

**BSRM STEELS LIMITED AND ITS SUBSIDIARY**  
**Consolidated Financial Statements (Un-audited)**

**As at and for the period ended 30<sup>th</sup> June 2015**

<b>Q2, 2015</b>
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**BSRM Steels Limited**

**Corporate Office :** Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

Phone: +88-031-2854901-10, 635382, 613282, 637758; Fax: +88-031-610101; E-mail: mail@bsrm.com; Website: www.bsrm.com

**Factory :** Plot No. 4(P), Fouzderhat Industrial Estate, Chittagong, Bangladesh.

Phone : +88-031-2770192, 2770193; Fax: +88-031-751452; E-mail : bsrmsteels@bsrm.com

**BSRM STEELS LIMITED AND ITS SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)**  
**AS AT 30 JUNE 2015**



	30-Jun-15	31-Dec-14
	<u>Taka</u>	<u>Taka</u>
<b>Assets:</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment at cost	11,500,138,868	11,429,089,040
Accumulated Depreciation	(2,149,627,454)	(1,951,076,799)
	9,350,511,414	9,478,012,241
Capital Work in Progress	249,940,870	52,120,752
Intangible Assets	40,526,138	42,671,865
Investment	943,949,935	945,301,128
<b>Total Non-Current Assets</b>	<b>10,584,928,356</b>	<b>10,518,105,986</b>
<b>Current Assets</b>		
Short Term Investment	364,989,192	254,178,594
Inventories	11,636,171,204	13,627,336,725
Trade & Other Receivables	2,661,868,841	2,973,028,898
Current Account with Related Companies	4,198,528,923	3,040,570,533
Advances, Deposits and Pre-payments	2,003,096,189	1,394,394,506
Cash and cash equivalents	200,367,060	573,851,351
<b>Total Current Assets</b>	<b>21,065,021,410</b>	<b>21,863,360,607</b>
<b>Total Assets</b>	<b>Taka 31,649,949,766</b>	<b>32,381,466,593</b>
<b>Equity and Liabilities:</b>		
<b>Equity</b>		
Share capital	3,417,750,000	3,417,750,000
Retained Earnings	3,311,387,982	2,609,417,357
Revaluation Reserve	2,626,857,886	2,635,014,277
<b>Equity attributable to Owners of the Company</b>	<b>9,355,995,867</b>	<b>8,662,181,634</b>
Non-controlling Interest	113,022,164	106,672,238
<b>Total Equity</b>	<b>9,469,018,031</b>	<b>8,768,853,872</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Long Term Borrowings	748,406,950	614,600,476
Defined Benefit Obligations - Gratuity	53,029,475	53,029,475
Deferred Tax Liability	891,704,828	889,207,310
<b>Total Non-Current Liabilities</b>	<b>1,693,141,253</b>	<b>1,556,837,261</b>
<b>Current Liabilities</b>		
Trade Payable	54,846,948	53,285,610
Short Term Borrowings	18,121,627,389	20,235,863,398
Current portion of Long Term Borrowings	202,311,849	440,153,541
Current Account with Related Companies	17,311,952	1,645,134
Liabilities for Expenses	922,005,574	424,159,111
Current Tax Liabilities	794,934,175	495,092,588
Provision for WPPF & Welfare Fund	134,254,269	91,670,284
Other Liabilities	240,498,325	313,905,794
<b>Total Current Liabilities</b>	<b>20,487,790,482</b>	<b>22,055,775,460</b>
<b>Total Liabilities</b>	<b>22,180,931,735</b>	<b>23,612,612,721</b>
<b>Total Equity and Liabilities</b>	<b>Taka 31,649,949,766</b>	<b>32,381,466,593</b>

  
 Director

  
 Director

  
 Company Secretary

Monday, July 13, 2015

**BSRM Steels Limited**

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**BSRM STEELS LIMITED AND ITS SUBSIDIARY**
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

	January - June 2015 Taka	January - June 2014* Taka	April - June 2015 Taka	April - June 2014* Taka
<b>Revenue</b>	18,545,484,921	20,045,764,459	8,586,879,137	9,681,826,634
<b>Cost of Sales</b>	(16,298,249,875)	(17,640,133,534)	(7,158,399,557)	(8,551,185,230)
<b>Gross Profit</b>	<b>2,247,235,046</b>	<b>2,405,630,925</b>	<b>1,428,479,580</b>	<b>1,130,641,404</b>
<b>Selling and Distribution Costs</b>	(365,663,889)	(414,208,168)	(243,846,565)	(223,079,915)
<b>Administrative Costs</b>	(139,612,899)	(150,928,869)	(68,334,450)	(71,835,826)
	(505,276,787)	(565,137,037)	(312,181,014)	(294,915,741)
	<b>1,741,958,258</b>	<b>1,840,493,888</b>	<b>1,116,298,565</b>	<b>835,725,663</b>
<b>Other Income</b>	7,684,665	10,899,670	3,842,131	8,949,602
<b>Results from operating activities</b>	<b>1,749,642,923</b>	<b>1,851,393,558</b>	<b>1,120,140,696</b>	<b>844,675,265</b>
<b>Finance Costs</b>	(364,413,558)	(634,346,620)	(191,026,763)	(257,036,999)
<b>Finance Income</b>	53,539,294	21,508,874	51,381,319	4,934,872
	(310,874,264)	(612,837,746)	(139,645,444)	(252,102,127)
<b>Net Profit before Tax and WPP&amp;WF</b>	<b>1,438,768,659</b>	<b>1,238,555,812</b>	<b>980,495,252</b>	<b>592,573,138</b>
<b>Contribution to WPPF and Welfare Fund</b>	(71,574,772)	(61,430,339)	(49,112,663)	(29,308,510)
	<b>1,367,193,887</b>	<b>1,177,125,473</b>	<b>931,382,589</b>	<b>563,264,628</b>
<b>Share of profit/(loss) of Associate</b>	(1,351,193)	(1,067,401)	(737,650)	(584,557)
<b>Profit before Income Tax</b>	<b>1,365,842,693</b>	<b>1,176,058,072</b>	<b>930,644,938</b>	<b>562,680,071</b>
<b>Provision for Income Tax</b>				
Current	(299,841,587)	(283,572,307)	(178,440,247)	(132,931,470)
Deferred	(5,216,315)	(71,094,790)	4,074,364	(12,818,548)
	(305,057,903)	(354,667,097)	(174,365,884)	(145,750,018)
<b>Net Profit after Tax for the period</b>	<b>1,060,784,791</b>	<b>821,390,975</b>	<b>756,279,055</b>	<b>416,930,053</b>
<b>Other Comprehensive Income</b>				
<b>Total Comprehensive Income for the period</b>	<b>1,060,784,791</b>	<b>821,390,975</b>	<b>756,279,055</b>	<b>416,930,053</b>
<b>Net Profit after Tax attributable to:</b>				
Shareholders of the Company	1,054,434,865	817,526,513	751,366,843	414,397,767
Non-controlling Interest	6,349,926	3,864,462	4,912,212	2,532,286
	<b>1,060,784,791</b>	<b>821,390,975</b>	<b>756,279,055</b>	<b>416,930,053</b>
<b>Earnings Per Share</b>				
Basic Earnings per Share	<b>3.09</b>	<b>2.39</b>	<b>2.20</b>	<b>1.21</b>

\* Refer to Note-7.2

  
**Director**

Monday, July 13, 2015

  
**Director**
  
**Company Secretary**
**BSRM Steels Limited**

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**BSRM STEELS LIMITED AND ITS SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Balance as on 01 January 2015	3,417,750,000	2,635,014,277	2,609,417,357	8,662,181,634	106,672,238	8,768,853,872
Net Profit after Tax for the period	-	-	1,054,434,865	1,054,434,865	6,349,926	1,060,784,791
Cash Dividend paid for the year 2014	-	-	(363,339,429)	(363,339,429)	-	(363,339,429)
Adjustment of Deferred Tax on Revaluation of Assets	-	(8,156,391)	8,156,391	-	-	-
Depreciation on Revalued Assets	-	-	2,718,797	2,718,797	-	2,718,797
<b>Balance as at 30 June 2015</b>	<b>3,417,750,000</b>	<b>2,626,857,886</b>	<b>3,311,387,982</b>	<b>9,355,995,867</b>	<b>113,022,164</b>	<b>9,469,018,031</b>
Balance as on 01 January 2014	3,417,750,000	2,651,613,249	1,859,967,666	7,929,330,915	98,330,428	8,027,661,343
Net Profit after Tax for the period	-	-	818,593,914	818,593,914	3,864,462	822,458,376
Cash Dividend paid for the year 2013	-	-	(512,662,500)	(512,662,500)	-	(512,662,500)
Adjustment of Deferred Tax on Revaluation of Assets	-	(8,299,486)	8,299,486	-	-	-
Depreciation on Revalued Assets	-	-	3,148,081	3,148,081	-	3,148,081
<b>Balance as at 30 June 2014 as re-stated</b>	<b>3,417,750,000</b>	<b>2,643,313,763</b>	<b>2,177,346,646</b>	<b>8,238,410,409</b>	<b>102,194,890</b>	<b>8,340,605,300</b>
Effect of associate adoption of equity method	-	-	(1,067,401)	(1,067,401)	-	(1,067,401)
<b>Balance as at 30 June 2014 as re-stated (Note-7.2)</b>	<b>3,417,750,000</b>	<b>2,643,313,763</b>	<b>2,176,279,245</b>	<b>8,237,343,008</b>	<b>102,194,890</b>	<b>8,339,537,899</b>

Director

Monday, July 13, 2015

Director

Company Secretary

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**BSRM STEELS LIMITED AND ITS SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE PERIOD ENDED 30 JUNE 2015**



	30-Jun-15 Taka	30-Jun-14* Taka
<b>a. Cash flows from Operating Activities</b>		
Cash receipts from Customers	23,203,268,749	24,683,502,309
Cash payments to Suppliers and Employees	(18,382,314,223)	(24,604,016,065)
Interest Paid	(239,768,996)	(428,964,003)
<b>Net Cash (used in)/generated by Operating Activities</b>	<b>4,581,185,531</b>	<b>(349,477,759)</b>
<b>b. Cash flows from Investing Activities</b>		
Acquisition of Fixed Assets	(72,655,010)	(65,198,971)
Disposal of Fixed Assets	388,402	-
Increase in Investment	(143,535,665)	-
Capital Work-in-progress	(197,820,118)	(133,762,247)
<b>Net Cash (used in)/generated by Investing Activities</b>	<b>(413,622,391)</b>	<b>(198,961,219)</b>
<b>c. Cash flows from Financing Activities</b>		
(Repayments) / Receipts of Term Loan	133,806,474	(68,432,879)
Dividend Paid	(363,339,429)	(512,662,500)
Loan to/from Related Companies	(1,993,513,035)	(1,618,186,732)
Short Term Borrowings	(2,352,077,701)	2,655,023,123
<b>Net cash provided by /(used in) Financing Activities</b>	<b>(4,575,123,691)</b>	<b>455,741,013</b>
<b>d. Net increase in Cash and Cash equivalent (a+b+c)</b>	<b>(407,560,551)</b>	<b>(92,697,965)</b>
<b>e. Opening Cash and Cash equivalent</b>	<b>607,927,611</b>	<b>774,270,614</b>
<b>f. Closing Cash and Cash equivalent (d+e)</b>	<b>200,367,060</b>	<b>681,572,649</b>

\* Refer to Note-7.2

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Company Secretary

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**BSRM Steels Limited and its subsidiary**  
**Selected Explanatory Notes to the Financial Statements**  
**For the period ended 30<sup>th</sup> June 2015**

**1. Legal form of Enterprise**

BSRM Steels Limited (hereinafter referred to as BSRMSL, the company or the Parent) was incorporated on 20 July, 2002, vide the certificate C-No. 4392 of 2002 as a Private Limited Company registered in Bangladesh under Companies Act 1994. The company was converted to a Public Limited Company on 20 December 2006. The Company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as a publicly quoted Company. Trading of the shares of the company started in two stock exchanges from 18 January 2009.

The company has set up its rolling mill at 4 Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chittagong and commenced commercial production from 1 April 2008. The principle place of business is at Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

BSRMSL acquired 95% equity interest in BSRM Iron & Steel Co. Limited (BISCO) i.e. 104,500,000 Ordinary Shares of Tk. 10 each on 10 November 2010 in exchange of 104,500,000 Ordinary Shares of Tk. 10 each in BSRM Steels Limited.

BSRMSL has also acquired 13.29% equity interest in BSRM Steel Mills Limited (BSRMSML) i.e. 45,114,600 Ordinary Shares of Tk. 10 each. BSRMSML is treated as associated company as BSRMSL has significant influence in the investee company's policy making process. BSRMSML has not started its commercial operation yet.

**2. Nature of the Business**

The main purpose of the company is to manufacture M.S. products by setting up rolling and re-rolling mills and marketing the same.

**3. Reporting**

This quarterly financial report has been prepared based on Bangladesh Accounting Standard (BAS) - 34: Interim Financial Reporting". This interim financial statements should be read in conjunction with the published financial statement for the year ended 31<sup>st</sup> December 2014, as they provide an update to previously reported information.

**4. Accounting policies and method of computations**

Accounting policies and methods of computations followed in preparing this financial statement are consistent with

**5. Earnings per share (EPS)**

Earnings per share has been calculated based on number of shares outstanding for the period ended 30<sup>th</sup> June 2015 and profit for the same period. The number of shares outstanding for the period was 34,17,75,000. Earnings per share for the same period of preceding year has been also calculated based on 34,17,75,000 shares.

**6. Subsequent events**

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

**7. General**

7.1 Wherever considered necessary, prior period's figures and phrases have been re-arranged to confirm to this period's presentation.

7.2 Figures of 2<sup>nd</sup> Qtr. 2014 have been re-stated due to recognition of share of profit/(loss) of associate.

7.3 Amounts appearing in these financial statements have been rounded off to the nearest taka.

7.4 Bracket figures denote negative balance.

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