

BSRM Steels Limited
Financial Statements (Un-audited)
As at and for the period ended 31st March 2016

Q1, 2016

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
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2016



| | | 31-Mar-16 | 31-Dec-15 |
|---|-------------|-----------------------|-----------------------|
| | Notes | Taka | Taka |
| Assets: | | | |
| Non-current Assets | | | |
| Property, plant and equipment at cost | | 8,501,120,793 | 8,463,813,714 |
| Accumulated Depreciation | | (1,503,989,106) | (1,440,380,297) |
| | 8 | 6,997,131,687 | 7,023,433,417 |
| Capital work in progress | | 28,112,466 | 8,527,589 |
| Intangible Assets | | 29,036,748 | 29,871,212 |
| Investment in Subsidiary | | 1,045,000,000 | 1,045,000,000 |
| Investment in Associate | | 1,563,338,813 | 1,569,466,903 |
| Total Non-current Assets | | 9,662,619,714 | 9,676,299,121 |
| Current Assets | | | |
| Short Term Investment | | 260,832,493 | 266,749,130 |
| Inventories | 9 | 4,411,617,691 | 6,889,962,898 |
| Trade & Other Receivables | 10 | 2,813,837,891 | 2,247,869,647 |
| Current Account with Related Companies | | 4,478,522,327 | 2,626,472,168 |
| Advances, deposits and prepayments | 11 | 3,909,806,041 | 2,554,191,955 |
| Cash and cash equivalents | 12 | 247,992,524 | 468,886,084 |
| Total Current Assets | | 16,122,608,967 | 15,054,131,882 |
| Total Assets | Taka | 25,785,228,681 | 24,730,431,003 |
| Equity and Liabilities: | | | |
| Share Capital | | 3,417,750,000 | 3,417,750,000 |
| Retained Earnings | | 3,440,209,211 | 3,531,278,026 |
| Revaluation Reserve | | 2,127,716,393 | 2,131,590,679 |
| Equity attributable to Owners of the Company | | 8,985,675,604 | 9,080,618,705 |
| Liabilities | | | |
| Non-current Liabilities | | | |
| Long Term Borrowings- non current portion | | 493,223,750 | 548,388,963 |
| Retirement Benefit Obligations - Gratuity | | 55,875,824 | 55,875,824 |
| Deferred Tax Liability | | 894,147,787 | 831,760,881 |
| Total Non-current Liabilities | | 1,443,247,361 | 1,436,025,668 |
| Current Liabilities | | | |
| Trade Payable | | 24,216,857 | 33,623,532 |
| Short Term Borrowings | 13 | 10,479,460,454 | 12,650,676,709 |
| Current portion of Long Term Borrowings | | 187,093,135 | 196,850,016 |
| Liabilities for Expenses | | 311,594,135 | 237,212,136 |
| Current Tax Liabilities | | 912,989,598 | 560,347,182 |
| Provision for WPPF and Welfare Fund | | 203,693,491 | 132,559,843 |
| Other Liabilities | 14 | 3,237,258,046 | 402,517,212 |
| Total Current Liabilities | | 15,356,305,716 | 14,213,786,630 |
| Total Liabilities | | 16,799,553,077 | 15,649,812,298 |
| Total Equity and Liabilities | Taka | 25,785,228,681 | 24,730,431,003 |

Chairman

Director

Managing Director

Chief Financial Officer

Company Secretary

Sunday, May 08, 2016

BSRM Steels Limited

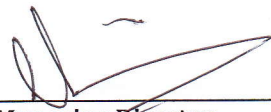
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BSRM STEELS LIMITED
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2016**

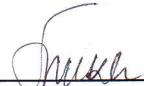
| | 31-Mar-16 Taka | 31-Mar-15 Taka |
|--|----------------------|--------------------|
| Revenue | 9,250,636,865 | 9,950,436,776 |
| Cost of Goods Sold | (7,408,658,955) | (9,226,260,335) |
| Gross profit | 1,841,977,910 | 724,176,441 |
| Selling and distribution costs | (257,403,757) | (121,817,324) |
| Administrative costs | (65,522,437) | (63,056,446) |
| | (322,926,194) | (184,873,770) |
| | 1,519,051,716 | 539,302,671 |
| Other income | 1,047,463 | 1,177,094 |
| Profits from operating activities | 1,520,099,179 | 540,479,765 |
| Finance costs | (98,818,057) | (124,368,533) |
| Finance income | 1,391,837 | 2,105,287 |
| | (97,426,220) | (122,263,246) |
| Profit before tax and WPP&WF | 1,422,672,959 | 418,216,519 |
| Contribution to WPPF and Welfare Fund | (71,133,648) | (20,910,826) |
| | 1,351,539,311 | 397,305,693 |
| Share of profit/(loss) of Associate (Net of tax) | (6,128,090) | (613,543) |
| Profit before income tax | 1,345,411,221 | 396,692,150 |
| Provision for Income Tax | | |
| Current | (352,642,416) | (121,401,340) |
| Deferred | (63,678,335) | (6,680,572) |
| | (416,320,751) | (128,081,912) |
| Profit after tax for the period | 929,090,470 | 268,610,238 |
| Earnings per share: | | |
| Basic earnings per share | 2.72 | 0.79 |



Chairman


Director


Managing Director


Chief Financial Officer



Company Secretary
Sunday, May 08, 2016
BSRM Steels Limited

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BSRM STEELS LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2016



| Particulars | Amount in BDT | | | |
|---|----------------------|----------------------|----------------------|----------------------|
| | Share Capital | Revaluation Reserve | Retained Earnings | Total Equity |
| Balance as on January 01, 2016 | 3,417,750,000 | 2,131,590,679 | 3,531,278,026 | 9,080,618,705 |
| Total comprehensive income for the period | - | - | 929,090,470 | 929,090,470 |
| Cash dividend for the year 2015 | - | - | (1,025,325,000) | (1,025,325,000) |
| Transfer from deferred tax to revaluation reserve | - | - | 1,291,429 | 1,291,429 |
| Transfer of difference in depreciation between cost model and revaluation model | - | (3,874,286) | 3,874,286 | - |
| Balance as at March 31, 2016 | 3,417,750,000 | 2,127,716,393 | 3,440,209,211 | 8,985,675,604 |
| Balance as on January 01, 2015 | 3,417,750,000 | 2,137,028,274 | 1,940,312,986 | 7,495,091,260 |
| Total comprehensive income for the period | - | - | 268,610,238 | 268,610,238 |
| Transfer from deferred tax to revaluation reserve | - | - | 1,495,338 | 1,495,338 |
| Transfer of difference in depreciation between cost model and revaluation model | - | (3,942,256) | 3,942,256 | - |
| Balance as at March 31, 2015 | 3,417,750,000 | 2,133,086,018 | 2,214,360,818 | 7,765,196,836 |



Chairman



Director



Managing Director



Chief Financial Officer



Company Secretary

Sunday, May 08, 2016

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BSRM STEELS LIMITED
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2016



| | 31-Mar-16 Taka | 31-Mar-15 Taka |
|--|------------------------|------------------------|
| a. Cash flows from Operating Activities | | |
| Cash receipts from Customers | 10,469,695,877 | 10,497,034,728 |
| Cash payments to suppliers, employees and others | (6,460,127,481) | (4,679,105,359) |
| Interest Paid | (97,426,220) | (122,263,246) |
| Net Cash (used in)/generated by Operating Activities | 3,912,142,177 | 5,695,666,123 |
| b. Cash flows from Investing Activities | | |
| Acquisition of Property, plant and equipment | (37,307,080) | (3,317,351) |
| Addition to CWIP | (19,584,875) | (43,923,505) |
| Increase in Investments | 12,044,727 | (2,386,459) |
| Net Cash (used in)/generated by Investing Activities | (44,847,229) | (49,627,315) |
| c. Cash flows from Financing Activities | | |
| (Repayment) / Receipt of Long term loans | (64,922,094) | (40,050,993) |
| (Repayment) / Receipt of short term borrowings | (2,171,216,255) | (5,771,751,246) |
| Loan to/from related companies | (1,852,050,159) | (22,000,388) |
| Net cash provided by / (used in) Financing Activities | (4,088,188,508) | (5,833,802,626) |
| d. Net increase in Cash and Cash equivalent (a+b+c) | (220,893,560) | (187,763,819) |
| e. Opening Cash and Cash equivalent | 468,886,084 | 521,092,776 |
| f. Closing Cash and Cash equivalent (d+e) | 247,992,524 | 333,328,956 |



Chairman




Chief Financial Officer

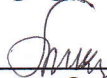
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BSRM Steels Limited and its subsidiary
Selected Explanatory Notes to the Financial Statements
For the period ended 31st March 2016

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 10th November 2010 in exchange of 104,500,000 Ordinary Shares of Tk. 10 each in BSRM Steels Limited.

BSRM Steel Mills Limited (BSML) was incorporated on 16 April 2008 as a Private Limited Company and was subsequently converted to a Public Limited Company on 12 November 2013. The main objective of BSML is to manufacture and sell M.S. Billets. BSRM Steels Limited has acquired 100,000,000 nos. of Ordinary Shares of Tk. 10 each of BSML i.e., 25.35%. BSML 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 December 2015, 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 those used in the annual financial statements, prepared and published for the period ended 31 December 2015.

5. Earnings per share (EPS)

Earnings per share has been calculated based on number of shares outstanding for the period ended 31st March 2016 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 Amounts appearing in these financial statements have been rounded off to the nearest taka.

7.3 Bracket figures denote negative balance.

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BSRM Steels Limited and its subsidiary
Selected Explanatory Notes to the Financial Statements
For the period ended 31st March 2016



| | 31-Mar-16 Taka | 31-Dec-15 Taka |
|--|-----------------------|-----------------------|
| 8 Property, Plant and Equipment | | |
| Land and Land development | 2,354,098,097 | 2,338,587,117 |
| Plant and Machinery | 3,011,131,698 | 3,038,823,841 |
| Factory Building | 1,499,955,047 | 1,511,246,026 |
| Motor Vehicles | 52,471,794 | 53,629,081 |
| Furniture and Fixtures | 20,332,921 | 20,878,958 |
| Office Equipment | 34,272,110 | 34,945,263 |
| Roads and Pavements | 8,573,909 | 8,704,280 |
| Computer & IT Equipment | 16,296,112 | 16,618,851 |
| Total | 6,997,131,687 | 7,023,433,417 |
| 9 Inventories | | |
| Raw Materials | 2,415,830,857 | 3,882,064,212 |
| Work-in-progress | 17,861,404 | 2,885,874 |
| Finished Goods | 1,284,579,070 | 2,328,279,566 |
| Stores and Spares | 686,529,534 | 669,492,086 |
| Fuel and Lubricants | 6,816,826 | 7,241,160 |
| Total | 4,411,617,691 | 6,889,962,898 |
| 10 Trade & Other Receivables | | |
| Trade Receivables | 2,568,255,366 | 2,015,372,386 |
| Other Receivables | 245,582,525 | 232,497,261 |
| Total | 2,813,837,891 | 2,247,869,647 |
| 11 Advances, deposits and prepayments | | |
| Advances | 3,893,828,626 | 2,536,051,427 |
| Deposits | 15,602,364 | 16,222,963 |
| Prepayments | 375,051 | 1,917,565 |
| Total | 3,909,806,041 | 2,554,191,955 |
| 12 Cash and cash equivalents | | |
| Cash in hand | 3,682,277 | 2,319,225 |
| Cash at banks | 77,983,947 | 256,153,075 |
| Fixed deposit | 166,326,301 | 210,413,784 |
| Total | 247,992,524 | 468,886,084 |
| 13 Short Term Borrowings | | |
| Loan against Trust Receipt (LATR) | 18,681,159 | 45,151,458 |
| Time loan | 2,053,292,576 | 3,300,397,200 |
| Demand Loan | 4,228,012,604 | 5,459,085,534 |
| Bank overdraft and cash credit | 304,182,128 | 671,099,853 |
| Factoring Loan-United Leasing Co. Limited | 14,021,457 | 18,974,277 |
| Liability for accepted bills for payment (ABP) | 3,861,270,531 | 3,155,968,387 |
| Total | 10,479,460,454 | 12,650,676,709 |
| 14 Other liabilities | | |
| Advance against sales | 2,118,740,970 | 334,761,177 |
| Security Deposit | 18,754,011 | 20,424,283 |
| Income Tax deducted at source-others | 4,612,333 | 3,668,136 |
| VAT deducted at source | 1,039,949 | 1,176,944 |
| Earnest/Retention Money | 10,657,885 | 9,516,877 |
| Liability against fractional bonus share | 1,163,929 | 1,163,929 |
| Unclaimed dividend | 1,036,035,432 | 10,743,372 |
| Liability against share application money | 7,581,814 | 7,581,814 |
| Interest payable | 36,345,253 | 11,582,900 |
| Provision for bad debts | 621,777 | 621,777 |
| Provident fund | 1,704,694 | 1,276,003 |
| Total | 3,237,258,046 | 402,517,212 |

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