

PHP

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Information Memorandum for ROAD SHOW

PHP Float Glass Industries Limited

Issue Manager:



Alliance Financial Services Limited



INFORMATION MEMORANDUM

FOR

INITIAL PUBLIC OFFERING (IPO)

OF

PHP FLOAT GLASS INDUSTRIES LTD.

Registered Office: PHP House, 31 Agrabad C/A, Chittagong – 4100.
 Factory: Barabkunda, Sitakunda, Chittagong.

Public offering of 30,000,000 ordinary shares of Tk. 10/- at an issue price of Tk. [*] each including premium of Tk. [*] per share totaling of Tk. [*] under book building method.

Credit Rating Status	
Rating Company	Credit Rating Information and Services Limited (CRISL)
Long term	A+
Short term	ST-3
Outlook	Positive

Manager to the issue

Alliance Financial Services Limited

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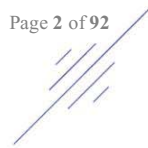
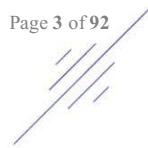


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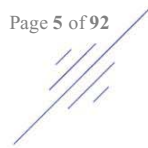


**DEFINITIONS AND ELABORATION OF THE ABBREVIATED WORDS
AND TECHNICAL TERMS USED IN THE PROSPECTUS**

AFSL	Alliance Financial Services Limited
BAS	Bangladesh Accounting Standards
BASIS	Bangladesh Association of Software and Services Limited
BFRS	Bangladesh Financial Reporting Standard
BSA	Bangladesh Standards of Auditing
CIB	Credit Information Bureau
CRISL	Credit Rating Information and Services Limited
CSE	Chittagong Stock Exchange Limited
DSE	Dhaka Stock Exchange Limited
ERP	Enterprise Resource Planning
FC	Foreign Currency
FI	Financial Institution
FY	Financial Year
IPO	Initial Public Offering
IT	Information Technology
LC	Letter of Credit
MA	Memorandum of Association
MT	Metric Tons
NRB	Non-Resident Bangladeshis
PHP FGIL	PHP Float Glass Industries Limited
RJSC	Registrar of Joint Stock Companies & Firms
SEC	Securities and Exchange Commission
SEDF	South Asia Enterprise Development Facility
TK.	Bangladesh Taka currency
USD	United States Dollar currency

GENERAL INFORMATION

Alliance Financial Services Limited (AFSL) has prepared the prospectus from information supplied by PHP Float Glass Industries Limited (the Issuer Company) and also after several discussions with the Chairman, Managing Director, Directors and concerned executives of the company. PHP Float Glass Industries Limited and Alliance Financial Services Limited collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which, would make any statement herein misleading. No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information and representation must not be relied upon as having been authorized by the company or Alliance Financial Services Limited. The Issue as contemplated in this prospectus is made in Bangladesh and is subject to the exclusive jurisdiction of the Courts of Bangladesh. Forwarding this prospectus to any person resident outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country. A copy of this prospectus may be obtained from the Corporate Head Office of PHP Float Glass Industries Limited, Alliance Financial Services Limited, the Underwriters and the Stock Exchanges where the securities will be traded.



CAPITAL STRUCTURE OF THE COMPANY

Authorized Capital

Particulars	Shares	Face Value Per Share (TK.)	Total Amount (TK.)
Authorized Capital	300,000,000	10/-	3,000,000,000/-

Paid Up Capital

Particulars	Date	No. of Shares Allotted	* Value Per Share (TK.)	Share Capital Allotted (TK.)
During Inception (as per MA)	09/04/2003	45,000	100	4,500,000
Share Allotment in Cash	31/03/2004	400,000	100	40,000,000
Share Allotment in Cash	28/06/2004	3,919,000	100	391,900,000
Share Allotment in Cash	30/06/2004	197,673	100	19,767,300
Share Allotment in Cash	31/07/2004	2,489,327	100	248,932,700
Total Issued & fully paid up capital		7,051,000	100	705,100,000

Total Issued & fully paid up capital (after Share Value Denomination)	As on April 20, 2010	70,510,000	10	705,100,000
IPO (Initial Public Offering)	Proposed	30,000,000	10	300,000,000
Total Paid up Capital after IPO		100,510,000	10	1,005,100,000

*The Face Value of TK.100/- was denominated into TK.10/- at the EGM dated April 20, 2010.

Statement regarding holding of Annual General Meeting (AGM) of *PHP FLOAT GLASS INDUSTRIES LIMITED*

AGM	Date of AGM
1st AGM	30.06.2004
2nd AGM	30.06.2005
3rd AGM	30.06.2006
4 th AGM	30.06.2007
5 th AGM	30.06.2008
6 th AGM	30.06.2009
7 th AGM	26.05.2010

USE OF IPO PROCEEDS AND STAGES OF UTILIZATION

Entire proceeds of the IPO shall be utilized for the expansion of the capacity with diversified and value added products along with strengthening the distribution channel. The surplus fund shall be utilized for repayment of loans to financial institutions as well as to the sister concerns.

The implementation schedule showing the estimated costs along with respective time plan has been summarized below:

Sl. No.	Items	Approx. Cost Taka	Target
1	Aluminum Plant	247,568,000	May, 2011
2	Glass Beveling, Edging & Drilling	64,830,100	12 months from IPO Fund receipt
3	Tempered Plant	304,150,000	12 months from IPO Fund receipt
4	Glass Laminating Plant	119,250,000	18 months from IPO Fund receipt
5	Warehouses & Distribution Facilities	517,800,000	12 months from IPO Fund receipt
6	Loan Repayment	373,135,445	On receipt of IPO Fund
7	Working Capital	630,000,000	Revolving Fund
	Total	2,256,733,545	

Aluminum Plant: As a part of diversification, Aluminum products for construction industry are considered as very potential for accelerated growth of the company. The planned product line will enable the company to penetrate the market further by catering the same customer segments. Capacity of this plant would be 4,500 MT per annum.

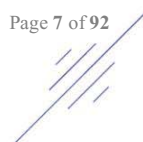
Glass Beveling, Edging & Drilling: The machinery will be used to process straight-line bottom edge and bevel edge grinding for the flat glass, bevel edges coarse grinding and fine grinding, polishing, etc. This will provide the market with glass products with compact structure and high precision stable property. Here, the capacity would be 4,000 MT, 6,000 MT and 1 Million annually for Beveling, Edging & Drilling respectively.

Tempered Plant: This plant having production capacity of 16,000 MT per annum will provide safety glass products that are made using very high heat with a special coating process to strengthen the glass. Furnace based generator with a capacity of 1.38 MW will be required for the production. This type of glass is usually five times stronger than the normal glass, and also it is heat resistant and breaks into tiny little pieces when breaks, reducing the risk of injury. It has high resistance to breakage and widely used for public buildings. It can further be used as bullet proof, protective eye wear for machinists and drivers, glass tabletops, aquarium etc.

Glass Laminating Plant: Laminated glass product (Safety Glass) plant will have annual capacity of 3,600 MT and the product is expected to be another addition to the potential diversified portfolio. These products ensure various features in contrary to the normal glass products that include but not limited to safety, security, sound reduction, solar energy control, UV control, weather/natural disasters, durability, design versatility, installation ease, low visible distortion, etc. This safety glass holds together when shattered as the interlayer between its two or more layers of glass that keeps the layers bonded even when broken, reducing the risk of injury.

Warehouses & Distribution Facilities: The products (existing and proposed) are expected to be distributed across all divisions throughout the country. In order to retain the existing and increase the market share across the country, PHP will establish a five warehouses in Dhaka, Chittagong, Sylhet, Khulna & Bogra, so as to strengthen and sustain its distribution channels in the long run that in turn would affect the revenue and profitability of the company. For facilitating smooth distribution, it would purchase specialized vehicles.

Working Capital: The working capital would be required in order to carry out day to day operations for the increased sales of the existing as well as proposed projects. Since the proposed expansion would entail setting up warehouses in different territories across the country, inventory holding level will be high so as to fulfill the requirements of the customers that eventually will trigger the working capital requirement to rise.



DESCRIPTION OF BUSINESS

Major Milestones

Dates

Incorporation	: 09 April 2003
Furnace Firing	: 01 June 2005
Date of Commercial operation	: 12 June 2005
Finished Glass in the Market	: 04 July 2005
First Proceed from Export (at Sri Lanka)	: 06 December 2005
Conversion to Public Limited Company	: 27 February 2008

Background of the Project

PHP Float Glass Industries Limited (PHP FGIL), a concern of PHP Group of Companies, was founded in April 09, 2003 by Al-haj Mohammed Mizanur Rahman, along with his family members who are the sponsor shareholders of the company. It was set up with the technical assistance of Luoyang Float Glass Technology of China with an Installed Capacity 41,040 MT (on the basis of 5 MM). This industry was built on a huge area of land; i.e. 24.27 Acres at Barabkunda, Sitakunda, Chittagong, the main port-city in the Country, beside the Dhaka-Chittagong highway. Moreover, it set up a sand washing plant at Feni, Chittagong, on an area of 13.42 Acres for sand washing, after which the raw materials are sent to the factory for processing of glass.

Sponsors of the company gained thorough understanding about the key factors related to the industry by conducting extensive market research and set a vision to set up high quality float glass sheet manufacturing plant . Therefore they looked for the renowned manufacturing technology available globally and decided to set up the plant with Luoyang Float Glass Technology of China.

The reason for targeting float glass manufacturing was to eradicate the presence of bubbles, waves on the surface and visible impurities, etc in the glasses produced by the plants with vertical technology. It was the first manufacturing facility (float glass) of its kind in the country. By introducing such facility, the company wanted to contribute to the industrial development of the country by substituting imported products that been eventually believed to have helped our economy by saving huge foreign exchange and though reduction of dependence on imports.

While the country was spending foreign currency for importing glass, PHP FGIL has started exporting float glass & PHP mirrors in different countries after catering to the total requirement of the local market thereby saving substantial foreign exchange.

Brief Overview of PHP Group

Mr. Mohammed Mizanur Rahman, the Founder and Chairman of PHP Group, started his career with a humble beginning as a bank employee in 1967. He formed R.M. Corporation Limited with his brother-in-law in 1969 which grew as R.M. Group, having investment in several diversified sectors. Later Mr. Mohammed Mizanur Rahman took over the business of Chittagong (PHP Group) and his brother-in-law took the businesses in Dhaka (R.M. Group) through mutual understanding between themselves.

PHP Group was established to bring Peace, Happiness & Prosperity for the society, and is having investment in several diversified import-substitute concerns in different sectors like Steels, Ship Breaking & Recycling, Textiles, Power, Asphalt, Shipping, Stocks & Securities, Property Management, Latex & Rubber, Fisheries, Agro Commodity trading, Education & Healthcare concerns, etc.

PHP Group is among the leading contributors to Govt. exchequer by way of VAT, Custom Duty, and income tax. The Group has a firm commitment towards the community for the improvement in quality of life of people. A part of Group's profit is allocated to various philanthropic trusts. These trusts are providing valuable services to society by funding numbers of educational & healthcare institutions.

PHP FGIL is a concern of PHP Group serving the float glass & mirror market since 2005 being the first float glass industry in Bangladesh.

Group Profile of PHP

SI No.	Name of the Company	Nature of the business of the Company
1	PHP Corporation Ltd.	To source the bulk commodities through getting timely and accurate marketing information and cost effective freights.
2	PHP Cold Rolling Mills Ltd.	To manufacture CR Coil / Sheets.
3	PHP Steels Ltd.	To manufacture high quality CR Coils & CRCA Sheets as a import substitute.
4	PHP Continuous Galvanizing Mills Ltd.	To manufacture quality galvanized Coils/Sheets/GC sheets.
5	PHP Power Generation Plant Ltd.	To produce world class CR coils, galvanized sheets and CRCA coils, PHP Group set up a 15 MW captive power plant
6	PHP NOF Continuous Galvanizing Mills Ltd.	To produce Lead Free Galvanized material both for domestic and export market specifically for developed countries with the latest Non-oxidized Furnace (NOF) Technology of Continuous Galvanizing Line in order to keep the environment clean and cope the emerging market requirements for better & high quality products.
7	Bay Terminal & Distribution Co. Ltd.	Unit 1: to handle bulk Bitumen receiving from ship to storage tank (bonded) thru dock line and deliveries to contractual customers and transfer to unit-02 for drumming. Unit 2: to produce drums from cold rolled sheet supplied by PHP Steel Mills for drumming of Bitumen transferred from unit 01 through our bowsers and containers.
8	PHP Fisheries Ltd.	- To produce shrimps and fresh water fishes during the season - To produces salt from sea water by natural evaporation and harvesting it manually.
9	PHP Latex & Rubber Products Ltd.	Rubber plantation project
10	PHP Power Company Ltd.	To supply uninterrupted power to its FLOAT GLASS manufacturing plant where requirement is very crucial and accordingly a stand by capacity is planned with alternate fuel.
11	PHP Shipping Lines Ltd.	To work as a ship management company and to manage all types of vessels like Chemical tankers, Bulk careers & container careers.
12	PHP Stocks & Securities Ltd.	Stock Brokerage House having license from DSE & CSE and also stock dealer license.

Nature of business

PHP FGIL is engaged in producing and selling float glass sheets namely clear and mirror that are the products of various materials, mainly Silica Sand and Soda Ash.

New Project under Implementation

The proposed project aims at producing Thai Aluminum Products of different Sizes and Specifications that would be produced through an onward process from Aluminum wrought the basic raw materials of the Product and is at present an imported item and Local manufacturing companies convert it into Finished Products. The products are mainly used for making frames of doors, windows, Interior fencing of office and commercial buildings as well as houses both in private and public sectors. People belonging to higher and middle higher income group are major users of the products. Moreover, Industries, Housing sectors and government bodies are the users of these products. At present there are four Companies producing Aluminum Sections and Profiles in the country. Introduction of such product line is expected to help the company create a diversified portfolio of products and may provide significant contribution to the company.

The Principal products or services

Currently, the principal products of the company are Clear Glass and Mirror Glass sheets. Clear Glass sheets range from 2.00 MM to 12.00 MM, having 10 different sizes. Mirror Glass Sheets produced are of two types; single coating and double coating that range from 3.00 MM to 5.00 MM.

Through the futuristic technology of float glass, PHP produces clear float glass attaining precise surface flatness, which provides distortion-free vision with excellent clarity & transparency.

PHP Mirror is a high quality double coated silver & copper- glass mirror using sophisticated ultra-modern Chinese technology which is very similar to well known Belgium glass. PHP Mirror uses the finest chemicals only imported from Germany and Italy. Because of its extra ordinary quality PHP Mirror enjoys around 70% of the mirror market share in Bangladesh.

Besides, the company is planning to introduce Aluminum products, Beveled glass, Laminated glass, and Tempered glass, etc. in the very near future.

Manufacturing Process of Float Glass

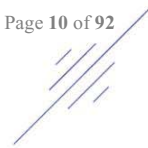
The Float process is renowned for making perfectly flat, flaw free glass. But to ensure the highest quality, inspection takes place at every stage.

PHP Float glass is a unique industry in Bangladesh having its indigenous raw material silica sand available in Bangladesh. Basic float glass is manufactured by melting Silica sand. PHP collects quality silica sands from different parts of the country, especially from Sylhet area. Collected raw material enters through a washing process in the sand washing plant for reducing the iron and extracts other impurities. PHP Glass is a world class integrated plant having all the supporting auxiliaries like; Hydrogen & Nitrogen station individually in the same compound.

The glass gains its lustrous finish and perfect flatness by floating on a bath of molten tin in a chemically controlled atmosphere. The ribbon of glass is then cooled, while still moving, until the surfaces are hard enough for it to be taken out of the bath without the roller marking the surface. The glass is then automatically cut and stacked, ready to be packed for distribution to local and international customers.

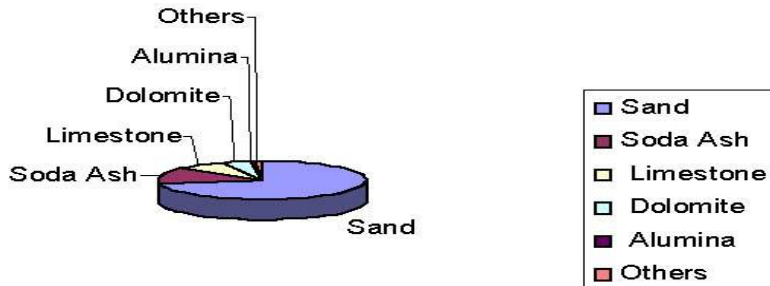
Float glass is produced by floating a continuous stream of molten glass onto a bath of molten tin. The molten glass spreads onto the surface of the metal and produces a high quality, consistently level sheet of glass that is later heat polished.

If molten glass is poured onto a bath of clean molten tin, the glass will spread out in the same way that oil will spread out if poured onto a bath of water. In this situation, gravity and surface tension will result in the top and bottom surfaces of the glass becoming approximately flat and parallel.



The molten glass does not spread out indefinitely over the surface of the molten tin. Despite the influence of gravity, it is restrained by surface tension effects between the glass and the tin. The resulting equilibrium between the gravity and the surface tensions defines the equilibrium thickness of the molten glass.

Composition of raw materials



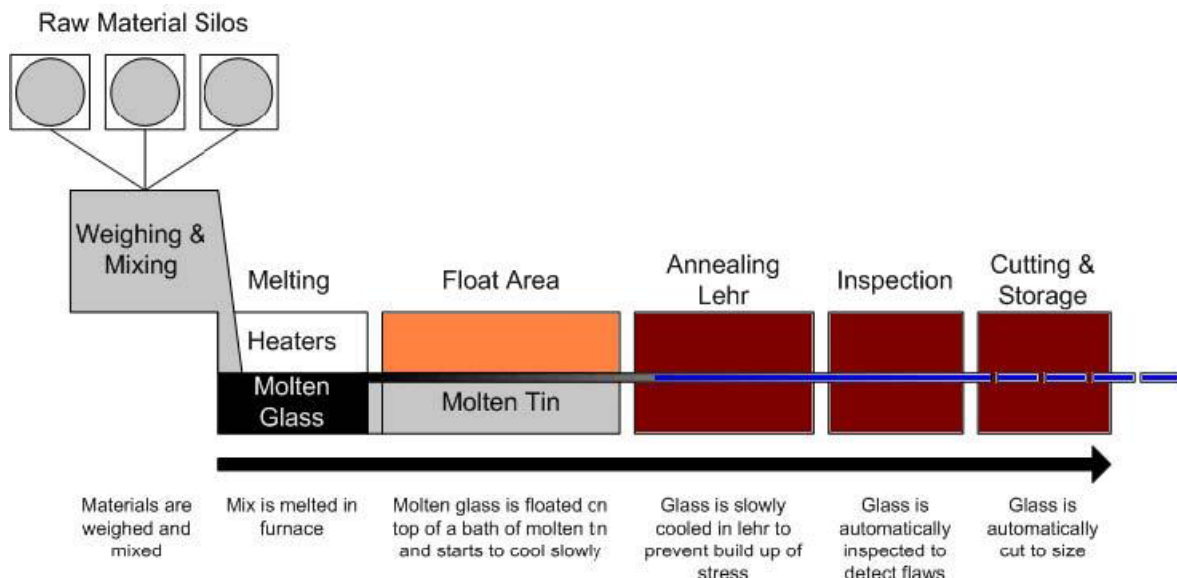
Details of Production Process:

The batch of raw materials is automatically weighed and mixed and then continuously added to the melting furnace where it is taken to around 1650°C using gas fired burners. The mix then flows over a ‘dam’ where the continuous stream of molten glass flows onto the bath of molten tin. The stream of glass is pulled along the top of the molten tin by haul-off conveyors at the end of the float area which transport the glass into the annealing lehr.

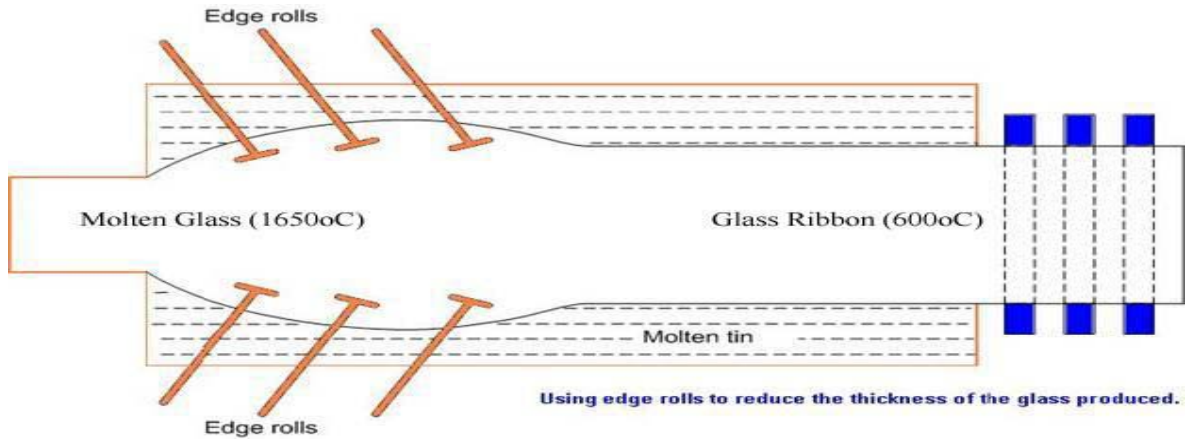
At the start of the float area the molten glass spreads outwards with flat top and bottom surfaces and the thickness decreases towards the equilibrium thickness.

The thickness can then be further controlled by the stretching effect of the conveyors as it cools until it reaches 600°C when it exits the float area and enters the annealing lehr.

For thin sheets, the exit conveyor speed can be increased to draw the glass down to thinner thicknesses. This drawing will also result in a decrease in the sheet width and to prevent unacceptable sheet width decreases edge



rolls are used. Edge rolls grip the outer top edge of the glass and not only reduce decrease in width but also help to reduce the thickness even further.



For thick sheets, the spread of the molten glass is limited by using non-wetted longitudinal guides. The glass temperature allows the spread to remain uniform and is reduced until the ribbon can leave the guides without changing dimensions.

Use of Float Glass

a. Window Glazing

PHP Glass is one of the best choices for any window glazing application for its superior strength, high optical clarity, undistorted, smooth surface & flexibility in sizes.

b. Curtain & Partition walls

PHP Glass enables to design curtain & partition walls owing to its inherent strength & availability of various sizes. Besides giving modern looks, it reduces the overall dead weight of buildings, allows faster construction & requires less expensive maintenance. The heat absorbing ability reduces the air conditioning & lighting load largely, thus saving precious energy.

c. Home Doors & Decorations

For its crystalline, transparent & tinted quality, PHP Glass is the first preference for home doors, cabinets and different decorations.

d. Shop Fronts & Decorations

The shiny, strong, distortion free PHP Glass provides a distinct image to a shop. The easy maintenance & non-inflammability of the glass make it an essential material for display cabinets, partitioning, screening & decoration.

e. Furniture

Due to its versatility, PHP Glass is ideal for furniture, tabletops, shelves, cabinets, showcases & sliding doors of large cabinets, cupboards, etc.

f. Mirrors

PHP Glass gives perfect reflected image when turned into mirror.



g. Specialized Application

PHP Glass can be further processed to be used for Banisters, Atriums, Lifts, Dance floors, etc.

Quality of PHP floated Glass

a. Distortion-free

PHP Glass has precise surface flatness, which provides distortion-free vision.

b. Clear & Transparent Looks

PHP Glass is clear & transparent with excellent quality. When turned into mirror, it provides brilliant reflected image.

c. Sparkling Surface

PHP Glass has fully fire furnished surface and executes a fine luster, which resist scratches, dust & dirt. It's easier to clean.

d. Beautification

PHP Glass enhances the aesthetics appearance of buildings. It provides flexibility which helps Architects and Designers to use it in new design trends.

e. Strength & Durability

PHP Glass is very strong & durable because it is free from bubbles & ripples.

Market for the PHP float glass Products

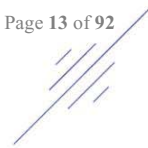
In any developed or developing country, Glass plays an important role in modern life-style. Glass consumption is directly indicative of the economic growth of any country. Bangladesh with its rapidly increasing construction sector, which includes high-rise building, hotels and shopping malls, etc., shows a clear trend of economic progress through its increasing glass consumption. The country's demand of Float Glass was being mainly catered through imports. PHP Group has established PHP Float Glass Industries Limited, which added a new Dimension to infrastructural development of the country by manufacturing import substitute product like PHP Glass.

Distribution of float glass is very sensitive in nature and a small mistake may cause a huge impact on the company's operation. PHP, as a glass manufacturing company, has few competitors in the marketplace, namely, Nasir Glass Limited, which is based in Gazipur, Dhaka and has a strong position in the marketplace in terms of market share. Due to location advantage as operating in Dhaka, Nasir Glass has captured significant portion of the market share in the country. On the other hand, PHP FGIL is dominating in the Chittagong division as the distribution from the factory is within a very close range. In the very near future, the company is expected to penetrate the local market further by setting up a depot in Chittagong, Dhaka, Sylhet, Khulna and Bogra so that the company can create a competitive position throughout the country in terms of distribution.

PHP FGIL markets its products to the active dealers throughout the country who ultimately sell the products to the end users. The domestic market covers all the seven divisions in the country and the international market (export market) covers India (Calcutta, Agartala, and Shiliguri), Sri Lanka and the Philippines.

Company Strategy

1. Establishing the brand image locally as well as Internationally;
2. Maintaining long-term relationship with the dealers/customers;
3. Investing in technology on a continuous basis and ensuring relative advancement;
4. Increasing market penetration (developing existing markets) as well as market development (entering into new markets);
5. Providing value for money products, ensuring cost and quality competitiveness;
6. Carrying out External Factor Analysis; i.e. Environmental Scanning; such as Competitive Market Forces Analysis and Scenario Planning, etc.;



7. Conducting position audit; i.e. resource appraisal at regular intervals to formulate resource based strategy;
8. Capitalizing on the forecasted demand within the float glass industry.

Company Strengths

Location and geographical

The raw material; silica sand is supplied to Feni for washing and sent to the factory in Sitakunda. Both the facilities are within a very short distance from the Dhaka-Chittagong highway.

Human Resources

The employees and the labour working for the company possess sufficient knowledge as well as experience after they are hired through formal procedures of recruitment, selection, training, motivation and related development. The Company only offers jobs to those who are knowledgeable in their respective areas and have sufficient experience in accomplishing the tasks, which is based on situation(s).

The Company employs skilled labour and staff for factory and office operations. The percentage of skilled labour would be about 95% employed for factory operations. For the rest of the labour, the company has arrangement of on-job training.

Marketing

The management of the company is continuously searching for possible expansion of the markets locally as well as internationally. Currently, the company has extended its network in India, Sri Lanka, and Philippines by selling its products in the respective markets.

The Company creates awareness among the citizens (by means of advertising and other promotional techniques). Sales are carried out by active dealers throughout all the divisions in the country. The turnover of the company is increasing year after year.

Technology

Float Glass Manufacturing by PHP FGIL was the first ever in the country. The technology was set up with Luyong Technology of China and the technology may become obsolete if new technology with better processing facility is available in the respective industry. In this respect, the company upgrades and maintains the highest standards of technology available globally in order to attain and sustain competitive advantage in the industry.

Competitive Advantage

The critical success factors (CSF) for the Company is to manufacture float glass sheets which have transparency, less air bubbles, no waves in the surface of the sheets. The core competence (actual factors) of the company is that it has key personnel who had been experienced, trained in China and also the expatriates employed to carry out and oversee the operations of the company. As long as the core competence of the company supersedes the critical success factors in the industry, the company will be able to gain the competitive edge over its competitors and may be able to sustain for a reasonable time period. Besides, the company has attained cost competitiveness in the production whilst producing value added products for its customers.

Internal Control System

The Control Environment at PHP FGIL reflects the management’s uncompromising operating style, culture, shared values, ethics, etc. PHP is for Peace, Happiness and Prosperity. The values created from the top layer of the management are to have good intention (ethics), and hard work (shared values).

The Company segregates duties and responsibilities among the employees at every level of the management.



Besides, it keeps accounting records, carries out audit work at regular intervals, maintains competent personnel on its payroll, supervise the employees at lower levels, authorizes & approves expected viable projects/cheques, etc.

Risk Management System

Since inception of the company, the management developed and implemented risk management policies & procedures. It has formal process of identification of risks by way of brainstorming, workshop, environmental analysis (internal as well as external), Cause & Effect studies of the process, etc. Risk management at PHP FGIL involves maintenance of Risk Register showing risks faced by the company and the relative responsibility delegated to; measurement of risks by way of likelihood and consequence matrix (High-Low); comparison of risk appetite against each risk, indicating possible strategy to tackle the risks such as avoidance, reduction, transfer or acceptance, etc.; and risk reporting and control on a regular basis. Having an embedded risk management system into corporate practices gives the company a positive outlook to the stakeholders of the company as introduction of such system has built confidence among the stakeholders till date.

Information Technology

Implementation of IT systems is to ensure that the information supplied to each layer of the organization is accurate, complete, cost-effective, user targeted, reliable, authoritative, timely and easy to use. The Group was awarded as the “Best IT User” in large corporate group category for efficient and effective uses of IT solutions and services on 28 November 2004, hosted by BASIS and SEDF.

Relative Contribution to Income

As on 30 September 2010

Products	Local	Export	Net of VAT
	Amount (Tk.)	Amount (Tk.)	Amount (Tk.)
Clear	585,180,952	71,412,289	656,593,241
Mirror	219,331,703	4,603,746	223,935,449
Total	804,512,655	76,016,035	880,528,690

Associate, Subsidiary/Related Holding Company

The company has no Associate, Subsidiary or Related Holding Company.

Distribution of Product/Services

The products are exported to the overseas customers of India, Sri Lanka and the Philippines who import from PHP FGIL. However, in the domestic markets of Bangladesh, the distribution of products mainly depends on the dealers. The major dealers interact directly with the company’s sales executives for purchasing the product. Following such, they distribute/sell products amongst retailers/customers.

Presently there are more than 268 active dealers in the country, who do business with PHP FGIL throughout the year, irrespective of season. The Division-wise number of dealers is given below:

Division	Number of Dealers
Dhaka	148
Chittagong	49
Rajshahi	6
Khulna	25
Sylhet	9
Barishal	10
Rangpur	21
Total	268

Sources and Availability of Raw Materials and Principal Suppliers

The raw materials are sourced from local as well as international suppliers. Silica sand, which is the major ingredient among all, is sourced locally. Salt Cake is also sourced locally, whereas Dolomite and Limestone are sourced from Bhutan. Moreover, Soda Ash is purchased from Kenya and Hong Kong.

The raw materials are readily available with the suppliers and delivered to the Company in a timely manner. List of Suppliers including relevant details have been provided below:

Sl. No.	Names of the Suppliers	Address	Raw Materials
1	Madhani Carrier	Hasina Manjil, 314, Sk. Mujib Road, Agrabad, Ctg.-4100.	Raw / Silica Sand
2	Mohammed Eskandar	23, Kazirdewry, Ctg.	Raw / Silica Sand
3	Orientlink (Hong Kong) Ltd.	2902 Pacific Plaza, 410 Des Voeux Road West, Hong Kong	Soda Ash
4	The Mogadi Soda Company Ltd.	Lake Magadi, Po box : 1-00205 Magadi, Kenya	Soda Ash
5	Jigme Polytex Private Ltd.	Gumto: Bhutan Branch Office, Phuentsholing, Bhutan. P.O Box No # 135	Dolomite Lumps
6	Kimpex Pvt. Ltd.	Post Box No. 423 Phuentsholing : Bhutan	Lime Stone
7	Samiha Enterprise	950, Yakub Building(1st Floor), Amir Market, Khatungonj, Ctg.	Salt Cake
8	Ananta Enterprise	356, Korbanigonj, Ctg.	Salt Cake
9	Taj Traders Pvt Ltd.	389, Sirajuddoulah Road, Andarkilla, Ctg.	Coal/Carbon Powder
10	Johnson Matthey Plc Chemicals	Orchard Road, Royston Herts. SG8 5HE England	Silver Nitrate
11	Fenzi S.P.A	Via Trieste 13/15-20na Industriale 20067 Tribiano (Milano) Italy	Paints

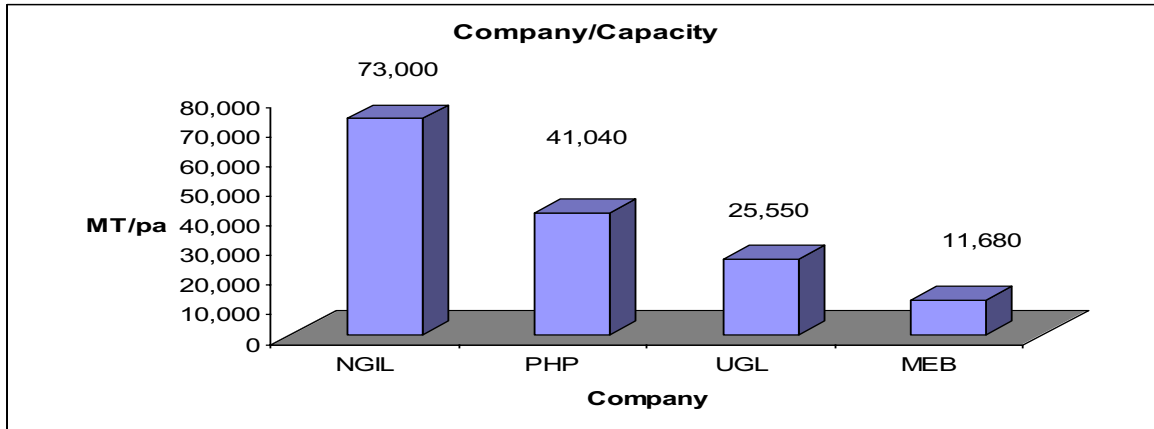
Competitive condition in business (Glass Industry)

In Bangladesh, there are 2 companies that are using Vertical Production process. The companies are Usmania Glass Limited and MEB Sheet Glass Industries Limited. On the other hand, there are 2 companies using Float Glass production process and the companies are PHP FGIL and Nasir Glass Industries Limited.

Current Production Capacity of the Companies is as follows

Sl. No.	Name of the Company	Capacity in MT (Per Annum)
1	Nasir Glass Industries Limited	73,000
2	PHP Float Glass Industries Limited	41,040
3	Usmania Glass Limited	25,550
4	MEB Sheet Glass Industries Limited	11,680
	Total	151,270

Source: Websites of the respective organizations



As per primary data obtained from the market, annual production of sheet Glass by all the above 4 companies stands at 127,750 MT whereas total demand is 136,875 MT (approximately). The balance quantity (total demand VS actual production) is imported from overseas.

Sources of, and requirement for power, gas and water or any other utilities

Power

Power is one of the most crucial factor for the production of float glass products. Therefore, PHP group established PHP Power Company Limited to provide PHP FGIL with its necessary requirement of Power. An agreement was made between PHP Power Company Limited and PHP FGIL for supply of power for the manufacturing at the factory.

At the factory: On an average, the requirement of power supply is 2.5 MW where 3 gas and 2 diesel based captive power plants are available to provide 9.85 MW of capacity. The gas based captive power plants provide 5.85 MW of capacity where 4.00 MW is available from diesel based plants. Usually only 2 gas based plants are run to provide 2.5 MW of requirement, keeping 1 gas based plant and diesel based plant on standby.

At the Washing Plant: The requirement of power is 350-400 KW where 50 KW is taken from REB and 450 KW is sourced from Gas based Generator (Captive Power Plant) which is supplied by Bakhrabad Gas Systems Ltd. for power generation.

Water

For the factory operation, water requirement is 300 tons per day for which 2 Water Treatment Plants were set-up to meet such requirement. Besides, more water is sourced from the lake adjacent to the factory.

For every hour of operation, 200 tons of water is required by the Sand Washing Plant and to meet this requirement, 2 deep tube-wells were set-up to meet such requirement.

Gas

Installed gas line facility provides gas supply to both Factory and the Washing Plant.

Customers providing 10% or more revenues

None of the customers provides more than 10% or more of the total revenues.

Contract with Principal Customers and Suppliers

There is no contract arrangement with the customers or suppliers. However, since export and import take place, LC based arrangements are made by the management from time to time.

Material Patents, Trademarks, Licenses or Royalty agreements

The Company has obtained *Trademarks* for “PHP Glass” as well as “ PHP Mirror” in 2005 and 2008 respectively. *Fire License* is available with Company that is up to date. Moreover, it complies with the environmental compliances as it obtains *Environmental Certificate* from time to time. Also, updated license from *Department of Explosives* is available with the Company.

The Company updates *Trade License* from the respective regulatory authority at regular intervals. In addition, the Company has *ISO certification* that is valid up to 30 June 2013.

Number of employees (as per Audited Financial Statements)

Sl. No.	Particulars	Headcount
1	Number of Permanent Employees	325
2	Number of Casual/Contractual Employees	50
	Total Number of Employees	375

Capacity and current utilization of the facility

	30.09.2010	30.09.2009
Particulars	MT	MT
Installed Capacity on the basis of 5 MM (MT)	41,040.00	41,040.00
Actual Production in 2-12 MM (MT)	30,337.68	29,016.00
% of Capacity Utilization	74%	71%

DESCRIPTION OF PROPERTY

A) The Company owns the following fixed assets at written down value as on 30 September 2010.

Fixed Assets	Written Down Value (in TK.)
Land and land development	933,482,500
Building	1,478,464,793
Plant & Machinery	790,099,002
Furniture & Fixtures	2,887,318
Electric Installation	71,250,140
Office Equipments	1,879,693
Gas Line Installation	1,870,158
Computer & Accessories	2,842,504
Tube-well Installation	2,968,201
Telephone	684,527
Water Treatment Plant	6,663,057
Motor Vehicles	17,931,828
Air Conditioner	2,532,031
Pump	2,748,007
Furnace	384,827,202
Total	3,701,130,960

B) Major proportion of the assets is situated at Company’s Factory site at Barabkunda, Sitakunda Chittagong, and washing plant at Feni, Chittagong. A very small proportion is at the Company’s head office situated at PHP House, 31-Agrabad C/A, Chittagong. All these assets are in good operating condition.

- C) All the assets of the company are in its own name.
- D) No assets were taken under lease agreement.
- E) No reconditioned or second hand plant and machinery are being used by the company.

Information in respect of properties, plants and equipments

The company itself owns the entire fixed assets. The properties, plants and equipments owned by the company and written down value thereof are stated as follows:

FINANCIAL CONDITION AND PLAN OF OPERATION

Internal and External Sources of Fund

(As on 30 September 2010)

Particulars	30 September 2010 Amount in Taka	30 September 2009 Amount in Taka	30 September 2008 Amount in Taka
Internal Sources of Cash			
Issued & Paid up Capital	705,100,000	705,100,000	705,100,000
Tax Holiday Reserve	81,913,862	46,369,742	-
Retained Earnings	385,827,612	(321,750,810)	(396,160,274)
Sub-total	1,172,841,474	429,718,932	308,939,726
External Sources of Cash			
Long Term Loan	234,194,909	154,430,078	351,225,985
Short Term Loan	139,862,124	418,408,254	204,041,471
Sub-total	374,057,033	572,838,332	555,267,456
Total	1,546,898,507	1,002,557,264	864,207,182

Material commitment for capital expenditure

There is no material commitment for capital expenditure by the company till 30 September 2010.

Causes for any Material Change from Period to Period

Material changes from period to period in income, cost of goods sold, other operating expenses and net income are as follows:

(As per Audit Report)

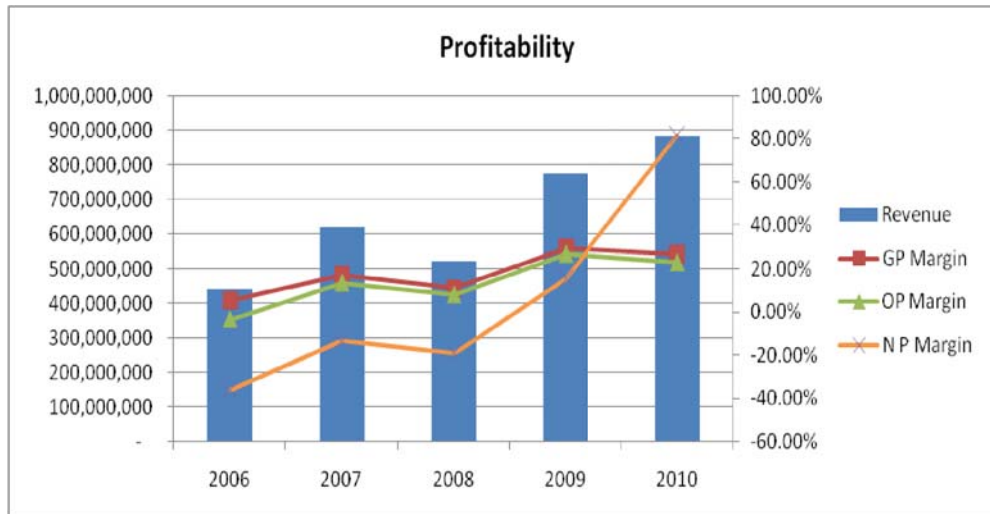
Particulars	30 .09 2010 Amount in TK.	30 .09. 2009 Amount in TK.	30.09.2008 Amount in TK.
Sales (Net of VAT)	880,528,690	775,481,990	522,498,584
Less: Cost of goods sold	(646,804,114)	(548,033,477)	(465,590,069)
Gross profit	233,724,576	227,448,513	56,908,515
Less: Administrative & Other Expenses	(31,008,495)	(19,038,621)	(15,101,270)
Profit Before Interest & Tax	202,716,081	208,409,892	41,807,245
Financial Expenses	(63,475,666)	92,485,537	(140,271,778)
Profit from Operation	139,240,415	115,924,355	(98,464,533)
Capital Gain	617,986,269	3,814,089	-
Other Income/ loses	26,182,688	1,689,756	(17,586)
Loss from Sale of Vehicle	-	(24,536)	-
Profit Before Tax	644,168,957	121,403,664	(98,482,119)
Less: Income Tax	(22,817,937)	(624,458)	-
Less: Deferred Tax	(5,893,114)	-	-
Profit/(Loss) After Tax	754,698,321	120,779,206	(98,482,119)

Financial Performance Analysis of PHP Float Glass

The Financial Performance Analysis has been carried out by comparing the year end results against the previous years'. Up-to-date information has been reflected in the analysis which is based on the comparable data/information extracted solely from the company's audited financial statements of the last five consecutive years. However, investors should bear in mind that ratios are not definitive and careful interpretation to be undertaken throughout the analysis.

Earnings and Profitability

PHP FGIL required huge borrowed fund to implement the project being capital intensive nature and also the marketing expense for branding its products. Since inception the company showed operational profit but due to high financial expense burden it took about four years to earn net profit. However with the repayment of loan burden vis a vis sharp fall of financial expense the company reached to high profitable company. PHP, by far, has been a profitable concern with increasing yet stable turnover and margin over the years. The earnings of PHP are derived from selling of clear and mirror glass in local as well as foreign markets. The amount of net sales is increasing from FY05 to FY10 except in FY08 due to the global financial crisis. In FY10, the turnover was BDT 880.53 million against BDT 775.48 million in FY09 registering a growth of 13.55%. However, the gross profit and operating profit margin in FY10 decreased slightly from FY09 (GP Margin in FY09: 29.33% & FY10: 26.54% and OP Margin in FY09: 26.87% & FY10: 23.02%) due to the higher factory and administrative overhead cost but the net profit margin increased to 81.67% in FY10 which was just 15.57% in FY09 because of the capital gain of BDT 644.17 million thereby resulting in a healthy EPS of BDT 10.70. If the non-operating income i.e. capital gain resulting from selling of shares (quoted/unquoted) is not considered in this context, the net profit margin and EPS comes down to 12.55% and BDT 1.94 respectively.



Liquidity & Fund flow Analysis:

The company sources its raw materials from locally and internationally in order to ensure smooth production in the factory. Due to short collection period of receivables and timely repayments of payables, liquidity position remains at marginal level. It is reflected by the current ratio, which stood 0.36x, 0.44x and 0.70x at the end of FY08, FY09 and FY10 respectively. The inventory holding period reached to 210 days, 202 days and 128 days respectively in the above periods.

Capital Structure & Leverage

PHP's capital structure has improved in FY10 due to the retained earnings and repayment of inter-company loan. The equity base of the company reached at BDT 3348.58 million inclusive of revaluation reserve of BDT 2175.74 million in FY10 causing a healthy growth from the FY09. The debt/equity ratio stood at 0.29x considering the amount of revaluation reserve. It is mentionable that the Company has taken a new project to setup an aluminum plant under the same umbrella of PHP float glass which is in green field phase. The revenue base of PHP float glass will get stronger after the implantation of this new project.

Seasonal aspect of the company's business

The Company's business is not seasonal.

Known trends, events or uncertainties

Known events that may affect the business operations of the company are:

1. Shortage of Raw Materials in the country
2. Shortage of power or gas supply
3. Instability in Political Government and its policies
4. Financial Crisis
5. Natural disaster in the region

Changes in the assets of the company used to pay off any liabilities

There was no Changes in the assets of the company used to pay off any liabilities.

Loan taken from holding/parent company or subsidiary company

The Company does not have any holding/parent company or subsidiary company. No loan was received from any holding/parent company or subsidiary company.

Loan given to holding/parent company or subsidiary company

No loan has given to any holding/ parent company or subsidiary company.

Future contractual liabilities

Currently PHP FGIL has no plan to enter into any contractual obligation for investment within next one year.

Future capital expenditure

No other future capital expenditure is planned except Tk 2,256.73 million. This would be the capital investment after the proceeds from the IPO are received

VAT, income tax, customs duty or other tax liability

VAT

The company has no outstanding VAT up to 30 September 2010. The Company claimed VAT receivable of Tk.7,955,306 from the VAT authority concerned and the decision from their end is still pending at this stage. Previously, a writ petition was made against their order on 16 March 2010.

Income tax

Income tax assessment completed up to assessment year 2009-2010 and no income tax is outstanding up to 30 September 2010 except two cases was pending with Tax Authority for Tk. 6,469,839 on AY 2006-2007 and Tk. 4,252,565 on AY 2008-2009 a contingent liability was made in September, 2010 accounts against these disputes.

Customs duty or other liabilities

No customs duty or similar liabilities of the company are outstanding as on 30 September 2010.

Operating lease agreement

PHP FGIL did not have any operating lease agreement with any organization up to 30 September 2010

Financial lease and other financial commitment

PHP FGIL had Financial Lease agreements with the following organizations up to 30 September 2010.

Sl. No.	Lessor	Lease Amount (in TK.)	Installment Per Month (in TK.)	Sanction Date	Expiry Date
1	IPDC	100,000,000	2,277,542	13-10-2009	13-10-2014
2	IPDC	100,000,000	2,682,750	15-02-2010	15-02-2014
3	SABINCO	80,000,000	6,553,208	16-03-2008	16-01-2012
4	Hajj Finance & Investment Ltd.	37,500,000	1,263,523	07-02-2010	02-10-2013
5	National Housing Finance & Investment Ltd.	100,000,000	2,305,450	10-08-2010	05-08-2014
6	Phoenix Leasing Co. Ltd	50,000,000	1,166,667	28-12-2005	05-02-2011
7	United Leasing Co. Ltd.	11,000,000	2,446,890	25-10-2005	30-11-2010
	Total	478,500,000			

Personnel related scheme

The Company, through a board of trustees, maintains a *government recognized Provident Fund* for all eligible permanent employees. All permanent employees of the Company (who are nationals of Bangladesh and on the payroll of the company) shall be eligible to become members of the Fund. For this fund, 10% deductions are made from the members as well as the company at the time of each periodical salary to the trustees.

Revaluation of Assets

The Company made revaluation of its assets in FY 2010 which has been reflected in the Financial Statements of that year. Particulars of the valuer and summary of report are as follows:

Name : MRH Dey & Co.
 Qualification : A firm of Chartered Accountants
 Work done (report date) : 31 May, 2010
 Reason for Revaluation : To incorporate the fair present value of the major assets of the company in the financial statements.
 Other major works done by the valuer : As a Chartered Accountants Firm, it did valuation jobs in addition to normal audit works namely : (i) Standard Chartered Bank, (ii) HSBC, (iii) Eastern Bank Limited, (iv) One Bank Limited, (v) Dhaka Bank Limited, (vi) Prime Bank Limited, (vii) Mutual Trust Bank Limited, (viii) T. K. Group of Companies (15 Concerns), (ix) Kuliarchar Group (6 Companies), (x) Abul Khair Group (15 Companies), Sanmar Group (6 Companies), Meghna Petroleum (Quoted)

Itemizing showing comparison

(As per Audit Report)

Particulars	Asset Value Before Revaluation (Tk.)	Revalued Amount (Tk.)	Revaluation Surplus (Tk.)
Land and Land Development	34,410,971	933,482,500	899,071,529
Building	602,860,248	1,488,938,695	886,078,447
Plant & Machinery	811,334,143	1,201,925,161	390,591,018
Total	1,448,605,362	3,624,346,356	2,175,740,994

Auditors' certificate regarding any allotment of shares to promoters or sponsor shareholders for any consideration other than in cash & bank.

This is to certify that as per share register and other relevant records maintained by PHP Float Glass Industries Limited, the company did not allot any shares for consideration other than in cash & bank to any shareholders including its promoters and/or sponsor shareholders up to September 30, 2010.

Dated, Chittagong
January 02, 2011

Sd/-
Basu Banerjee Nath & Co
(Chartered Accountants)

Transaction with Subsidiary/Holding Company or Associate Companies

PHP FGIL does not have any subsidiary/holding/associate company. Hence, there is no transaction record that could have been applicable here.

Material information which is likely to have an impact

There is no other material information which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

DIRECTORS AND OFFICERS

Information regarding directorship

Sl No.	Name of Director	Position	Age (Years)	Date of becoming director for the first time	Date of expiration of current term
1	Al-haj Mohammed Mizanur Rahman Chowdhury	Chairman	68	09 April 2003	*
2	Mrs. Tahmina Rahman Chowdhury	Director	56	09 April 2003	*
3	Mr. Mohammed Iqbal Hossain Chowdhury	MD & Director	36	09 April 2003	*
4	Mr. Mohammed Mohsin Chowdhury	Director	36	09 April 2003	*
5	Mr. Mohammed Anowarul Haque Chowdhury	Director	35	09 April 2003	*
6	Mr. Mohammed Ali Hossain Chowdhury	Director	31	09 April 2003	*
7	Mr. Mohammed Amir Hossain Chowdhury	CEO & Director	29	09 April 2003	*
8	Mr. Mohammed Zahirul Islam Chowdhury	Director	28	09 April 2003	*
9	Mr. Mohammed Akther Parvez Chowdhury	Director	27	09 April 2003	*

* According to Articles of Association of the company, one-third of the directors or if their number is not three or multiple of three then the number nearest to one-third shall retire from office by rotation at the Annual General Meeting.

Directors' involvement in other organizations

Name of the directors	Name of the Company	Relationship
Al-haj Mohammed Mizanur Rahman Chowdhury	PHP Corporation Ltd. R.M. Corporation Limited PHP Cold Rolling Mills Ltd. PHP Oxygen Ltd. PHP Steels Ltd. PHP Continuous Galvanizing Mills Ltd. PHP Ship Breaking & Recycling Industries Ltd. PHP Fisheries Limited PHP Latex and Rubber Products Limited PHP Power Generation Plant Ltd. PHP NOF Continuous Galvanizing Mills Ltd PHP Power Company Limited PHP Spinning Mills Ltd. PHP Stocks & Securities Ltd PHP Overseas Ltd. PHP Petro Refinery Limited Pelicon Properties Limited PHP Shipping Lines Limited	Managing Director Managing Director Chairman Managing Director Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman Chairman
Mrs. Tahmina Rahman Chowdhury	PHP Corporation Ltd. R.M. Corporation Ltd. PHP Cold Rolling Mills Ltd. PHP Ship Breaking & Recycling Industries Ltd. PHP Oxygen Ltd. PHP Steels Ltd. PHP Continuous Galvanizing Mills Ltd. PHP Power Generation Plant Ltd. PHP NOF Continuous Galvanizing Mills Ltd PHP Spinning Mills Ltd. PHP Overseas Ltd. PHP Stocks & Securities Ltd PHP Petro Refinery Limited Pelicon Properties Limited PHP Shipping Lines Limited PHP Power Co. Ltd. PHP Fisheries Ltd. PHP Latex and Rubber Products Ltd.	Chairman Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director
Mr. Mohammed Iqbal Hossain Chowdhury	PHP Corporation Ltd. R.M. Corporation Ltd. PHP Cold Rolling Mills Ltd. PHP Ship Breaking & Recycling Industries Ltd. PHP Oxygen Ltd. PHP Steels Ltd. PHP Continuous Galvanizing Mills Ltd. PHP Power Generation Plant Ltd. PHP NOF Continuous Galvanizing Mills Ltd PHP Spinning Mills Ltd. PHP Overseas Ltd. PHP Stocks & Securities Ltd PHP Petro Refinery Limited Pelicon Properties Limited PHP Shipping Lines Limited PHP Power Co. Ltd. PHP Fisheries Ltd. PHP Latex and Rubber Products Ltd.	Director Director Managing Director Director Director Director Director Director Director Director Director Managing Director Director Director Director Director Director Director Managing Director Director Director

Directors' involvement in other organizations

Name of the directors	Name of the Company	Relationship
Mr. Mohammed Amir Hossain Chowdhury	PHP Corporation Ltd. R.M. Corporation Ltd. PHP Cold Rolling Mills Ltd. PHP Ship Breaking & Recycling Industries Ltd. PHP Oxygen Ltd. PHP Steels Ltd. PHP Continuous Galvanizing Mills Ltd. PHP Power Generation Plant Ltd. PHP NOF Continuous Galvanizing Mills Ltd PHP Spinning Mills Ltd. PHP Overseas Ltd. PHP Stocks & Securities Ltd PHP Petro Refinery Limited Pelicon Properties Limited PHP Shipping Lines Limited PHP Power Co. Ltd. PHP Fisheries Ltd. PHP Latex and Rubber Products Ltd.	Director Director Director Director Director Director Director Director Managing Director Director Director Director Director Director Director Director Director Director Director
Mr. Mohammed Zahirul Islam Chowdhury	PHP Corporation Ltd. R.M. Corporation Ltd. PHP Cold Rolling Mills Ltd. PHP Ship Breaking & Recycling Industries Ltd. PHP Oxygen Ltd. PHP Steels Ltd. PHP Continuous Galvanizing Mills Ltd. PHP Power Generation Plant Ltd. PHP NOF Continuous Galvanizing Mills Ltd PHP Spinning Mills Ltd. PHP Overseas Ltd. PHP Stocks & Securities Ltd PHP Petro Refinery Limited Pelicon Properties Limited PHP Shipping Lines Limited PHP Power Co. Ltd. PHP Fisheries Ltd. PHP Latex and Rubber Products Ltd.	Director Director Director Director Director Director Director Director Director Director Managing Director Director Director Director Director Director Director Director Director Director
Mr. Mohammed Akther Parvez Chowdhury	PHP Corporation Ltd. R.M. Corporation Ltd. PHP Cold Rolling Mills Ltd. PHP Ship Breaking & Recycling Industries Ltd. PHP Oxygen Ltd. PHP Steels Ltd. PHP Continuous Galvanizing Mills Ltd. PHP Power Generation Plant Ltd. PHP NOF Continuous Galvanizing Mills Ltd PHP Spinning Mills Ltd. PHP Overseas Ltd. PHP Stocks & Securities Ltd PHP Petro Refinery Limited Pelicon Properties Limited PHP Shipping Lines Limited PHP Power Co. Ltd. PHP Fisheries Ltd. PHP Latex and Rubber Products Ltd.	Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Director Managing Director Managing Director Managing Director Managing Director Director Director Director

Family relationship among Directors

Name	Position of the Company	Relationship
Al-Haj Mohammed Mizanur Rahman Chowdhury	Chairman	Self
Mrs. Tahmina Rahman Chowdhury	Director	Wife of Al-haj Mohammed Mizanur Rahman Chowdhury
Mr. Mohammed Iqbal Hossain Chowdhury	Managing Director & Director	Son of Al-Haj Mohammed Mizanur Rahman Chowdhury
Mr. Mohammed Mohsin Chowdhury	Director	Son of Al-Haj Mohammed Mizanur Rahman Chowdhury
Mr. Mohammed Anowarul Haque Chowdhury	Director	Son Al-Haj Mohammed Mizanur Rahman Chowdhury
Mr. Mohammed Ali Hossain Chowdhury	Director	Son Al-Haj Mohammed Mizanur Rahman Chowdhury
Mr. Mohammed Amir Hossain Chowdhury	CEO & Director	Son of Al-Haj Mohammed Mizanur Rahman Chowdhury
Mr. Mohammed Zahirul Islam Chowdhury	Director	Son of Al-Haj Mohammed Mizanur Rahman Chowdhury
Mr. Mohammed Akther Parvez Chowdhury	Director	Son of Al-Haj Mohammed Mizanur Rahman Chowdhury

Family relationship among Directors and top five officers

No family relationship exists among the directors and top five officers of the Company except with Mr. Mohammed Iqbal Hossain Chowdhury and Mr. Mohammed Amir Hossain Chowdhury .

Short bio-data of the directors

Al-Haj Mohammed Mizanur Rahman Chowdhury

Chairman

Al-Haj Mohammed Mizanur Rahman Chowdhury, Chairman of the Company, looks after all the activities of the group. He has already distinguished himself as one of the leading industrialists of the country. He started his career as a professional banker after completion his graduation in Commerce from Dhaka University. After certain period, he left the job in 1969 to start business with his brother-in-law Mr. Rokonuddin Mollah under the RM group. Under his leadership, RM group was established as one of the largest business conglomerates in the country having investments in several diversified sectors. In 1999, business of RM Group was divided and the concerns located at Chittagong was transferred to Al-Haj Mohammed Mizanur Rahman Chowdhury under the umbrella of PHP Group. The Group has so far successfully established different business concerns in different sectors under his leadership and now considered as an emerging conglomerate of the country.

Mrs. Tahmina Rahman Chowdhury

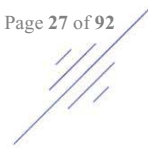
Director

Mrs. Tahmina Rahman Chowdhury, wife of Al-Haj Mohammed Mizanur Rahman Chowdhury, had been involved in their family business from the very beginning. She is the chairman of PHP Corporation Limited and Director of all other concerns of the group. A large number of non-profit and entirely charitable educational institutions are run by Tahmina Rahman Chowdhury. These, amongst others, include Alhaj Sufi Md. Dayemuddin Hospital, Rungong, Narayangonj.

Mr. Mohammed Iqbal Hossain Chowdhury

Managing Director & Director

Mr. Mohammed Iqbal Hossain Chowdhury received his graduation in Business Administration (B.B.A) from North Eastern University, Boston, U.S.A. in 1997. Immediately after the completion of his B.B.A, he joined his family business “PHP Group”. Mr. Hossain is also the Managing Director of PHP Cold Rolling Mills Limited and Director of all other group concerns.



Mr. Mohammed Mohsin Chowdhury**Director**

Mr. Mohammed Mohsin Chowdhury, the eldest son of Mr. Rahman, graduated in Business Administration from USA. After completion of his studies, he joined his father to look after the business of the group. He is also the Managing Director of PHP Steels Limited and PHP Ship Breaking and Re-cycle Limited and Director of all other concerns of the group.

Mr. Mohammed Anowarul Haque Chowdhury**Director**

Mr. Haque received his graduation in industrial Engineering from North Eastern University, Boston, U.S.A. in 1997. He looks after the technical aspect of all the concerns of the group. He is holding directorship of all the group concerns.

Mr. Mohammed Ali Hossain Chowdhury**Director**

Mr. Mohammed Ali Hossain Chowdhury is a son of Mr. Rahman. He has completed his studies in B.B.M. from University of Canberra, Australia in the year 2002. After the completion of education, he joined the PHP group.

He is also Director of PHP Steels Limited, PHP Ship Breaking and Re-cycling Industries Limited, PHP Continuous Galvanizing Mills Limited and PHP Cold Rolling Mills Limited.

Mr. Mohammed Amir Hossain Chowdhury**CEO and Director**

Mr. Mohammed Amir Hossain Chowdhury completed Diploma as well as Bachelor Degree in Advertising & Marketing from the University of Canberra, Australia. Currently, he is acting as the Chief Executive Officer of the company. By virtue of dynamic personality coupled with exposure in diverse business activities especially in the functional areas of marketing, advertising, forecasting, research & development, etc., he has contributed immensely in creating an uptrend in demand of the Company's products. His strategic analysis of the market and thorough understanding of the operations have helped the Company generate substantial revenue over the years.

Mr. Mohammed Zahirul Islam Chowdhury**Director**

Mr. Zahir has a bachelor degree in Information Technology from University of Canberra, Australia in the year 2004. In addition to acting as a director of PHP FGIL, he is also holding responsibilities in other sister concerns of the group.

Mr. Mohammed Akther Parvez Chowdhury**Director**

Mr. Akther, a director of the Company, graduated in Bachelor of Communication from University of Canberra, Australia in 2004. He is also the Managing Director of PHP Stocks & Securities Limited, PHP Shipping Lines Limited, Pelican Properties Limited, and PHP Petro Refinery Limited.

Credit Information Bureau (CIB) report

Neither the company nor any of its directors or shareholders who holds 5% or more shares in the paid up capital of the issuer is a loan defaulter in terms of the CIB report of Bangladesh Bank.

Description of senior executives and heads of department

Sl. No	Name	Designation	Educational Qualification	Date of Joining	Experience
1	Mr. Md. Iqbal Hossain Chowdhury	Managing Director & Director	Graduation in Business Administration	09.04.2003	8 Years Experience with the Company
2	Mr. Mohammed Amir Hossain Chowdhury	CEO and Director	Bachelor Degree in Advertising & Marketing	09.04.2003	8 Years Experience with the Company
3	Mustafa Jamal Hossain ACA	CFO	M.Com (Accounting), Chartered Accountants	2010 Onward (01.08.2010)	Professional Accountant with more than 10 years experience with 3 years experience as Head of Accounts in Delta Life Insurance Company Ltd. and Islamic Finance & Investment Ltd. Working with PHP Group from 2010.
4	A.K.M.Shamsul Alam	Vice President Operation	B.Sc. Engr.(Mechanical)	01.08.2003	More than 36 years of experience of which 8 years in PHP FGIL.
5	Md. Mustafizur Rahman	Company Secretary	B.Sc(Hon's) M.Sc	2010 Onward (23.08.2010)	More than 20 years of experience as Company Secretary of listed and other companies
6	Md.Mizanur Rahman	Head of Marketing	MIS (Masters in International Studies)	01.03.2007	10 Years including 2 years abroad
7	Mr. Md. Al-Ameen	AGM & Head of Civil (Construction)	B.Sc. Engr. (Civil)	21.06.1997	More than 26 years of wide experience of which 14 years with PHP Group
8	Mr. Jamal Hossain	Deputy Manager & Head of Quality control	M.Sc.	01.06.2004	More than 15 Years of Experience out of which 6 years with PHP Group

INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

No director or officer of the Company was involved in any of the following types of legal proceedings in the last ten years:

- (a) Any bankruptcy petition filed by or against company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- (b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
- (c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- (d) Any order of the Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transaction with related parties

Neither any proposed transaction nor any other transaction during the last two years, had taken place between the issuer and any of the following persons:

- (a) Any director or executive officer of the issuer;
- (b) Any director or officer;
- (c) Any person owning 5% or more of the outstanding shares of the issuer;
- (d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.
- (e) Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of prospectus.
- (f) Any loan either taken or given from or to any director or any person connected with the director, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan.

Except the transactions shown under “Related Party Transactions”, note – 3.11 of audited accounts and director’s facilities shown hereunder.

Name of the Party	Nature of Relationship	Nature of Transactions	Outstanding as on 30.09.2010		Pricing Policy
PHP NOF Continuous Galvanizing Mills Ltd.	Common Shareholder	Various Transaction	360,796,753	Cr	-
PHP Stocks & Securities Ltd.	Common Shareholder	Sell of Securities	(9,277)	Dr	Fair Value
PHP Cold Rolling Mills Ltd.	Common Shareholder	Various Transaction	230,258,628	Cr.	-

Directors' facilities

The Directors of PHP FGIL does not enjoy any facilities other than salary as under:

Name	Designation	Benefits	Amount in Taka
Mr. Mohammed Amir Hossain Chowdhury	CEO and Director	Remuneration	250,000 per month

EXECUTIVE COMPENSATION

Remuneration paid to top five salaried officers

Sl. No	Name	Designation	Amount (per Month) TK.
1	Al-Haj Mohammed Amir Hossain Chowdhury	CEO and Director	250,000
2	Mustafa Jamal Hossain ACA	CFO	76,125
3	A.K.M.Shamsul Alam	Vice President Operation	69,760
4	Md. Mustafizur Rahman	Company Secretary	61,600
5	Md.Mizanur Rahman	Head of Marketing	34,340
6	Mr. Md. Al-Ameen	AGM & Head of Civil (Construction)	33,400

Aggregate amount of remuneration paid to directors and officers

(As per audited accounts)

Group	Amount paid (01-10-09 to 30-09-10)	Amount paid (01-10-08 to 30-09-09)
Directors Remuneration	750,000	-
Officers' salaries, benefits & bonuses including management emoluments	25,059,895	11,085,715

Remuneration paid to directors who was not an officer of the company

Except the CEO of the Company “Mr. Mohammed Amir Hossain Chowdhury”, no director is paid remuneration for performing extra services for the Company.

Future compensation to Directors or Officers

There is no contract with any director or officer for future compensation.

Pay increase intention

The company is yet to finalize its personnel policy. However, well organized performance appraisal is carried out at regular intervals and salary and benefits of the employees are made depending on their individual performance as well as teamwork.

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The company has not granted any option to directors, officers or employees.

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

The Director and subscribers to the memorandum have not received any benefits except remuneration received by the CEO “Mr. Mohammed Amir Hossain Chowdhury”, directly or indirectly during the last five years. The issuer also has not received any assets, services or other consideration from its Directors and subscribers to the memorandum.

No assets were acquired or are to be acquired from the Directors and subscribers to the memorandum.

TANGIBLE ASSETS PER SHARE

(As of 30 September 2010)

Particulars	Taka
Non-Current Assets	3,836,203,946
Current Assets	590,393,508
Total Assets	4,426,597,454
Long Term Liabilities	234,194,909
Current Liabilities	843,820,077
Total Liabilities	1,078,014,986
Net Tangible Assets	3,348,582,468
Total No. of Ordinary Shares outstanding	70,510,000
Net tangible assets per share	47.49

OWNERSHIP OF THE COMPANY'S SECURITIES AS ON 30 SEPTEMBER 2010

Shares held by Directors as per audited financial Statements

Sl. No	Name of the Share Holders	Address	Status	Total No of Share Issued	Share holding Position
1	Al-Haj Mohammed Mizanur Rahman Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Chairman	1,500	0.002%
2	Mrs. Tahmina Rahman	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	1,000	0.001%
3	Mr. Mohammed Iqbal Hossain Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Managing Director & Director	10,072,500	14.285%
4	Mr. Mohammed Mohsin Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%
5	Mr. Mohammed Anowarul Haque Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%
6	Mr. Mohammed Ali Hossain Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%
7	Mr. Mohammed Amir Hossain Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	CEO & Director	10,072,500	14.285%
8	Mr. Mohammed Zahirul Islam Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%
9	Mr. Mohammed Akther Parvez Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%
Total				70,510,000	100.00%

Shareholding structure for 5% or more as on 30 September 2010

Sl. No	Name of the Share Holders	Address	Status	Total No of Share Issued	Share holding Position
1	Mr. Mohammed Iqbal Hossain Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Managing Director & Director	10,072,500	14.285%
2	Mr. Mohammed Mohsin Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%
3	Mr. Mohammed Anowarul Haque Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%
4	Mr. Mohammed Ali Hossain Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%
5	Mr. Mohammed Amir Hossain Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	CEO & Director	10,072,500	14.285%
6	Mr. Mohammed Zahirul Islam Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%
7	Mr. Mohammed Akther Parvez Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Director	10,072,500	14.285%

Securities owned by the officers

The following officers own shares of the company as on 30 September.

Sl. No	Name of the Share Holders	Address	Status	Total No of Share Issued	Share holding Position
1	Mr. Mohammed Iqbal Hossain Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	Managing Director & Director	10,072,500	14.285%
2	Mr. Mohammed Amir Hossain Chowdhury	House No: 16/B/A, Road No: 3, Nasirabad Housing Society, Chittagong.	CEO & Director	10,072,500	14.285%

DETERMINATION OF OFFERING PRICE

The Issue Price has been determined by the Issuer in consultation with Issue Manager on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is Tk. 10 and Indicative Price is **Tk.75/-** including premium Tk. 65/-. Investors should read the following summary with the risk factors and the details about our Company and its financial statements.

Procedures to be followed for determining price under Book Building Method:

Book Building is a process through which an issuer attempts to determine the price to offer its security based on demand from institutional investors. Under the process, the price of an IPO share will be determined through an automated bidding to be participated by different financial institutions and then the share will be opened for the IPO participant at the cut-off price determined during the book building process. The bidding will be handled through a uniform and integrated automated system of the stock exchanges, or any other organization as decided by the Commission, especially developed for book building method. The entire procedure of price discovery under book building method is delineated below.

(a) The issuer/issue manager shall issue invitation to the eligible institutional investors, both in writing and through publication in at least 5 (five) widely circulated national dailies, giving at least 10 (ten) working days time, to attend the road show/presentation/seminar indicating time and venue of such event. The invitation letter shall accompany an information document containing all relevant information covering the proposed issue of the issuer. The eligible institutional investors shall submit indicative price to the issuer/issue manager, signed jointly by the Chief Executive Officer (CEO) and the Financial Analyst, highlighting the factors taken into consideration in support of the indicative price, within the next 3(three) working days of the said road show/presentation/seminar;

(b) The Information Document (ID) Shall be sent to the following institutions/ associations, unless otherwise directed by the Commission, at least 5(five) working days prior to the road show/ presentation/ seminar:

- (i) Stock Exchanges
- (ii) Bangladesh Association of Publicly Listed Companies (BAPLC)
- (iii) Bangladesh Merchant Bankers' Association (BMMA)
- (iv) Bangladesh Association of Banks (BAB)
- (v) Bangladesh Leasing and Finance Companies Association (BLFCA)
- (vi) Bangladesh Insurance Association (BIA)
- (vii) Registered asset management Companies;

(c) Participation of the representatives of the stock exchanges and Bangladesh Merchant Bankers' Association in the road show/ presentation/ seminar as observer.

(d) The issuer, in consultation with the issue manager, shall quote its own indicative price in the prospectus based on the indicative prices so obtained from the eligible institutional investors: Provided that the quote of the indicative price in the prospectus shall not exceed the arithmetic mean of the price offers so obtained from the eligible institutional investors;

(e) The prospectus shall simultaneously be submitted to the Commission and the stock exchanges along with the due diligence statements issued by all concerned;

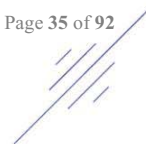
(f) If any issue fails to get indicative prices from at least 15 (fifteen) eligible institutional investors covering at least 3 (three) categories, including at least 5 (five) registered merchant bankers, the whole process shall be cancelled, which may be repeated with prior permission of the Commission.

(g) Rationale for the indicative price must be included in the prospectus i.e. the issuer is required to disclose in detail about the qualitative and quantitative factors justifying the indicative price;

(h) The indicative price shall be the basis for formal price building with an upward and downward band of 20% (Twenty Percent) of indicative price within which eligible institutional investors shall bid for the allocated amount of security.

(i) Eligible institutional investors bidding shall commence after getting consent from the Commission for this purpose.

- (j) Institutional bidding period shall be 2(two) successive working days, which may be changed with the approval of the Commission.
- (k) The issuer and the issue manager shall submit the status of bidding and the cut off price, along with the draft prospectus, simultaneously to the Commission and the stock exchanges within 3(three) working days from the closing day of the bidding.
- (l) If institutional quota is not cleared at 20% (Twenty Percent) below indicative price, the issue will be considered cancelled unless the floor price is further lowered within the face value of security. Provided that, the issuer's chance to lower the price shall not be more than once.
- (m) Prospectus will be posted on the Websites of the Commission, stock exchanges, issue manager and issuer at least 2 (two) weeks prior to the start of the bidding to facilitate investors to know about the company and all aspect of offering.
- (n) No institutional investor shall be allowed to quote for more than 10% (Ten Percent) of the total security offered for sale, subject to maximum of 5 (Five) bids.
- (o) The bidding will be handled through a uniform and integrated automated system of the stock exchanges, or any other organization as decided by the Commission, especially developed for book building method;
- (p) The volume and value of bid at different prices will be displayed on the monitor of the said system without identifying the bidder.
- (q) The institutional bidders will be allotted security on pro-rata basis at the weighted average price of the bids that would clear the total number of securities being issued to them.
- (r) Institutional bidders shall deposit their bid with 20% (Twenty Percent) of the amount of bid in advance to the designated bank account and the rest amount to settle the dues against security to be issued to them shall be deposited within 5 (Five) working days prior to the date of opening subscription for general investors.
- (s) In case of failure to deposit remaining amount that is required to be paid by institutional bidders for full settlement of the security to be issued in their favor, 50% (Fifty Percent) of bid money deposited by them shall be forfeited by the Commission. The securities earmarked for the bidder who defaulted in making payment shall be added to the general investor quota.
- (t) General investors, which include mutual funds and NRBs shall buy at the cut-off price;
- (u) There shall be a time gap of not more than 15 (fifteen) working days or as may be determined by the Commission, between closure of bidding by eligible institutional investors and subscription opening for general investors;
- (v) Subscription for general investors shall remain open for the period as specified by the Commission;
- (w) General investors shall place their application through banker to the issue; and
- (x) All application money shall be kept in a separate escrow account opened with a designated bank with prior intimation to the Commission. Issuer will not be allowed to utilize such money until all the process of issue is completed and Commission's consent to this effect is obtained.



Indicative Price for Book Building Purpose

Four very commonly used valuation methods applied to obtain the indicative price. These methods are also indicated in the Securities & Exchange Commission (Public Issue) Rules, 2006 for determination of offer price. Again the prices from all the four methods have been averaged to minimize influence of any unusual factor, if any, in obtaining the weighted average price as under:

Justification of offer price under different methods	Amount (Tk.)
Method 1: Share price on Net Asset Value (NAV) per share	47.49
Method 2: Historical Earnings based value per share	40.10
Method:3 Average Market price of Similar Products	236.74
Method 4: Valuation with reference to P/E ratio of similar stocks	52.19
Average price	94.12

From the above calculation the estimated fair price of share of PHP Float Glass is Tk. 94.12/- Considering the latest technology, sponsors sacrifice since inception and operational excellence the aforesaid fair price is very much reasonable.

However, considering the IPO to be attractive investment for the investors and the fund requirement for the proposed expansion, the issue manager along with the issuer derived an issue price at Tk. 75/- .

Qualitative Factors:

Further to the aforesaid calculations in determination of the fair price, the strengths of the company like asset base, machinery & technology used, expertise employed, brand image in the marketplace, along with other strengths noted under the “Strengths of the company” may be taken into consideration as all these together may make the price look attractive to the prospective investors.

The company has a huge asset base with latest machinery & technology sourced from Luoyang Technology of China. A team of foreign experts is working for the company for operations as well as maintenance in the factory so as to ensure continuous production flow over a long period of time. Besides, since the company is the pioneer in the industry (commercial production of the company started before the only competitor in the country using float glass technology), it established itself as a recognized brand throughout the country. Also, the company’s management consists of professionals who have vast expertise to increase growth in the relevant functional activities of the organization.

Calculations of Methodologies

Method 1: Share price on Net Asset Value (NAV) as at 30 September 2010

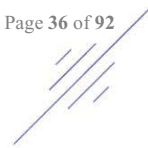
Based on the Audited Financial Statements as at 30 September 2010, Net Assets per share stands as under:

Sl. No.	Particulars	Amount (Tk.)
1.	Issued, Subscribed and Paid Up- Capital	705,100,000
2.	Tax Holiday Reserve	81,913,862
3.	Revaluation Reserve	2,175,740,994
4.	Retained Earnings	385,827,612
	Net Asset	3,348,582,468
	Number of Ordinary Shares	70,510,000
	Net Assets Value per Share	47.49

Method 2: Historical Earning-based-value per share

Earning based valuation is more appropriate for any matured company. PHP have already proved their market potentiality, strength of company’s asset and as well as growth of market share.

Capital intensive projects like PHP FGIL, usually takes a specific period of time throughout the growth phase until the maturity. Due to high interest burden these types of projects show huge losses until the loan burden reduces significantly. Therefore, it may be appropriate to consider only the latest EPS for price determination in this context. However, to be conservative in valuation, we have taken average of net profit of the last five years.



We set out below the calculation of five-year historical average Earning Per Share (EPS) as of 30 September 2010

Year	Net Profit After Tax (Tk.)
2010	754,698,321
2009	120,779,206
2008	(98,482,119)
2007	(81,624,010)
2006	(159,642,888)
Average of Net Profit	107,145,702
No. of Shares	70,510,000
Average EPS	1.519
Earning based value per share (EPS X DSE P/E*)	40.10

Average price to earnings ratio (P/E) for all companies listed with DSE during the same one year period from October 2009 to September 2010 was Tk.26.40 as illustrated in the calculation below:

Market P/E (month end)	P/E	Market P/E (month end)	P/E
October'09	20.38	April'10	29.88
November'09	25.00	May'10	27.73
December'09	25.65	June'10	24.08
January'10	29.35	July'10	24.55
February'10	30.58	August'10	25.81
March'10	27.59	September'10	26.29
Yearly average	26.40		

Source: DSE monthly Review as on 30 September 2010

Method:3 Average Market price of Similar stocks

Average Market price of Usmania Glass from October 2009 to September 2010 is Tk. 2367.40 at face value Tk. 100 each and Tk. **236.74** at face value Tk. 10.

Method 4: Valuation with reference to P/E ratio of similar stocks

Company Name	12- Month Avg. Market Price (Tk.)	NAV	EPS (Tk.)	P/E	P/Bv
Usmania Glass	2367.40	487.24	88.01	26.90	4.86

Price Earning Ratio of Usmania Glass is 26.90 as on 30 September 2010, so on the basis of said P/E ratio the fair price of PHP Float Glass industries Ltd. will be as follows:

Fair Price: EPS as on 30 September 2010 (except Capital Gain) X P/E Ratio
1.94 X 26.90 or **Tk. 52.19**

Note: Following a conservative approach, under the valuation with reference to P/E ratio of similar stocks, we have ignored the EPS Tk. 10.70 that includes capital gain. If we considered the capital gain in calculating the fair price of the stock, it would increase the value to Tk. 287.83. Instead we took Tk.52.19, considering EPS of Tk.1.94; i.e. without the capital gain.

MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to the following two Stock Exchanges within 7 (seven) working days from the date of consent accorded by the SEC to issue the prospectus:



Dhaka Stock Exchange Limited
9/F, Motijheel C/A,
Dhaka-1000

And



Chittagong Stock Exchange Limited
CSE Buildng, 1080 Sk. Mujib Road
Agrabad, Chittagong-4100

Declaration about listing of shares with the stock exchange(s)

None of the stock exchanges(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (seventy five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time allowed for refund of the subscription money.

Trading and settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the Company.

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

Dividend, voting, pre-emption rights

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles Association of the company. All shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra Ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the SEC from time to time.

Conversion and liquidation rights

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.



Dividend policy

- (a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- (b) No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- (c) No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- (d) The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- (e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- (f) There is no limitation on the payment of dividends is to common or preferred shareholders, because of provision in debt instruments or otherwise.

Other rights of stockholders

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as un audited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

DEBT SECURITIES

There is no debt securities issued or plan to be issued by the company within 6 (six) months.

Lock-In on Sponsors' Shares

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the lock in status of the shareholders of PHP FGIL:

Sl No.	Name of Director	Position	Date of becoming director for the first time	Lock-in Period
1	Al-Haj Mohammed Mizanur Rahman Chowdhury	Chairman	April 09, 2003	[*]
2	Mr. Mohammed Iqbal Hossain Chowdhury	Managing Director & Director	April 09, 2003	[*]
3	Mrs. Tahmina Rahman Chowdhury	Director	April 09, 2003	[*]
4	Mr. Mohammed Mohsin Chowdhury	Director	April 09, 2003	[*]
5	Mr. Mohammed Anowarul Haque Chowdhury	Director	April 09, 2003	[*]
6	Mr. Mohammed Ali Hossain Chowdhury	Director	April 09, 2003	[*]
7	Mr. Mohammed Amir Hossain Chowdhury	CEO & Director	April 09, 2003	[*]
8	Mr. Mohammed Akther Parvez Chowdhury	Director	April 09, 2003	[*]
9	Mr. Mohammed Zahirul Islam Chowdhury	Director	April 09, 2003	[*]

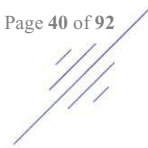
REFUND OF SUBSCRIPTION MONEY

As per SEC Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

(a) Through banking channel for onward deposit of the refund money into the applicant’s bank account as provided in the respective application form for subscription;
or

(b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant’s bank account, the applicant will bear the applicable service charge, if any, of the applicant’s banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.



SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”.
2. The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.
3. Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank’s name and Branch as indicated in the securities application form. If the applicants’ bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned above under “Refund of Subscription Money”, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

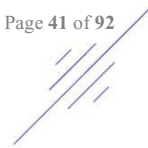
AVAILABILITY OF SECURITIES

Offer

1. Shares

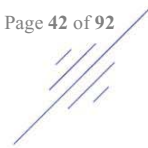
Particulars	No. of Shares	Amount (Tk.)
A. 20% of IPO of Ordinary Shares shall be reserved for Eligible Institutional Investors.	6,000,000	450,000,000
B. 10% of IPO of Shares shall be reserved for Non Resident Bangladeshis	3,000,000	225,000,000
C. 10% of IPO of Shares shall be reserved for Mutual funds and Collective Investment schemes registered with the Commission	3,000,000	225,000,000
D. Remaining 60% of IPO of Shares shall be opened for subscription by The General Public.	18,000,000	1,350,000,000
Total (A+B+C+D)	30,000,000	2,250,000,000

2. All as stated in 1(A), 1(B), 1(C) and 1(D) shall be offered for subscription and subsequent allotment by the Issuer, subject to any restriction, which may be imposed, from time to time, by the Securities and Exchange Commission.
3. Under the clause 1(A), the Institutional Investors will be allotted security on a pro-rata basis at the weighted average price of the bids that would clear the total number of securities being offered to the Institutional Investors.
4. The securities offered to the investors under clause 1(B), 1(C) and 1(D) will be at the cut-off price determined during the Book Building Process.
5. In case of over-subscription under any of the categories mentioned in the clause 1(B), 1(C) and 1(D), the Issue Manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.
6. In case of under-subscription under any of the 10% category as mentioned in clause 1(B) and 1(C), the unsubscribed portion shall be added to the general public category, and, if after such addition there is over-subscription in the general public category the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
7. In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).
8. The lottery as stated in clause (5) and (6) should be conducted in the presence of the representatives of Issuer, Stock Exchange(s) and the applicants, if there be any.



CORPORATE DIRECTORY

Registered Office	PHP FLOAT GLASS INDUSTRIES LIMITED 31, Agrabad Commercial Area, Chittagong – 4100 Tel: (031) 2511037-41 Fax: 031-726981
Factory Address	Barabkunda, Sitakunda, Chittagong Tel: 03028-56259 Fax: 03028-56260
Auditor	Basu Banerjee Nath & Co. Chartered Accountants Taher Chamber (Ground Floor) 10, Agrabad Commercial Area Chittagong – 4100 Tel: 031-2512931, 031-284760 Fax: 031-721201
Manager to the Issue	Alliance Financial Services Limited Rahman Chamber (3 rd floor) 12-13 Motijheel C/A, Dhaka- 1000 Tel: 9515468, 9515469 Fax: 88-02-9515467 web: www.allfin.org
Valuer	MRH Dey & Co. R. B. Court (Ground Floor) 54, Agrabad Commercial Area, Chittagong. Tel: 031-721342, 031-725549, 031-717229 Fax: 031-2517906
Company’s Compliance Officer	Md. Mustafizur Rahman Company Secretary



RISK FACTORS & MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

Investors should be aware that any investment in equity shares involves high degree of risks. These risks may result in loss of income or capital investment. Therefore, investors should carefully consider all the information provided in this prospectus, including the risks described below, prior to investment in the equity shares of the company. The risk factors and mitigation laid down below should be read in conjunction with the financial and non-financial information of the company as provided in the prospectus for a better understanding about the company's overall business.

Interest Rate

Fluctuations in the interest rates (cost of borrowed funds) in a country affect the profitability as well as liquidity position of a company. It is relevant for the companies having loans/borrowings from banks/other financial institutions and significant for those with large loans/borrowings. A favorable movement in the interest rates for the company results in positive effect on profitability of that company and an adverse volatility in such rates results in a negative consequence thereof.

Management perception

The Company borrows funds from banks/financial institutions at the competitive interest rate. The Company borrows its funds within 10% to 13% range of interest rates which under the present circumstances, have proven to be the competitive rates provided by the fund suppliers throughout the country. Besides, the interest cover ratio is above 13 times and gearing level (Total debt/Equity) stands at approximately 0.29x only.

Foreign Exchange rate

The Company faces some degree of foreign exchange rate fluctuation risk as the company imports raw materials and exports the finished goods to overseas countries. Since payments and receipts are made in foreign currency and domestic currency as well, and therefore, fluctuation/movement (favorable or unfavorable) between the currencies may affect the company's profitability.

Management perception

The Management of the company is very much aware of the risk and it has policy for continuous monitoring of the fluctuations on day to day basis so as to seize the opportunity from any favorable movement in the currencies (normally US Dollars and BDT) whilst avoiding any unexpected movements in those currencies.

Industry Risk

Industry risk relates to uncertainties caused by certain features unique to the industry in which a company operates. Gap between the demand and supply, safety compliances, relevant government regulations, labor laws, market growth, industry life cycle, etc. may be considered as relevant features of the industry.

Management perception

PHP FGIL has a sound and competent management team which is led by a group of professionals who are experienced in their respective fields and have the know-how about the industry growth and influential factors. The management is very well-versed in tackling industry requirements including various safety compliances for the Factory as well as Office, relevant NBR regulations, Bangladesh Accounting Standards, Bangladesh Standards on Auditing, etc. The management of the company has formulated various Standard Operating Procedures (SOPs) at all levels of management to effectively mitigate the various industrial risks which the company may be subjected to.

Market and technology-related risks

Market risk refers to the risk of any unwanted or adverse market conditions that may affect the turnover and consequent profitability of a company.

Technologies used by a company may provide competitive advantage if it has an edge over the ones used by the competitors. Failure to compete with the other market players in terms of technology would result in adverse effect on the company's productivity as well as profitability. PHP being a capital intensive entity it would require technological edge over its competitors in order to build and maintain its position in the marketplace(s) in the years to come.

Management perception

The management, at regular intervals, carries out environmental scanning so that any unwanted or adverse market condition is unable to affect the operations of the company. Furthermore, the company has setup its project with

modern brand new imported machineries. It will continuously upgrade its machines and technology from time to time in order to maintain its competitive edge in the marketplace in terms of technological advancement.

Raw Materials Costs

Raw material cost constitutes around 38% of the cost of sales of glass sheets. Ability to control raw material costs is therefore a key determinant of profitability. Although glass manufacturers are able to pass on the increases in raw material prices to their customers, generally, the profitability of the companies who have control over their raw material costs would be higher.

Management perception

The procurement department of the company is very active in this regard and they bargain with the suppliers for obtaining the most competitive quotations so as to keep the cost of raw material to minimum. Also, the professionals within the management oversee every movement in prices of such materials and take decision in line with operational as well as strategic objectives of the Company.

Distribution network

A very few strong manufacturers of glass including some quoted one(s) are competing in the domestic market and the distribution channel plays a key role in generating revenue of the company. The wider the distribution network a company can expand, the more it may be able to capture the market share in the respective industry. Also, stronghold relationship with the distributors help a company promote its products in a way the company intends to represent itself to its end customers as well as the overall society. Grabbing the location advantage is a crucial factor in this business in order to capture adequate or maximum market share possible.

Management Perception

The company distributes its products in all the divisions across the country. Presently, the company has more than 268 active dealers in the country, who distribute the products of PHP FGIL throughout the year. Furthermore, the Company maintains a very strong relationship with the distributors who uncompromisingly cater the products to the final customers. Besides PHP FGIL, only one company produces Float Glass in the country. The location of the industry is also very crucial to the distribution process as the products are fragile in nature. The competitor of the company is based in Dhaka and hence it dominates the markets in this zone whereas Chittagong based PHP FGIL has captured the markets of Chittagong and other adjacent zonal areas. However, in the very near future, the company is planning to expand its distribution network by setting up few warehouses in Chittagong, Dhaka, Sylhet, Khulna and Bogra, as part of its market development strategy.

Competitive Risk

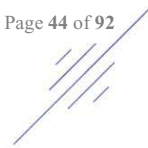
Competition among the major players in the market plays a key role in determining the status of how each of them has positioned itself in the market(s) concerned. Companies with vast financial resources, up-to-date technology, or quality production processes may gain competitive advantage over the competitors as those enable them to deliver products on more attractive terms or to invest large amounts of capital into their businesses, including greater expenditure for better and more efficient production capabilities. The competitors may limit the opportunity of the Company to expand its' market share and may compete with it on quality and pricing of products. The business, financial condition and prospects of the Company could be adversely affected if it is unable to compete with its competitors and sell the products at competitive prices.

Management Perception

Competing with the established companies has always been a challenge for the Company. The management of the company views the competition positively as it gives opportunity to the company to improve its financial position, production processes, technology, etc. The Company established the first float glass industry in the country and being the pioneer in the country, the management is never complacent and always strives for continuous improvement in all respects so as to position itself as the market leader in the industry in the near future. Besides, the management appraises its performance against other functions/departments within the organization, quality processes available in the industry, and the best competitors in the country; and formulates strategies to build on the strengths, exploit the opportunities whilst overcoming and mitigating the weaknesses and threats posed by competitive market conditions.

Operational Risk

This type of risk results from the operations of the company and this especially refers to interruption of the company operations that may result in monetary loss, reputation damage or non-operation.



Management Perception

The manufacturing process of PHP FGIL is fully automated and equipped with sophisticated computer controls. A number of employees/staff were trained in China and there are expert expatriates from China working for the company. These employees ensure that the operations run smoothly round the clock and no interruption of any kind takes place.

Power

Power is an important element in this sector since uninterrupted power supply is required for float glass manufacturing. Any interruption in power supply at the factory, would cause catastrophic damage to the company's operations and hence will affect the profitability of the project. Power supply at the sand washing plant is also very significant although interruption may not cause substantial damage to the company's operations. Also, both gas and water supply play an important role for the production of float glass.

Management Perception

Power at the Factory: The Company has 3 gas based captive power plants with additional backup of 2 diesel based power plants. All these 5 power plants have an aggregate capacity of 9.85 MW of capacity where the requirement on an average is about 2.5 MW only. Due to multiple backup of supply, the company is utilizing power less than one third of the available capacity. The power supply is taken from PHP Power Company Limited which has an agreement with PHP FGIL for supply of uninterrupted dedicated power supply at all times.

Power at Sand Washing Plant: Power requirement at the Sand Washing Plant is about 350 to 400 KW as against the capacity of 500 KW is available from REB (50KW) and Captive based Generator (450 KW) totaling total capacity of 500 KW.

Besides, the Company is enjoying gas supply from Bakhrabad Gas Services. Also, 2 water treatment plants and adjacent lake provide the required 300 tons of water per day at the factory. For the sand washing plant, 2 nos. of deep tube-wells are available which can pump in 200 tons per hour sufficient to match the requirement of the company.

Potential or Existing Government Rules and Regulations

The Company operates under The Companies Act, taxation policy adopted by NBR, regulations of Securities and Exchange Commission (SEC) and rules adopted by other relevant regulatory organizations. Any abrupt changes in the policies formulated by those bodies may leave adverse impact on the business of the Company.

Besides, a major portion of the company's revenue is derived from domestic sales. Any change in government policies pertaining to taxation, political instability, and social unrest may have an adverse effect on the operations of the Company and its financial resources.

Management Perception

The management of the company is of the opinion that the government policies on taxation will remain the same until the next national budget of the country is produced. The policies of other watchdog bodies such as the Register of Joint Stock Companies, NBR, SEC etc. are also expected to remain favorable for the business of the company. No significant social unrest & political instability is expected.

Potential changes in global or national policies

The performance of the company may be affected by the political and economical instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management Perception

The Company imports raw materials from and exports the finished goods to some of the countries in Asia and Africa. Any changes in the policy of those countries would adversely affect the company to a large extent only if the company imported all the raw materials from overseas or exported all the finished goods having no sales to the local markets. The management has continuous monitoring system in place as a risk management strategy.

Natural disasters and adverse weather conditions

The plant which was set up is susceptible to natural disasters such as earthquakes, storms, floods as well as acts of violence from terrorists. The occurrence of any of the above event could disturb the operations of the plant and the management may have to shut down the plant(s) for carrying out repairs that will result in loss of revenues and increased costs.

Management Perception

Natural disasters are unpredictable as well as uncontrollable. Any of the aforementioned natural calamity will affect the industry as a whole and the operation of the company may be affected. The same is true of our competitors in the industry. However, PHP FGIL has sufficient control at each stage of operation so that damage to the plant(s) is the minimum event of such disasters.

History of non-operation

Since inception of the company, it does not have any history of non-operation.

Implementation of proposed new project

The company proposes to invest its IPO proceeds for implementation of its new facilities for increasing the production of value added products. Any new project carries some inherent risks and may not be successful or it may take a long time to secure sustained profitability.

Management's Perception

PHP FGIL started its commercial operation on 12 June 2005 and subsequently created an outstanding image as the pioneer in the field of float glass industry in Bangladesh. With the proposed expansion, the company is expected to capture more market share as the project would involve introduction of a new product line. PHP Group has however experience in product development and successful launch.



Ref. No. BBNC/335/2010-2011

Chittagong, November 01, 2010

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
PHP FLOAT GLASS INDUSTRIES LIMITED**

Report on the Financial Statements:

We have audited the accompanying financial statements of PHP FLOAT GLASS INDUSTRIES LIMITED namely, Balance sheet as at September 30, 2010 and the related Income statement for the year ended September 30, 2010, Statement of Changes in Shareholders' Equity, Cash flow statement, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control a management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an expert opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standard on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Scope:

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), including Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Company's affairs as at 30, September 2010 and the results of its financial performance, its cash flows statements and Statement of Changes in Shareholders' Equity for the year then ended.

Report on other legal and regulatory requirements:

In our opinion, the Financial Statements comply with the applicable sections of the Companies Act.1994, the securities and exchange rules 1987 and other applicable laws and regulations.

- a) Our examination and checking of records, relevant books of accounts, registers, schedules and financial statements were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the financial statements
- b) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- c) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- d) The company's balance sheet and operation, Income statement dealt with by this report are in agreement from our examination of those books;
- e) The expenditure incurred was for the purpose of the business of the Company.

Sd/-

(Basu Banerjee Nath & Co.)
Chartered Accountants

**PHP FLOAT GLASS INDUSTRIES LIMITED
BALANCE SHEET
AS AT SEPTEMBER 30, 2010.**

PARTICULARS	NOTES	30-09-2010	30-09-2009
		Taka	Taka
ASSETS:			
Non-current Assets:			
Property, Plant and Equipments	4	3,701,130,960	1,631,687,762
Capital work in Progress	5	135,072,986	-
Total Non-current Assets		3,836,203,946	1,631,687,762
CURRENT ASSETS:			
Inventories	6	213,023,885	239,110,374
Trade & Other Receivable	7	175,698,948	192,997,624
Advances, Deposits & Prepayments	8	102,202,512	85,860,168
Investment	9	32,396,092	237,911,913
Stores & Spares	10	53,853,783	36,477,421
Cash and Cash Equivalent	11	13,218,288	26,032,131
Total Current Assets		590,393,508	818,389,631
TOTAL ASSETS		4,426,597,454	2,450,077,393
EQUITY:			
Issued, Subscribed and Paid Up- Capital	12	705,100,000	705,100,000
Tax Holiday Reserve	13	81,913,862	46,369,742
Revaluation Reserve	14	2,175,740,994	-
Retained Earnings	15	385,827,612	(321,750,810)
Total equity attributable to equity holders of the company		3,348,582,468	429,718,932
LIABILITIES:			
Long Term Loan	16	234,194,909	154,430,078
CURRENT LIABILITIES:			
Short Term Loan	17	139,862,124	418,408,254
Trade & Other Payable	18	83,576,340	41,513,952
Intercompany Balance	19	591,046,104	1,405,381,719
Provision for Income Tax	20	23,442,395	624,458
Deferred Tax	20.2	5,893,114	-
Total Current Liabilities		843,820,077	1,865,928,383
TOTAL EQUITY AND LIABILITIES		4,426,597,454	2,450,077,393
Net Asset Value (NAV) Per Share		47.49	6.09

Note: The annexed notes 1 to 30 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
CEO & Director

Sd/-
Chief Financial Officer
Signed in terms of our annexed report of even date.

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area, Chittagong-4100

Sd/-
BASU BANERJEE NATH & CO.
(CHARTERED ACCOUNTANTS)

Date - Chittagong, November 01, 2010.

PHP FLOAT GLASS INDUSTRIES LIMITED
INCOME STATEMENT
For the year ended September 30, 2010.

PARTICULARS	NOTES	01.10.2009 To	01.06.2010 To	30-09-2010	30-09-2009
		31.05.2010	30.09.2010		
		Taka	Taka	Total Taka	Taka
Turnover (net off VAT)	21	572,828,841	307,699,849	880,528,690	775,481,990
Less: Cost of goods sold	22	419,629,373	227,174,741	646,804,114	548,033,477
Gross Profit		153,199,468	80,525,108	233,724,576	227,448,513
Administrative and Other Expenses	23	19,029,988	11,978,507	31,008,495	19,038,621
Financial Expenses	24	45,309,180	18,166,486	63,475,666	92,485,537
		64,339,168	30,144,993	94,484,161	111,524,158
Net Operating Profit		88,860,299	50,380,115	139,240,415	115,924,355
Add: Capital Gain	25	46,916,183	571,070,086	617,986,269	3,814,089
Other Income	26	1,817,113	24,365,575	26,182,688	1,689,756
Loss of sale of Vehicle		-	-	-	(24,536)
		48,733,296	595,435,661	644,168,957	5,479,309
Net Profit Before Tax		137,593,595	645,815,776	783,409,372	121,403,664
Less: Provision for Income Tax @37.5%	20	(681,417)	(22,136,520)	(22,817,937)	(624,458)
Deferred Tax	20.2	-	(5,893,114)	(5,893,114)	
Net Profit after Tax		136,912,178	617,786,142	754,698,321	120,779,206
Profit Attributable to Shareholders		136,912,178	617,786,142	754,698,321	120,779,206
Less: Tax Holiday Reserve (40%)		35,544,120	-	35,544,120	46,369,742
Transferred to Retained Earnings	15	101,368,059	617,786,142	719,154,201	74,409,464
Earnings Per Shares (EPS)	27	1.94	8.76	10.70	1.71

Note: The annexed notes 1 to 30 form an integral part of these financial statements.

Sd/-
Managing Director

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CEO & Director

Sd/-
Chief Financial Officer

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, November 01, 2010.

Signed in terms of our annexed report of even date.

Sd/-
BASU BANERJEE NATH & CO.
(CHARTERED ACCOUNTANTS)

PHP FLOAT GLASS INDUSTRIES LIMITED
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
For the year ended September 30, 2010

Particulars	Share Capital	Investment / Revaluation Surplus	Capital Reserve	Tax Holiday Reserve	Retained Earnings	Total
	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
Balance as on October 01, 2009	705,100,000	-	-	46,369,742	(321,750,810)	429,718,932
Prior year Adjustment	-	-	-	-	(11,575,779)	(11,575,779)
Net Profit/(Loss) After Tax for the year	-	-	-	-	754,698,321	754,698,321
Revaluation Reserve	-	2,175,740,994	-	-	-	2,175,740,994
Tax Holiday Reserve for the year	-	-	-	35,544,120	(35,544,120)	-
Balance as on September 30, 2010	705,100,000	2,175,740,994	-	81,913,862	385,827,612	3,348,582,468
Balance as on October 01, 2008	705,100,000	-	-	-	(396,160,274)	308,939,726
Net Profit/(Loss) After Tax for the year	-	-	-	-	120,779,206	120,779,206
Tax Holiday Reserve for the year	-	-	-	46,369,742	(46,369,742)	-
Balance as on September 30, 2009	705,100,000	-	-	46,369,742	(321,750,810)	429,718,932

Sd/-
Managing Director

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CEO & Director

Sd/-
Chief Financial Officer

Signed in terms of our annexed report of even date.

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, November 01, 2010.

Sd/-
BASU BANERJEE NATH & CO.
(CHARTERED ACCOUNTANTS)

PHP FLOAT GLASS INDUSTRIES LIMITED
CASH FLOW STATEMENT
For the year ended September 30, 2010.

PARTICULARS	30.09.2010 TAKA	30.09.2009 TAKA
A. Cash Flows from Operating Activities:		
Cash collection from customers	897,827,366	604,565,281
Cash paid to suppliers and employees	(540,322,766)	(307,970,905)
Cash Generation from Operations	357,504,600	296,594,376
Bank charge and interest paid	(63,475,666)	(92,485,537)
Income Tax Paid	(9,035,935)	-
Other income	26,182,688	1,740,996
Net Cash from Operating Activities	311,175,687	205,849,835
B. Cash Flows from Investing Activities:		
Acquisition of fixed assets	(9,618,726)	(14,884,911)
Proceeds from sale of land & Vehicle	58,000,000	5,540,000
Purchase/Disposal in Share	776,909,123	(199,431,016)
Cash paid for capital-work-in progress	(135,072,986)	-
Net Cash used in Investing Activities	690,217,411	(208,775,927)
C. Cash flow Financing Activities		
Increase/(decrease) loan settlement(LTR)	4,983,592	(118,941,299)
Payment for lease installment	(202,102,697)	(231,808,037)
Decrease in Bank Overdraft	(1,662,194)	(48,689,825)
Intercompany Balance	(815,425,642)	399,881,719
Net Cash Generated from Financing Activities	(1,014,206,941)	442,558
D. Net Cash increase/(decrease) for the year (A+B+C)	(12,813,843)	(2,483,534)
E. Cash and Cash Equivalent at the Beginning of the year	26,032,131	28,515,665
F. Cash and Cash Equivalent at the end of the year(D+E)	13,218,288	26,032,131

Sd/-
Managing Director

Sd/-
CEO & Director

Sd/-
Chief Financial Officer
Signed in terms of our annexed report of even date.

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, November 01, 2010.

BASU BANERJEE NATH & CO.
(CHARTERED ACCOUNTANTS)

PHP FLOAT GLASS INDUSTRIES LIMITED.
 Significant accounting policies and other explanatory information
 For the year ended 30 September, 2010.

1. Status and Activities

PHP Float Glass Industries Limited. initially incorporated as a private limited company under the Companies Act, 1994 on April 09, 2003, subsequently it was converted to a Public Company on February 27, 2008 within the meaning of section 2(1) (r) of the companies Act. (No.- XVIII), 1994.

The Company's Registered and Corporate Office situated is at PHP House, 31- Agrabad C/A, Chittagong, Bangladesh and Its factory is located at Barabkunda, Sitakunda, Chittagong.

The principal products of the company produces & sales float glass (sheet glass both clear, color and mirror etc.) from various raw materials mainly silica sand and soda ash.

The company has started another new product line named Aluminum Plant (note-5) in the same factory premises.

2. Basis of Preparation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IASs), applicable to the company, adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Financial Reporting Standard (BFRSs), including Bangladesh Accounting Standards (BASs).

2.2 Other Regulatory Compliances

The Companies are also required to comply with the following major legal provisions in addition to the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations:

- The Income Tax Ordinance 1984
- The Income Tax Rules 1984
- The Value Added Tax Act 1991
- The Value Added Tax Rules 1991

2.3 Basis of Measurement

These financial statements have been prepared on a going concern basis under historical cost convention.

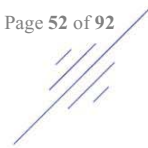
2.4 Use of estimates and judgments

The preparation of financial statements are made in conformity with BFRSs requires 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 on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, the use of estimates and judgments have most significant effect on the amounts recognized in Notes on Property, Plant and equipment, Prepayments and Provision for Income-tax.

The financial statements are presented in Bangladesh Taka which is the Company's functional and presentational currency.



2.5 Application of Standards

The following BFRSs and BASs are applicable for the financial statements of the company for the year under audit:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Cash Flow Statements
BAS 8	Accounting policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Balance Sheet Date
BAS 12	Income Taxes
BAS 16	Property, Plant and Equipment
	Lease
BAS 17	s
BAS 18	Revenue
BAS 19	Employee Benefits
BAS 21	The Effects of Changes in Foreign Exchange Rates
BAS 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS 33	Earning Per Share
BAS 37	Provisions, Contingent Liabilities and Assets
BAS 38	Intangible Assets

2.6 Consistency

The accounting policies and methods of computation used in preparation of financial statements for the year ended 30th September 2010 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 30th September 2009.

2.7 Level of precision

All financial figures expressed in Taka have been rounded off its nearest value/integer.

2.8 Reporting period

The financial period of the Company under this reporting covers the period from 1 October 2009 to 30 September 2010.

3. Significant Accounting Policies

3.1 Property, Plant & Equipment

Items of Property, Plant and Equipment (PPE) are initially measured at cost. After initial recognition, items of PPE are carried at cost less accumulated depreciation and impairment loss. Cost includes expenditures that are directly attributable to the acquisition of an item of PPE. Borrowing costs directly attributable to the construction of facilities and procurement of plant & Equipment are included in the cost of respective Asset.

Depreciation on the original cost of PPE is recognized in the Profit and Loss Statement on reducing balance method. Rates of depreciation considering the useful lives of PPEs are as follows:

Class of Property, Plant & Equipment

Rate of Depreciation

Land and Land development	0%
Building	5%
Plant & Machinery	7.50%
Furniture & Fixtures	10%
Electric Installation	7.50%
Office Equipments	10%
Gas Line Installation	7.50%
Computer & Accessories	10%
Tube-well Installation	10%
Telephone	10%
Water Treatment Plant	7.50%
Motor Vehicles	10%
Air Conditioner	10%
Pump	10%
Furnace	7.50%

3.1.1 Capitalization of Borrowing Cost

Finance costs that are directly attributable to the construction facilities and procurement of Plant and Equipment are included in the cost of those assets in compliance with allowed alternative treatment of BAS 23 Borrowing Cost. Capitalizations of borrowing costs ceases upon commercial use of respective PPE.

3.1.2 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 benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in the profit and loss account as incurred.

3.1.3 Revaluation of Land, Building and Plant & Machinery

MRH Dey & Co., Chartered Accountants has revalued all Fixed Assets of the company as at 31 May 2010 following the market value and depreciated replacement cost method & engineering valuation in which revaluation surplus shown of all fixed assets at Tk. 2,223,742,979/- .

But, the management of the company has considered in the board meeting held on 05 September, 2010 as revalued only Land, Building and Plant & Machinery of the Company as at 31 May, 2010 and corresponding revaluation surplus taken into account aggregating to Tk. 2,175,740,994/- instead of all fixed assets of Tk. 2,223,742,979.

Particulars	Cost Taka	WDV Taka	Revaluated Amount Taka	Net Revaluation Surplus Taka
Land and Land Development	34,410,971	34,410,971	933,482,500	899,071,529
Building	757,644,657	602,860,248	1,488,938,695	886,078,447
Plant & Machinery	1,105,978,392	811,334,143	1,201,925,161	390,591,018
Total:	1,898,034,020	1,448,605,362	3,624,346,356	2,175,740,994

3.2 Lease Assets

All the lease transactions have been classified based on the extent to which risks and rewards incident to ownership of the assets lie with the lessor or lessee . According to this classification, the lease transactions have been identified as finance lease as per the Bangladesh Accounting Standard No.17: Leases based on the substance of the transactions, not merely the legal form.

3.3 Financial assets & Financial liabilities

All financial assets and financial liabilities are stated at "cost value".

3.4 Inventories

Inventories are valued at the lower of cost and estimated net realizable value (NRV). The cost of inventories is valued at weighted average method and includes expenditures for acquiring the inventories and bringing them to their existing location and condition. Net realizable value (NRV) is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. When inventories are used, the carrying amount of those inventories is recognized in the period in which the related revenue is recognized. Inventories comprise Raw Sand, Raw Materials (Silica Sand, Dolomite, Salt Cake, Carbon Powder, Soda Ash, Lime Stone & Various Chemicals), Goods- in- transit and Finished goods etc.

3.5 Taxation

Income Tax expenses represents the sum of the tax currently payable and deferred tax as per BAS 12.

3.5.1 Current Tax

The Company has provided current tax expenses at the applicable rate as enacted by the Finance Act 2010 from end of tax holiday period because Company has been enjoying Tax Holiday for five years from 01 June, 2005 to 31 May 2010 and so no provision has been made for Income Tax on the Operating Income of the Company, instead provision has been made for Tax Holiday Reserve as per the requirement of Section 46A of the Income Tax Ordinance, 1984.

3.5.2 Deferred Tax

Deferred Tax has been calculated taking into consideration of the temporary difference and consistency of presentation, arising from Fixed Assets.

Deferred tax is calculated at the tax rates, which are expected to apply in the period when the liability is settled or the assets is realized. Deferred tax is charged or credited to profit and loss account.

3.6 Revenue Recognition Policy

In compliance with the requirement of BAS 18: Revenue, revenue from customers against services is recognized when rendered. Revenue excludes VAT.

3.7 Trade Receivables

Trade receivables are recognized at cost which is the fair value of the consideration given.

3.8 Cash & Cash Equivalent

Cash and cash equivalents comprise of cash in hand and at bank, which are available for use of the Company without any restriction.

3.9 Future Prospect

As at the balance sheet date, the company's current liabilities stood at Tk. 843,820,077.

On that date, a substantial amount of current liabilities comprise of company's investment/commitment in fixed assets against overdraft falling due within 1 year. Management is confident of meeting the obligation from the resources generated from its operation coupled with continued support of bankers, equipment vendors and construction contractors.

3.10 Provisions

A provision is recognized on the Balance Sheet Date, if as a result of past events. The Company has a present legal and constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.11 Related party transactions (Note-19)

The company has made transactions with other associated companies that fall within the definition of related parties as set forth by BAS-24. Such transactions are in normal course of business and are at terms, which correspond to those on arms length transactions with the third parties.

Related parties comprise of companies under common ownership and common management control. At the balance sheet date balances with related parties were as follows:

Name of the Party	Nature of Relationship	Nature of Transactions	Outstanding as on 30.09.2010		Pricing Policy
PHP NOF Continuous Galvanizing Mills Ltd.	Common Shareholder	Various Transaction	360,796,753	Cr	-
PHP Stocks & Securities Ltd.	Common Shareholder	Sell of Securities	(9,277)	Dr	Fair Value
PHP Cold Rolling Mills Ltd.	Common Shareholder	Various Transaction	230,258,628	Cr.	-

Here is noted that no interest charged during the period on intercompany transaction.

3.12 Financial Income & Expenses

Finance Income comprises of interest income on funds invested and is recognized on maturity. Finance Expense comprises of interest expenses on loan, overdraft, finance lease and bank charges. All borrowing costs are recognized in the Profit & Loss statement using effective interest method except to the extent that are directly attributable to the construction of plants which is capitalized in accordance with BAS 23: Borrowing Cost.

3.13 Earning per Share

Basic earning per share is calculated by dividing the net profit/loss for during the year attributable to ordinary shareholders by the applicable number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit/loss for during the year attributable to ordinary shareholders by the applicable number of ordinary shares outstanding during the year after adjustment for the effects of all dilative potential ordinary shares.

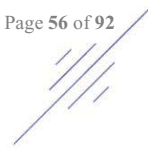
3.14 Cash Flow Statement

Cash flows from operating activities have been presented under direct method.

3.15 Transaction in Foreign Currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling on the date of transactions. Exchange difference on borrowings denominated in foreign currencies to finance the imported plant & machinery is included in the carrying amount of related plant and/or machinery.

Other monetary assets & liabilities, if any, denominated in foreign currencies at the Balance Sheet date are translated at the applicable rates of exchange ruling at that date and the related exchange differences are charged/credited to income statement by being absorbed in the respective head of income or expenditure.



3.16 Capital Work in Progress

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is complete and measured at cost.

3.17 Contingent liabilities and assets

Contingent liabilities and assets are current or possible obligations or assets, 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. Two cases are pending in Appellate Tribunal and Tax demand Tk.1, 07,22,404/=.

3.18 Investment

Investment in shares of listed company is valued at lower of cost and stock exchange quoted value of year end.

3.19 Events after Balance Sheet Date

Events after Balance Sheet date that provide additional information about the company's positions at the Balance Sheet date are reflected in the financial statements. Events after Balance Sheet date that are not adjusting events are disclosed in the notes when material.

3.20 Comparative Information and Rearrangement thereof

In accordance with the provisions of BAS-34: Interim Financial Reporting, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

3.21 Employees Benefits

The company maintains defined contribution plan (Provident fund) for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds as approved by the Income Tax Authority.

Defined contribution plan (Provident fund) is a post-employment benefit plan. The recognized Employee's provident fund is considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employee's contribution 10% of their basic salary to the provident fund and the company also makes equal contribution.

3.22 Workers profit participation fund:

Management of the company is considering to introduce workers profit participation fund shortly.

3.23 Bank Guarantee

The company has outstanding bank guarantee amounting to Tk. 17,136,753/= on account of connection of Gas with Bakhraabad Gas Systems Ltd.

4. Property, Plant and Equipment:

i) Cost:

Category of Assets	Balance As on 01.10.2009		C o s t				D e p r e c i a t i o n				Written Down Values on 30.09.2010 Taka
	Taka	2	Addition during the period	Deletion during the period	Total as on 30.09.2010	Rate	Balances on 01.10.2009	Charged during the period	Deletion during the period	Total as on 30.09.2010	
1			3	4	5 (2+3-4)	6	7	8	9	10 (7+8-9)	11 (5-10)
Land and land development	38,786,463		636,908	5,012,400	34,410,971	-	-	-	-	-	34,410,971
Building	765,228,087		424,156	7,984,000	757,668,243	5.0	135,378,800	31,492,464	1,589,367	165,281,897	592,386,346
Plant & Machinery	527,934,310		1,015,000		528,949,310	7.5	97,131,084	32,310,242		129,441,326	399,507,984
Furniture & Fixtures	4,162,552		292,140		4,454,692	10.0	1,279,021	288,353		1,567,374	2,887,318
Electric Installation	102,664,118		1,441,000		104,105,118	7.5	27,194,778	5,660,201		32,854,979	71,250,140
Office Equipments	3,172,922				3,172,922	10.0	1,084,374	208,855		1,293,229	1,879,693
Gas Line Installation	2,611,170				2,611,170	7.5	589,378	151,634		741,012	1,870,158
Computer & Accessories	4,202,830		122,812		4,325,642	10.0	1,180,950	302,188		1,483,138	2,842,504
Tube-well Installation	5,026,675				5,026,675	10.0	1,728,674	329,800		2,058,474	2,968,201
Telephone	976,150		61,710		1,037,860	10.0	284,131	69,202		353,333	684,527
Water Treatment Plant	9,770,982				9,770,982	7.5	2,567,677	540,248		3,107,925	6,663,057
Motor Vehicles	16,169,914		5,625,000		21,794,914	10.0	2,495,661	1,367,425		3,863,086	17,931,828
Air Conditioner	4,167,542				4,167,542	10.0	1,354,174	281,337		1,635,511	2,532,031
Pump	4,584,003				4,584,003	10.0	1,530,662	305,334		1,835,996	2,748,007
Furnace	568,273,100				568,273,100	7.5	152,243,692	31,202,206		183,445,898	384,827,202
Total(i)	2,057,730,818		9,618,726	12,996,400	2,054,353,144		426,043,056	104,509,489	1,589,367	528,963,178	1,525,389,966

ii) Revaluation:

Category of Assets	Revaluation			Depreciation				Written Down Value as on 30.09.2010 Taka										
	Balances on 01.10.2009 Taka	Revalue during the period Taka	Deletion during the period Taka	Total As on 30.09.2010 Taka	Rate %	Charged during the period Taka	Deletion During the year Taka		Total As on 30.09.2010 Taka									
										2	3	4	5 (2+3-4)	6	7	8	9	10 (7+8-9)
Lease free:																		
Land and land development	-	899,071,529	-	899,071,529	-	-	-	-	-	-	-	-	-	-	-	-	-	899,071,529
Building	-	886,078,447	-	886,078,447	-	-	-	-	-	-	-	-	-	-	-	-	-	886,078,447
Plant & Machinery	-	390,591,018	-	390,591,018	-	-	-	-	-	-	-	-	-	-	-	-	-	390,591,018
Total(ii)	-	2,175,740,994	-	2,175,740,994	-	-	-	-	-	-	-	-	-	-	-	-	-	2,175,740,994
Total Assets (i+ii)	2,057,730,818	2,185,359,720	12,996,400	4,230,094,138														3,701,130,960
30.09.2010	1,870,489,024	189,306,027	2,064,233	2,057,730,818														1,631,687,762

Note: Depreciation has been charged on Diminishing balance method and it has been allocated for factory overhead and administrative overhead. No depreciation has been charged on addition of fixed assets made during the period. The management of the company has considered revaluation of land, building and plant & machinery in a board meeting held on 05 September 2010. The allocation are split off as follows:

4.1 Allocation of depreciation Charges during the year :

	Taka		FOR FACTORY OVERHEAD		FOR ADMINISTRATIVE OVERHEAD	
Cost of Production	101,992,129		Building	31,492,464	Furniture & Fixtures	288,353
General & Administration	2,517,360		Plant & Machinery	32,310,242	Office Equipments	208,855
	104,509,489		Electric Installation	5,660,201	Computer & Accessories	302,188
			Gas Line Installation	151,634	Telephone	69,202
			Tube-well Installation	329,800	Motor Vehicles	1,367,425
			Water Treatment Plant	540,248	Air Conditioner	281,337
			Pump	305,334	Neon sign Board	-
			Furnace	31,202,206		
				101,992,129		2,517,360

5 Capital Working in Progress (Aluminum Plants):

Opening Balance
Add: During the year (Note. 5.1)

AMOUNT IN TAKA	
30.09.2010	30.09.2009
-	-
135,072,986	-
135,072,986	-

TOTAL TAKA:

5.1 During the year:

Particulars	Amount
Factory Land *	6,613,392
Building Factory	21,093,223
Erection, Construction & Fabrication	51,869,394
Office Equipment	11,600
Gas Line Installation	250,000
Aluminum Plant	55,235,377
	135,072,986

Note: 2 (two) Acre land purchase during the period and registration done on 01-11-2010.

6.00 Inventories:

Quantity Schedule

	Measuring Unit	30.09.2010	30.09.2009		
Raw Sand	-	-	-	9,309,159	-
Closing Raw Materials(6.1)	-	7,226,239	5,915	103,122,378	90,875,981
Goods-in-transit	MT	-	3,103	14,935,357	7,180,601
Finished goods (Glass sheet)	MT	3,878,554	7,109	85,656,991	141,053,792
				213,023,885	239,110,374

TOTAL TAKA:

6.1 Raw Materials:

Item	Opening (Tk.)	Purchase		Total (Tk.)	Consumption (Tk.)	Closing	
		Import (Tk.)	Local (Tk.)			Qty. (MT)	Taka
1	2	3	4	5(2+3+4)	6	7(5-6)	7(5-6)
Silica Sand	1,204,154	-	38,968,017	40,172,171	33,733,251	3,674.079	6,438,920
Soda Ash	51,307,527	98,936,297	-	150,243,824	111,084,316	1,078.571	39,159,508
Dolomite	2,450,312	26,087,559	-	28,537,871	23,666,257	1,219.960	4,871,614
Salt Cake	357,532	-	7,435,309	7,792,841	4,756,638	291.777	3,036,203
Carbon Powder	682,922	3,257,100	-	3,940,022	2,879,922	10.923	1,060,100
Tin-in-got	-	-	-	-	-	-	-
Lime Stone	4,651,239	13,854,346	-	18,505,585	11,299,707	950.929	7,205,878
Chemicals	30,222,295	62,380,196	7,546,060	100,148,551	58,798,396	-	41,350,155
Diesel	-	-	-	-	-	-	-
Total	90,875,981	204,515,498	53,949,386	349,340,865	246,218,487	7,226.239	103,122,378

Note: Chemicals consists with various items with different measuring units.

Quantity Schedule

Item	Opening	Purchase		Total (MT)	Consumption	Closing
	(MT)	Import (MT)	Local (MT)		(MT)	Qty. (MT)
1	2	3	4	5(2+3+4)	6	7(5-6)
Silica Sand	1,445.920	-	26,500.000	27,945.920	24,271.841	3,674.079
Soda Ash	2,133.665	6,105.100	-	8,238.765	7,160.194	1,078.571
Dolomite	984.522	6,000.000	-	6,984.522	5,764.562	1,219.960
Salt Cake	28.940	-	566.235	595.175	303.398	291.777
Carbon Powder	20.127	9.000	-	29.127	18.204	10.923
Lime Stone	1,301.657	1,500.000	-	2,801.657	1,850.728	950.929
Total	5,914.831	13,614.100	27,066.235	46,595.166	39,368.927	7,226.239

AMOUNT IN TAKA	
30.09.2010	30.09.2009

7 Trade & Other Receivable:

Trade Receivable (Note. 7.1)	145,662,727	170,916,709
Other Receivable (Note.7.2)	30,036,221	22,080,915
TOTAL TAKA:	175,698,948	192,997,624

7.1 Trade Receivables:

Trade debtors (local) (Annexure-A)	132,664,474	167,591,466
Export Receivable (Annexure-B)	12,998,253	3,325,243
TOTAL TAKA:	145,662,727	170,916,709

Trade receivables have been stated at their nominal value. Tradereceivables are accrued in the ordinary course of business. All receivables has been considered as good and realizable.

Ageing of the above receivables is given below:

	Upto 1 month	1-3 months	3-6 months	> 6 months	Total
Trade debtors (Local)	116,271,675	1,175,163	209,163	15,008,473	132,664,474
Export Receivable	7,017,871	-	5,980,382	-	12,998,253
	<u>123,289,546</u>	<u>1,175,163</u>	<u>6,189,545</u>	<u>15,008,473</u>	<u>145,662,727</u>

Other Receivable:

7.2

Receivable from Custom Authority	22,080,915	22,080,915
Receivable from VAT Authority *	7,955,306	-
TOTAL TAKA:	30,036,221	22,080,915

Note: Rule nisi issued by High Court Division against Vat Authority, petition No.2098 of 2010.

8 Advances, Deposits & Prepayments:

Advances:

	701,489	2,707,057
L/C Advances:		
0205-10-01-0090	8,711	-
0205-10-01-0016	245,756	-
0205-10-02-0188	5,110	-
2083-10-01-0202	42,791	-
2083-10-01-0268	24,906	-
2083-10-01-0042	14,688	-
2083-10-01-0025	317,444	-
Job-85/10	42,083	-
2220-09-01-0363	-	27,040
1948-09-01-0414	-	2,073,324
1948-09-01-0440	-	575,300
2220-09-01-0418	-	31,393
Advance to suppliers for goods (Annexure-C)	43,018,079	2,230,791
Advance against Salary	658,850	-
Advance income tax	18,203,077	9,167,142
	62,581,495	14,104,990

Deposits:

Security Deposit with PDB	300,000	300,000
Lease Deposit with ULC	13,983,780	18,877,560
Lease Deposit with PLC	2,333,334	2,333,334
Security Deposit with IDLC	-	29,000,000
Security Deposit to BGSL	8,250,173	5,617,290
TOTAL TAKA:	24,867,287	56,128,184

AMOUNT IN TAKA	
30.09.2010	30.09.2009

Prepayments:

VAT Current A/C	6,743,356	11,727,987
Prepaid Insurance	3,093,344	-
C&F Parties	605,495	-
BD. General Insurance Co. Ltd. (Vehicle)	-	86,846
Advertisement	536,000	-
Eastland Insurance Co. Ltd. (Vehicle)	-	74,854
Green Delta Ins. Co. Ltd. (Fire)	3,775,535	3,727,879
Pragati Insurance Ltd. (Vehicle)	-	9,428
	14,753,730	15,626,994

TOTAL TAKA: **102,202,512** **85,860,168**

- Note:** i) Advance considered good and in respect of which the company is fully accepted.
ii) There is no agreement amount due from directors or officers of the company.

9

Investment:
PLC. SHARE:

Company Name	Status	No of Shares	AMOUNT IN TAKA	
			30.09.2010	30.09.2009
Eastern Bank Ltd.	PLC		-	1,326,654
International Leasing Financial Services Ltd.	PLC	11,981	5,227,330	209,416,497
Popular Life Insurance Co. Ltd.	PLC	11,907	27,168,762	27,168,762
		TOTAL TAKA:	32,396,092	237,911,913

Company Name	No of Shares	M. price/Share	Market Value	Cost/Share	Acquisition Cost
International Leasing Financial Services	11,981	2,669.00	31,977,289	436.30	5,227,330
Popular Life Insurance Co. Ltd.	11,907	6,225.25	74,124,052	2,282	27,168,762
			106,101,341		32,396,092

Note: No provision is required for investment in shares due to market value of shares is greater than acquisition cost of shares.

10 Stores & Spares :

Mechanical & Maintenance		33,018,841	22,672,044
Electrical		13,288,193	12,086,133
Stationery		561,308	834,321
Packing Materials		68,440	394,388
Building Materials		6,917,001	490,535
	TOTAL TAKA:	53,853,783	36,477,421

11 Cash and Cash Equivalent:

Cash in hand	(Note. 11.1)	2,541,640	15,305,475
Cash at bank	(Note. 11.2)	10,676,648	10,726,656
	TOTAL TAKA:	13,218,288	26,032,131

11.1 Cash in hand:

Head Office		-	15,305,475
Factory		2,486,495	-
Master (Dhaka office)		55,145	-
	TOTAL TAKA:	2,541,640	15,305,475

		AMOUNT IN TAKA	
		30.09.2010	30.09.2009
11.2	<u>Cash at Bank:</u>		
	Shahjalal Islami Bank Ltd, Ktg. #1621	-	358
	Janata Bank Ltd. Ktg. # 14307	47,355	458,210
	Exim Bank Ltd., Ktg. # 4329	764	270
	The City Bank Ltd, Agr. # 3415	45,784	2,400,151
	The Premier Bank Ltd. Agr. # 1739	51,262	822,000
	Trust Bank Ltd. Ktg. # 1767	397	1,172
	Standard Chartered Bank # 4301	-	207,585
	Mercantile Bank Ltd. Ktg. # 2901	4,082	8,336
	National Bank Ltd., Ktg. # 0893	-	3,433
	National Bank Ltd.,SOD # 0829	1,884,936	-
	HSBC Ltd, Agr. # 43-011	3,899,917	110
	United Commercial Bank Ltd., Agr. # 38672	841,840	681,228
	Al-Arafa Islami Bank Ltd. Jubilee Road. # 7508	787,594	1,302,884
	Mutual Trust Bank Ltd., Agr. # 8324	6,243	2,820
	BRAC Bank Ltd. # 6001	438,060	2,240
	Social Investment Bank Ltd. Jubilee Road. # 7141	-	231
	State Bank of India # 0001	433,698	830,589
	Dutch Bangla Bank Ltd., Agr. # 8494	233,254	438,500
	Eastern Bank Ltd. Agr. # 0540	2,854	2,631,706
	National Credit & Commerce Bank Ltd., Ktg. # 98-001	2,725	353,425
	Dhaka Bank Ltd. Ktg. # 5984	836,005	532,197
	HSBC Ltd, FCY # 43-047	489,792	40,648
	One Bank Ltd. Ktg. # 1072	-	4,713
	Prime Bank Ltd. Agr. # 1776	3,281	3,850
	One Bank Ltd. Ktg. (Aluminum) # 08004	4,212	-
	One Bank Ltd. Ktg. # 1099	616,110	-
	BRAC Bank Ltd. Agr. # 9001	27,498	-
	Bank Asia # 6086	9,995	-
	Public Bank Ltd. Ktg # 80889	4,810	-
	South-East Bank Ltd. Agr # 19901	4,180	-
	TOTAL TAKA:	10,676,648	10,726,656
12	<u>Share Capital:</u>		
	<u>Authorized:</u>		
	300,000,000 Ordinary shares of Taka 10 each	3,000,000,000	3,000,000,000
	<u>Issued, subscribed and paid up:</u>		
	70,510,000 Ordinary shares of Taka 10 each issued and fully paid-up in cash (Note. 12.1)	705,100,000	705,100,000
	TOTAL TAKA:	705,100,000	705,100,000

Note: The authorised share capital of the company is Tk. 3,000,000,000 (Three hundred Crores) divided in to 300,000,000 (Thirty Crores) ordinary shares of Tk. 10/- each, which was converted into TK. 10/- per share from Tk. 100/- per share by passing special resolution in the Extra Ordinary General Meeting (EGM) held on April 20, 2010.

Share Holding Position:

12.1

The composition of share holders at balance sheet date were as follows:

Name of Shareholders	Shares			
	Percentage	Number	Face Value	Face Value
			30.09.2010	30.09.2009
Alhaj Mohamed.Mizanur Rahman Chowdhury	0.002%	1,500	15,000	120,100,000
Mrs. Tahmina Rahman Chowdhury	0.001%	1,000	10,000	500,000
Mohammed Mohsin Chowdhury	14.285%	10,072,500	100,725,000	83,500,000
Mohammedd. Iqbal Hossain Chowdhury	14.285%	10,072,500	100,725,000	83,500,000
Mohammed. Anowarul Haque Chowdhury	14.285%	10,072,500	100,725,000	83,500,000
Mohamed. Ali Hossain Chowdhury	14.285%	10,072,500	100,725,000	83,500,000
Mohammed. Amir Hossain Chowdhury	14.285%	10,072,500	100,725,000	83,500,000
Mohammed. Zahirul Islam Chowdhury	14.285%	10,072,500	100,725,000	83,500,000
Mohammed. Akther Parvez Chowdhury	14.285%	10,072,500	100,725,000	83,500,000
TOTAL NUMBER OF SHARE:	100%	70,510,000	705,100,000	705,100,000

13 Tax Holiday Reserve:

Opening Balance
Add: For the period ended May 31, 2010 (Note. 13.1)

AMOUNT IN TAKA	
30.09.2010	30.09.2009
46,369,742	-
35,544,120	46,369,742
81,913,862	46,369,742

13.1 Allocation of Tax Holiday reserve:

Investment in Share @10% of Net Profit after Tax to be made	8,886,030	11,592,436
Investment in same undertaking @ 30% of Net Profit after Tax to be made	26,658,090	34,777,307
TOTAL RESERVE:	35,544,120	46,369,742

14 Revaluation Reserve: (Note. 4)

Land and Land Development	899,071,529	-
Building	886,078,447	-
Plant & Machinery	390,591,018	-
TOTAL TAKA:	2,175,740,994	-

15 Retained Earnings:

Opening Balance		(321,750,810)	(396,160,274)
Add: Prior year Adjustment (Note.15.1)		(11,575,779)	-
Add: Net Profit/(Loss) After Tax		719,154,201	74,409,464
		385,827,612	(321,750,810)

15.1 Prior year Adjustment:

VAT payable		11,575,779	-
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Note: The unpaid Vat earlier the period from October, 2008 to June, 2009.

16 Long term & Short term loan:

	30.09.2010			30.09.2009		
	Total Taka	Long Term	Current Portion	Total Taka	Long Term	Current Portion
IDLC Finance Limited	-	-	-	174,881,811	-	174,881,811
IPDC (Note. 16.1)	174,672,680	135,711,968	38,960,712	-	-	-
Uttara Finance & Investment Limited	-	-	-	13,054,869	-	13,054,869
United Leasing Co. Ltd. (Note. 16.2)	4,818,627	-	4,818,627	41,628,504	4,818,627	36,809,877
Phoenix Leasing Co. Ltd. (Note. 16.3)	4,527,431	-	4,527,431	16,923,841	4,527,431	12,396,410
IIDFC Ltd.	-	-	-	17,981,015	5,674,719	12,306,296
Hajj Finance Co. Ltd. (Note. 16.4)	31,300,499	19,521,858	11,778,641	-	-	-
Prime Finance & Investment Limited	-	-	-	17,747,883	-	17,747,883
MIDAS Financing Ltd.	-	-	-	13,995,491	-	13,995,491
SABINCO Ltd. (Note. 16.5)	35,207,708	12,566,080	22,641,628	55,012,571	-	55,012,571
International Leasing & Financial Services Ltd.	-	-	-	86,346,494	55,610,957	30,735,537
National Housing Finance & Invest. Ltd. (Note. 16.6)	83,798,343	66,395,003	17,403,340	98,855,506	83,798,344	15,057,162
TOTAL TAKA:	334,325,288	234,194,909	100,130,379	536,427,985	154,430,078	381,997,907

Note: All of these loans are taken as lease finance.

16.1 IPDC

Principal Amount: 100,000,000/= & 100,000,000/=
 Installment amount per month: 2,277,542/= & 2,682,750/=
 Sanction Date: 13-10-2009 & 15-02-2010
 Expiry Date: 13-10-2014 & 15-02-2014
 Mode: Term Loan

16.2 United Leasing Co. Ltd.
 Principal Amount: 110,000,000/=
 Installment amount per month: 2,446,890/=
 Sanction Date: 25-10-2005
 Expiry Date: 30-11-2010
 Mode: Long Term

16.3 Phoenix Leasing Co. Ltd
 Principal Amount:
 50,000,000/=
 Installment amount per month: 1,166,667/=
 Sanction Date: 28-12-2005
 Expiry Date: 05-02-2011
 Mode: Lease Finance

16.4 Hajj Finance Co. Ltd.
 Principal Amount:
 37,500,000/=
 Installment amount per month: 1,263,523/=
 Sanction Date: 07-02-2010
 Expiry Date: 02-10-2013
 Mode: Bai Muzzal (Trade Finance)

16.5 SABINCO
 Principal Amount: 80,000,000/=
 Installment amount per quarter: 6,553,209/=
 Sanction Date: 16-03-2008
 Expiry Date: 16-01-2012
 Mode: Term Loan

16.6 National Housing Finance & Investment Ltd.
 Principal Amount: 100,000,000/=
 Installment amount per month: 2,305,450/=
 Sanction Date: 10-08-2009
 Expiry Date: 05-08-2014
 Mode: Long Term

17 Short term loan:

Current portion of Leasing and financial institution	(Note. 16)	100,130,379	381,997,907
Bank overdraft	(Note. 17.1)	1,320,826	2,983,020
Loan against trust receipts (LTR)	(Note. 17.2)	38,410,919	33,427,327
TOTAL TAKA:		139,862,124	418,408,254

17.1 Bank Overdraft:

National Bank Ltd. SOD #0829	-	2,974,795
National Bank Ltd. Ktg. #0893	399,238	-
Standard Chartered Bank	421,588	-
One Bank Ltd. Ktg. #1072	500,000	-
Citi Bank N.A. #561007 (Current Account)	-	8,225
TOTAL TAKA:	1,320,826	2,983,020

Basis of Interest on Bank Overdraft:

Total bank overdraft facility limit with National Bank Limited at 30 September, 2010 was Taka 50 Lac with interest @ 11% p.a. for facility subject to revision from time to time. Interest is charged on quarterly basis.

Securities Against Bank Overdraft

- 1) Personal guarantee from all directors
- 2) Corporate guarantee of other units of the PHP Group

17.2 Loan Against Trust Receipts (LTR):

LTR With Exim Bank Ltd., Khatungonj Branch, Chittagong	-	4,806,329
LTR With Bank Asia Ltd., Agrabad Branch, Chittagong. (Note. 17.2.1)	9,988,918	-
LTR With MTBL Ltd., Agrabad Branch, Chittagong. (Note. 17.2.2)	18,789,810	3,161,987
Loan With The City Bank Ltd., Agrabad Branch, Chittagong.	-	18,122,046
Loan With National Bank Ltd., Khatungonj Branch, Chittagong.	-	7,336,965
LTR with Mercantile Bank Ltd. Khatungonj Branch, Chittagong. (Note. 17.2.3)	4,151,082	-
LTR with Public Bank, Agrabad Branch, Chittagong. (Note. 17.2.4)	5,481,109	-
TOTAL TAKA:	38,410,919	33,427,327

17.2.1 Bank Asia Ltd.

Limit: Taka 60,000,000/=

Rate of interest: 11.00%

Validity: 31.05.2011

17.2.2 Mutual Trust Bank Ltd. (MTBL)

Limit: Taka 35,000,000/=

Rate of interest: 11.00%

Validity: 31.10.2010

17.2.3 Mercantile Bank Ltd.

Limit: Taka 50,000,000/=

Rate of interest: 11.00%

Validity: 30.06.2011

17.2.4 Public Bank Ltd.

Limit: Deal to deal basis (On L/C basis)

18 Trade & Other Payable:

Sundry creditors	(Annexure - D)	64,118,664	1,293,433
For other finance	(Annexure - E)	2,611,409	1,409,293
Other Payable	(Note. 18.1)	16,846,267	38,811,226
TOTAL TAKA:		83,576,340	41,513,952

18.1 Other Payable:

Salary payable		2,012,211	923,809
Remuneration Payable		630,000	-
Basu Banerjee Nath & Co.		85,500	67,500
PDB		-	62,587
BGSL		9,176,616	4,143,779
T & T		11,052	17,733
Tax payable on salary		175,805	53,221
AIT payable on gas bill		577,515	928,981
Feni Polli Bidyut Samity (Electric)		9,200	9,858
PHP Power Company Ltd (Electric)		-	7,179,000
Office rent		8,400	8,400
AIT payable on audit fee		17,500	7,500
VAT on Audit Fee		4,500	-
Carrying, Insurance etc		1,002,360	-
Provident Fund Payable		422,598	-
VAT payable		2,713,010	25,408,858
TOTAL TAKA:		16,846,267	38,811,226

Note: i) All accrued expenses were paid on regular basis.

ii) Salary and allowances for the month of September 2010 has been paid subsequent month.

iii) AIT and VAT payable has been paid immediately of this month.

19	<u>Intercompany Balance:</u> (Note. 3.11)	01.10.2009 To	01.06.2010 To	AMOUNT IN TAKA	
		31.05.2010	30.09.2010	30.09.2010	30.09.2009
	PHP NOF Continuous Galvanizing Mills Ltd.			360,796,753	1,035,381,719
	PHP Stocks & Securities Ltd.			(9,277)	-
	PHP Cold Rolling Mills Ltd.			230,258,628	370,000,000
	TOTAL TAKA:			591,046,104	1,405,381,719

20	<u>Provision for Income Tax:</u>				
	Opening Balance	-	-	624,458	-
	Add: Income Tax Provision (Note.20.1)	681,417	22,136,520	22,817,937	624,458
	Total Income Tax Provision as on 30.09.2010	681,417	22,136,520	23,442,395	624,458

20.1	<u>Income Tax Provision:</u>				
	Total Accounting Income	1,817,113	74,745,690	76,562,803	1,665,220
	Provision for the year @ 37.5% of above balance	681,417	28,029,634	28,711,051	624,458
	Less: Deferred Tax (Note. 20.1.1)	-	5,893,114	5,893,114	-
	TOTAL TAKA:	681,417	22,136,520	22,817,937	624,458

20.1.1	<u>Deferred Tax:</u>				
	Opening Balance	-	-	-	-
	Add: Provision for the year	-	5,893,114	5,893,114	-
	TOTAL TAKA:	-	5,893,114	5,893,114	-

20.2 Information relating to the income tax assessment positions:

Assessment Year	Income Year	Assessment U/S	Tax Demand TK.	Status	Deferred Tax TK.
2004-2005	2003-2004	83(2)	-	Nil Return	Nil Return
2005-2006	2004-2005	83(2)	-	Nil Return	Tax Holiday
2006-2007	2005-2006	83(2)/46A	6,469,839	With Tribunal	Tax Holiday
2007-2008	2006-2007	82(BB)	-	Completed	Tax Holiday
2008-2009	2007-2008	83(2)/46A	4,252,565	With Tribunal	Tax Holiday
2009-2010	2008-2009	82(BB)	-	Submitted	Tax Holiday
2010-2011	2009-2010	82(BB)	22,817,937	Current year	5,893,114

			01.10.2009 To 31.05.2010	01.06.2010 To 30.09.2010	AMOUNT IN TAKA		
					30.09.2010	30.09.2009	
21	Turnover:						
	Local sales	(Note. 21.1)	600,608,012	324,581,542	925,189,554	812,462,951	
	Export sales	(Note. 21.2)	50,561,005	25,455,030	76,016,035	68,992,467	
			651,169,017	350,036,572	1,001,205,589	881,455,418	
	Less: VAT		78,340,176	42,336,723	120,676,899	105,973,428	
	TOTAL TAKA:		572,828,841	307,699,849	880,528,690	775,481,990	
	Note: VAT have been taken only Local sales i.e. @ 15% on amount of Tk. 925,189,554						
21.1	Particulars of Local sale:						
01.10.2009 To 31.05.2010		01.06.2010 To 30.09.2010		30.09.2010		30.09.2009	
Quantity (MT)	Taka	Quantity (MT)	Taka	Quantity (MT)	Taka	Quantity (MT)	Taka
18,881.330	600,608,012	9,588.589	324,581,542	28,470	925,189,554	23,488.348	812,462,951
21.2	Particulars of Foreign/Export sale:						
		30.09.2010		30.09.2009			
		Quantity (MT)	(USD)	Taka	Quantity (MT)	(USD)	Taka
		5,098.156	1,101,888	76,016,035	4,540	1,019,862	68,992,467
Note: Foreign exchange earning USD 1,101,888 equivalent to BDT 76,016,035 in respect of export has been calculated on C.F.R basis.							

		01.10.2009 To 31.05.2010	01.06.2010 To 30.09.2010	AMOUNT IN TAKA	
				30.09.2010	30.09.2009
22	Cost of Goods Sold:				
	Opening Stock of Raw Material	90,875,981	91,677,423	90,875,981	228,651,039
	Add: Purchases during the year:	151,251,940	107,212,944	258,464,884	123,064,286
	Import Raw Material	126,572,483	77,943,015	204,515,498	100,897,348
	Local Raw Material	24,679,457	29,269,929	53,949,386	22,166,938
	Raw Material & Chemical available for consume	242,127,921	198,890,367	349,340,865	351,715,325
	Less: Closing Stock of Raw Material	91,677,423	103,122,378	103,122,378	90,875,981
	Raw Material & Chemical Consumed	150,450,498	95,767,989	246,218,487	260,839,344
	Add: Cost of Production (Note. 22.1)	227,799,526	117,389,300	345,188,826	292,251,206
	Cost of Goods available for sale	378,250,024	213,157,289	591,407,313	553,090,550
	Add: Opening Stock of Finished Goods	141,053,792	99,674,443	141,053,792	135,996,719
		519,303,816	312,831,732	732,461,105	689,087,269
	Less: Closing Stock of Finished Goods (Note. 6)	99,674,443	85,656,991	85,656,991	141,053,792
	TOTAL TAKA:	419,629,373	227,174,741	646,804,114	548,033,477

	01.10.2009 To 31.05.2010	01.06.2010 To 30.09.2010	AMOUNT IN TAKA	
			30.09.2010	30.09.2009
22.1 Cost of Production:				
Store Consumed	19,241,471	7,636,704	26,878,175	1,615,934
Salary	9,475,189	4,337,798	13,812,987	7,540,298
Wages	23,845,331	11,759,452	35,604,783	17,721,693
Gas Charge	45,041,207	26,343,730	71,384,937	71,378,875
Electric Charges	57,151,538	28,204,258	85,355,796	88,160,190
Fuel, Oil & Lubricants	726,388	18,889	745,277	2,089,646
Repairs & Maintenance	1,558,562	1,437,638	2,996,200	1,660,350
Entertainment	1,397,705	491,504	1,889,209	1,256,180
Conveyance	881,123	966,041	1,847,164	1,734,525
Medical Expenses	606,247	538,473	1,144,720	1,184,670
License & Renewal Fee	375,715	108,490	484,205	40,275
Loading & Unloading Expenses	60,124	18,700	78,824	1,835,050
Packing Materials	6,318,749	1,893,374	8,212,123	5,279,650
Employees Welfare Expenses	186,310	1,538,529	1,724,839	850,600
Paper & Periodicals	4,515	1,822	6,337	542,840
Stationeries	377,914	462,775	840,689	1,034,395
Depreciation (Note. 4.1)	67,994,752	33,997,378	101,992,130	95,356,984
	235,242,840	119,755,555	354,998,395	299,282,155
	(7,443,314)	(2,366,255)	(9,809,569)	(7,030,949)
ADD/(Less): Adjustment of VAT	-	30,182	30,182	3,081,975
Rebate on VAT	(7,443,314)	(2,396,437)	(9,839,751)	(10,112,924)
TOTAL TAKA:	227,799,526	117,389,300	345,188,826	292,251,206

23 Administrative and Other Expenses:

Salary & Allowances	7,591,894	3,655,014	11,246,908	3,545,417
Director's Remuneration	-	750,000	750,000	-
Conveyance	1,150,009	1,332,903	2,482,912	1,742,752
Stationeries	86,373	80,056	166,429	163,956
Advertisement	83,500	137,000	220,500	-
Telephone Charges	500,038	167,705	667,743	156,389
Fuel, Oil & Lubricant	333,605	237,286	570,891	823,064
Postage & Stamp	14,301	22,965	37,266	150,320
Insurance Premium (Vehicle)	-	-	-	334,317
Misc. Expenses	706,425	202,249	908,674	324,113
Uniform	-	-	-	446,355
Repairs & Maintenance	268,157	195,102	463,259	748,300
Paper & Periodicals	-	50,234	50,234	132,600
Audit Fee	-	100,000	100,000	75,000
Rent, Rates & Taxes	175,380	28,620	204,000	100,800
Export Expenses	2,198,971	1,682,490	3,881,461	2,002,793
Insurance Premium (All Risk)	3,254,852	1,595,518	4,850,370	4,984,160
Entertainment	548,492	401,685	950,177	663,939
Legal and Professional Fees	439,750	500,562	940,312	-
Preliminary Expenses Written Off	-	-	-	483,000
Depreciation (Note. 4.1)	1,678,241	839,118	2,517,359	2,161,346
TOTAL TAKA:	19,029,988	11,978,507	31,008,495	19,038,621

	01.10.2009 To 31.05.2010	01.06.2010 To 30.09.2010	AMOUNT IN TAKA	
			30.09.2010	30.09.2009
24 Financial Expenses :				
Bank Charge	101,123	928,627	1,029,750	209,672
Bank & Loan Interest	3,432,873	934,157	4,367,030	10,445,821
Interest on Islamic Finance & Investment Limited	-	-	-	430,451
Interest on IDLC Finance Limited	9,816,713	2,416,069	12,232,782	36,781,375
Interest on IPDC Ltd.	10,756,844	7,082,533	17,839,377	-
Interest on Uttara Finance & Investment Limited	719,779	(224,708)	495,071	2,971,617
Interest on United Leasing Co. Ltd.	2,189,216	402,095	2,591,311	8,856,846
Interest on Phoenix Leasing Co. Ltd.	1,101,824	187,391	1,289,215	3,232,120
Interest on IIDFC Ltd.	1,180,261	188,405	1,368,666	3,462,487
Interest on Union Capital Limited	-	-	-	3,636,522
Interest on Prime Finance & Investment Limited	1,043,908	88,676	1,132,584	4,114,430
Interest on MIDAS Financing Ltd.	365,389	-	365,389	4,487,463
Interest on SABINCO Ltd.	3,741,624	1,844,988	5,586,612	9,234,804
Interest on National Housing Finance & Investments Ltd.	7,540,038	2,863,880	10,403,918	1,208,336
Hajj Finance Co. Ltd	1,190,788	1,454,372	2,645,160	-
Interest on International Leasing & Financial Services Ltd.	2,128,800	1	2,128,801	3,413,593
TOTAL TAKA:	45,309,180	18,166,486	63,475,666	92,485,537
25 Capital Gain:				
Capital Gain on Share Investment (Tax Exempted)	323,216	571,070,086	571,393,302	51,240
Capital Gain on Sale of Land & Building (Covered 82c of the IT. Ordinance)	46,592,967	-	46,592,967	3,762,849
TOTAL TAKA:	46,916,183	571,070,086	617,986,269	3,814,089
Sale of share was completed within 29.06.2010.				
26 Other Income:				
Bank Interest	171,112	99,009	270,121	304,908
Sale of Scrap	1,646,001	232,057	1,878,058	-
Interest on Deposit (Note. 8)	-	23,945,963	23,945,963	1,384,848
Currency Fluctuations A/C	-	88,546	88,546	-
TOTAL TAKA:	1,817,113	24,365,575	26,182,688	1,689,756

Note: A syndicate loan Tk. 29 crore was taken on 26.06.2004 against security deposit Tk. 2.9 crore as 10% of total loan.

27 **Earnings Per Share (EPS):**

The computation of EPS is given below:

a) Profit attributable to the Ordinary Shareholders (Net Profit After Tax)	754,698,321	120,779,206
b) No of Shares Outstanding for the year (705,100,000/10)	70,510,000	70,510,000
Earnings Per Share (EPS):	10.70	1.71

28 **Capacity Utilization:**

28.1 **Clear Float Glass Sheet:**

	30.09.2010	30.09.2009
	MT	MT
Installed Capacity on the basis of 5 MM (MT)	41,040.00	41,040.00
Actual Production in 2-12 MM (MT)	30,337.68	29,016.00
% of capacity utilization	74%	71%

Note: Actual production is low due to produce various thickness of clear glass (2 to 12 MM clear glass)

29 **Numbers of Employees:**

	30.09.2010	30.09.2009
	Persons	Persons
More than 36,000 per annum	375	358
Less than 36,000 per annum	-	17
Total No. of Employee:	375	375

30 **General:**

30.1 **Directors Remuneration for attending board meeting:**

There is no remuneration paid to the directors for attending board meeting.

30.2 **Directors Remuneration for special service rendered:**

There is a remuneration Tk. 250,000/- (Two lac fifty thousand) per month paid to director **Mr. Mohammed. Amir Hossain Chowdhury** who has been rendering for full time services effective from July 2010. The decision was adopted by the Board Meeting held on 05 June, 2010.

There is no remuneration paid to the other directors for special service rendered by them.

30.3 **Receivable from Directors:**

No amount is lying as receivable from the Directors.

Schedule of Customer wise Trade Debtors (Local)

As at 30 September 2010

SI #	Name of Customer	Amount in Taka
1	15280 - Abir & Company	515
2	15093 - Alam Glass House (Jessore)	1,763,289
3	15138 - Alam Glass (Chapaigonj)	471,318
4	15555 - Aluminium Fiar (Ctg)	119,005
5	15609 - Al-Madina Thai (Feni)	22,055
6	15165 - Anamul Enterprise	39,550
7	15126 - Ananda Glass Agency (Ctg)	8,362,766
8	15294 - Ananda Glass House(Chandpur)	61,255
9	15775 - Ananna Hardware (Muradpur)	306
10	15605 - Ansari Glass (Dinajpur)	1,120
11	15122 - Anwar Glass House	2,836,587
12	15610 - Arafat Glass (Mohakali)	1,220
13	15743 - Arman Glass House (Bahaddarhat)	45
14	15026 - Arman Kanch Ghar	947,594
15	15724 - Asia Glass House (Chawkbazar)	376
16	15634 - Asia Glass & Thai (Free Port)	9,280
17	15056 - AL-Modina Glass House	362,833
18	15121 - AL- Riyadh Glass House	1,185,510
19	15023 - Baba Traders	228,537
20	15049 - Beauty Glass House	65,643
21	15154 - Belal Glass House	465,494
22	15135 - Belgium Glass Agency (Ctg)	1,059,388
23	15139 - Bengal Glass House	138,145
24	15717 - Bhai Bhai Thai Aluminium (Ctg)	126
25	15293 - Bismillah Glass House(Chandpor)	217,057
26	15787 - Chandney Glass House (Thakugaon)	1,631
27	15131 - Chowdhury Glass House	2,905,859
28	15797 - Chowqasa Glass House (Jessore)	10,941
29	15577 - City Glass Art (Bogra)	374,095
30	15022 - City Glass House(Babubazar)	4,176,245
31	15235 - City Glass House(Khulna)	122,942
32	15018 - City Glass(Narayangonj)	226,639
33	15714 - City Thai Aluminium (Narayangonj)	107,722
34	15128 - Cosmic Glas House	1,113,703
35	15256 - Darpon Glass House	1,750,977
36	15718 - Dhaka Glass House (Chatkhil)	141

Sl #	Name of Customer	Amount in Taka
37	15189 - Dhaka Glass House (Kustia)	3,684,822
38	15259 - Dhaka Glass House(Laxmipur)	80,445
39	15207 - Dilder Glass House	328,994
40	15240 - Euro Bangla Glass Ltd.	550,754
41	15247 - Famous Glass House	109,701
42	15160 - Fancy Glass House (Ctg)	1,443,208
43	15265 - Farid Glass House	287,717
44	15218 - Faruq Glass House	401,449
45	15592 - Fatema Glass House(Laxmipur)	6,682
46	15732 - Fazlu Glass House (Babubazar)	3,121
47	15230 - Fency Glass House (Laksham)	415,091
48	15578 - Foreign Trade(Banani)	195,487
49	15611 - Gafur Glass (Mymensing)	42,244
50	15700 - Gausia Glass House	14
51	15566 - Gazipuri Aina Bitan(Comilla)	36,211
52	15107 - Genuine Glass House	5,382,152
53	15713 - Glass Corner (Beparipara)	22
54	15241 - Glass Corner (Fakirapul)	754,513
55	15284 - Glass Garden (Dhaka)	56,216
56	15172 - Glass View (Banani)	601,500
57	15559 - Glass Works (Barishal)	537,540
58	15111 - Glass World (Dhaka)	3,609,113
59	15144 - Hazi Nuruddin & Sons.	2,555,487
60	15234 - Hera Glass & Thai Aluminium	540,391
61	15109 - Hoque Aluminium	76,626
62	15697 - Hor Chandra Picture House	13,216
63	15276 - Imam Glass House	126,416
64	15224 - International Glass Corp. (Ctg)	232,345
65	15737 - Islamia Thai Aluminium & Glass	313
66	15166 - Islam Glass House (Babubazr)	1,216,043
67	15176 - Islam Glass (Mymensing)	28,052
68	15180 - Janapriya Glass House	143,225
69	15193 - Janata Glass House (Chittagong)	35,038
70	15287 - Japan Glass House (Bhola)	608,350
71	15233 - Jela Glass House	1,333,017
72	15250 - Julkha Glass Center (Ctg)	1,929
73	15151 - J.M.D. Trade International (Ctg)	106,865
74	15239 - Kanch Biponi (Norshindi)	169,521
75	15612 - Kanch Ghor (Sylhet)	370,946
76	22024 - Kanch Mohal	101

SI #	Name of Customer	Amount in Taka
77	15277 - Kanch Mohol (Comilla)	1,067,061
78	15551 - Kashem Glass & Thai(Choddagram)	95,908
79	15162 - Khan Glass Point	1,695,325
80	15179 - Kohinoor Aaina Bitan	347,545
81	15599 - Korean Glass (Nandankanan)	453
82	15171 - Lia Glass House (Ctg)	182,521
83	15063 - Mahita Glass House	345,152
84	15613 - Masfi Enterprise(Banani)	793
85	15133 - Masud Traders	1,152,658
86	15177 - Mita Glass (Faridpur)	1,059,973
87	15279 - Modern Glass House (Barisal)	44,584
88	15282 - Modern Glass House(Nanadarkanan)	358
89	15614 - Modina Glass (Tongi)	210,704
90	15625 - Mohadevpur Glass House (Noagaon)	52,161
91	15186 - Mohammadi Glass House (Ctg)	1,255,066
92	15090 - Mohin Glass House	7,929,756
93	15101 - Moli Glass House	852,333
94	15264 - Mollah Glass House(Bhairab)	2,521,614
95	15212 - Mollah Glass(Kurigram)	197,769
96	15196 - Mujib Glass House	1,701,004
97	15078 - Mukta Glass House	83,997
98	15168 - Mukti Glass House	662,350
99	15024 - Murad Glass House	256,072
100	15198 - M.A. Mannan Glass House (Ctg)	267,178
101	15060 - M.K. International	566,813
102	15716 - M/s Aina (Fakirapool)	28
103	15183 - Najat Traders (Dhaka)	187,157
104	15576 - Nasir Glass House (Comilla)	15,512
105	15174 - National Glass House (Ctg)	3,215,123
106	15593 - National Glass(Comilla)	50,818
107	15642 - National Kanch Ghar (Halishahar)	21
108	15291 - National Thai & Glass(Free port)	86,836
109	15744 - Nayan Glass House (Gazipur)	16,224
110	15150 - Nazma Glass House (Ctg)	5,293
111	15615 - Netrokona Hardware (Netrokona)	4,031
112	15155 - New Banoful Glass House	734
113	15749 - New Bonofool Glass (Gazipur)	19,055
114	15564 - New China Thai Aluminium(Malibag)	25,922
115	15100 - New Glass Centre	3,675,990
116	15590 - New Kanch Bitan(Narayan Ganj)	77,593

SI #	Name of Customer	Amount in Taka
117	15562 - New Khaja Glass Centre(Gazipur)	140,779
118	15574 - New Mahammadia Glass	124,334
119	15258 - New Padma Glass House	914,894
120	15188 - New Rekha Glass House	941,003
121	15157 - New Royal Glass House	264,685
122	15036 - New Shohel Glass House	1,958,188
123	15588 - N.B Fashion Thai (Chandgaon)	629
124	15167 - Otobi Ltd	68,225
125	15147 - Parjowar Glass House	2,330,545
126	15129 - Popular Glass House (Tongi)	225,035
127	15173 - Popular Variety Shop (Ranpur)	1,016,053
128	15723 - Pride Thai Aluminium (Kalurghat)	28
129	15695 - Prima Glass House (Barisal)	42,925
130	15616 - Progoti Enterprise (Mohakali)	143,140
131	15810 - Rabeya Glass House (Shatkhira)	494,898
132	15119 - Rahim Mart (Khulna)	5,013,173
133	15124 - Rahmania Glass House	1,823,371
134	15600 - Rahman Aluminum (Banani)	150,880
135	15050 - Rahman Glass House (Babubazar)	14,871
136	15621 - Rahman Glass (Kalurghat)	274,316
137	15095 - Rahman Thai & Glass (Feni)	976,133
138	15746 - Rajdhani Kanch Ghar (Mohammadpur)	456
139	15295 - Rajib Kanteh Ghar	72,711
140	15715 - Raju Glass House (Faridpur)	33,127
141	15554 - Rana Thai Aluminium(Chadpur)	144,648
142	15019 - Ranjit Glass House	5,561,250
143	15080 - Rasel Glass Agency (Ctg)	219,617
144	15607 - Rawshon Glass(Dinajpur)	916
145	15262 - Rifat Glass House	296,930
146	15206 - Rizu Glass House	463,621
147	15640 - Robin Kanch Ghar (Mohastangar)	964
148	15263 - Roy Glass House	27,095
149	15058 - Ruhul Store (Natore)	3,721
150	15772 - RM International (Agrabad)	387
151	15608 - R. K. Traders (Ctg)	163
152	15596 - Sahera Thai & Glass (Narayan Ganj)	21,551
153	15114 - Salim Traders (Dhaka)	1,097,017
154	15163 - Samata Enterprise	223,185
155	15617 - Shad Glass (Sylhet)	99,915
156	15115 - Shahjalal Glass(Banani)	3,746,457

SI #	Name of Customer	Amount in Taka
157	15149 - Shahjalal Glass(Noakhali)	354,830
158	15751 - Shah Tayabia Glass House (Coxbazar)	3,262
159	15125 - Shamshu Glass House	489,707
160	15190 - Shams Enterprise	2,543,730
161	15211 - Shankar Chandra Banik	207,741
162	15204 - Shaon Glass House (Ctg)	734,170
163	15712 - Shaparan Glass House (Mohakhali)	94,949
164	15584 - Shaporan Glass House (Hobigonj)	2,259
165	15618 - Sharfaraj Glass (Babubazar)	49,000
166	15110 - Sharif Glass House	618,421
167	15598 - Shourob Kanch Ghar (Mohastanagar)	51,866
168	15738 - Shuvo Glass House (Joydebpur)	8,429
169	15105 - Silver Cord (Savar)	1,198,302
170	15091 - Siraj Glass House	151,295
171	15806 - Soma Glass House (Comilla)	83
172	15146 - Sony Glass House	758,401
173	15731 - Soudia Glass House (Noakhali)	4,684
174	15735 - Sraboni Glass House (Kalurghat)	5,019
175	15619 - Sultana Enterprise (Babubazar)	1,769,058
176	30497 - Sumon Nath	28
177	15092 - Syma G. House	4,258,879
178	15643 - SK Glass Agency (Burichong)	100,306
179	15229 - S.K.Enterprise (Ctg)	162,031
180	15266 - S.R Glass Center (Notunbazar)	150,280
181	15602 - Tahmina Glass (Kishorgonj)	51
182	15046 - Taj Traders(Chandpur)	86,203
183	15075 - Talukdar Glass Palace	473,584
184	15097 - Tongi Glass House	6,178
185	15620 - Trade Fare (Banani)	9,590
186	15565 - Tushar Glass(Jatrabari)	286,032
187	15077 - United Glass House	1,895
188	15159 - Universal Glass Corp. (Ctg)	1,299
189	15238 - Vanjon Glass House	9,745
190	15257 - Victoria Art Gallary	1,297,841
191	15054 - Zubayer Glass House (Ctg)	2,679,223
	Local Total	132,664,474

Annexure - B**Schedule of Customer wise Trade Debtors (Export)**

As at 30 September 2010

Sl #	Customer	Amount in Taka
1	15579 - Biswakarma Glass Supply (India)	1,632,377.84
2	15016 - J P Enterprises (India)	5,377,286.36
3	15553 - M.S.Glass Traders Pvt.(India)	5,980,382.20
4	15779 - S.G. Industry (India)	8,206.60
	Export Total	12,998,253.00

Annexure - C**Schedule of Advance to Supplier for Goods**

As at 30 September 2010

Sl. No	Name of Supplier	30.09.2010	30.09.2009
1	ALLIANCE FINANCIAL SERVICE LTD.	500,000	500,000
2	Ami Enterprise	300,000	-
3	Amin Traders	250,000	-
4	BISMILLAH TRADER'S	-	803,500
5	Funka Industries Ltd.	1,800,000	-
6	Green Bee Communications	150,000	-
7	GULFRA HABIB LTD.	90,200	99,693
8	J. H. MEHDI & CO	573,320	573,320
9	Jalalabad Steel Ltd.	2,000,000	-
10	M.A. Hashem Enterprise	88,389	-
11	MADHANI CARRIERS	3,500,000	-
12	MOBIL JAMUNA LUBRICANTS LTD.	111,270	210,994
13	MOHAMMED ESKANDER	2,500,000	-
14	MRH DEY & CO.	1,868,375	-
15	Mrh Dey & Co.	64,425	-
16	Nitol Motors Ltd.	3,276,000	-
17	Noorjahan Bricks Limited	2,000,000	-

Sl. No	Name of Supplier	30.09.2010	30.09.2009
18	Nurul Abser	8,000,000	-
19	PADMA OIL COMPANY LTD.	6,186,600	43,284
20	POWER SEAL CENTER	156,000	-
21	Powerman Bd. Ltd.	1,500,000	-
22	R.R ENTERPRISE	3,400,000	-
23	RABEYA ENGINEERING WORKS LTD.	145,500	-
24	SALIM & SONS	4,000,000	-
25	SEKANDAR C&F LTD.	32,000	-
26	SHABIRUL HAQUE	26,000	-
27	TECH VALLEY SOLUTIONS LTD.	500,000	-
	Total	43,018,079	2,230,791

Annexure - D

**Schedule of Sundry Creditors
As at 30 September 2010**

Sl.No	Supplier Name	30.09.2010	30.09.2009
1	A. G. MOUEN AND CO.	169,860	103,000
2	A.B TRADING	124,250	-
3	ABB Limited	259,225	-
4	ABDULLAH SCIENTIFIC STORE	15,000	-
5	AL MADINA SHOTA GHOR	3,880	-
6	AL-FAYSAL ENTERPRISE	15,920	-
7	ALI HARDWARE STORES	16,874	-
8	ALI RUBBER INDUSTRIES	92,250	-
9	AL-RIJIA SANITARY	18,000	-
10	Ami Enterprise	396,004	-
11	AMIN TRADERS	465,404	214,000
12	ANANDA THAI ALUMINIUM	3,600	-
13	Ananto Enterprise	88,700	-
14	ANANYA TOOLS CENTER	940	-
15	Ansar & VDP	20,500	-
16	AQUA TECHNO	201,545	-
17	ASIAN PAINTS (BANGLADESH) LTD.	3,931	1,310
18	ATLANTIC INTERNATIONAL	217,500	42,298
19	AUTOMATION ENGINEERING & CONTROLS LTD.	57,092	8,080
20	AZMIR ARMY ENTERPRISE	67,005	-
21	Badol Rent-A-Car	18,900	-
22	Baizid Army & General Stores	24,750	-

Sl.No	Supplier Name	30.09.2010	30.09.2009
23	BANDAR CARRIER SERVICE	1,997,495	18,185
24	Bangladesh Electrods Ltd.	20,550	-
25	Bangladesh General Insurance Conmpany	77,962	-
26	Bangladesh Steel Re-Ro Mil L.	537,225	-
27	Bangladesh Welding Electrodes Ltd.	61,650	-
28	BINIMOY ELECTRIC STORE	36,995	-
29	Bishwa Motor Works	50,000	-
30	BISMILLAH TRADER'S	282,750	-
31	BOC BANGLADESH LTD.	4,133	-
32	BODI ALAM ENTERPRISE	28,305	-
33	BOROTAKIA WOOD MART	246,583	82,000
34	BTCL (BANGLADESH	24,259	-
35	CHITTAGONG GLASS HOUSE	3,490	-
36	Chowdhury Motors	6,920	-
37	Design House	3,300	-
38	Eastern Elec. & Repairing Works	27,000	-
39	Eastland Insurance Co. Ltd.	4,868	-
40	EBBCO INTL.	-	4,500
41	Elite Chemical Industries Ltd.	87,410	-
42	ELITE PAINTS IND. LTD.	6,611	2,129
43	Enayetpur Rent-A- Car	51,250	-
44	Fecto Industries Ltd.	15,518	-
45	FINA MARINE LUBRICANT SERVICES	7,920	-
46	FUCHS LUBRICANT	72,600	36,000
47	GOLAM HOSSAIN MENTION	33,540	-
48	Grameen Phone Sales Centre	3,350	-
49	Green Delta Ins. Co. Ltd.	18,030	-
50	H.S. ENGINEERING WORKS	12,300	-
51	HABIB ENTERPRISE	-	12,240
52	Habib Enterprise	25,000	-
53	HILLTOP INN	-	11,791
54	HOSSAIN AND SONS	3,600	-
55	HOWLA FANCY STORE	16,100	-
56	Ibrahim Sowdagar	68,586	-
57	INTERNATIONAL OFFICE MACHINES LTD.	3,200	-
58	IOM (International Office Machines Ltd.)	14,000	-
59	ISLAM TRADERS	127,394	-
60	J.B. ENTERPRISE	8,928	-
61	JA TECHNICAL SERVICE	27,000	-
62	Jamal Agency	95,400	-
63	JANANI COMPUTERS	16,630	-
64	JEWEL MOTORS	3,060	-
65	Jublee Trade Center	235,862	-
66	K. HUSSAIN	64,269	-
67	KARNAPHULI SCIENTIFIC STORE	14,250	-
68	KARUUGAN	120	-

Sl.No	Supplier Name	30.09.2010	30.09.2009
69	KHAN ENGINEER WORKS	70,000	-
70	KHURSHED AND BROTHERS	73,260	-
71	King Trading	29,800	-
72	Local Supplier/Market	87,792	-
73	LUCKY ELECTRIC CO.	13,090	3,500
74	M. A. Enterprise	126,341	-
75	Makka Cable Suplier	17,246	-
76	MALLICK HARDW. & PAINTS STORE	450	-
77	MANTANENCE CHEMICAL AGENCIES LTD.	3,840	-
78	MB WORKSHOP	21,000	-
79	MOLLA RUBBER ENG. WORKS	216,890	-
80	MOUNT HOSPITALS LTD.	-	34,500
81	Nabi & Brothers	5,000	-
82	N-AMIN ENTERPRISE	-	17,000
83	NASIM MACHINERY	460	-
84	National Barbed Wire	36,000	-
85	NATIONAL CARGO SURVEYORS	9,500	-
86	New Al-Amin Cbew	736,125	-
87	Ngs Cement Industries Ltd	478,622	-
88	Noorjahan Bricks Limited	2,294,400	-
89	ORIENT LINK (For L/c : 2083-10-02-0035)	25,246,650	-
90	Padma Stationary	56,111	-
91	Phoenix Insurance Co. Ltd	4,214	-
92	PHP AGRO	51,000	-
93	PHP COLD ROLLING MILLS LTD.	64,100	-
94	PHP SHIP YARD	7,137	-
95	POLY CABLE IND. LTD.	18,018	-
96	Popular Electric Enterprise	34,680	-
97	POWER SEAL CENTER	34,320	-
98	Prime Enterprise	643,500	-
99	R.B.M. ELECTRONICS	1,015,000	-
100	R.ENTERPRISE	114,570	-
101	RABEYA ENGINEERING WORKS LTD.	2,200	-
102	RASU ENTERPRISE	82,200	-
103	RUMI ELECTRIC STORE	32,950	-
104	RUNNER MOTORS LTD.	3,458	-
105	RUPALI AGENCIES	44,198	-
106	S. S. ENTERPRISE1	119,018	90,000
107	S.K. HARDWARE MART	27,187	-
108	Sagarika Paribahan Sangstha	1,030,035	-
109	Samiha Enterprise	109,593	-
110	SEKANDAR C&F LTD.	134,004	-
111	Shafi Trading	62,000	-
112	SHAH JALAL MACHINERY	39,900	-
113	SHIBLEE TRADERS	2,822	-
114	SIKDER INTERNATIONAL	219,721	-

Sl.No	Supplier Name	30.09.2010	30.09.2009
115	STAR TRADING CORPORATION	61,183	64,000
116	TAJ TRADERS PVT. LTD.	87,275	534,000
117	THAUHID STATIONARY	17,550	-
118	THE ART PRESS	59,100	10,400
119	THE MAGADI (For L/c : 0205-10-02-0012)	22,755,600	-
120	Trade Syndicate	300,000	-
121	TRAVEL GUIDE LTD.	324,772	-
122	TYRE COLLECTION	20,800	-
123	UNICOL BANGLADESH	186,000	-
124	UNIQUE STATIONARY	9,490	4,500
125	UTTARA CHEMICAL WORKS	148,200	-
126	Zaher & Co	3,750	-
	Total	64,118,664	1,293,433

Annexure - E

**Advance Received from Customer (Other Finance)
As at 30 September 2010**

Sl #	Customer	Amount in Taka
1	15768 - Ahmedullah Glass House	1,048
2	15728 - Akhi Kaanch Ghar	30,918
3	15770 - Akhlina Glass House (Babubazar)	32,599
4	15739 - Alam Glass (Khagrachari)	535
5	15796 - Alif Glass & Thai (Sanirakara)	2,273
6	15635 - Amzad Glass House	2,495
7	15803 - Anik Glass & Thai (Cox's Bazar)	444
8	15117 - Ayon Enterprise	325,335
9	15781 - Aziz Thai & Glass (Dokkin Khan)	1,265
10	15255 - Azmir Glass House	472
11	15629 - Bengal Glass House(Khulna)	428,069
12	15798 - Bhairab Thai & Glass (Bhairab)	9,763
13	15586 - Bhuiyan Enterprise (Mirpur-2)	775
14	15009 - Binimoy Glass House (Ctg)	68
15	15807 - Bismillah Glass (Bashurhat)	249
16	15748 - Bright Thai Aluminium & Glass	460
17	15742 - B.S Glass House	857
18	15734 - B. Alam Glass House (Rangamati)	184
19	15790 - Chitra Construction (Khulna)	195
20	15754 - Chittagong Glass Center (BabuBazar)	1,932

SI #	Customer	Amount in Taka
21	15637 - Chittagong Glass House (Jurain)	9,999
22	15809 - Classic Thai Aluminium(Cox's Bazar)	11
23	15766 - Color Glass House	1,585
24	15627 - Comilla Glass House(Comilla)	200
25	15760 - Debiddar Kanch Mohol (Comilla)	1,340
26	15706 - Feroz Thai & Glass (Syedpur)	4,630
27	15805 - F. Rahman Glass House (Gazipur)	11,526
28	15571 - Glass Builders (Shantinagar)	7,208
29	15736 - Glass Collection (Jatrabari)	33,196
30	15753 - Glass Point (Banani)	1,761
31	15759 - Halima Glass House (Langol Court)	3,385
32	15795 - Hanif Thai & Glass (Nator)	20
33	15130 - Happy Glass House	19,567
34	15785 - Hasan Glass & Thai (Uttara)	4,170
35	15776 - Hashem Thai Aluminium (Mohipal)	5,007
36	15215 - Hossain Glass House (Ctg)	6
37	15567 - Imran Glass & Thai (Wari)	9,948
38	15778 - Jamalpur Glass House (Uttara)	10,400
39	15789 - Jamal Glass House (Babubazar)	150,101
40	11271 - Janani Enterprise	4,154
41	15719 - Janani Glass House (Ramgonj)	15,126
42	15606 - Janata Glass (Chadpur)	1,340
43	15199 - Jan B & Sons. (Ctg)	284
44	15116 - Jashim Glass House	21,731
45	15792 - Jilani Glass House (Kosba)	3,734
46	15707 - JN Trading & Glass Point	8,969
47	15764 - JR Glass & Thai (Dakshin Khan)	1,352
48	15557 - J.K. International (Babu Bazar)	2,300
49	15791 - Kawsar Glass House (Wari)	20,095
50	15773 - Kazi Traders (Alankar)	350
51	15604 - La-Sany Glass (North Badda)	2,744
52	15003 - Maloysia Glass House	88,622
53	15245 - Mamony Glass House	5,415
54	50183 - Md. Nizam Uddin (Scrap)	115,500
55	15630 - Meghna Glass House(Shahjadpur)	1,418
56	15788 - Milon Glass House (Jatrabari)	1,463
57	15641 - Mir Glass House (Alamdanga)	4,781
58	15556 - Modern Glass House(Babu Bazar)	3,200
59	15793 - Mofazzel Thai & Glass (Kustia)	4,909
60	15757 - Mohammadi Glass House (Gazipur)	15,128

SI #	Customer	Amount in Taka
61	15761 - Mohammadi Glass (Maizdi)	185,899
62	15799 - Mojib Glass House (Siddirgonj)	472
63	15594 - Moni Kanch Ghar (Bogra)	3,190
64	15722 - Morshed Kanch Ghar (Lal Monirhat)	535
65	15752 - Motalib Glass House (Iswardgonj)	2,667
66	15699 - MM Glass House	6
67	15156 - Nadrun Glass House (Ctg)	32,595
68	15244 - National Glass House (Sylhet)	2,484
69	15762 - New Bengal Glass (Nadda)	4,953
70	15708 - New Islam Glass House (Sanirakra)	5,906
71	15587 - New Moli Glass House(Badda)	40
72	15573 - New Raju Glass & Thai (Badda)	14
73	15261 - New Rasel Glass House	5,670
74	15626 - New Sawdagar Glass(Shahjadpur)	30,659
75	15633 - New Star Glass House (Shahjadpur)	145
76	15741 - Noakhali Glass & Thai (Chowmuhuni)	7,242
77	15740 - Ornate Thai Aluminium (Tikatuli)	4,265
78	15142 - Ovee Glass House	7,017
79	15804 - Parul Kanch Ghor (Bogra)	2,825
80	15694 - Rahat Glass House (Chandpur)	2,243
81	15765 - Raha Glass House	3,652
82	15720 - Rokeya Glass House (Nandankanan)	9,266
83	15624 - Rong Mohol Glass House(Sherpur)	1,190
84	15639 - Saju Glass & Thai Aluminium (Badda)	310
85	15726 - Samaher Glass House (Babubazar)	734
86	15801 - Sarkar Glass House (Mymensing)	888
87	15711 - Shadle Glass House (Chittagong)	58
88	15774 - Shahin Glass House (Khulna)	33,249
89	15709 - Shaon Glass House (Chowmuhuni)	322
90	15710 - Shobha Kanch Ghar (Bogra)	25,847
91	15027 - Shorab & Brothers Glass Agency	15,622
92	15560 - Shuvo Glass House(Bogra)	3,440
93	15187 - Sonali Kaanch Ghar	3,852
94	15558 - Sonar Bangla Thai (Comilla)	3,522
95	15589 - Sumi Hardware (Mohra Kalurghat)	34
96	15570 - Surovi Glass House (Malibag)	34,630
97	15733 - Suvecha Glass House (Kustia)	5,680
98	15622 - Syedpur Glass House (Syedpur)	1,766
99	15802 - SD Glass House (Jhalokathi)	1,009
100	15702 - SM Thai Aluminium & Glass	478

Sl #	Customer	Amount in Taka
101	15701 - S. Alam Glass House (Raojan)	2
102	15763 - Thai Aluminium & Glass (Kustia)	7,130
103	15164 - Trade Consult (Dhaka)	477,580
104	15623 - Universal Trading (Sylhet)	1,312
105	15249 - Ureka Glass House	8,043
106	15783 - Venus Glass House (Sirajgonj)	2,933
107	15784 - Venus Glass & Aluminium	1,440
108	15730 - Veramara Glass House	9,008
109	15552 - Victoria Glass House(Banani)	4,463
110	15727 - Zerine Thai Aluminium (Nandankanan)	218,516
	Total	2,611,409

PHP Float Glass Industries Limited

Auditors' Report under section 135(1) and paragraph 24(1) of part -II of Third Schedule of the Companies Act 1994

We have examined the Financial Statements of PHP Float Glass Industries Limited for the years ended 30 September 2006, 2007, 2008, 2009 and 2010 in pursuance of section 135(1) under paragraph 24(1) of part -II of Third Schedule of the Companies Act 1994, our report is as under:

A. Statement of Assets and Liabilities:

PARTICULARS	30-09-2010	30-09-2009	30-09-2008	30-09-2007	30-09-2006
	Taka	Taka	Taka	Taka	Taka
ASSETS:					
Non-current Assets:					
Property, Plant and Equipments	3,701,130,960	1,631,687,762	1,541,701,752	1,640,569,091	1,736,238,343
Capital work in Progress	135,072,986	-	53,005,012	-	-
Intangible assets	-	-	121,899,104	121,899,104	121,899,104
Total Non-current Assets	3,836,203,946	1,631,687,762	1,716,605,868	1,762,468,195	1,858,137,447
CURRENT ASSETS:					
Inventories	213,023,885	239,110,374	367,496,423	168,762,106	205,291,836
Trade & Other Receivable	175,698,948	192,997,624	22,080,915	22,080,915	35,880,915
Advances, Deposits & Prepayments	102,202,512	85,860,168	130,546,848	82,130,525	77,533,646
Investment	32,396,092	237,911,913	38,480,897	-	-
Stores & Spares	53,853,783	36,477,421	607,974	16,563,744	14,672,635
Cash and Cash Equivalent	13,218,288	26,032,131	28,515,665	6,629,739	1,309,926
Total Current Assets	590,393,508	818,389,631	587,728,722	296,167,029	334,688,958
TOTAL ASSETS	4,426,597,454	2,450,077,393	2,304,334,590	2,058,635,224	2,192,826,405
EQUITY:					
Issued, Subscribed and Paid Up- Capital	705,100,000	705,100,000	705,100,000	705,100,000	705,100,000
Tax Holiday Reserve	819,13862	46,369,742	-	-	-
Revaluation Reserve	2,175,740,994	-	-	-	-
Retained Earnings	385,827,612	(321,750,810)	(396,160,274)	(297,678,155)	(216,016,859)
Total equity attributable to equity holders of the company	3,348,582,468	429,718,932	308,939,726	407,421,845	489,083,141
LIABILITIES:					
Long Term Loan	234,194,909	154,430,078	351,225,985	1,002,789,650	1,121,572,949
CURRENT LIABILITIES:					
Short Term Loan	139,862,124	418,408,254	621,051,508	39,883,966	49,135,540
Trade & Other Payable	835,76340	41,513,952	17,617,371	20,369,763	24,134,775
Intercompany Balance	591,046,104	1,405,381,719	1,005,500,000	588,170,000	508,900,000
Provision for Income Tax	23442395	624,458	-	-	-
Deferred Tax	5,893,114	-	-	-	-
Total Current Liabilities	843,820,077	1,865,928,383	1,644,168,879	648,423,729	582,170,315
TOTAL EQUITY AND LIABILITIES	4,426,597,454	2,450,077,393	2,304,334,590	2,058,635,224	2,192,826,405
Net Asset Value (NAV) Per Share	47.49	6.09	4.38	5.78	6.94

B. Statement of operating results:

PARTICULARS	30-09-2010	30-09-2009	30-09-2008	30-09-2007	30-09-2006
	Total Taka	Taka	Taka	Taka	Taka
Turnover (net off VAT)	880,528,690	775,481,990	522,498,584	617,258,543	442,794,622
Less: Cost of goods sold	646,804,114	548,033,477	465,590,069	51,2355,454	419,827,384
Gross Profit	233,724,576	227,448,513	56,908,515	104,903,089	22,967,239
Less: Administrative and Other Expenses	31,008,495	19,038,621	15,101,270	21,211,816	38,304,922
Financial Expenses	63,475,666	92,485,537	140,271,778	165,315,283	144,305,204
Net Operating Profit	139,240,415	115,924,355	(98,464,533)	(81,624,010)	(159,642,888)
Add: Capital Gain	617,986,269	3,814,089	-	-	-
Other Income /Loss	26,182,688	1,689,756	(17,586)	(37,286)	-
Loss of sale of Vehicle	-	(24,536)	-	-	-
	644,168,957	5,479,309	-	-	-
Net Profit Before Tax	783,409,372	121,403,664	(98,482,119)	(81,661,296)	(159,642,888)
Less: Provision for Income Tax @ 37.5%	(22,817,937)	(624,458)	-	-	-
Deferred Tax	(5,893,114)	-	-	-	-
Net Profit after Tax	754,698,321	120,779,206	(98,482,119)	(81,661,296)	(159,642,888)
Profit Attributable to Shareholders	754,698,321	120,779,206	(98,482,119)	(81,661,296)	(159,642,888)
Less: Tax Holiday Reserve (40%)	35,544,120	46,369,742	-	-	-
Transferred to Retained Earnings	719,154,201	74,409,464	(98,482,119)	(81,661,296)	(159,642,888)
Earnings Per Shares (EPS) with Capital Gain	10.70	1.71	(1.40)	(1.16)	(2.26)

C. Statement of cash flow:

PARTICULARS	30.09.2010	30.09.2009	30.09.2008	30.09.2007	30.09.2006
	TAKA	TAKA	TAKA	TAKA	TAKA
A. Cash Flows from Operating Activities:					
Cash collection from customers	897,827,366	604,565,281	522,498,584	631,058,543	441,994,622
Cash paid to suppliers and employees	(540,322,766)	(307,970,905)	(610,581,028)	(396,883,596)	(477,735,956)
Cash Generation from Operations	357,504,600	296,594,376	(88,082,444)	234,174,947	(35,741,334)
Bank charge and interest paid	(63,475,666)	(92,485,537)	(140,271,778)	(165,315,283)	(144,305,204)
Income Tax Paid	(9,035,935)	-	-	-	-
Other income	26,182,688	1,740,996	-	-	-
Net Cash from Operating Activities	311,175,687	205,849,835	(228,354,222)	68,859,664	(180,046,539)
B. Cash Flows from Investing Activities:					
Acquisition of fixed assets	(9,618,726)	(14,884,911)	(5,207,820)	(14,774,978)	(66,530,989)
Proceeds from sale of land & Vehicle	58,000,000	5,540,000	(53,005,012)	-	-
Purchase/Disposal in Share	776,909,123	(199,431,016)	(15,000,000)	-	-
Cash paid for capital-work-in progress	(135,072,986)	-	(23,480,897)	-	-
Net Cash used in Investing Activities	690,217,411	(208,775,927)	(96,693,729)	(14,774,978)	(66,530,989)
C. Cash flow Financing Activities					
Increase/(decrease) loan settlement(LTR)	4,983,592	(118,941,299)	164,157,505	338,042	(98,647,960)
Payment for lease installment	(202,102,697)	(231,808,037)	(234,553,628)	(118,783,300)	19,773,487
Decrease in Bank Overdraft	(1,662,194)	(48,689,825)	-	(9,589,615)	9,990,024
Intercompany Balance	(815,425,642)	399,881,719	417,330,000	79,270,000	316,624,093
Net Cash Generated from Financing Activities	(1,014,206,941)	442,558	346,933,877	(48,764,873)	247,739,644
D. Net Cash increase/(decrease) for the year (A+B+C)	(12,813,843)	(2,483,534)	21,885,926	5,319,813	1,162,115
E. Cash and Cash Equivalent at the Beginning of the year	26,032,131	28,515,665	6,629,739	1,309,926	147,810
F. Cash and Cash Equivalent at the end of the year(D+E)	13,218,288	26,032,131	28,515,665	6,629,739	1,309,926

D. Dividend declared:	30.09.2010	30.09.2009	30.09.2008	30.09.2007	30.09.2006
Cash dividend-%	-	-	-	-	-
Stock dividend (Bonus share)-%	-	-	-	-	-

E. PHP Float Glass Industries Limited is a public Limited company which was incorporated 09 April 2003

F. The company did not prepare any account for any period subsequent to 30 September 2010

I. Figure related to previous years have been rearranged where considered necessary.

Dated: Chittagong,
January 02,2011

Sd/-
(Bsu Banerjee Nath & Co.)
Chartered Accountants

Ratio Analysis

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
1. Liquidity Ratios:					
Current Ratio	0.70	0.44	0.36	0.46	0.57
Quick Ratio	0.38	0.29	0.13	0.17	0.20
Times Interest Earned Ratio	13.34	2.31	0.30	0.51	(0.11)
Debt to Equity Ratio	0.11	1.33	3.15	2.56	2.39
2. Operating Ratios: (Times)					
Accounts Receivable Turnover	4.78	7.21	23.66	21.30	24.68
Inventory Turnover	2.38	1.70	1.68	2.53	1.87
Fixed Asset Turnover	0.32	0.48	0.32	0.37	0.25
Total Asset Turnover	0.26	0.33	0.24	0.29	0.21
3. Profitability Ratios:					
Gross Margin	26.54	29.33	10.89	16.99	5.19
Operating Income	15.81	14.95	(18.84)	(13.22)	(36.05)
Net Income	85.71	15.57	(18.85)	(13.23)	(36.05)
Return on Assets	17.05	4.93	(4.27)	(3.97)	(7.28)
Return on Equity	22.54	28.11	(31.88)	(20.04)	(32.64)
Earning Per Share (EPS)	10.70	1.71	(1.40)	(1.16)	(2.26)