

ABRIDGED VERSION OF PROSPECTUS
GPH ispat Ltd.
COMMITTED TO STRENGTH

Crown Chamber, 325 Asadgonj, Chittagong, Phone: 88-031-631460; 2854997, Fax: 88-031-610995, Web-site: www.gphispat.com.bd, E-mail: gphacct@bbts.net

FOR PUBLIC OFFERING OF 20,000,000 ORDINARY SHARES OF TK. 10.00 EACH AT AN ISSUE PRICE OF TK. 30.00 EACH INCLUDING A PREMIUM OF TK. 20.00 PER SHARE TOTALING TK. 600,000,000.00

SUBSCRIPTION FOR GENERAL PUBLIC

Opening date:
February 02, 2012

Closing date:
February 09, 2012

CREDIT RATING STATUS

	Long Term	Short Term
Entity rating	A-1	ST-2
Date of Rating	August 04, 2011	
RATING ASSIGNED BY: CREDIT RATING AGENCY OF BANGLADESH LTD. (CRAB)		

SUBSCRIPTION FOR NRB APPLICANTS

Opening date:
February 02, 2012

Closing date:
February 18, 2012

Please read the prospectus carefully which includes 'Risk Factors' before taking your investment decision.

MANAGER TO THE ISSUE



Amin Court (4th Floor), Suit # 403-405 31, Bir Uttam Shahid Ashfaqus Samad Road, (Previous 62-63 Motijheel C/A), Dhaka-1000 Phone: +88 02 9559602, +88 02 9567726, Fax: +88 02 9558330, Web-site: www.aaawebbd.com, E-mail: info@aaawebbd.com

CO-MANAGER TO THE ISSUE



Trust Bank Investment
TRUST BANK INVESTMENT LIMITED
(A fully owned subsidiary of Trust Bank Limited)
Corporate Office: Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000 Phone: (PABX) 9572012-3, 9570261, 9570263 Fax: 880-02-9572315, 880-2-9551714, 880-2-7161467 E-mail: tlbmbank@trustbanklimited.com

DISCLAIMER

"CONSENT OF THE SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969 AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGERS, UNDERWRITER AND/OR AUDITOR."

SPECIAL NOTE

PLEASE READ THE PROSPECTUS CAREFULLY WHICH INCLUDES "RISK FACTORS" BEFORE TAKING YOUR INVESTMENT DECISION.

"AN APPLICANT CAN NOT SUBMIT MORE THAN TWO APPLICATIONS, ONE IN HIS/HER OWN NAME AND THE OTHER JOINTLY WITH ANOTHER PERSON. IN CASE AN APPLICANT MAKES MORE THAN TWO APPLICATIONS, ALL APPLICATIONS WILL BE TREATED AS INVALID AND WILL NOT BE CONSIDERED FOR ALLOTMENT PURPOSE. IN ADDITION, 15% (FIFTEEN) OF THE APPLICATION MONEY WILL BE FORFEITED BY THE COMMISSION & THE BALANCE AMOUNT WILL BE REFUNDED TO THE APPLICANT."

CORPORATE STATUS AND BACKGROUND

GPH Ispat Limited is one of the leading integrated steel manufacturing companies in Bangladesh engaged in manufacturing of M. S. Billet & M. S. Rod. The Company was incorporated in Bangladesh on 17 May 2006 as a Private Company limited by shares under the Companies Act 1994. The principal activities of the Company are manufacturing and trading of iron products and steel materials of all kinds or other metallic/alloyed materials and marketing thereof. The commercial production of the factory commenced on 21 August 2008. The Company subsequently converted into a Public Limited Company.

NATURE OF BUSINESS

The Company is engaged in the manufacturing process of producing M.S. Billet from Steel Scrap & M.S. Rod from M.S. Billet and sales/export of the products and other business related thereto.

NAME AND ADDRESS OF THE AUDITOR

HODA VASI CHOWDHURY & CO.
Chartered Accountants

Delwar Bhaban (4th Floor) 104 Agrabad Commercial Area, Chittagong-4100
Tel: 88-031-716305 Fax: 88-031-710362 E-mail: hv@globalctg.net

AVAILABILITY OF PROSPECTUS

The Prospectus is available on the web sites of SEC (www.secbd.org), DSE (www.dsebd.org), CSE (www.csebd.com), Issue Manager (www.aaawebbd.com), Issuer (www.gphispat.com.bd) and Public Reference Room of the Securities and Exchange Commission (SEC) for reading and study.

Name & Address	Contact Person	Phone Number
COMPANY		
GPH Ispat Limited Crown Chamber, 325 Asadgonj, Chittagong	Kamrul Islam, ACA Chief Financial Officer & Company Secretary	031 2854997 031 631460
ISSUE MANAGER		
AAA Consultants & Financial Advisers Ltd. Amin Court (4th Floor), Suit # 403-405, 62-63 Motijheel C/A, Dhaka-1000	Mohammad Hamdul Islam Senior Manager	02 9559602 02 9567726
CO-ISSUE MANAGER		
Trust Bank Investment Limited Peoples Insurance Bhaban, 36 Dilkusha C/A, Dhaka-1000	Md. Mozakkerul Islam Senior Assistant Vice President	01713 014641
UNDERWRITERS		
Trust Bank Investment Ltd. Peoples Insurance Bhaban (16th Floor), 36 Dilkusha C/A, Dhaka-1000	Syed Sharif Zamil Vice President	01730084024
Prime Finance Capital Management Limited 63 Dilkusha C/A (3rd Floor), Dhaka-1000	M. Mosharrar Hossain PhD, FCA Managing Director & CEO	02 9563883
Bay Leasing & Investment Limited Printers Building (7th Floor), 5 Rajuk Avenue, Motijheel C/A, Dhaka-1000	Mohammed Mofizul Islam Senior Assistant Vice President	02 9565026 02 9568599
Banco Finance And Investment Limited Baitul View Tower (11th Floor), 56/H Purana Pallan, Dhaka-1000	Kazi Saifur Rahman, FCA Managing Director & CEO	02 7125703 02 7124438
AB Bank Limited BCIC Bhaban, 30-31 Dilkusha C/A, Dhaka-1000	Shamim Ahmed Chaudhury Deputy Managing Director	02 9560312 Ext: 305
STOCK EXCHANGE		
Dhaka Stock Exchange 9/F, Motijheel C/A, Dhaka-1000	DSE Library	02 9564601-7 02 9668944-8
Chittagong Stock Exchange CSE Building, 1080, SK. Mujib Road, Agrabad C/A, Chittagong	CSE Library	031 714632-3 031 720871-3

USE OF IPO PROCEEDS & IMPLEMENTATION SCHEDULE

GPH Ispat Limited will raise paid-up capital through Initial Public Offering (IPO) in order to meet the present business needs for the purpose of business augmentation and repayment of its debt to enhance profitability in the following way:

Utilization of Fund	Amount in BDT (Crore)	Approximate date of utilization fund
A. Loan Repayment		
United Commercial Bank Limited, Khatungonj Branch	34.50	Within 15 (fifteen) working days after allotment
Janata Bank Limited, Khatungonj Branch	24.30	Within 15 (fifteen) working days after allotment
B. Payment of Tax @ 3% on Share Premium		
Total	60.00	Within 07 (seven) workingdays after receiving IPO fund

N.B. As per rule 8B(4)(c) of Securities and Exchange Commission (Public Issue) Rules, 2006 there is no contract covering any of the activities of the issuer Company for which the proceeds of sale of securities from IPO is to be used.

Sd/-

Kamrul Islam, ACA
Chief Financial Officer, Company Secretary

Sd/-

Md. Jahangir Alam
Director & Managing Director

GPH ISPAT LIMITED

Statement of Ratio Analysis

For the year (s) ended 30 April 2011, 2010, 2009

The following ratios have been computed from the audited financial statements of GPH ISPAT LIMITED for the year (s) ended 30 April 2011, 2010, 2009.

Name of Ratio	30-Apr-11	30-Apr-10	30-Apr-09
A. Liquidity Ratios			
1 Current Ratio (Times)	1.02	1.22	0.79
2 Quick Ratio (Times)	0.39	0.48	0.17
3 Times Interest Earned Ratio (Times)	1.81	1.55	1.21
4 Debt to Equity Ratio (Times)	5.53	2.90	58.64
B. Operating Ratios			
1 Accounts Receivable Turnover Ratio (Times)	9.69	18.04	21.68
2 Inventory Turnover Ratio (Times)	2.48	3.34	2.78
3 Fixed Assets Turnover Ratio (Times)	2.98	3.49	1.71
4 Assets Turnover Ratio (Times)	1.14	1.51	1.00
C. Profitability Ratios			
1 Gross Margin Ratio (%)	17.45	12.60	8.63
2 Operating Income Ratio (%)	14.27	10.10	7.53
3 Net Income Ratio (%)	4.96	3.42	1.43
4 Return on Assets Ratio (%)	5.67	5.16	1.43
5 Return on Equity Ratio (%)	29.90	17.53	59.75
6 Earnings Per Share	3.66	2.20	15.23

Auditors' Report in pursuance of section 135(I) under para 24(I) of part II of the Third Schedule of The Companies Act 1994

We have audited the financial statements of GPH ISPAT LIMITED for the year (s) ended 30 April 2011 & 2010. The financial statements for the year ended 30 April 2009 was audited by M. A. Malik & Co, Chartered Accountants. In pursuance of section 135(I) under para 24(I) of part II of the third schedule of The Companies Act 1994, we report that:

1. The Company was incorporated on 17 May 2006

2. The Statements of Financial Position, Operating Result & Cash Flows of GPH ISPAT LIMITED are as follows

A. Statement of Financial Position	30-04-2011 Taka	30-04-2010 Taka	30-04-2009 Taka
ASSETS & PROPERTIES			
NON CURRENT ASSETS & PROPERTIES	1,427,022,724	1,046,028,840	775,408,900
Property, Plant & Equipment	1,110,647,506	1,044,019,480	750,215,851
Capital Work In Progress	301,488,186	—	—
Preliminary Expenses	—	—	199,715
Investments	14,887,032	2,009,360	24,993,334
CURRENT ASSETS & PROPERTIES	2,567,289,192	1,407,377,944	1,048,560,986
Advances, Deposits and Prepayments	449,451,790	211,769,777	163,274,616
Inventory	1,591,242,389	861,211,826	825,243,781
Trade Receivables	482,847,365	298,485,583	58,893,441
Cash and Bank Balances	63,947,648	35,910,762	1,149,148
TOTAL ASSETS & PROPERTIES	3,994,311,916	2,453,406,783	1,823,969,886
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS' EQUITY	611,744,777	628,834,652	30,585,054
Share Capital	500,000,000	500,000,000	12,000,000
Tax Holiday Reserve	103,729,009	49,446,718	6,662,104
Retained Earnings	8,015,768	79,387,934	11,922,950
NON CURRENT LIABILITIES	860,023,732	675,280,690	460,516,100
Long Term Portion of Term Loan	805,477,668	651,220,752	460,516,100
Long Term Portion of Lease Liabilities	54,546,064	24,059,938	—
CURRENT LIABILITIES & PROVISIONS	2,222,543,407	1,149,291,451	1,332,868,732
Current Portion of Long Term Loan	120,312,595	105,187,880	103,866,214
Current Portion of Lease Liabilities	17,465,991	8,318,316	—
Short Term Loan	2,115,349,096	994,491,263	1,209,878,629
Creditors & Accruals	38,734,303	38,935,208	17,945,403
Provision for Taxation	30,681,422	2,358,784	1,178,486
Proposed Dividend	200,000,000	—	—
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES	3,994,311,916	2,453,406,783	1,823,969,886
NET ASSET VALUE PER SHARE	12.23	12.58	25.49

Chittagong, 30 July 2011

B. The Statement of Operating Result of GPH ISPAT LIMITED is as under:

	30-04-2011 Taka	30-04-2010 Taka	30-04-2009 Taka
Net Turnover	3,688,519,184	3,223,787,065	1,277,035,276
Cost of Sales	(3,044,732,767)	(2,817,640,942)	(1,166,847,178)
Gross Profit (Loss)	643,786,417	406,146,123	110,188,098
Operating Expenses:			
Administrative Expenses	(50,935,771)	(27,350,949)	(8,860,663)
Selling & Distribution Expenses	(66,399,399)	(53,078,588)	(5,220,927)
Trading Profit / (Loss)	526,451,247	325,716,586	96,106,508
Financial Expenses	(307,777,860)	(218,555,336)	(79,451,248)
Profit Before Amortization	218,673,387	107,161,249	16,655,260
Amortization of Preliminary Expenses	—	(199,715)	—
Profit Before Non Operating Income	218,673,387	106,961,534	16,655,260
Non-Operating Income	3,121,013	4,468,362	2,593,037
Profit After Tax	221,794,400	111,429,896	19,248,297
Contribution to WPPF@ 5% After Charging WPPF	(10,561,638)	—	—
Profit Before Tax & Reserve	211,232,762	111,429,896	19,248,297
Provision For Income Tax	(16,376,503)	(1,180,298)	(972,389)
Current	(11,946,135)	—	—
Deferred	(4,430,368)	(1,180,298)	(972,389)
Profit After Tax	194,856,259	110,249,598	18,275,908
Tax Holiday Reserve	182,910,124	110,249,598	18,275,908
Profit After Tax & Reserve	377,766,383	220,499,196	36,551,816
Unappropriated Profit, Brought Forward	79,387,935	11,922,950	3,091,944
Profit available for appropriation	208,015,768	79,387,935	11,922,950
Appropriations:			
Dividend paid:			
Cash dividend	—	—	—
Stock dividend	200,000,000	—	—
Unappropriated Profit, carried forward	8,015,768	79,387,935	11,922,950
Earnings Per Share (Basic)	3.66	2.20	15.23

Chittagong, 30 July 2011

C. The Statement of Cash Flows of GPH ISPAT LIMITED is as under:

	30-04-2011 Taka	30-04-2010 Taka	30-04-2009 Taka
CASH FLOW FROM OPERATING ACTIVITIES			
Collection from Sales & Other Income	3,526,637,462	3,018,368,192	1,218,141,835
Payment for Cost & Other Expenses	(4,061,109,272)	(2,890,134,911)	(2,103,350,496)
Net Cash Inflow/(Outflow) from Operating Activities	(534,471,810)	128,233,281	(885,208,661)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital Expenditures	(447,319,922)	(244,038,547)	(88,769,795)
Investment in Shares	(12,275,597)	(2,009,360)	—
Intangible Assets (Software Expenses)	—	(2,949,525)	—
Net Cash Inflow / (Outflow) from Investing Activities	(459,595,519)	(248,997,432)	(88,769,795)
CASH FLOW FROM FINANCING ACTIVITIES			
Short Term Loan	1,120,857,833	(215,387,366)	810,259,647
Long Term Loan	169,381,631	192,026,318	231,563,629
Lease Obligation	39,633,811	32,378,249	—
Proceeds of Ordinary Share Capital	3,645,456,000	364,456,000	11,000,000
Interest & Bank Charge Paid	(307,769,060)	(1,149,476)	(79,451,248)
Net Cash Inflow / (Outflow) from Financing Activities	1,022,104,215	154,925,765	973,572,028
Net Increase in Cash & Cash Equivalents	28,035,886	34,761,614	(606,426)
Cash & Cash Equivalents at the Beginning	35,910,762	1,149,148	1,755,576
Cash & Cash Equivalents at the End	63,947,648	35,910,762	1,149,148
Dividend Declared:			
Cash dividend	—	—	—
Stock dividend	40%	—	—
E. The company has no subsidiaries;			
F. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the company in the purchases of any other business.			
G. The company did not prepare any financial statements for any period subsequent to 30 April 2011; and			
H. Figures related to previous years have been rearranged wherever considered necessary.			

Chittagong, 30 July 2011

Name of Ratio	Amount in Taka			
	30-04-2011		30-04-2010	
	Calculation	Result	Calculation	Result
A. Liquidity Ratios				
1 Current Ratio (Times)	Current Assets	2,567,289,192	1,407,377,944	1,048,560,986
	Current Liability	2,522,543,407	1,149,291,451	1,332,868,732
2 Quick Ratio (Times)	Current Assets- Inventory	976,046,803	546,166,118	223,317,205
	Current Liability	2,522,543,407	1,149,291,451	1,332,868,732
3 Times Interest Earned Ratio (Times)	Operating Profit	526,451,247	325,716,586	96,106,508
	Net Interest Expenses	290,525,997	21	