, Para 4 of the Company Act- 1994

Mr.Maksudur Rahman (Managing Director)	700,000	700,000
Mrs.Shamsun Nahar Rahman (Director)	615,000	615,000
Md. Younus Bhuiyan (Director)	650,000	650,000
Total	1,965,000	1,965,000

31.00 Production capacity & Actual production

Production capacity	187,200	187,200
Actual Production	26,007	60,520
Excess/(Shortfall)	(161,193)	(126,680)
Capacity Utilized	13.89%	32.33%

32.00 Depreciation to be charge

Manufacturing	53,205,939	53,984,713
Administrative	2,800,313	2,841,301
	56,006,251	56,826,014

Manufacturing overhead include depreciation on Factory Building & civil construction, plant & machinery, machinery under capital lease and Administrative overhead include depreciation on furniture & fixture, Motor Vehicles, office equipment. (See Annexure-1)

33.00 Related party transaction

During the period the Company carried out at a number of transactions with related party in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS-24: Related Party Disclosures.

Particulars	Relationship	Nature of Transactions	Cumulative Amount
Modern Steel Mills Ltd	Common ownership	Supply of Raw Materials	1,208,176,003

34.00 Bank Guarantee

The company has no Bank guarantee on the reporting date

35.00 Employee Position of Ratanpur Steel Re- Rolling Mills Limited as per requirement of schedule XI, part II, Para 3

Number of employees whose monthly salary was below Tk. 6000	-	-
Number of employees whose monthly salary was above Tk. 6000	338	381



36.00 Net Operating Cash Flow per share (NOCF)

Net cash inflow /(outflow) from Operating Activities
 Number of Ordinary Shares at the year end
 Net Operating Cash Flow per share (NOCF)

(27,378,096)	77,731,563
101,189,088	101,189,088
<u>(0.27)</u>	<u>0.77</u>

36.01 Reconciliation of Net Profit With Cash Flows from Operating Activities:

Net Profit After Tax

(378,520,539)	106,253,422
---------------	-------------

Adjustment to Reconcile Net Profit to Net Cash Provided by Operating Activities:

Non-Cash Expenses:

Depreciation
 Deferred Tax
 Dividend
 Plant & Machinery

56,006,251	56,826,014
436,193	4,633,215
(101,189,088)	-
(44,548,729)	-

Non-Operating Items:

Increase/(Decrease) in Long term Liabilities

75,298,362	61,774,362
------------	------------

Changes in Working Capital:

(Increase)/Decrease in Inventories
 (Increase)/Decrease in Capital Work In -Progress
 (Increase)/Decrease in Account Receivables
 (Increase)/Decrease in Advances, Deposits and Prepayments
 Increase/(Decrease) in Creditors and Accruals
 Increase/(Decrease) in Short term Liabilities
 Increase/(Decrease) in Income Tax Liabilities
 Increase/(Decrease) in Liabilities for WPPF

282,763,075	(115,244,175)
-	(5,610,323)
31,887,807	142,503,812
(120,421,960)	(199,705,166)
94,840,905	41,471,069
79,484,668	46,854,073
3,703,433	(31,645,595)
(7,118,474)	(30,379,144)

Net Cash Generated from Operating Activities

<u>(27,378,095)</u>	<u>77,731,563</u>
---------------------	-------------------



Ratanpur Steel Re-Rolling Mills Limited
Schedule of Property, Plant & Equipment
For the Year Ended 30 June, 2021

Amount in BDT

SL No.	Particulars	Cost			Rate	Depreciation				Written down value as on 30.06.2021
		Opening Balance as on 01.07.2020	Addition during the year	Disposal During the year		Closing Balance as on 30.06.2021	Opening Balance as on 01.07.2020	Charge for the year	Disposal During the year	
1	Land and land Development	1,048,750,000	-	-	0%	-	-	-	-	1,048,750,000
2	Factory Building	402,531,158	-	-	4%	120,862,906	11,266,730	-	132,129,636	270,401,522
3	Plant & Machinery	923,328,390	44,548,729	-	7%	403,953,775	39,474,634	-	443,428,409	524,448,711
4	Logistics Equipment	77,810,979	-	-	7%	37,660,493	2,810,534	-	40,471,027	37,339,952
5	Furniture & Fixture	2,962,460	-	-	10%	1,918,870	104,359	-	2,023,229	939,231
6	Motor Vehicles	39,806,505	-	-	20%	30,879,042	1,785,493	-	32,664,535	7,141,970
7	Office Equipment	13,510,827	-	-	10%	7,865,814	564,501	-	8,430,315	5,080,512
A.	Total	2,508,700,319	44,548,729	-		2,553,249,048	56,006,251	-	603,140,900	1,894,101,897

C.	Depreciation allocated to:	Note	Rate of Allocation	June, 2021 (BDT)
	Manufacturing		17.00	53,205,939
	Administrative		18.00	2,800,313
			<u>100%</u>	<u>56,006,251</u>



Ratanpur Steel Re-Rolling Mills Limited
Schedule of Property, Plant & Equipment
For the Year Ended 30 June, 2020

Amount in BDT

SL No.	Particulars	Cost			Rate	Depreciation			Written down value as on 30.06.2020
		Opening Balance as on 01.07.2019	Addition during the year	Disposal During the year		Opening Balance as on 30.06.2020	Charge for the year	Disposal During the year	
1	Land and land Development	1,048,750,000	-	-		-	-	-	1,048,750,000
2	Factory Building	402,531,158	-	-	4%	109,126,729	11,736,177	-	281,668,252
3	Plant & Machinery	923,328,390	-	-	7%	364,861,062	39,092,713	-	519,374,615
4	Logistics Equipment	77,810,979	-	-	7%	34,638,413	3,022,080	-	40,150,486
5	Furniture & Fixture	2,962,460	-	-	10%	1,802,916	115,954	-	1,043,590
6	Motor Vehicles	39,806,505	-	-	20%	28,647,176	2,231,866	-	8,927,463
7	Office Equipment	13,510,827	-	-	10%	7,238,590	627,224	-	5,645,013
A.	Total	2,508,700,319	-	-		2,508,700,319	56,826,014	-	1,905,559,419

C.	Depreciation allocated to:	Note	Rate of Allocation	June, 2020 (BDT)
	Manufacturing		95%	53,984,713
	Administrative		5%	2,841,301
			100%	56,826,014

