



GROWTH THROUGH BUSINESS INNOVATION

ANNUAL REPORT 2015

BSRM STEELS LIMITED

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PREFACE

Innovations in science and technology are fairly evident and visible to everybody. Smart phones, computers, robots and air travel are the fruits of technology which do not need any elaboration. What is not readily apparent or visible to most people is the even greater contribution of Business Innovation.

Business innovations are social or legal. It is the outcome of consensus among societies and civilizations for the exchange of goods and services. For instance, the introduction of paper money by governments as legal tender for the exchange of goods and services is the outcome of complex interlocking laws. The exchange of goods and services among sovereign nations requires even more complex set of international laws.

The chapter separator in this Annual Report features 15 Business Innovations, ancient and contemporary, which had profound and far reaching impact on human civilization.

LETTER OF TRANSMITTAL

Date: March 7, 2016

All Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Dear Sir(s)

Annual Report for the year ended December 31, 2015

We are pleased to enclose a copy of the Annual Report of BSRM Steels Limited together with the Audited Financial Statements, Consolidated Financial Statements, Report of the Board of Directors and Auditors' Report thereon for the year ended December 31, 2015 for your information and records.

Yours sincerely



Shekhar Ranjan Kar FCA
Group CFO & Company Secretary

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Law of Contract

A contract is a written or expressed agreement between two parties to provide a product or service; with legally enforceable terms and conditions.



WE AT BSRM GROUP ASPIRE TO.....

Maintain our leadership position in the steel industry by producing the best quality steel products, continuously enhancing customer satisfaction and becoming a reliable business partner of our Customers and Suppliers.

Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization.

Protect the interest of our shareholders through sustainable growth and value creation.

Preserve the trust of all our stakeholders by adopting ethical business practices.

Support the society through Corporate Social Responsibility initiatives.



Letter of Credit

A letter from a bank guaranteeing that a buyer's payment to a seller will be received on time. In the event the buyer is unable to make payment on the purchase, the bank will be required to cover the full amount



Sustainable Growth

Consistent improvement in the quality of products and services, efficiency of processes and profitability of business; continuously anticipating and responding to the changing business and environmental needs using innovation; sharing knowledge and experience within the organization

Quality:

Create products and services valued by our customers; constantly improving our processes through innovation and adopting best practices; reducing wastage; minimizing costs; investing in systems and technology and developing our people to build a highly capable workforce.

Reliability:

Be the preferred business partner of our customers and suppliers by offering quality products; providing our best and timely service before, during and after the business transactions and honoring all our commitments despite challenges.

Trust:

Preserve the faith and goodwill of all our stakeholders – Customers, shareholders, suppliers, employees, regulatory bodies and society by adopting ethical and transparent business practices, being fair and honest in all our dealings and building robust governance and risk management processes.

Leadership:

Be a role model, setting benchmarks through our products, processes and people; constantly moving ahead of competition by differentiating our products, innovating our processes, increasing our market share and nurturing talent to develop leaders within the organization.

Social responsibility:

Acknowledge and fulfill our obligations towards the society by undertaking initiatives for the general uplifting of the society, building capability and making facilities available to the underprivileged.

Customer Satisfaction:

Delight our external and internal customers at every stage of our interaction with them by truly understanding their needs, offering them our best products and services, treating them with respect and actively seeking and acting on their feedback.



Trade

Trading involves multiple parties participating in the voluntary negotiation and then the exchange of one's goods and services for desired goods and services that someone else possesses. The advent of money as an exchange has allowed trade to be conducted in a manner that is much simpler and effective.

CODE OF CONDUCT



BSRM always adopts best ethical and transparent business practices to be fair and honest in all its dealings.

We always acknowledge and fulfill our obligations towards the Society and offer our best services to our customers and treat them with respect and honor.



Globalization

Globalization is a process of interaction and integration among the people, companies, and governments of different nations, which is driven by international trade and investment and aided by information technology.



BSRM GROUP'S MILESTONES

The BSRM saga began with the first steel re-rolling mills to emerge in the then East Bengal.

1952

Introduced high strength cold twisted steel bars (TORSTEEL) to the construction industry.

1984

Introduced High Strength Deformed reinforcing steel bars conforming to ASTM 615 Grade 60 for the construction industry.

1987

Commissioned the then largest billet making plant in the country - Meghna Engineering Works Limited, now known as Steel Melting Works (SMW) unit of Bangladesh Steel Re-Rolling Mills Ltd.

1996

Introduced micro reinforcement wires, below 8mm for low cost rural construction.

2006

BSRM Steels Limited commenced production of internationally recognized Grade 500 steel bars branded as "Xtreme500W" conforming to ISO 6935-2.

2008

Entrance in the Capital Market
Shares of BSRM Steels Limited, the flagship company of BSRM Group was listed with the country's premier bourses Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) on 18 January 2009. Market Capitalization as on 31 December 2015 is Tk. 32,913 million. The public shareholding including institutional investors is 29.13%.

2009

BSRM Iron and Steel Co. Ltd. largest billet making plant in the country started commercial production on June 01, 2010.

2010

Production capacity of BSRM Steels Limited enhanced to 600,000 MT per year.

2012

A syndicated term loan of US\$ 40 million and BDT 5,908 million, raised by a consortium of 25 banks and financial institutions, for BSRM Steel Mills Limited. It is the largest ever syndicated loan facility arranged for a private company in Bangladesh. The Plant will produce billets.

2013

Oracle e-BS -12 went GO LIVE on 1st March 2014. Oracle Financials, Costing, purchasing, Manufacturing, EAM, Inventory & Order Management are now integrated on a single platform which ensure the accuracy, accountability and reliability of the Group.

2014

1. Enhanced capacity of BSRM Steels Limited from 600,000 MT to 700,000 MT per annum.
2. Announced a new product namely "BSRM Maxima"
3. Increased capacity of Bangladesh Steel Re-Rolling Mills from 120,000 MT to 450,000 MT per annum which will be the first and largest merchant mill in Bangladesh.
4. Listing of Bangladesh Steel Re-Rolling Mills Limited with the stock exchanges (DSE & CSE).
5. Start of trial production of world's largest induction furnace based billet casting project -- "BSRM Steel Mills Limited".

2015

What's Next?

Setting up a coal based 150 MW merchant power plant to meet the internal demand as well as to supply to the national grid.

Bitcoin

Bitcoin is a digital asset and payment system which does not require an intermediary, a bank, for example.





Certificate of merit for best presented Annual Report 2014 from ICAB



ICSB National Award (Silver) 2014



Certificate of ICSB National Award 2014

AWARDS AND RECOGNITIONS



D & B Corporate Awards 2010 & 2012



Best Enterprise of the year 2010



Best Brand of Bangladesh in Steel Category in 2011, 2013, 2014 & 2015



Divisional Environment Award 2013



Pride of Chittagong (Chattagramer Ahonkar) 2012



Best Electricity Consumer Award 2015

AWARDS AND RECOGNITIONS



ICAB National Awards for Best Presented Annual Report 2012 & 2013



Certificate of Merit from SAFA 2013



5th Standard Chartered-Financial Express CSR Award 2014



Japan Bangladesh Chamber of Commerce & Industry (JBCCI) Award 2014



Mercantile Bank Excellence Award 2015



IIUC Business Award 2014

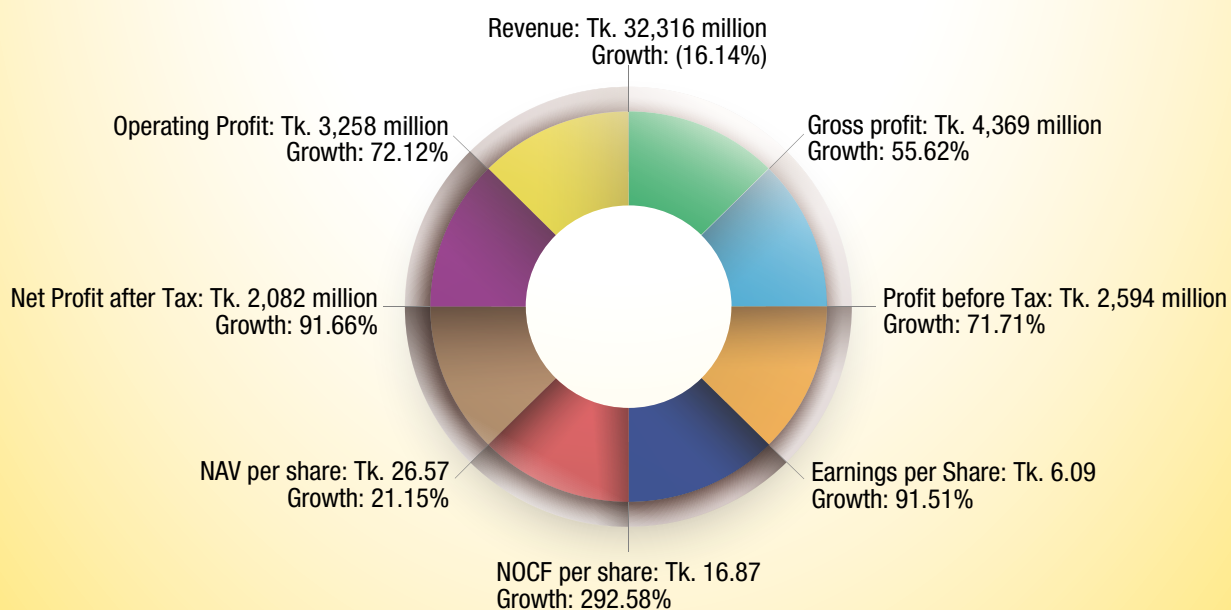
Internet

The Internet is a global network connecting billions of computers. More than 190 countries are linked into exchanges of data, news and opinions. No one actually owns the internet, and no single organization controls the Internet in its entirety.





PERFORMANCE AT A GLANCE



Taxation

A tax is a financial charge or other levy imposed upon an individual or legal entity by a government agency. Taxes consist of direct or indirect taxes

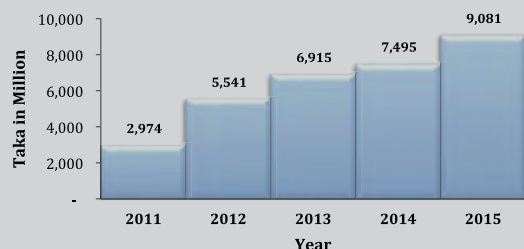


KEY FINANCIAL HIGHLIGHT

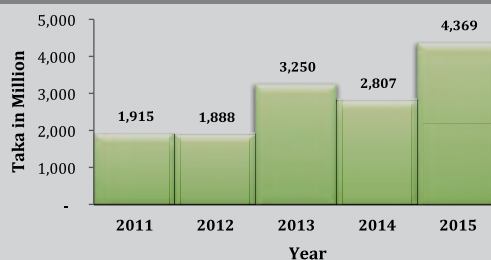
	Taka in '000				
	2015	2014	2013	2012	2011
Assets Employed					
Non-current Assets	9,676,299	8,539,818	8,559,490	7,523,279	5,057,576
Net Current Assets	840,345	155,529	(512,599)	(1,247,175)	(1,210,790)
Total Assets Employed	10,516,644	8,695,347	8,046,892	6,276,104	3,846,786
Financed by					
Share Capital	3,417,750	3,417,750	3,417,750	3,255,000	3,255,000
Revaluation Reserve	2,131,591	2,137,028	2,153,627	2,171,100	-
Retained Earnings	3,531,278	1,940,313	1,343,873	114,554	(280,919)
Shareholders' Equity	9,080,619	7,495,091	6,915,250	5,540,654	2,974,081
Long Term borrowings	548,389	431,897	425,051	218,866	872,705
Retirement benefit obligations - Gratuity	55,876	39,020	26,291	17,622	-
Deferred Tax Liabilities	831,761	729,338	680,300	498,962	-
Total Capital Employed	10,516,644	8,695,347	8,046,892	6,276,104	3,846,786
Operational Results					
Revenue	32,316,101	38,535,937	36,229,051	38,253,465	31,234,710
Gross Profit	4,368,653	2,807,325	3,250,149	1,888,439	1,914,575
Profit from Operations	3,257,932	1,892,834	2,314,398	1,160,385	1,369,696
Profit before Interest, Taxes & Depreciation Allowances	3,500,737	2,119,630	2,538,472	1,382,576	1,560,701
Profit before Tax	2,593,949	1,510,680	2,318,924	1,296,810	962,121
Profit after Tax	2,081,877	1,086,208	1,693,469	865,331	839,205
Ratios					
Gross Profit ratio - %	13.52%	7.28%	8.97%	4.94%	6.13%
Net Profit ratio - %	6.44%	2.82%	4.67%	2.26%	2.69%
EBITDA margin to Sales - %	10.83%	5.50%	7.01%	3.61%	5.00%
Return on Shareholders Equity - %	22.93%	14.49%	24.49%	15.62%	28.22%
Return on Capital Employed - %	19.80%	12.49%	21.05%	13.79%	21.82%
Current Ratio - Times	1.06	1.01	0.97	0.92	0.93
Quick / Acid test ratio	0.57	0.40	0.61	0.44	0.57
Inventory turnover ratio - Times	4.69	3.42	6.37	4.87	4.84
Total Assets turnover ratio - Times	1.31	1.42	1.52	1.70	1.45
Earnings per Share (EPS) - Taka	6.09	3.18	4.95	2.53	2.46
Price/Earnings (P/E) ratio - Times	15.81	27.58	13.87	26.82	48.26
Price/Equity ratio - Times	9.63	8.77	6.87	6.79	11.85
Dividend per share (DPS) - Taka	3.00	1.50	1.50	1.50	1.50
Dividend Payout ratio	0.49	0.47	0.30	0.59	0.61
Dividend Cover ratio	2.03	2.12	3.30	1.77	1.72
Net Assets Value (NAV) per share - Taka	26.57	21.93	20.23	17.02	9.14
Net Operating Cash Flow per share - Taka	16.87	(8.76)	13.45	(2.24)	(14.14)
Debt Equity ratio - Times	1.48	2.36	1.99	2.81	5.20
Interest coverage ratio	5.37	6.32	5.83	3.98	3.39
Market price per share at 31 December - Taka	96.30	87.70	68.70	67.90	118.50
Market Capitalization at 31 December (Taka million)	32,913	29,974	23,480	22,101	38,572
Contribution to National Exchequer (Taka million)	2,009	2,949	2,454	2,028	1,451
Average Number of Employees	578	553	573	523	472

KEY PERFORMANCE INDICATOR

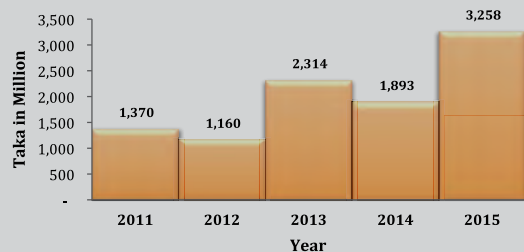
Shareholders' Equity



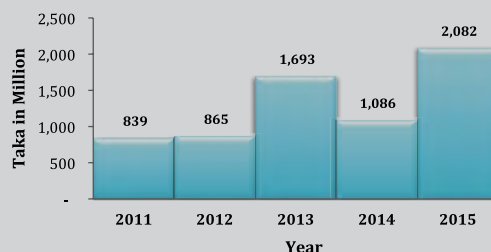
Gross Profit



Operating Profit



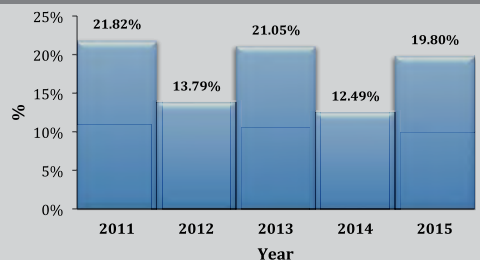
Net Profit after Tax



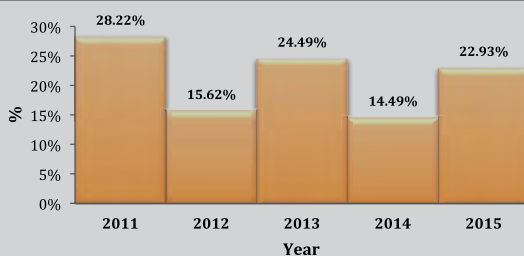
EBITDA to Sales



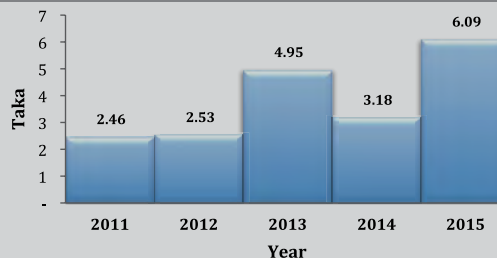
Return on Capital Employed



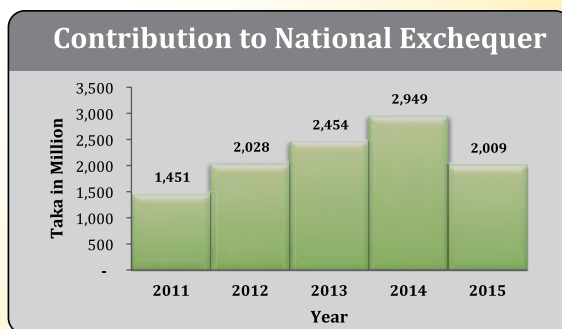
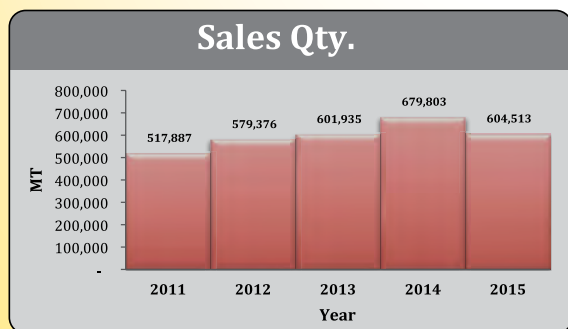
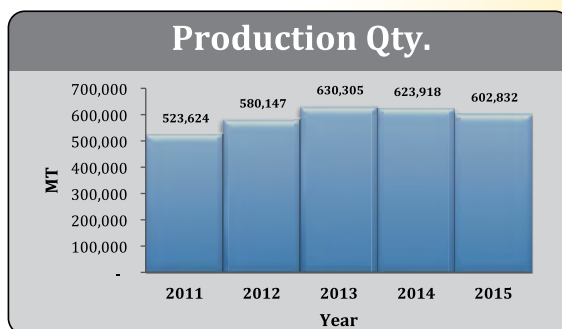
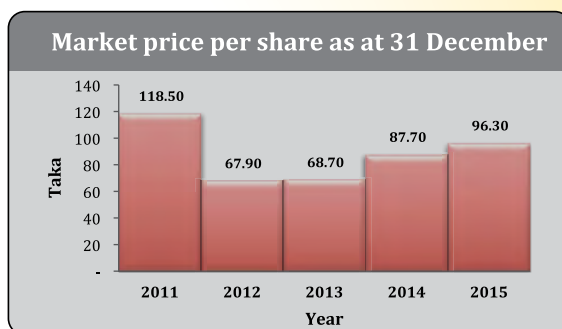
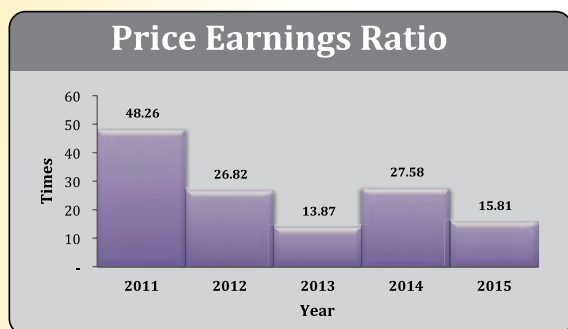
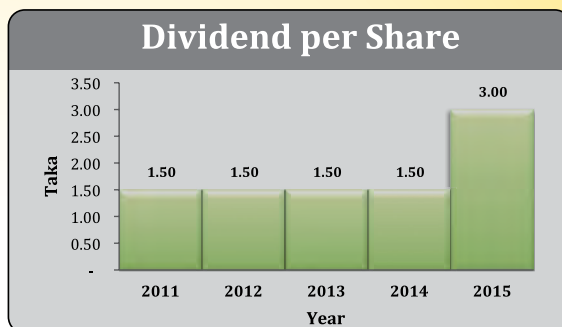
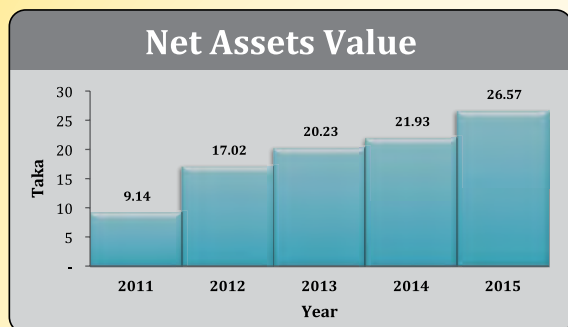
Return on Shareholders' Equity



Earnings per Share

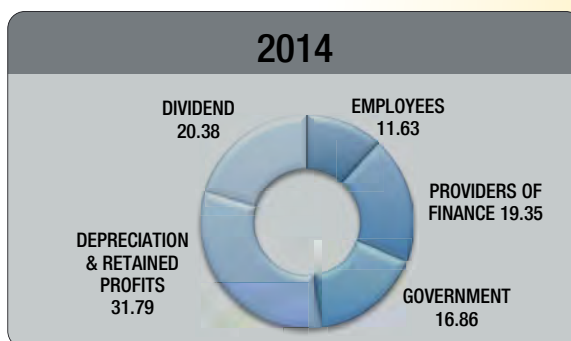
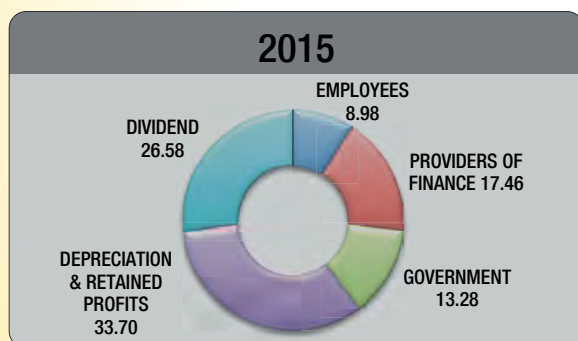


KEY PERFORMANCE INDICATOR



VALUE ADDED STATEMENT

	2015 Taka	%	2014 Taka	%
Value Added:				
Revenue	32,316,100,562		38,535,936,754	
Other Income	82,796,309		195,792,229	
	32,398,896,871		38,731,728,983	
Less : Paid to suppliers for materials and services	28,542,866,779		36,214,464,703	
	3,856,030,092	100	2,517,264,280	100
Distributed as follows:				
EMPLOYEES				
Wages, Salaries, bonus, commissions, pensions and other benefits	346,144,115	8.98	292,806,728	11.63
PROVIDERS OF FINANCE	673,131,697	17.46	486,981,060	19.35
GOVERNMENT	512,071,634	13.28	424,472,568	16.86
DIVIDEND	1,025,325,000	26.58	512,662,500	20.38
	2,556,672,446	66.30	1,716,922,856	68.21
RETAINED FOR REINVESTMENT & FUTURE GROWTH				
Depreciation & Amortization	242,805,483	6.30	226,796,118	9.01
Retained Profit	1,056,552,163	27.40	573,545,306	22.78
	1,299,357,646	33.70	800,341,424	31.79
	3,856,030,092	100	2,517,264,280	100



ECONOMIC VALUE ADDED (EVA)

Economic value added attempts to capture the true economic profit of a company. It also provides a measurement of a company's economic success (or failure) over a period of time.

	Amount in '000	
	2015	2014
Calculation of EVA		
Net Operating profit after Tax (NOPAT)	2,443,449	1,372,305
Total Capital Employed	10,516,644	8,695,347
Cost of Capital in %	11.00%	12.00%
Cost of Capital (COC)	1,156,831	1,043,442
EVA = NOPAT - COC	1,286,618	328,863

The positive number of EVA reveals that the Company is more than covered its cost of capital

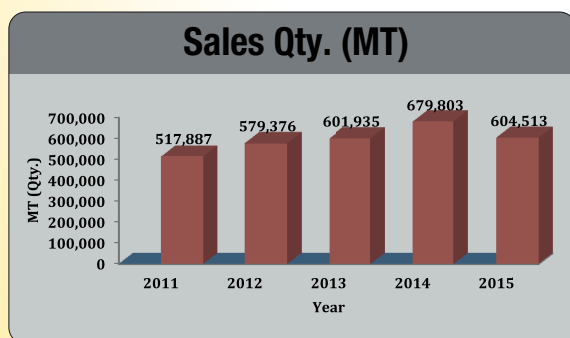
PRODUCTS AND MARKETS

Founded in 1952, BSRM Group broadened its business to produce advanced technology based steel products in Bangladesh. BSRM Steels Limited is the flagship company of BSRM Group. It is a high grade steel manufacturing company. The main product of BSRM Steels is Xtreme500W which is only **EMF tested** and **Fatigue tested ductile rod** in Bangladesh.

QUALITY is the measure of something as measured against agreed standards. It means conforming to specifications. **RELIABILITY** has two related definitions. One is the state of being dependable. The other is consistency – that is, the degree to which something yields the same or compatible result time after time. **RELIABILITY** is a function of the design; **QUALITY** is a result of the manufacturing. Therefore, we can state while the **Tensile Test** is the measure of Quality of the steel, the **Fatigue Test** is the measure of **Reliability** of Steel.

Market performance

BSRM Steels Limited is the market leader in the national steel industry. Net sales for 2015 were 604,513 MT with value in Taka 3,231.60 Crore. The Chart shows sales growth of BSRM Steels Limited for the last Five years.



Product-wise performance

A. Xtreme500W

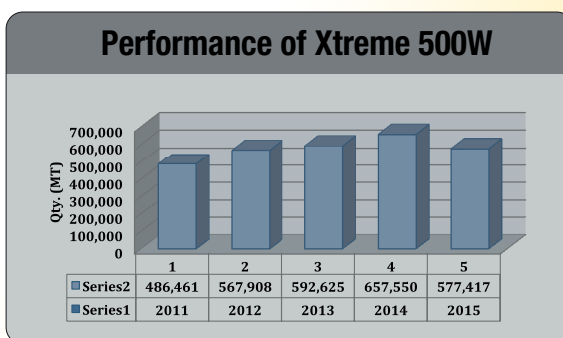
Why Xtreme500W....

According to European Steel Code EN 10002, **Elongation at Maximum Force (EMF)** test is mandatory to measure the ductility of steel. Bangladesh Standard BDS:ISO:6935-2 of 2009 also requires EMF in Steel. **Fatigue tests** are conducted with the object of determining the number of cyclic loadings a steel can endure, within a stress range. BSRM Steels products were subjected to 5 million cyclic load reversals which was tested in UK. At present in Bangladesh BSRM is the only company to ensure **EMF** and **Fatigue Test** in steel.

Xtreme500W also demonstrated superior yield strength and ductility compared to the traditional Grade 60 rebar. This reduced the quantity of steel consumed in any building by 15%.

Today our journey has been vindicated by the overwhelming support of our loyal and dear customers who have put faith in our products.

Following Graph shows the last 5 year's performance of our branded product Xtreme 500W:



Unique Feature of Xtreme500W

1. High design yield strength of 500 Mpa (72500psi) (Min)
2. Requires 15% less steel in construction compared to Grade 60 rebar's available in the market.
3. The bars have superior ductility and can be safely bent without cracking.
4. All bar sizes are rolled to a very close tolerance (possible on a DANIELI computerized rolling mill) so that customers get more meters of steel per ton - more value for money without having to sacrifice structural integrity.
5. De-scaled bars have better bonding with concrete and less wastage at site. Estimated savings: 0.5%
6. Xtreme bars are safely weld-able under field conditions. Another 0.5% to 1.5% of steel is saved by avoiding large splices if the steel is welded. Xtreme500W was tested for weldability by a global electrode manufacturer, in Bangladesh, Linde. They have published a brochure to promote the unique welding features of Xtreme500W, a rare honor for the company.
7. The bars are needle-straight, thanks to the Danieli QTB process - no need for straightening on the construction site.

Landmark Infrastructure where Xtreme500W was used:

As the premier reinforcing steel bar and only EMF tested ductile rod of the country, Xtreme500W has put its indelible stamp on the infrastructure projects of the country. It has emerged as the rebar of choice among international contractors in high value projects where the reliability and quality of construction materials are of paramount importance. BSRM is proud to be associated with some of the largest and most visible projects of the country. These are:

- Padma Multipurpose Bridge
- Maghbazar Mouchak Flyover
- Boirab Railway Bridge
- Boirab Asugonj Power Plant
- Double line project of Chittagong Railway.
- The pride of Dhaka, the 9.6 kilometer Gulistan-Jatrabari fly-over (Mayor Mohammad Hanif Flyover)
- Saidabad Water Treatment Plant Phase-II
- Hatirjheel Integrated Development Project
- Zillur Rahman Flyover (Mirpur-Airport & Banani)

B. Other Products

BSRM also manufactures the traditional Grade 60/420 and bars for customers who are comfortable in using the older steel grades.

BSRM Steels Limited has preserved the winning streak in its Product Innovation.

This year it rolled out new Grade reinforcing steel conforming to the U.S. standard ASTM 706 Grade 80. The Grade 80 reinforcement can replace the old ASTM A-615 Grade 60 steel specified in all Government Agency design specifications. The new Grade 80 will be more economical as it will require 20% less steel in construction. It will be safer as well as the new Grade 80 has much higher elongation than the older Grade 60. The higher strength steel further provides 'congestion relief' in Bridge piers which ensures better concrete compaction, thus making it more safer. The new Grade 80 is usage is prescribed in the ACI Code of 2014 and the BNBC 2015. The new Grade 80 will be marketed under the Brand name **Maxima**.

The country's growing infrastructure regarding new Bridges, Flyovers, and Rail Roads will provide ample scope for Grade 80's applications.

The company further launched in February 2016 ASTM 706 Grade 60 reinforcing steel. This new Grade 60 is for the design of Special Moment Resisting Frames (SMRF) for earthquake resistant structures. It has extra high elongation which enables the design of R.C. Buildings in which selected components of the Building are allowed to 'fail' by developing 'plastic hinges'. This design approach prevents catastrophic 'sandwich' collapse of buildings in the event of an earthquake. The use of ASTM Grade 706 Grade 60 steel has been advocated in the latest ACI Code of 2014 and BNBC 2015. The new Grade 60 will be marketed by BSRM under the Brand name **Ultima**.

The country's Key Point Installation (KPI) will be the primary users of Ultima. Hospitals, schools, airports, Fire Brigades will all need Special Moment Resisting Frames to survive large earthquakes.

NOTICE OF THE 14TH ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of shareholders of **BSRM Steels Limited** will be held on March 30, 2016 at 9:30 am at the Institution of Engineers of Bangladesh, Chittagong Center, S. S. Khaled Road, Chittagong to transact the following business and to adopt necessary resolutions:

1. To receive, consider and adopt the Audited Financial Statements along with Consolidated Audited Financial Statements of the Company for the year ended 31st December 2015 together with the Directors' Report and the Auditors' Report on those Financial Statements.
2. To re-elect the Director(s) of the Company.
3. To declare Dividend for the year ended 31st December 2015.
4. To confirm the re-appointment of Independent Director.
5. To appoint Auditors for the period from 1st January 2016 to 30th June 2016 and also for the year ended 30th June 2017 and fix their remuneration for both periods.

By order of the Board



Shekhar Ranjan Kar FCA
Group CFO & Company Secretary

Chittagong
5th March 2016

Notes:

- Shareholders whose name appears in the share register of the company or in the Depository Register as on the **"Record Date"** i.e. **3rd March 2016** are entitled to attend the Annual General Meeting (AGM) and receive the dividend.
- A shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies in his/her stead and forms of proxy must be lodged at the Company's Share Office, Ali Mansion, 1207/1099 Sadarghat Road, Chittagong not later than 48 hours before the AGM.
- Shareholders are requested to update their **12 digit ETIN** information through their respective Depository Participant (DP) before the AGM date.
- BSRM Steels Limited is concerned about the environment and utilizes natural resources in a sustainable way. We request the shareholders to update their email address with their respective Depository Participant (DP) for quicker and easier communication. Such cooperation will help conserve paper and minimize the impact on environment. The Annual Report 2015 and Proxy Form are available at the Company's Website **www.bsr.com**.

Air Travel

Commercial aviation is a global industry. Statistics from the International Air Transport Association, or IATA, show that some 3.1 billion people flew in 2013. An estimated 50 million tons of cargo was transported as well in the same year.



CORPORATE AND CONTACT INFORMATION

COMPANY NAME

BSRM STEELS LIMITED

DATE OF INCORPORATION

20th July 2002

DATE OF COMMERCIAL OPERATION

1st April 2008

SHARE CAPITAL

Authorized capital

BD Tk. 500.00 Crore

Paid Up Capital

BD Tk. 341.775 Crore

BORAD OF DIRECTORS

Mr. Alihussain Akberali FCA, Chairman

Mr. Aameir Alihussain, Managing Director & CEO

Mr. Zohair Taherali, Director

Mrs. Tehseen Zohair Taherali, Director

Mr. Mono Ranjan Dey FCA, Independent Director

AUDIT COMMITTEE

Mr. Mono Ranjan Dey FCA, Chairman

Mr. Alihussain Akberali FCA, Member

Mr. Zohair Taherali, Member

Mr. Shekhar Ranjan Kar FCA, Secretary

COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA

CHIEF FINANCIAL OFFICER

Mr. Mohammad Arif ACA, ACMA

MANAGEMENT COMMITTEE

Mr. Tapan Sengupta, Executive Director

Mr. Kazi Anwar Ahmed, Head of Corporate Affairs

Mr. M. Firoze, Head of Marketing & Product Development

Mr. Shekhar Ranjan Kar FCA, Group CFO and Company Secretary

Mr. Sunil Kumar Das, Country Director, India

Mr. Jamil Ahmed, Head of HR

Mr. Mohd. Imtiaz Uddin Chowdhury, Head of SCM

EXECUTIVE COMMITTEE

Mr. Alihussain Akberali FCA, Chairman

Mr. Aameir Alihussain, Managing Director

Mr. Zohair Taherali, Director Finance

Mr. Tapan Sengupta, Executive Director

Mr. Kazi Anwar Ahmed, Head of Corporate Affairs

Mr. Sunil Kumar Das, Country Director, India

Mr. M. Firoze, Head of Marketing & Product Development

Mr. Shekhar Ranjan Kar FCA, Group CFO and Company Secretary

Mr. Jamil Ahmed, Head of HR

AUDITOR

Rahman Rahman Huq

Chartered Accountants

102 Agrabad C/A (3rd Floor), Chittagong.

LOCATIONS:

PLANT

4, Fouzderhat Industrial Estate, Chittagong.

Tel: +88(031) 2770192-3

CORPORATE OFFICE

Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

Tel: +880 31 2854901-10

Email: mail@bsrm.com, Web: www.bsrm.com

DHAKA OFFICE

Mahbub Castle (1st, 2nd & 4th Floor)

35/A, Purana Paltan Line, VIP Road, Dhaka.

Tel: 88 02 8311994, 8313135, 9358135

Fax: 88 02 8312905, Email: dhaka@bsrm.com

UTTARA OFFICE

Atlanta Trade Center

Level-6, Plot # 01, Road # 1/A, Sector-4, Uttara Model Town, Dhaka

Contact Number: 02-8957027, 02-8958029, Fax No. 8956496

REGIONAL OFFICES:

Sylhet

Samad Mansion, Mendibag, Upa-Shahar, Sylhet.

Tel: 0821-721239, 01714080514

Fax: 0821-2832751, Email: sylhet@bsrm.com

Bogra

Tin Matha Rail Gate (near to North Bengal Petrol Pump), Puran Bogra, Bogra.

Tel: 051-60792, 01711-795148, E-mail: bogra@bsrm.com

Comilla

Chandrima Super Market,

Airport Road (Near to EPZ Main Gate), Comilla.

Tel: 081-71988, 01714-080544, E-mail: comilla@bsrm.com

Khulna

Plot # C-7, Road # 4, Shiromoni I/A, Khulna.

Tel: 041-785303, 01714-031110, E-mail: khulna@bsrm.com

Barishal

Shohid Muktijoddha ABC Kazi Azizul Islam Sarak

30 Godown Road, South Alekanda, Barisal

Cell Phone: 01713-362984, Fax: 0431-62048

Narayangonj

Jungal, Barpara, Bandar, Narayangonj.

Tel: 044-76001557; 01730-313123

Rajshahi

235/2 Alupatti Ghoramara; Boalia; Rajshahi.

Tel: 01755-538353, 01730-087537

Rangpur

BSRM Warehouse, Ulipur Market, Ganeshpur, R K Road, Rangpur

Cell: 01711795148, Tel: 0521-56092, Fax: 0521-56091

Tel: 01711-795148, 01730-784821

Benapole

50 Kagojpukur Benapole Port, Sharsa,

Jessore, Tel: 01730-703045

From left: Mr. Zohair Taherali, Mrs. Tehseen Zohair Taherali, Mr. Alihussain Akberali FCA, Mr. Aameir Alihussain and Mr. Mono Ranjan Dey FCA



BOARD OF DIRECTORS

Mr. Alihussain Akberali FCA **Chairman**

The 3rd son of late Mr. Akberali A. Africawala was born in 1949. He is the most experienced industrialist in steel sector and a seasoned business entrepreneur and always eager to harness any unexploited opportunity in the industry. He was recognized as CIP from large scale industry sector for ten times. Mr. Alihussain is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB).

He is also engaged in various social activities like Rotary Club, Ma O Shishu Hospital, Chirayata Shanti Society, Patient Welfare Committee of Chittagong Medical College and Hospital and founder of a School at Nasirabad, Chittagong which imparts free education to more than 350 underprivileged students. He is also Vice Chairman of Chittagong Metropolitan Chamber of Commerce and Industry and also a member of Audit Committee of the Company.

Mr. Aameir Alihussain **Managing Director**

Mr. Aameir Alihussain is the eldest son of the Chairman of the Company was born in 1975. He joined the family business in 2001 and aims to set high industry standards for the performance of the company. He is active in the day to day operation of the company as the Managing Director. He is introducing modern management practices in the company and instilling a team spirit to excel in the industry.

He graduated in Economics from McGill University, Canada and did his MBA from LUMS University. Ensuring quality and focusing on customers' satisfaction are his top priorities.

Mr. Zohair Taherali **Director**

He was born in 1963 and involved for last 24 years in the steel business as a Director of the company. He is responsible for the management of the Financial and Administrative aspects of the company. He is actively involved in various social activities. He is a commerce graduate and also a member of the Audit Committee of the company.

Mrs. Tehseen Zohair Taherali **Director**

Mrs. Tehseen Zohair Taherali was born in 1970. She completed her Bachelors of Arts and Bachelors of English Language Teaching from Chittagong, Bangladesh.

She guides and directs the company regularly in strategic policy making decision as a Director. She is involved with many charitable organizations and is a highly regarded personality in the society.

Mr. Mono Ranjan Dey FCA

Independent Director

A renowned Chartered Accountant Mr. Mono Ranjan Dey FCA was born in 1954. He has 27 years of experience in internal and external audit and assurance, developing internal control system, company related matters and taxation and VAT matters.

He is a Qualified Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Currently he is the Managing Partner of reputed Chartered Accountancy firm namely MRH Dey & Co., Chartered Accountants.

He was appointed as Independent Director of the Company in 2012 and he is the Chairman of the Audit Committee of the Company.

Name of companies in which directors hold the directorship and the membership of committees of the board

Name of Companies	Name of the Directors				
	Mr. Alihussain Akberali FCA	Mr. Aameir Alihussain	Mr. Zohair Taherali	Mrs. Tehseen Zohair Taherali	Mr. Mono Ranjan Dey FCA
Bangladesh Steel Re-Rolling Mills Limited	Chairman	Managing Director	Director	Director	Independent Director
BSRM Wires Limited	Managing Director	Director	Chairman	Director	-
BSRM Recycling Industries Limited	Managing Director	Director	Chairman	Director	-
BSRM Iron & Steel Co. Ltd.	Chairman	Managing Director	Director	Director	Independent Director
Chittagong Power Company Ltd.	Chairman & Managing Director	Director	Director	-	-
Bangladesh Steels Limited	Director	Managing Director	Chairman	Director	-
East Bengal Trading & Industrial Corporation Limited	Director	Managing Director	Chairman	Director	-
BSRM Ispat Limited	Director	Managing Director	Chairman	Director	-
BSRM Steel Mills Limited	Chairman	Managing Director	Director	Director	-
BSRM Logistics Limited	Chairman	Director	Managing Director	-	-
BSRM Real Estates Limited	Chairman	Managing Director	Director	Director	-
BSRM Metals Limited	Chairman	Managing Director	Director	Director	-
H. Akberali & Co. Limited	Chairman & Managing Director	Director	Director	Director	-
Karnafully Engineering Works Limited	Chairman	Director	Managing Director	Director	-
Section Steel Industries Limited	Managing Director	Chairman	-	-	-
ARCO Industries Limited	Director	Director	Managing Director	Director	-



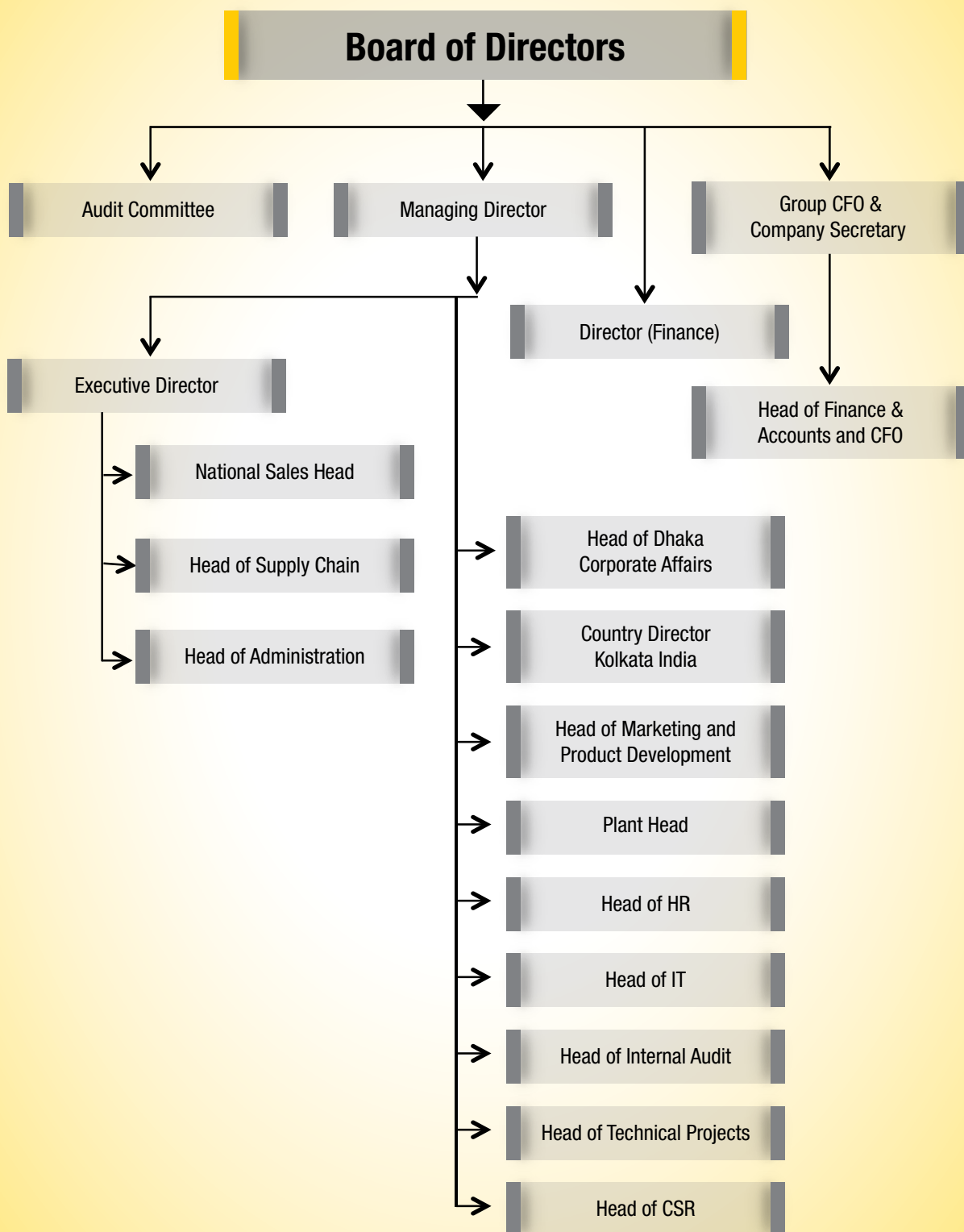
KEY MANAGEMENT

Tapan Sengupta, Executive Director
Kazi Anwar Ahmed, Head of Dhaka Corporate Office
M. Firoze, Head of Marketing & Product Development
Shekhar Ranjan Kar FCA, Group CFO & Company Secretary
Sunil Kumar Das, Country Director, India
Shobhon Mahbub Shahabuddin, Head of National Sales
A. F. M. Mizanur Rahman, Plant Head
Azizul Haque, Plant Head (BISCO)
Jasim Uddin Ahmed, Head of Technical Projects
Jamil Ahmed, Head of HR
Ruhi Murshid Ahmed, Head of CSR, PR & Communication
Mohammed Reazul Kabir FCA, Head of Finance & Accounts
Md. Bazal Ahmed, Head of Estates & Utilities
Mohd. Imtiaz Uddin Chowdhury, Head of Supply Chain
Mohammad Arif ACA, ACMA, Chief Financial Officer
Muhammad Ashiqur Rahman ACA, Lead Compliance & Accounts – Dhaka
Abdur Rahim, Head of Internal Audit
A. K. M. Saifuddin Khan, Head of Administration
Mohammed Tamim Wahid Al-Helal, Head of IT

ADVISERS

Moize Hussain, Group Adviser
Tapan K. Poddar FCA, FCMA, Financial Consultant

CORPORATE STRUCTURE



PROUD CONSTRUCTION PARTNER OF PADMA BRIDGE





Alihussain Akberali FCA
Chairman

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Assalamualaikum.

Let me first thank you all for being a part of BSRM group that makes a difference in people's lives. I am happy to see you again at this Annual General Meeting of **BSRM Steels Limited**. I hope you have received the Annual Report for 2015 and satisfied with company's performance.

Every year we see new technologies/innovative ideas evolving to improve the safety and quality of steel products. I believe BSRM looks for new ways, makes the effort and takes the initiatives to adopt those into business processes and deliver the best products at consumers' door in shortest possible time. And that makes BSRM a unique business house.

It is my great pleasure to report you all that your Company has registered a profit of Tk. 2,081.88 Million, which is the highest in the history of BSRM. Now company's net worth stands at Tk. 9,080.62 Million. EPS stands Tk. 6.09 per share. The credit to this phenomenal goes to our dedicated workers, staffs and officers without whose hard work this would not have been successful.

Economic Out Look:

Bangladesh has made a remarkable progress in many economic and social indicators. By this time, we have attained self-sufficiency in food. Bangladesh's investment to GDP ratio has now grown to 29% and per capita income stands at \$1314. World Bank predicted that Bangladesh economy will grow at 6.50% this year and 6.70% in the next year which is neck to neck to with China. Labor cost hike in China has created a huge opportunity for Bangladesh. It creates hope that some foreign investment will be directed to Bangladesh which is crucial for her development.

However, inadequate infrastructure is one of the basic obstacles for growth and development in Bangladesh. The Government has under taken some significant steps for providing adequate port facilities, power and gas supply, improvement of communication. It is strongly requested of the Govt to get LNG at the earliest and thus relieve Ctg. industries out of this huge losses by using LDO which is not only costly but also environmentally not feasible.

Riding on government programs centering vision for 2021, the local manufacturers believe that steel industry should continue to grow at 12% in the next few years. The major ongoing projects like 'Padma Bridge', 'Dhaka-Chittagong Access Control Highway' and the major upcoming projects like 'Dhaka Elevated Expressway' and the 'Deep Sea Port' would be requiring a vast quantity of quality construction materials. Successful implementation of these projects holds an excellent potential for top line growth, like steel and steel rods in particular feature prominently as raw materials for these projects. Thus, we can hope that the demand of MS rod will continue to grow at an increasing rate. We hope steel industry in Bangladesh will grow with quality products for the next generation.

Operational and Financial performance:

The operational and financial performances are summarized below:

Particulars	Amount in Million
Sales	32,316.10
Gross Profit	4,368.65
Net Profit	2,081.88
Net Worth	9,080.62
Market Capitalization	32,912.93
EPS in Taka	6.09
Market Price as on 31 December 2015 (Taka)	96.30

Our initiatives for growth:

Now the Country has entered into the new era of progress and development. The nation needs high-quality steel products for construction. Keeping this in mind, we have launched “**BSRM Maxima**” which is the first Rebar of the nation designed specifically for mega projects like power plants, bridges, tunnels, flyovers, dams and sky scrapers. This bar meets various international standards like US AASHTO LRFD and ASTM 706-14 Grade 80. This product will not only ensure quality and safety, it will also save an enormous amount of foreign currency.

To ensure uninterrupted electricity supply for BSRM Group, we are planning to set up 150 MW coal based power plant by 2018. Construction work will start soon. We have already issued Zero Coupon Bond for raising the fund of Tk. 200 crore and a part of this will be invested as equity in our power project.

I am glad to inform you that, our associated company BSRM Steel Mills Limited has started trial production since 22nd December 2015. It is the largest billet producing plant in BSRM Group.

Sustainability and Social Welfare:

BSRM Group of Company is trying to maintain adequate transparency, quality of products and proper corporate governance. We believe that our business objectives are not only to maximize the profitability but also to address the needs of the society. From this view of point, we have undertaken some projects for poor and under-privileged people.

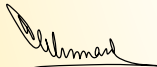
Conclusion:

Around 2,000 employees are working in BSRM Group of Companies. Also, several thousand casual workers, suppliers and other stakeholders are directly or indirectly involved with us. We are sincerely trying to do the best for all of them. Some of our employees are also shareholders in our companies.

I take this opportunity to express my heartfelt thanks to our work forces for their hard work and tireless efforts. I wish to thank our Bankers, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Bangladesh Securities and Exchange Commission, Central Depository Bangladesh Limited, Registrar of Joint Stock Companies and Firms, Customs, Tax, and VAT Authority and specially to our valued customers for their trust, support and co-operation.

By the grace of Almighty Allah, we shall continue to grow in the days to come.

ALLAH HAFIZ



Alihussain Akberali FCA
Chairman

চেয়ারম্যানের বার্তা

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম।

বিএসআরএম পরিবারের সাথে থাকার জন্য আপনাদের সকলকে ধন্যবাদ এবং বিএসআরএম স্টিলস লিমিটেড-এর ১৪তম বার্ষিক সাধারণ সভায় আপনাদের আবারও সাথে পেয়ে আমি অত্যন্ত আনন্দিত। আমি আশা করি আপনারা ইতোমধ্যে বার্ষিক প্রতিবেদন পেয়েছেন এবং কোম্পানীর ২০১৫ সালের কার্যকলাপে সন্তুষ্ট হয়েছেন।

ইস্পাত শিল্পের আধুনিকায়ন, পণ্যের গুণগত মান ও নিরাপত্তা বৃদ্ধিতে আমরা প্রতি বছরই কিছু নিত্যানতুন প্রযুক্তির ব্যবহার ও আধুনিক ধারনার উদ্ভব লক্ষ্য করি। আমি বিশ্বাস করি বিএসআরএম সবসময় এই আধুনিক প্রযুক্তি ও দক্ষতার পিছনে ছুটে এবং তা ব্যবসা পরিচালনা, পরিকল্পনা ও উন্নয়নে কাজে লাগায় যাতে সবচেয়ে উন্নত মানের ইস্পাত পণ্যটি অতি অল্প সময়ে ভোক্তাদের কাছে পৌঁছে দিতে পারে। একারণেই ব্যবসায় জগতে বিএসআরএম একটি অনন্য নাম।

আমি আনন্দের সাথে জানাচ্ছি যে, আপনাদের কোম্পানী ২০১৫ সালে মোট ২,০৮১.৮৮ মিলিয়ন টাকা মুনাফা করেছে যা কোম্পানীর ইতিহাসে সর্বোচ্চ। বর্তমানে কোম্পানীর নেট পরিসম্পদ ৯,০৮০.৬২ মিলিয়ন টাকা এবং ইপিএস ৬.০৯ টাকায় উন্নত হয়েছে। এই কৃতিত্ব শুধু আমার নিবেদিতপ্রাণ কর্মীবাহিনীর, যাদের কঠোর পরিশ্রম ছাড়া কখনই এ সাফল্য আসত না।

অর্থনৈতিক দৃশ্যকল্প

বহুবিধ অর্থনৈতিক এবং সামাজিক সূচকে বাংলাদেশ উল্লেখযোগ্য অগ্রগতি সাধন করেছে। ইতোমধ্যে আমরা খাদ্যে স্বয়ংসম্পূর্ণতা অর্জন করেছি। জিডিপির অনুপাতে বাংলাদেশের বিনিয়োগ বেড়ে দাঁড়িয়েছে ২৯ শতাংশ এবং মাথাপিছু আয় বেড়ে ১,৩১৪ মার্কিন ডলারে উন্নত হয়েছে। বিশ্ব ব্যাংক অত্যন্ত আশাব্যঞ্জকভাবে জানিয়েছে যে, এ বছর বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধি দাঁড়াবে ৬.৫০ শতাংশে এবং আগামী বছর তা বেড়ে হতে পারে ৬.৭০ শতাংশ যা কিনা চীনের প্রায় কাছাকাছি। চীনে শ্রমের মূল্য বৃদ্ধি বাংলাদেশের জন্য একটি বড় সুযোগ সৃষ্টি করেছে। এতকরে কিছু বিদেশী বিনিয়োগ বাংলাদেশে চলে আসার সম্ভাবনা তৈরি হয়েছে যা দেশের অর্থনৈতিক অগ্রগতির জন্য অপরিহার্য।

যাইহোক, দুর্বল অবকাঠামো বাংলাদেশের উন্নতি এবং অগ্রগতির একটি অন্যতম বড় অন্তরায়। পর্যাপ্ত বন্দর সুবিধা, বিদ্যুৎ ও গ্যাস সরবরাহ বৃদ্ধি এবং তথ্য প্রযুক্তি ও যোগাযোগ সুবিধা বৃদ্ধির জন্য সরকার বেশ কিছু প্রকল্প হাতে নিয়েছে। সরকারকে জোরালো সুপারিশ করা যাচ্ছে যে যত শীঘ্রই সম্ভব তরলীকৃত নাইট্রোজেন সরবরাহ নিশ্চিত করে যার ফলশ্রুতিতে চট্টগ্রামের শিল্পগুলো উচ্চমুদ্রার ডিজেল তেলের ব্যবহার জনিত আর্থিক ক্ষতি থেকে বাচতে পারবে এবং পরিবেশ বান্ধব হবে।

ভিশন ২০২১ কে সামনে রেখে সরকারের বিভিন্ন উন্নয়ন কর্মকাণ্ড চলমান, এতকরে স্থানীয় উৎপাদনকারীরা মনে করেন আগামী কয়েক বৎসরে ইস্পাত শিল্প প্রায় ১২ শতাংশ পর্যন্ত সম্প্রসারিত হবার সম্ভাবনা রয়েছে। সরকারের বাস্তবায়নাধীন কিছু বড় প্রকল্প যেমন পদ্মা সেতু, ঢাকা- চট্টগ্রাম মহাসড়ক এবং বাস্তবায়ন অপেক্ষায় কিছু প্রকল্প যেমন ঢাকা এলিভেটেড এক্সপ্রেসওয়ে এবং গভীর সমুদ্র বন্দর নির্মাণে ব্যবহৃত হবে বিপুল পরিমাণ মানসম্পন্ন নির্মাণ সামগ্রী। সফলভাবে এসব প্রকল্পের বাস্তবায়ন নিশ্চিতভাবে দেশের অগ্রগতির ধারাকে নতুন মাত্রা দেবে এবং একই সাথে এসব প্রকল্পের কাঁচামাল হিসেবে ইস্পাত ও ইস্পাতজাতীয় শিল্পের বিকাশ ঘটবে।

তাই আমরা আশা করতে পারি এই ধারাবাহিকতায় এম এস রডের চাহিদা ক্রমবর্ধমান হারে বৃদ্ধি পেতে থাকবে। আমরা আরও আশা করতে পারি বাংলাদেশে ইস্পাত শিল্প আগামী প্রজন্মের জন্য আরও উন্নতমানের পণ্য নিয়ে আসবে।

আর্থিক এবং পরিচালন চিত্র

কোম্পানীর আর্থিক এবং পরিচালন সংক্রান্ত সামগ্রিক চিত্র নিম্নে তুলে ধরা হল:

প্রধান সূচক সমূহ	২০১৫ সালের ফলাফল (মিলিয়ন টাকায়)
বিক্রয়	৩২,৩১৬.১০
মোট লাভ	৪,৩৬৮.৬৫
নীট লাভ	২,০৮১.৮৮
নীট পরিসম্পদ	৯,০৮০.৬২
মার্কেট কেপিটালাইজেশন	৩২,৯১২.৯৩
ইপিএস টাকায়	৬.০৯
বাজার দর টাকায় (৩১.১২.২০১৫)	৯৬.৩০

অগ্রগতির পথে আমাদের পদক্ষেপ সমূহ

দেশ এখন উন্নয়ন এবং সমৃদ্ধির নতুন যুগে পদার্পণ করেছে। নির্মাণ কাজে এখনই দেশের প্রয়োজন উন্নত মানের স্টিলস। বিষয়টা মাথায় রেখেই আমরা বাজারে এনেছি “BSRM Maxima”। এটা আমাদের দেশে প্রথম এবং একমাত্র রি-বার যা শুধুমাত্র অতিক্রম বৃহৎ স্থাপনা যেমন বিদ্যুৎ প্রকল্প, সেতু, পাতাল পথ, ফ্লাইওভার, ড্যাম এবং গগনচুম্বী বহুতল ভবন নির্মাণের জন্যই বিশেষ ভাবে প্রস্তুত। এই রি-বার তৈরিতে US AASHTO LRFD এবং AASTM 706-09 গ্রেড ৪০ এর মত আন্তর্জাতিক মান বজায় রাখা হয়েছে। তাই এটি শুধু গুণগত মান এবং নিরাপত্তাই নিশ্চিত করবেনা একই সাথে বিপুল পরিমাণ বৈদেশিক মুদ্রাও সাশ্রয় করবে।

বিএসআরএম গ্রুপের জন্য নিরবিচ্ছিন্ন বিদ্যুৎ সরবরাহ নিশ্চিত করতে আমরা ২০১৮ সালের মধ্যে ১৫০ মেগাওয়াট উৎপাদন ক্ষমতা সম্পন্ন একটি কয়লা ভিত্তিক বিদ্যুৎ প্রকল্প স্থাপনের দিকে এগিয়ে যাচ্ছি। খুব শিঘ্রই এর নির্মাণ কাজ শুরু হবে। এই উদ্দেশ্যকে সামনে রেখে আমরা ইতোমধ্যে বাজারে ২০০ কোটি টাকার জিরো কুপন বন্ড ছেড়েছি এবং এর একটি অংশ প্রকল্পটি বাস্তবায়নে বিনিয়োগ করা হবে।

আমি অত্যন্ত আনন্দের সাথে আপনাদের জানাচ্ছি যে, আমাদের সহযোগী প্রতিষ্ঠান বিএসআরএম স্টিল মিলস লিমিটেড গত ২২শে ডিসেম্বর ২০১৫ইং থেকে পরীক্ষামূলক উৎপাদন শুরু করেছে। এটি বিএসআরএম গ্রুপের সবচেয়ে বড় বিলেট উৎপাদনকারী প্রতিষ্ঠান।

স্থিতিশীল উন্নয়ন ও সমাজ কল্যাণ

প্রতিষ্ঠান হিসেবে বিএসআরএম গ্রুপ সবসময় স্বচ্ছতা, পণ্যের গুণগত মান ও কর্পোরেট গভারনেস অনুসরণের চেষ্টা করে। আমরা দৃঢ়ভাবে বিশ্বাস করি যে আমাদের ব্যবসায়ীক উদ্দেশ্য শুধুমাত্র মুনাফা অর্জনের মধ্যেই সীমাবদ্ধ নয়, বিভিন্ন সামাজিক প্রয়োজনের প্রতিও আমরা সক্রিয়। এই উদ্দেশ্যকে সামনে রেখে দরিদ্র এবং সুবিধা বঞ্চিত জনগোষ্ঠীর জন্য কিছু প্রকল্প হাতে নিয়েছি।

শেযাংশ

বর্তমানে বিএসআরএম গ্রুপের প্রায় ২,০০০ কর্মীবাহিনী রয়েছে। একই সাথে কয়েক হাজার অনিয়মিত কর্মী, ঠিকাদার, সরবরাহকারী ও অন্যান্য স্টেকহোল্ডারগণ প্রত্যক্ষ বা পরোক্ষভাবে আমাদের সাথে জড়িত। আমরা আন্তরিকভাবে তাদের সবাইকে সর্বোচ্চ সুবিধা প্রদানের চেষ্টা করে যাচ্ছি।

আমি আমাদের কর্মীবাহিনীকে তাঁদের কঠোর পরিশ্রম ও নিরলস কর্মোদ্যমের জন্য আন্তরিক ধন্যবাদ জানাচ্ছি।

পরিশেষে আমি ব্যাংক, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চিটাগাং স্টক এক্সচেঞ্জ লিমিটেড, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, সেন্ট্রাল ডিপজিটরী বাংলাদেশ লিমিটেড, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস, কর কর্তৃপক্ষ এবং একই সাথে বিশেষকরে আমাদের সম্মানিত ক্রেতাদের ধন্যবাদ জানাচ্ছি যারা এখনও আমাদের ওপর পূর্ণ আস্থা ও বিশ্বাস রেখে সহযোগিতা করে যাচ্ছেন।

সর্বশক্তিম্যান আল্লাহর দোয়ায় আগামীতেও আমরা আপনাদের বিশ্বস্ত সহযোগী হয়েই থাকতে চাই।

আল্লাহ হাফিজ



আলীহোসাইন আকবরআলী এফসিএ
চেয়ারম্যান



Aameir Alihussain
Managing Director

FROM THE DESK OF MANAGING DIRECTOR

Dear Shareholders,

I would like to express my heartfelt thanks to all our shareholders and various sectors of society for their concern for and support to the Company. I am pleased to announce that your Company registered a record profit of Tk. 208.18 Crore in 2015 which is the highest in the history of the Company. Our EPS is now Tk. 6.09 per share which was Tk. 3.18 per share in 2014.

Considering the company's earnings, the Board of Directors of the Company has recommended 30% Cash dividend for consideration in this Annual General Meeting by the shareholders.

You are already aware that, Bangladesh economy was doing well in 2015. The gross domestic products grew at an impressive 6.5% in 2015. In addition to the steady GDP, the controlled inflation, sliding lending rates, stable exchange rate and satisfactory foreign currency reserves indicate that, the economy is getting a strong ground. The World Bank forecasting growth of 6.7% for fiscal 2015-16.

To maintain this steady economic growth, Bangladesh needs huge infrastructural development especially in the field of power, communication, health and education. Several big projects are undertaken for infrastructural development.

We forecast a good demand for high quality steel products for constructions in near future. Now people are also very quality conscious. As a result, demand for high quality steels are rising. We have increased our production capacity to 700,000 M. Ton per annum to meet this growing demand for quality steels. Bangladesh Steel Re-Rolling Mills Limited, a concern of BSRM Group of Companies has also modernized and now capable to produce 450,000 M. Ton Steel products per annum.

We are happy to announce that, our associate company BSRM Steel Mills Limited, the largest billet producing plant in our group has started trial production in December.

Acute power crisis in Bangladesh is one of the main obstacle for sustainable growth. To mitigate this problem, we have already undertaken a plan to set up a coal based power plant. The Board of Directors of BSRM Steels Limited has decided to invest initially Tk. 50 crore in this company. A Zero Coupon Bond will be issued to raise Tk. 200 crore which was approved by the shareholders.

We want to assure the stakeholders that we are very conscious of our obligation to the society, consumers, our dedicated employees and above all to our Dealers/ customers. We also assure you that your investments with the company are safe and will grow.

Lastly, I thank the stakeholders who collectively ensure the success of the Company. It is only with the confidence that they place in our company that we are able to sustain the financial performance year on year. I am grateful to my colleagues on the Board, senior management team, our all work forces, bankers, valued customers, officials of Registrar of Joint Stock Companies and Firms, National Board of Revenue and various government departments and ministries for their continued counsel and guidance as we go forward.

Sincerely Yours,



Aameir Alihussain
Managing Director

ব্যবস্থাপনা পরিচালকের পক্ষ থেকে

প্রিয় শেয়ারহোল্ডারবৃন্দ,

এই শুভ ক্ষণে আমি সম্মানিত শেয়ারহোল্ডারবৃন্দকে আমার আন্তরিক ধন্যবাদ জানাচ্ছি এবং একই সাথে সমাজের সর্বস্তরের মানুষ, যারা বিভিন্ন সাহায্য সহযোগিতার মাধ্যমে আমাদের সাথে জড়িত তাঁদেরকেও জানাই আন্তরিক শুভেচ্ছা ও অভিনন্দন। আমি সত্যিই আনন্দের সাথে জানাচ্ছি যে ২০১৫ সালে আপনাদের কোম্পানী ২০৮.১৮ কোটি টাকা মুনাফা অর্জন করেছে যা বিএসআরএম কোম্পানীর ইতিহাসে সর্বোচ্চ। আমাদের ইপিএস এখন শেয়ার প্রতি ৬.০৯ টাকায় উন্নত হয়েছে যা ২০১৪ সালে ছিল ৩.১৮ টাকা।

কোম্পানীর আয় বিবেচনায় রেখে পরিচালকবৃন্দ এবছর বার্ষিক সাধারণ সভায় সম্মানিত শেয়ারহোল্ডারগণের বিবেচনার উদ্দেশ্যে ৩০ শতাংশ নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেন।

অনেক প্রতিবন্ধকতা সত্ত্বেও ২০১৫ সালে বাংলাদেশের অর্থনীতি তুলনামূলকভাবে ভালই ছিল। ২০১৫ সালে মোট দেশজ উৎপাদন বেড়ে দাঁড়ায় ৬.৫ শতাংশে। জিডিপির স্থিতিশীলতার পাশাপাশি নিয়ন্ত্রিত মুদ্রাস্ফীতি, ঋণের সুদের নিয়ন্ত্রণ, স্থিতিশীল বিনিময় হার এবং বৈদেশিক মুদ্রার সন্তোষজনক রিজার্ভ আমাদের অর্থনীতির মজবুত ভিত গড়ে তুলছে। আগামী ২০১৫-১৬ অর্থ বছরে আমাদের প্রবৃদ্ধি ৬.৭ শতাংশে উন্নিত হবার আশা প্রকাশ করেছে বিশ্ব ব্যাংক।

উন্নয়নের এই চলমান ধারাকে ধরে রাখতে বাংলাদেশের প্রচুর অবকাঠামোগত উন্নয়ন প্রয়োজন, বিশেষ করে বিদ্যুৎ, যোগাযোগ ব্যবস্থা, চিকিৎসা ও শিক্ষা খাতকে এক্ষেত্রে প্রাধান্য দেওয়া উচিত। তবে আশার কথা হল সরকার ইতোমধ্যে এধরনের বেশ কিছু উন্নয়ন প্রকল্প হাতে নিয়েছে এবং বাস্তবায়ন করছে।

এসব কারণে নিকট ভবিষ্যতে যে কোন নির্মাণ কাজে উন্নতমানের ইস্পাত পণ্যের ব্যাপক চাহিদা সৃষ্টি হবে বলে আমরা আশাবাদী। মানুষ এখন পণ্যের গুণগত মানের ব্যাপারে অত্যধিক সচেতন। তাই ভাল মানের ইস্পাত পণ্যের চাহিদাও দিন দিন বেড়েই চলেছে। গুণগত মানের ইস্পাত পণ্যের এই বাড়তি চাহিদার কথা মাথায় রেখে আমরা আমাদের উৎপাদন ক্ষমতাকে বার্ষিক ৭,০০,০০০ মে.টনে উন্নিত করেছি। একই সাথে আমরা বিএসআরএম গ্রুপের আর একটি প্রতিষ্ঠান বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর বার্ষিক উৎপাদন ক্ষমতা বৃদ্ধি করেছি। প্রতিষ্ঠানটি এখন বছরে ৪,৫০,০০০ মে. টন ইস্পাত পণ্য উৎপাদন করতে পারে।

আমরা আনন্দের সাথে জানাচ্ছি যে আমাদের আর একটি সহযোগী প্রতিষ্ঠান এবং গ্রুপের সবচাইতে বড় বিলেট প্রস্তুতকারী প্রকল্প, বিএসআরএম স্টিল মিলস লিমিটেড ২০১৫ সালের ডিসেম্বর মাস থেকে পরীক্ষামূলক উৎপাদন শুরু করেছে।

বিদ্যুৎ সমস্যা বাংলাদেশের স্থিতিশীল উন্নয়নের পথে একটি বড় অন্তরায়। এই সমস্যা সমাধানের জন্য আমরা ইতোমধ্যে একটি কয়লা ভিত্তিক বিদ্যুৎ প্রকল্প স্থাপনের কাজ হাতে নিয়েছি। বিএসআরএম স্টিলস লিমিটেড-এর পরিচালকবৃন্দ প্রাথমিকভাবে উক্ত প্রকল্পে ৫০ কোটি টাকা বিনিয়োগের সিদ্ধান্ত নিয়েছেন। কোম্পানী ২০০ কোটি টাকার জিরো কুপন বন্ড ইস্যু করবে যা ইতোমধ্যে সম্মানিত শেয়ারহোল্ডারগণ অনুমোদন দিয়েছেন।

সম্মানিত বিনিয়োগকারীদের আমরা আশ্বস্ত করতে চাই যে আমরা সবসময় সমাজ, ভোক্তা, আমাদের নিবেদিতপ্রাণ কর্মীবাহিনী এবং সর্বোপরি ক্রেতাসাধারণের প্রতি আমাদের পালিত দায়িত্ব সম্পর্কে খুবই সচেতন। আমরা আরও আশ্বস্ত করতে চাই যে কোম্পানীতে আপনাদের বিনিয়োগ সুরক্ষিত থাকবে এবং উত্তর উত্তর বৃদ্ধি পাবে।

পরিশেষে আমি আবারও বিনিয়োগকারীদের ধন্যবাদ জানাচ্ছি যাদের সম্মিলিত প্রচেষ্টা কোম্পানীর সফলতা নিশ্চিত করেছে। বছরের পর বছর আমাদের এই উন্নতি এবং সফল অর্থনৈতিক স্থিতিশীলতা সম্ভব হয়েছে শুধুমাত্র কোম্পানীর প্রতি তাঁদের দৃঢ় আস্থা এবং বিশ্বাসের কারণে। আমি আমার বোর্ড সহকর্মী, পদস্থ ব্যবস্থাপনা টিম, আমাদের সকল কর্মীবাহিনী, ব্যাংকার, সম্মানিত ক্রেতাসাধারণ, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস-এর সকল কর্মকর্তা কর্মচারীগণ, জাতীয় রাজস্ব বোর্ড এবং বিভিন্ন সরকারী সংস্থা ও মন্ত্রণালয়কে তাদের সাহায্য, সহযোগিতা ও গুরুত্বপূর্ণ দিকনির্দেশনার জন্য আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি।

সবাইকে ধন্যবাদ।



আমীর আলীহোসাইন
ব্যবস্থাপনা পরিচালক



INTRODUCING THE NEXT INNOVATION. BSRM MAXIMA.

BSRM Maxima is the first rebar of the nation designed specifically for mega-structures like power plants, bridges, tunnels, flyovers, dams and skyscrapers.

Conforming to U.S AASHTO LRFD specification for the construction of Highway Bridges and Tunnels, BSRM Maxima meets all the requirements of U.S. Dept. of Defense (DoD) specifications on reinforcing steels and conforms fully to ASTM A 706-14 Grade 80 and ISO 6935-2:2015 Grade 600. It can provide relief from rebar congestion for tall building's foundation and columns that ensure better concreting and sound construction.

Moreover, it is the only steel rebar in the country with a guaranteed tensile strength of over 100,000 psi. It has a Tensile Strength to Yield Strength ratio greater than 1.25 and possesses very high strain hardening capability that provides extra degree of safety for mega-structures!





Banking

A bank is a financial intermediary that creates credit by lending money to a borrower, thereby creating a corresponding deposit on the bank's balance sheet. Due to their importance in the financial system and influence on national economies, banks are highly regulated

DIRECTORS' REPORT

Dear Shareholders,

Assalamualikum and Good Morning. On behalf of the Board of Directors and Management, I welcome you all to the 14th Annual General Meeting (AGM) of BSRM Steels Limited. We have the pleasure to place the Directors' Report and the Auditors' Report herewith together with the Audited Financial Statements of your Company for the year ended 31st December 2015 for your consideration, approval and adoption. We have prepared this Report in compliance with the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No: SEC/CMRRCD/2006/158/143/Admin/44, dated: August 07, 2012.

Review of 2015:

Industry out Look and Possible future development

Bangladesh is a developing country with an average GDP growth rate of 6% per annum, for the last eight years. With this growth rate it should be a middle-income country by 2024.

For a developing country, economic growth means massive investment in housing and infrastructure construction projects. Of course, construction means steel in huge quantities, in millions of tons.

To cater to the expected demand local investors have not lagged behind. There are about five steel producing ventures with nominal capacities of 0.5 million tons per annum or greater. Besides, there are 30 auto rolling mills with nominal capacities between 100,000 to 200,000 tons per annum. The older scrap-based steel rolling mills which thrived on the ship breaking industry is on a gradual decline as home builders prefer graded and branded steel products.

As the economy will continue to grow in the foreseeable future, there will be a healthy demand for steel and local entrepreneurs will go for capacity enhancement. There could be new entrants possibly with foreign technical and equity participation.

Growth and investment will further fuel intense rivalry among all local steel producers. In times of temporary economic downturn, there could be severe price wars among rival manufacturers.

In the long run the steel industry has immense prospects. Companies which invest in the latest plant and process technologies and bring out more innovative steel products will be the market leaders.

Operational and Financial Performance:

Some operational and financial data is given below for better understanding of the overall performance of the Company:

Operational Performance:

Particulars	2015	2014	2013	2012
Installed Capacity (M. Ton)	600,000	600,000	600,000	600,000
Production (M. Ton)	602,832	625,363	630,305	580,147
Capacity Utilization (%)	99.50	104	105	97
Sales (M. Ton)	604,513	679,803	601,935	579,377

The company has increased its production capacity from 6.00 lac MT to 7.00 lac MT. The mill was shut down for 23 days wef. 14th November 2015 and resumed its production with extended capacity on 7th December 2015.

Financial Performance:

Amount in BDT in million

Particulars	2015	2014	2013	2012
Sales	32,316.10	38,535.94	36,229.05	38,253.46
Gross Profit	4,368.65	2,807.32	3,250.15	1,888.44
Profit before interest, taxes, WPP&WF	3,257.93	1,892.83	2,314.39	1,160.39
Less: Interest & WPP&WF	(739.29)	(378.95)	(492.82)	136.42
Add/(Less): Share of Profit/(Loss) of associate	75.31	(3.20)	497.36	-
Less: Tax expenses & Provision for income tax	(512.07)	(424.47)	(625.46)	(431.48)
Net Profit	2,081.88	1,086.21	1,693.47	865.33
EPS (Taka)	6.09	3.18	4.95	2.53

Your Company has registered a solid result despite a difficult economy all over the world. The year 2014 was a good year but 2015 results show that your Company has progressed even further. Before tax profits stood Tk. 259.39 Crore in 2015.

Other Financial Information:

Amount in BDT in million

Particulars	2015	2014	2013	2012
Paid Up Capital	3,417.75	3,417.75	3,417.75	3,255.00
Share Holders' Equity	9,080.62	7,495.09	6,915.25	5,540.65
Current Liabilities	14,213.79	18,445.30	15,858.17	16,178.60
Non-current Liabilities	1,436.02	1,200.26	1,131.64	735.45
Addition to fixed assets & CWIP	758.16	227.39	296.23	347.75
Operating cash flow	5,766.33	(2,995.28)	4,595.39	(727.69)

Operation of Subsidiary Company:

BSRM Steels Limited is holding 95% ordinary shares of BSRM Iron & Steel Co. Ltd. (BISCO), a billet manufacturing plant since 2010.

Financial and quantitative performance of the company is given below in the tabular form:

Particulars	2015	2014	2013	2012
	M. Ton	M. Ton	M. Ton	M. Ton
Production Qty.	176,312	180,678	168,326	138,725
Sales Qty.	177,199	182,083	167,066	137,947
	Amount in BDT million			
Sales	7,916.12	9,374.11	8,861.77	8,004.95
Gross Profit	439.67	686.17	513.39	598.48
Profit before Interest, Def. Taxes & WPP&WF	418.39	668.26	489.07	562.39
Less: Interest & WPP&WF	169.55	432.83	317.84	354.38
Less: Tax expenses & Provision for Income Tax	240.05	68.59	30.53	60.75
Net Profit	8.79	166.84	140.70	147.26

Operation of Associated Companies:

BSRM Steels Limited has acquired 25.35% of shares of BSRM Steel Mills Limited as of December 31, 2015. Total investment in the company is Tk. 100.00 crore This project will start commercial production by the first quarter of 2016. It will be the world's largest induction furnace based billet casting plant. It will reduce BSRM's dependency on the imported billets and will save huge amount of foreign currency. BSRM Steels Limited will be able to supply MS Rod at more competitive price when this plant will start commercial production with sound productivity.

Segment wise or product wise performance:

BSRM Xtreme500W was the first high strength steel in Grade 500 Yield Strength category introduced in to the Bangladesh construction market in 2008. BSRM Xtreme500W rapidly gained market share and is the undisputed market leader in this category.

The housing sector and infrastructure projects in the country rely on Grade 500 steel. Independent Home Builders (IHB) throughout the country, rely on Xtreme500W, which they buy from the company's network of over 600 Dealers. Corporate customers, such as real estate developers, do business directly with BSRM. Large infrastructure projects such as Flyovers in Dhaka and Chittagong also use BSRM Xtreme500W.

Besides Xtreme500W the company also manufactures Grade 420D steel to meet the requirements of certain Govt. projects in the power sector. Recently the company has decided to brand the Grade 420D as 'Ultima'.

Campaign:

To create and retain the Top of Mind (ToM) awareness among retail customers, IHB, BSRM regularly launches an extensive marketing campaign to create market awareness of the superior attributes of its products. In 2015 the campaign was '10 in 10'. This campaign focused on the fact that to qualify as Grade 500 steel the ten most important attributes of the steel have to be tested. Xtreme500W is the only steel which passes the '10 in 10' test. This was one of the most successful campaigns of the company in raising consumer awareness about steel quality.

Company produces various sizes of Xtreme500W product in one production centre. Detailed product wise performances are as follows:

Products	Production (M. Ton)		Sales (M. Ton)	
	2015	2014	2015	2014
Xtreme500W	577,417	605,516	571,629	657,550
Others	25,415	18,402	32,884	22,253
Total	602,832	623,918	604,513	679,803

Risks & Concerns:

Risk assessment and mitigation is the integral part of any business. The Board of Directors are regularly monitoring, assessing and identifying potential risk and threats to our profitability and sustainable growth. Our Risk Management capabilities are supported by a strong management structure, information system, regular analysis of market, economic scenario and robust policies to cope with the challenges.

A summary of the significant risks and the way of managing risks adopted by our company is included in Annexure-2 and Note -43 of the Financial Statements.

Management Discussion:

Board of Directors periodically discusses on the increase/decrease of cost of goods sold, gross and net profit margin and takes immediate measures on the analysis as required. A detailed report on discussion is included in Annexure-1.

Credit Rating:

Credit Rating information and Services Limited (CRISL) assigned rating as below:

Long Term	Short Term
AA	ST-2

The entities rated "AA" are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

"ST-2" indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

Our Company in the evaluation of Credit Rating Company was also placed with "Stable Outlook".

Board of Directors:

i. Composition and size of the Board:

On 31st December 2015, there were 5 members on the Board. The Board comprises Chairman, Managing Director, two Directors and one Independent Director.

ii. Board Meeting and attendance:

The Board met 14 times during the year. Following table shows the attendance of Directors in the meeting.

Name of the directors	Position	No. of meeting held during the year	No. of meeting attended
Mr. Alihussain Akberali FCA	Chairman	14	14
Mr. Aameir Alihussain	Managing Director	14	12
Mr. Zohair Taherali	Director	14	13
Mrs. Tehseen Zohair Taherali	Director	14	13
Mr. Mono Ranjan Dey FCA	Independent Director	14	12

The member who could not attend the meeting was granted leave or was outside the country.

iii. Details of Directors being re-appointed:

Mr. Alihussain Akberali FCA and Mrs. Tehseen Zohair Taherali will retire by rotation at the conclusion of this AGM as per Articles of Association of the Company and being eligible they offer themselves for re-appointment.

iv. Name of Companies in which Directors holds the directorship and membership have been disclosed in Board of Directors segment.

v. Mr. Mono Ranjan Dey FCA has re-appointed as Independent Director for the next three years.

Internal Control system:

The Board of Directors ensures that the Group has an effective internal control system which ensures that the assets of the Company are safeguarded and appropriate systems are in place to minimize and detect fraud, errors and other irregularities. The Company has adopted Standard Operating Procedures (SOP) for the betterment of internal control system. To generate accurate data and information within reasonable time frame, we have already commissioned most modern software called Enterprise Resource Planning (ERP). The Company has established a separate internal audit department to ensure internal control and compliance are in place. On the other hand, Audit Committee regularly monitors and review the reports generated by the internal audit department and takes corrective measures.

Extra-ordinary gain or loss:

There is no extra ordinary gain or loss during the year.

Related Party Transactions:

All transactions with related parties have been made on a commercial basis. Details of the related party transactions have been disclosed under note 36 of the financial statements as per IFRS/BFRS.

Utilization of IPO proceeds and Financial Result after IPO:

Company had no unutilized IPO fund since 2009. Company is maintaining a stable financial performance.

Significant variance in the quarterly and annual report:

There were no significant variance between Quarterly performance and overall annual performance. Throughout the year company was able to maintain a judicious performance both in operational and financial perspectives.

Remuneration of Directors including Independent Director:

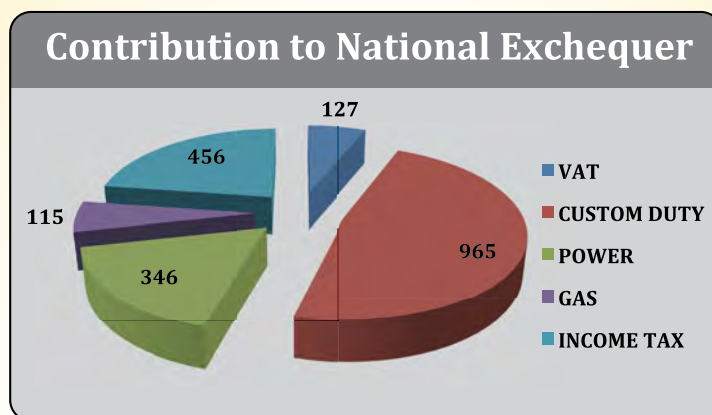
Directors were remunerated as per the decision of the Board and a detailed report of the Directors' Remuneration is included in Annexure-3 and Note 29.01 of Financial Statements.

Dividend:

The Director recommended a dividend payment of Tk. 3/= per share for the year ended 31 December 2015 for consideration and approval by the shareholders in the AGM. The dividend on equity shares, if approved would be paid to those members whose name appears on the register of members as on record date.

Contribution to National Exchequer:

Being a responsible corporate entity, BSRM is paying and facilitating collection of Government's revenue. In 2015, we have paid, collected & deposited a significant amount of Income Tax, VAT and Duties in time. During the year 2015, BSRM Steels Limited collected and contributed Tk 2,009 million to the government exchequer along with utility bill which is appended below:



Corporate Social Responsibilities:

BSRM's commitment to connect business decisions to ethical, social and environmental concerns remains to be one of the strongest foundations of the Company. During 2015, your company has been contributing to the welfare of the community, research & development and for protection of environment. Details of CSR have been described in the chapter of Corporate Social Responsibilities in page 67 of Annual Report.

Award and Recognition:

It is our great pleasure to let you know that, we have achieved some prestigious award during this year. A few of them are mentioned below:

- BSRM Steels Limited has secured **Silver Award** in the 2nd ICSB Corporate Governance Excellence Award for best corporate governance in manufacturing sector declared by the Institution of Chartered Secretaries of Bangladesh (ICSB)
- BSRM Steels Limited also won **"Certificate of Merit"** for the best presented Annual Report Award-2014 announced by the Institute of Chartered Accountants of Bangladesh (ICAB)
- Best Rod Brand Award 2015
- Mercantile Bank Excellence Award 2015
- Award as the best user of Electricity in 2015

Information Technology:

BSRM Steels Limited is a customer oriented company since inception. Your Company has taken a group of IT initiative to support its sales and support staff in considering client needs and satisfaction. To respond promptly and respectfully to consumer complaints and queries we have automated their complaint system. To mitigate business risk, enhance business performance and to provide required information to the respective stakeholder, we are continuously updating the ERP System.

Human Resource Management

The Human Resource strategies applied and practiced by the Company have translated into the creation of a dynamic and competent human resource team with sound succession planning and a remarkable low attrition rate. "Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization" is one vision of BSRM Group. Details of Human Resource are set out in the Chapter "Sustainable Growth" in Page no. 71 in this report.

Code of Conduct:

The Board of Directors of the Company has adopted a Code of Conduct for the Directors. All the Directors have signed as an acceptance to its compliance.

Auditors:

Present auditor **Rahman Rahman Huq**, Chartered Accountants (Representative of KPMG in Bangladesh), 102 Agrabad C/A, Chittagong will retire in 14th AGM and being eligible to audit for the period covering from 1st January 2016 to 30th June 2016 and also for the year from 1st July 2016 to 30th June 2017 they have conveyed their willingness to accept for re-appointment for the said periods.

Reporting and Compliance of Corporate Governance:

Status of compliance with the requirements/conditions of Bangladesh Securities and Exchange Commission (BSEC) Notification No: BSEC/CMRRCD/2006-158/134/Admin, dated: 07 August, 2012 on corporate governance has been included in the Report in Annexure-6.

Subsequent Events:

There is no subsequent event after the date of Financial Position and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

Directors' Responsibilities Statements:

Pursuant to the BSEC notification No. BSEC/CMRRCD/2006-158/134/Admin/44, dated: 07 August 2012 the Directors confirm that:

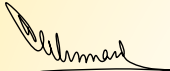
- a) The financial statements prepared by the management of BSRM Steels Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper Books of Account of the Company has been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- e) The system of internal controls sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the company's ability to continue as a going concern and the annual accounts have been prepared as a going concern basis.
- g) The significant deviations from last year in the operating results of the company have been highlighted in the reports and reason thereof has been explained.
- h) The key operating and financial data for the last six year is disclosed in Annexure-4.
- i) The pattern of shareholding is disclosed in Annexure-5.
- j) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Regulatory Compliance Report segment.
- k) Directors' profile and their directorship and business interest in other organizations have been disclosed in Board of Directors segment.

Acknowledgements:

We express our sincere thanks and appreciation to all the honorable shareholders, our customers, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, National Board of Revenue, RJSC, various government authorities, trade bodies and all bankers and financial institution for their support, co-operation and guidance in our business endeavor. In this occasion we also want to express our heartiest congratulations to all our staffs and management members whose perseverance, professionalism and hard works contribute to maintain our strong competitive position and high technological status. We rely on their enthusiasm, sincerity as well as their commitments to build the company as a pioneer and leader in steel sector.

As we moving forward to the next frontier of growth and excellence we seek your support and encouragement as we are used to get from you since beginning of our journey.

Allah Hafiz,



Alihussain Akberali FCA
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

ANNEXURE-1

Management Discussion and Analysis are designed to provide readers with an overview of the business and an analysis on Cost of Goods Sold, Gross and Net Profit margin.

FINANCIAL PERFORMANCE

Particulars	2015	2014	Growth %
	BDT	BDT	
Cost of Goods Sold	27,947,447,147	35,728,612,252	(21.78%)
Gross Profit	4,368,653,415	2,807,324,502	55.62%
Net Profit	2,081,877,163	1,086,207,806	91.66%

COST OF GOODS SOLD (COGS)

Cost of goods sold (COGS) is the expense a company incurred in order to manufacture, create, or sell a product. It includes the purchase price of the raw material as well as the expenses of turning it into a finished product.

COGS vary directly with sales and production; the more items we sell or make, the more stock or components we need to buy.

Cost of Goods Sold in 2015 has been decreased by 21.78% than 2014 due to decrease the consumption of Raw Materials i.e. Billets as well as some indirect costs.

GROSS PROFIT MARGIN RATIO

Gross profit is the difference between sales and the cost of goods sold.

Gross Profit = Sales – Cost of Goods Sold

The gross profit margin is one indicator of the financial health of a business. Larger gross profit margins are better for business – the higher the percentage, the more the business retains of each Taka of sales for other expenses and net profit.

Gross Profit Margin % = (Gross Profit ÷ Sales) x 100

During the year 2015, Gross Profit Margin was 13.52% against 7.28% in 2014. Due to decrease of Cost of Goods Sold, GP margin increase.

NET PROFIT MARGIN RATIO

Net Profit is calculated by subtracting expenses including Tax and WPP&WF from the gross profit, showing what the business has earned (or lost) in a given period of time.

Net Profit = Gross Profit – Expenses with Tax & WPP&WF

Net Profit margin of the company in the year 2015 has increased by 3.62% compared to 2014 due to decrease of Cost of Goods Sold.

1. Business Risks

a) Risks associated with sourcing of Raw Materials

At present BSRM Steels Limited is heavily dependent for its basic raw materials-MS Billets on the international market. In the case of billet price fluctuation in the international market, the company's profitability is affected.

BSRM Iron and Steel Co. Ltd. (BISCO), a subsidiary Company of BSRM Steels Limited can meet 25% of its billet demand by supplying 180,000 M. Ton MS Billet per annum.

Since the production capacity of our Company increased to 700,000 M. Ton per annum, secured supply chain for MS Billets should get top priority.

To meet the challenges, a separate company –“BSRM Steel Mills Limited” is going to start its commercial production with a capacity of 862,000 M. Ton MS billets per year on or before 1st Qtr. of 2016 which will reduce dependency on imports. BSRM Steels Limited is holding 25.35% equity shares of BSRM Steel Mills Limited.

b) Risks associated with Power Supply

Presently the primary constraint on the economic development of Bangladesh is the shortage of power for which new industrial investments proposal from home and abroad have failed to materialize.

For ensuring uninterrupted power supply, BSRM Group has made a deal with PGCB and installed a substation for tapping power from the 230 KV national grids. BSRM group also is going to set up a 150 MW coal based power plant at Mireshorai, Chittagong. Government approval has already been obtained for setting up this plant and initial works for setting up this plant has started. Moreover, now more than 10,000 MW power can be produced in Bangladesh. The government is also planning for setting up some big power stations. There is another regular risk of having an adequate and regular supply of gas. The Company is also aware of such risks and its mitigation through the alternative supply of fuel.

2. Market Risks

Like other industry, trade, and commerce, we are also exposed to market risks arising from adverse changes in:

- Interest Rate;
- Currency Rate (foreign exchange rates);
- Competition and
- Economic conditions

To manage these risks, we undertake various risks specific measures and strategies.

Interest Rates

Interest rate risk refers to the risk that increases in money market rates will have an adverse impact on consolidated net financial income.

The business of BSRM Steels Limited requires huge working capital. Although the company closely monitors and manages requirement of capital investment, the actual capital requirement may deviate from the projected one due to factors beyond its control, thus potentially affecting the borrowing costs. However, now interest rate on working capital and term loan has come down which gives some benefits to the management.

Prudent financial management and active negotiation with the lenders and timely collection from customers are few of significant steps to reducing funding cost.

Foreign Exchange Fluctuations

Foreign currency risk is the risk of changes in exchange rates that adversely affect the company's earnings, equity, and competitiveness.

We are hugely involved with Foreign Trade i.e. Import & Export and thus we are also exposed to Foreign Currency Risks. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains and losses in our income statement as incurred. We also maintain foreign currency account in which export collection in exchange is directly deposited to meet foreign currency payment requirement. In the year 2015 company has not been affected due to Foreign Currency fluctuation.

Competition and Economic Conditions

Competition refers to the risks of decreasing present market share caused by new entrants. We try to mitigate this risk through active brand management and customer relationship and by ensuring supply of quality product.

As we are continuously in attempts to explore any untapped opportunity and also to adopt customer's needs, we believe we would be able to cope with any situation in the industry we are working.

3. Technology Related Risks

Highly automated and competitive types of machinery are available with the Company for the manufacture of various steel products. The Company has so far been one of the pioneers in Bangladesh in setting up mills with State of the Art European Technology for further processing of the input materials. The Company also implemented Oracle e-Business Suite to integrate the operation of basic functions namely, Finance and Accounts, Sales and Marketing, Supply Chain, Inventory, Maintenance, and Manufacturing.

4. Environmental Risks

Since the Company setting up its Mill with environmental friendly State of the Art European Technology, furthermore, the Company takes measures to ensure a pollution-free environment, which is compatible with the environmental regulations of Bangladesh regarding both noise and atmospheric emission. Water used in the mill is recycled and hence does not pollute the environment.

REMUNERATION PAID TO DIRECTORS IN 2015

ANNEXURE-3

Members of the Board of Directors were entitled and paid as follows:

Name	Position	Attendance Fees	Remuneration	Total Paid
Mr. Alihussain Akberali FCA	Chairman	20,125	22,800,000	22,820,125
Mr. Aameir Alihussain	Managing Director	14,375	19,500,000	19,514,375
Mr. Zohair Taherali	Director	17,250	10,200,000	10,217,250
Mrs. Tehseen Zohair Taherali	Director	17,250	5,790,000	5,807,250
Mr. Mono Ranjan Dey FCA	Independent Director	95,450	-	95,450
Total Taka		164,450	58,290,000	58,454,450

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 6 YEARS

ANNEXURE-4

		2015	2014	2013	2012	2011	2010
Operations and Market:							
Production (Qty)	MT	602,832	623,918	630,305	580,147	523,625	433,823
% of Production Growth	%	(3.38%)	(1.01%)	8.65%	10.79%	20.70%	23.83%
Sales (Qty)	MT	604,513	679,803	601,935	579,377	517,887	442,707
% of Sales Growth (Qty)	%	(11.08%)	12.94%	3.90%	11.87%	16.98%	24.29%
Financial Results:							
Turnover	TK	32,316,100,562	38,535,936,754	36,229,050,933	38,253,464,657	31,234,710,327	22,007,682,247
Gross Profit	TK	4,368,653,415	2,807,324,502	3,250,148,580	1,888,439,411	1,914,574,972	1,929,718,476
Gross Profit %	%	13.52%	7.28%	8.97%	4.94%	6.13%	8.77%
Earnings before interest, WPP&WF and Tax	TK	3,257,931,547	1,892,833,850	2,314,398,453	1,160,385,361	1,369,695,830	1,551,537,999
	%	10.08%	4.91%	6.39%	3.03%	4.39%	7.05%
Net Profit after tax	TK	2,081,877,163	1,086,207,806	1,693,468,511	865,331,036	839,205,050	964,885,985
	%	6.44%	2.82%	4.68%	2.26%	2.69%	4.38%
Earnings Per Share (EPS)*	TK	6.09	3.18	4.95	2.53	2.46	2.82
Financial Position:							
Current Ratio (Times)		1.06	1.01	0.97	0.92	0.93	0.83
Net Asset Value	TK	9,080,618,705	7,495,091,260	6,915,249,792	5,540,653,743	2,974,080,646	2,134,875,596
Net Asset Value Per Share	TK	26.57	21.93	20.23	17.02	9.14	7.87
Net operating Cash Flow Per Share	TK	16.87	(8.76)	13.45	(2.24)	(14.14)	6.67
Paid-up Capital (In Crore)	TK	341.775	341.775	341.775	325.50	325.50	271.25

*As per BAS 33 Earnings per share are computed based on current year's number of outstanding shares.

THE PATTERN OF SHAREHOLDING AS ON 31 DECEMBER 2015

ANNEXURE-5

a) Parent/Subsidiary/Associated companies and other related parties

NAME	RELATION	NO. OF SHARES HELD
Bangladesh Steel Re-Rolling Mills Limited	Affiliated Company	106,594,173
H. Akberali & Co. Ltd.	Affiliated Company	76,864,620
Total		183,458,793

b) Directors /CEO/CS/CFO/Head of Internal Audit and their spouses and minor children.

NAME	RELATION	NO. OF SHARES HELD
Mr. Alihussain Akberali FCA	Chairman	34,987,995
Mr. Aameir Alihussain	Managing Director	6,835,500
Mr. Zohair Taherali	Director	8,932,980
Mrs. Tehseen Zohair Taherali	Director	6,835,500
Mrs. Sabeen Aameir	Wife of Mr. Aameir Alihussain	7,245
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali	1,168,272
Mr. Shekhar Ranjan Kar FCA	Group CFO & CS	27,279

c) Shareholding status of top 5 salaried employees other than CEO, CS, CFO & HIA

NAME	DESIGNATION	NO. OF SHARES HELD
Mr. M. Firoze	Head of Marketing & Product Development	Nil
Mr. A.F.M Mizanur Rahman	Plant Head	Nil
Mr. Jasim Uddin Ahmed	Head of Technical Projects	4,270
Mr. Shobhon Mahbub Shahabuddin	Head of National Sales	Nil
Mr. Md. Imtiaz Uddin Chowdhury	Head of Supply Chain Management	Nil

d) Shareholders holding 10% or more voting interest in the company.

NAME	RELATION	NO. OF SHARES HELD
Mr. Alihussain Akberali FCA	Chairman	34,987,995
Bangladesh Steel Re-Rolling Mills Ltd.	Affiliated Company	106,594,173
H. Akberali & Co. Ltd.	Affiliated Company	76,864,620

REPORT OF THE STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

ANNEXURE-6

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated: 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition No: 7)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS			
1.1	Board's Size	✓		
1.2	Independent Directors			
1.2 (i)	Minimum Number of Independent Director(s)	✓		
1.2 (ii) (a)	Shareholding by Independent Director(s)	✓		
1.2 (ii) (b)	Relationship with Company's sponsor	✓		
1.2 (ii) (c)	Other relationship with Company or its subsidiary / associated companies	✓		
1.2 (ii) (d)	Member, Director or Officer of any Stock Exchange	✓		
1.2 (ii) (e)	Shareholder/Director/Officer of any member of Stock Exchange or an intermediary of the Capital Market	✓		
1.2 (ii) (f)	Association with statutory audit firm (currently or preceding 3 years engaged as auditor of the Company)	✓		
1.2 (ii) (g)	Holding same position in more than three listed companies	✓		
1.2 (ii) (h)	Defaulter in payment of any loan to a Bank / NBFI	✓		
1.2 (ii) (i)	Conviction for Criminal Offence involving moral turpitude	✓		
1.2 (iii)	Appointment and approval of Independent Director(s) by BOD and AGM	✓		
1.2 (iv)	Vacancy of post of Independent Director(s) for not more than 90 Days	NA		
1.2 (v)	The Board shall lay down a Code of Conduct of all Board Members and Annual compliance of the code to be recorded	✓		
1.2 (vi)	Tenure of office of an Independent Director(s)	✓		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Knowledge and Integrity of Independent Director(s)	✓		
1.3 (ii)	Academic background and experiences of Independent Director(s)	✓		
1.3 (iii)	Relaxation of qualification of Independent Director(s)	NA		
1.4	Chairman of the Board & Chief Executive Officer	✓		
1.5	The Directors' Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		
1.5 (ii)	Segment-wise or product-wise performance	✓		
1.5 (iii)	Risks and concerns	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	✓		
1.5 (vi)	Basis for Related Party transactions and disclosure	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	NA		
1.5 (viii)	Explanation of deterioration of financial results after IPO, RPO, Rights Offer, Direct Listing, etc.	NA		
1.5 (ix)	Explanation of significant variance between Quarterly Financial performance and Annual Financial Statements	NA		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (x)	Remuneration to Directors including Independent Directors	✓		
1.5 (xi)	Fairness of Financial Statements	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained	✓		
1.5 (xiii)	Adoptation of appropriate accounting policies and estimates	✓		
1.5 (xiv)	Compliance with IAS/BAS/IFRS/BFRS	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5 (xvi)	Ability to continue as a Going Concern	✓		
1.5 (xvii)	Significant deviations in operating results compared to last year	NA		
1.5 (xviii)	Presentation of summarized key operating and financial data of preceding 5 (five) years	✓		
1.5 (xix)	Reasons for not declaring dividend	NA		
1.5 (xx)	Number of Board meetings held during the year and attendance by each director	✓		
1.5 (xxi) (a)	Shareholding by Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxi) (b)	Shareholding by Directors, CEO, CS, CFO, HIA	✓		
1.5 (xxi) (c)	Shareholding by Executives (Top 5 salaried)	✓		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest	✓		
1.5 (xxii) (a)	A brief resume of the Directors	✓		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	✓		
1.5 (xxii) (c)	Directorship in other companies	✓		
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)			
2.1	Appointment of CFO, HIA & CS	✓		
2.2	Requirement to attend the Board Meetings by CFO & CS	✓		
3	AUDIT COMMITTEE			
3 (i)	Audit Committee as a sub-committee of the Board of Directors	✓		
3 (ii)	Function of Audit Committee	✓		
3 (iii)	Reporting to the Board of Directors & duties of the Committee in writing	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	Composition of the Audit Committee	✓		
3.1 (ii)	Appointment of Members and inclusion of Independent Director as member	✓		
3.1 (iii)	Qualification of Members	✓		
3.1 (iv)	Filling of Vacancy	NA		
3.1 (v)	Company Secretary is the Secretary of the Committee	✓		
3.1 (vi)	Quorum of meeting of the Audit Committee	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	Selection of Chairman of the Audit Committee	✓		
3.2 (ii)	Requirement of presence in the AGM	✓		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review the annual Financial Statements	✓		
3.3 (vi)	Review the quarterly and half yearly Financial Statements	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review of the significant related party transactions	✓		
3.3 (ix)	Review of the Management Letters / Letter of Internal Control weakness issued by statutory auditors	NA		
3.3 (x)	Application of fund raised through IPO/RPO/Right Issue	NA		
3.4	Reporting of the Audit Committee			
3.4.1 (i)	Reporting to the Board of Directors	✓		
3.4.1 (ii) (a)	Report on conflicts of interests	NA		
3.4.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	NA		
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations	NA		
3.4.1 (ii) (d)	Any other matter which shall be immediately disclosed to the BOD	NA		
3.4.2	Reporting to the Authorities	NA		
3.5	Reporting to the Shareholders and General Investors	✓		
4	EXTERNAL / STATUTORY AUDITORS			
4 (i)	Appraisal or valuation services or fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping or other services related to the accounting records or Financial Statements	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Any other service that the Audit Committee determines	✓		
4 (viii)	Possess of share by Partner or Employee of Audit Firm	✓		
4 (ix)	Audit/certification services on compliance of Corporate Governance	✓		
5	SUBSIDIARY COMPANY			
5 (i)	Composition of the Board of Directors	✓		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company	✓		
5 (iii)	Submission of minutes to the Board Meeting of holding company	✓		
5 (iv)	Review of affairs by the holding company	✓		
5 (v)	Review of Financial Statement in particular Investment activities by the Audit Committee of holding company	✓		
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)			
6 (i) (a)	Financial Statements do not contain any materially untrue or misleading statement	✓		
6 (i) (b)	Financial Statements presents a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
6 (ii)	Certification that there are no fraudulent, illegal or in violation of the Company's code of conduct	✓		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
7 (i)	Certification on compliance of Corporate Governance	✓		
7 (ii)	Directors' statement on the compliance of the above conditions in the Directors' Report	✓		

পরিচালকমন্ডলীর প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

আসসালামুআলাইকুম এবং শুভ সকাল। পরিচালনা পর্ষদের পক্ষ হতে আপনাদেরকে বিএসআরএম স্টিলস লিমিটেড-এর ১৪তম বার্ষিক সাধারণ সভায় অত্যন্ত আনন্দের সাথে স্বাগত জানাচ্ছি। আমরা ৩১ ডিসেম্বর ২০১৫ সালে সমাপ্ত বৎসরের নিরীক্ষিত আর্থিক প্রতিবেদন-এর সাথে পরিচালনা পর্ষদের প্রতিবেদন আপনার অবগতি, অনুমোদনের জন্য উপস্থাপন করছি। কোম্পানী আইন ১৯৯৪ এবং বাংলাদেশ সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশন প্রজ্ঞাপন নং এসইসি/সিএমআরআরসিডি/২০০৬/১৫৮/১৪৩/এডমিন/৪৪, তারিখ: আগস্ট ০৭, ২০১২ অনুসরণ করে আমরা এই প্রতিবেদন তৈরী করেছি।

২০১৫ সালের পর্যালোচনা

শিল্পের দৃষ্টিভঙ্গি এবং সম্ভাব্য ভবিষ্যত উন্নয়ন

বাংলাদেশ একটি উন্নয়নশীল দেশ, যার বিগত আট বৎসরের বাৎসরিক গড় জিডিপি প্রবৃদ্ধি ৬%। এ বৃদ্ধির হার বজায় থাকলে ২০২৪ সালের মধ্যে দেশ মধ্যম আয়ের দেশে পরিণত হবে।

একটি উন্নয়নশীল দেশের অর্থনৈতিক প্রবৃদ্ধি মানে গ্রহায়ন ও অবকাঠামো নির্মাণ প্রকল্পে ব্যাপক বিনিয়োগ। আর নির্মাণ মানেই লক্ষ লক্ষ টনের ইস্পাত সামগ্রীর ব্যবহার।

প্রত্যাশীত এ চাহিদা পূরণে স্থানীয় বিনিয়োগকারীরা পিছিয়ে নেই। এখানে প্রায় পাঁচটি ইস্পাত সমগ্রী উৎপাদনকারী প্রতিষ্ঠান বছরে ০.৫ মিলিয়ন টন বা তার কিছু বেশী ইস্পাত সামগ্রী উৎপাদন করেছে। এর পাশাপাশি আরো ৩০ টি অটো রোলিং শিল্প আছে যার বাৎসরিক উৎপাদন ক্ষমতা ১-২ লক্ষ টন। মানসম্পন্ন ও উন্নত ইস্পাত সামগ্রীর ব্যবহার গৃহনির্মাণকারীদের পছন্দের তালিকায় থাকার কারণে, পুরাতন স্ক্র্যাপ ও জাহাজ ভাঙা শিল্পের উপর নির্ভরশীল রোলিং মিলের সংখ্যা দিন দিন হ্রাস পাচ্ছে।

অর্থনীতির এ ধারা অব্যাহত থাকলে ইস্পাত সামগ্রীর ভালো চাহিদা তৈরী হবে, যার ফলে স্থানীয় উদ্যোক্তারা উৎপাদন ক্ষমতা বৃদ্ধি করবে। বৈদেশিক প্রযুক্তি ও মূলধন নিয়ে নতুন উদ্যোক্তার আগমনও হতে পারে। প্রবৃদ্ধি ও বিনিয়োগ স্থানীয় উদ্যোক্তাদের মাঝে পুনরায় প্রতিযোগিতা সৃষ্টি করবে। সাময়িক অর্থনৈতিক মন্দার কারণে উৎপাদনকারীদের মধ্যে মূল্যের তীব্র তারতম্য হতে পারে।

দীর্ঘ মেয়াদে ইস্পাত শিল্পের অপরিমেয় সম্ভাবনা রয়েছে। যে সকল কোম্পানী নতুন প্রযুক্তি ও প্রক্রিয়ায় বিনিয়োগ করেছে এবং নতুন ইস্পাত সামগ্রী নিয়ে আসতে সক্ষম হবে তারা বাজারের নেতৃত্ব দিবে।

উৎপাদন ও আর্থিক ফলাফল পর্যালোচনা

কোম্পানীর সামগ্রিক কর্মকাণ্ডকে ভালভাবে অনুধাবন করার জন্য কিছু তথ্য নিম্নে দেয়া হল:

উৎপাদন পর্যালোচনা

বিবরণ	২০১৫	২০১৪	২০১৩	২০১২
উৎপাদন ক্ষমতা (মে. টন)	৬০০,০০০	৬০০,০০০	৬০০,০০০	৬০০,০০০
উৎপাদন (মে. টন)	৬০২,৮৩২	৬২৩,৯১৮	৬৩০,৩০৫	৫৮০,১৪৭
ক্ষমতার ব্যবহার (%)	৯৯.৫০	১০৪	১০৫	৯৭
বিক্রয় (মে. টন)	৬০৪,৫১৩	৬৭৯,৮০৩	৬০১,৯৩৫	৫৭৯,৩৭৭

২০১৫ সালে কোম্পানীর উৎপাদন ক্ষমতা ৬ লক্ষ মে. টন থেকে ৭ লক্ষ মে. টনে বৃদ্ধি করা হয়েছে। এজন্য ১৪ই নভেম্বর ২০১৫ হতে ৬ই ডিসেম্বর ২০১৫ পর্যন্ত মোট ২৩ দিন উৎপাদন কার্যক্রম বন্ধ ছিল এবং ৭ই ডিসেম্বর হতে পুনরায় উৎপাদন কার্যক্রম শুরু হয়।

আর্থিক পর্যালোচনা

মিলিয়ন টাকায়

বিবরণ	২০১৫	২০১৪	২০১৩	২০১২
বিক্রয়	৩২,৩১৬.১০	৩৮,৫৩৫.৯৪	৩৬,২২৯.০৫	৩৮,২৫৩.৪৬
মোট লাভ	৪,৩৬৮.৬৫	২,৮০৭.৩২	৩,২৫০.১৫	১,৮৮৮.৪৪
সুদ, কর এবং ডব্লিউপিপি ও ডব্লিউএফ এর পূর্বে লাভ	৩,২৫৭.৯৩	১,৮৯২.৮৩	২,৩১৪.৩৯	১,১৬০.৩৯
বাদ: সুদ এবং ডব্লিউপিপি ও ডব্লিউএফ	(৭৩৯.২৯)	(৩৭৮.৯৫)	(৪৯২.৮২)	১৩৬.৪২
বাদ: আয়কর এবং আয়করের সঞ্চিতি	(৫১২.০৭)	(৪২৪.৪৭)	(৬২৫.৪৬)	(৪৩১.৪৮)
নীট লাভ	২,০৮৬.৮৮	১,০৮৬.২১	১,৬৯৩.৪৭	৮৬৫.৩৩
ইপিএস (টাকা)	৬.০৯	৩.১৮	৪.৫৯	২.৫৩

বিশ্বজুড়ে মন্দা অর্থনৈতিক পরিস্থিতির মধ্যেও আপনাদের কোম্পানী ভাল ফলাফল করেছে। ২০১৪ সালে কোম্পানীর অগ্রগতি সন্তোষজনক ছিল, ২০১৫ সালে তা আরো বৃদ্ধি পেয়েছে। ২০১৫ সালে কোম্পানীর কর পূর্ববর্তী মুনাফা ২,৫৯৩.৯৫ মিলিয়ন টাকায় দাঁড়িয়েছে।

অন্যান্য আর্থিক তথ্যাদি

মিলিয়ন টাকায়

বিবরণ	২০১৫	২০১৪	২০১৩	২০১২
পরিশোধিত মূলধন	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,২৫৫.০০
শেয়ারহোল্ডারদের সম্পদ	৯,০৮০.৬২	৭,৯৯৫.০৯	৬,৯১৫.২৫	৫,৫৪০.৬৫
চলতি দায়	১৪,২১৩.৭৯	১৮,৪৪৫.৩০	১৫,৮৫৮.১৭	১৬,১৭৮.৬০
দীর্ঘমেয়াদি দায়সমূহ	১,৪৩৬.০২	১,২০০.২৬	১,১৩১.৬৪	৭৩৫.৪৫
স্থায়ী সম্পদ এবং সিডব্লিউআইপিএতে সংযোজন	৭৫৮.১৬	২২৭.৩৯	২৯৬.২৩	৩৪৭.৭৫
পরিচালনা নগদ প্রবাহ	৫,৭৬৬.৩৩	(২,৯৯৫.২৮)	৪,৫৯৫.৩৯	(৭২৭.৬৯)

সাবসিডিয়ারী কোম্পানীর পরিচালনা

বিএসআরএম স্টিলস লিমিটেড বিএসআরএম আইরন এন্ড স্টিল কোং লিঃ (BISCO)- এর ৯৫% শেয়ারের মালিক যা ২০১০ সাল থেকে বিলেট উৎপাদন করে আসছে।

কোম্পানীর আর্থিক পর্যালোচনা

বিবরণ	২০১৫	২০১৪	২০১৩	২০১২
	মে. টন	মে. টন	মে. টন	মে. টন
উৎপাদন পরিমাণ	১৭৬,৩১২	১৮০,৬৭৮	১৬৮,৩২৬	১৩৮,৭২৫
বিক্রয় পরিমাণ	১৭৭,১৯৯	১৮২,০৮৩	১৬৭,০৬৬	১৩৭,৯৪৭
মিলিয়ন টাকায়				
বিক্রয়	৭,৯১৬.১২	৯,৩৭৪.১১	৮,৮৬১.৭৭	৮,০০৪.৯৫
মোট লাভ	৪৩৯.৬৭	৬৮৬.১৭	৫১৩.৩৯	৫৯৮.৪৮
সুদ, কর এবং ডব্লিউপিপি ও ডব্লিউএফ এর পূর্বে লাভ	৪১৮.৩৯	৬৬০.৬৯	৪৮৯.০৭	৫৬২.৩৯
বাদ: সুদ এবং ডব্লিউপিপি ও ডব্লিউএফ	১৬৯.৫৫	৪৩২.৮৩	৩১৭.৮৪	৩৫৪.৩৮
বাদ: আয়কর এবং আয়করের সঞ্চিতি	২৪০.০৫	৬৮.৫৯	৩০.৫৩	৬০.৭৫
নীট লাভ	৮.৭৯	১৬৬.৮৪	১৪০.৭০	১৪৭.২৬

সহযোগী কোম্পানীর কার্যক্রম

৩১শে ডিসেম্বর, ২০১৫ সাল পর্যন্ত বিএসআরএম স্টিলস লিমিটেড, বিএসআরএম স্টিল মিলস লিমিটেড-এর ২৫.৩৫% শেয়ার ধারণ করেছে। কোম্পানীতে মোট বিনিয়োগ হচ্ছে ১০০ কোটি টাকা। এই প্রকল্প ২০১৬ সালের প্রথম প্রান্তিকে বাণিজ্যিক উৎপাদন শুরু করবে। এটা হবে বিশ্বের সর্ববৃহৎ ইন্ডাকশন ফার্নেস ভিত্তিক বিলেট প্রকল্প। এটা বিএসআরএম-এর আমদানীকৃত বিলেটের উপর নির্ভরশীলতা কমাতে এবং বৈদেশীক মুদ্রা বাঁচাবে। এই প্রকল্প বাণিজ্যিক উৎপাদন শুরু করলে বিএসআরএম স্টিলস লিমিটেড অধিকতর প্রতিযোগিতামূলক দামে এমএস রড সরবরাহ করতে পারবে।

পণ্য ভিত্তিক অর্জন

২০০৮ সালে বাংলাদেশের নির্মাণ সামগ্রীর বাজারে সর্বপ্রথম উচ্চক্ষমতা সম্পন্ন ৫০০ গ্রেডের “BSRM Xtreme500W” নিয়ে আসে। এটা খুব দ্রুত বাজার লাভ করে এবং এ শ্রেণীর ইস্পাত পণ্যের বাজারে একক নেতৃত্ব অর্জন করে। দেশের আবাসন ও অবকাঠামোগত উন্নয়ন প্রকল্পগুলো ৫০০ গ্রেডের ইস্পাত সামগ্রীর উপর আস্থা রাখে। দেশজুড়ে সকল আবাসন নির্মাতারা “BSRM Xtreme500W” এর উপর নির্ভর করে এবং তারা এটা সারা দেশে বিস্তৃত আমাদের ৬০০ ডিলারের নিকট হতে ক্রয় করে। রিয়েল এস্টেট ডেভেলোপারের মত কর্পোরেট ক্রেতার সারাসরি BSRM-এর সাথেই ব্যবসা করে। কিছু বৃহৎ প্রকল্প যেমন ঢাকা ও চট্টগ্রামের বিভিন্ন উড়ালসেতুতে “BSRM Xtreme500W” ব্যবহৃত হয়।

“BSRM Xtreme500W” র পাশাপাশি আমরা সরকারী বিভিন্ন বিদ্যুৎ প্রকল্পের চাহিদা মিটাতে ৪২০ডি মানের ইস্পাত সামগ্রী তৈরী করে থাকি। সম্প্রতি আমরা এই ৪২০ডি গ্রেডটি কে “Ultima” নামে নামকরণ করার সিদ্ধান্ত নিয়েছি।

প্রচারণা

বিএসআরএম প্রতিনিয়ত খুচরা ক্রেতা ও স্বাধীন আবাসন নির্মাতাদের বিভিন্ন পণ্য সম্পর্কে ধারণা দিতে ও সচেতনতা বৃদ্ধির লক্ষ্যে বিভিন্ন প্রচারণা মূলক কার্যক্রম পরিচালনা করে আসছে। ২০১৫ সালে “দশে দশ” শিরোনামে আমাদের একটি প্রচারণা কার্যক্রম ছিল। যেটাতে ৫০০ গ্রেডের দশটি মৌলিক গুণাবলীকে তুলে ধরা হয়েছিল। “BSRM Xtreme500W” একমাত্র রড যা ইস্পাতের ১০টি পরীক্ষার মধ্যে ১০টি-তেই উত্তীর্ণ হয়। মান সম্পন্ন ইস্পাত সম্পর্কে গ্রাহকদের সচেতনতা বৃদ্ধির জন্য এটা ছিল আমাদের সবচেয়ে সফল প্রচারণা মূলক কার্যক্রম।

কোম্পানী একই উৎপাদন স্থলে একাধিক সাইজের “BSRM Xtreme500W” পণ্য উৎপন্ন করে থাকে। বিস্তারিত তথ্য নিম্নরূপ-

পণ্য সমূহ	উৎপাদন (মে. টন)		বিক্রয় (মে. টন)	
	২০১৫	২০১৪	২০১৫	২০১৪
BSRM Xtreme500W	৫৭৭,৪১৭	৬০৫,৫১৬	৫৭১,৬২৯	৬৫৭,৫৫০
অন্যান্য	২৫,৪১৫	১৮,৪০২	৩২,৮৮৪	২২,২৫৩
মোট	৬০২,৮৩২	৬২৩,৯১৮	৬০৪,৫১৩	৬৭৯,৮০৩

ঝুঁকি

ঝুঁকি পরিমাপ এবং নিয়ন্ত্রণ হচ্ছে যে কোন ব্যবসার অবিচ্ছেদ্য অংশ। পরিচালনা পর্ষদ নিয়মিতভাবে আমাদের মুনাফা এবং পরিবেশ বান্ধব উন্নয়ন-এর প্রতি সম্ভাব্য ঝুঁকি এবং হুমকি পর্যবেক্ষণ, পরিমাপ এবং চিহ্নিত করছেন। আমাদের ঝুঁকি ব্যবস্থাপনা সাধারণত দক্ষ ব্যবস্থাপনা কাঠামো, তথ্য পদ্ধতি, নিয়মিত মার্কেট বিশ্লেষণ, অর্থনৈতিক দৃশ্যপট পর্যবেক্ষণ এবং চ্যালেঞ্জ মোকাবেলায় শক্তিশালী নীতি সমূহ দ্বারা সমর্থিত।

গুরুত্বপূর্ণ ঝুঁকি সমূহ এবং আমাদের কোম্পানী কর্তৃক গৃহীত ঝুঁকি ব্যবস্থাপনা পদ্ধতি সংযুক্তি-২ এবং অর্থিক বিবরণীর নোট-৪৩ এ অন্তর্ভুক্ত করা হয়েছে।

ব্যবস্থাপনা আলোচনা

পরিচালনা পর্ষদ বিভিন্ন সময় বিক্রীত পণ্যের খরচের বৃদ্ধি/হ্রাস, মোট এবং নীট লাভ মার্জিন নিয়ে আলোচনা করে এবং বিশ্লেষণের উপর চাহিদামত তাৎক্ষণিক পদক্ষেপ গ্রহণ করে থাকে। এ ব্যাপারে সংযুক্তি-১ এ বিস্তারিত আলোচনা করা হয়েছে।

ক্রেডিট রেটিং

ক্রেডিট রেটিং ইনফরমেশন এন্ড সার্ভিসেস লিমিটেড (CRISL) নিম্নরূপ রেটিং নির্ধারণ করেছে-

দীর্ঘকালীন	স্বল্পকালীন
AA	ST-2

AA রেটিং প্রাপ্ত প্রতিষ্ঠানগুলোকে উচ্চমানসম্পন্ন বিচার করা হয়, AA বলতে বোঝায় উচ্চমান, সর্বোচ্চ নিরাপত্তায় উচ্চমানের ঋণ। এটা বুঝায় যে, কোম্পানীকে ঋণ দেওয়ার ব্যাপারে কোন বড় ধরনের ঝুঁকি নাই। ঝুঁকি একটি সংবেদনশীল বিষয় যা অর্থনৈতিক অবস্থার পরিপ্রেক্ষিতে মাঝে মাঝে পরিবর্তিত হয়।

ST-2 দিয়ে বুঝায় যে, সময়মত ঋণ পরিশোধের সর্বোচ্চ নিরাপত্তা, কোম্পানীর পর্যাপ্ত তারল্য প্রবাহ ও কম ঋণ ঝুঁকি। আমাদের কোম্পানীকে ক্রেডিট রেটিং কোম্পানী “স্ট্যান্ডাল আউটলুক” হিসেবে মূল্যায়ন করেছে।

পরিচালক মন্ডলী

১. পরিচালনা পরিষদের গঠন ও আকার

৩১শে ডিসেম্বর ২০১৫ তারিখে বোর্ডে ৫ জন সদস্য ছিলো যাতে একজন চেয়ারম্যান, একজন ব্যবস্থাপনা পরিচালক, দুইজন পরিচালক এবং একজন ইন্ডিপেন্ডেন্ট পরিচালক ছিলেন।

২. পরিষদ সভা ও উপস্থিতি

এই বৎসর বোর্ড ১৪টি মিটিং করেছে। যা নিম্নরূপ:

পরিচালকের নাম	পদবী	অনুষ্ঠিত মোট সভার সংখ্যা	সভায় উপস্থিতি সংখ্যা
জনাব আলীহোসাইন আকবরআলী এফসিএ	চেয়ারম্যান	১৪	১৪
জনাব আমীর আলীহোসাইন	ব্যবস্থাপনা পরিচালক	১৪	১২
জনাব জোহাইর তাহেরআলী	পরিচালক	১৪	১৩
মিসেস তেহসিন জোহাইর তাহেরআলী	পরিচালক	১৪	১৩
মি. মনোরঞ্জন দে এফসিএ	স্বাধীন পরিচালক	১৪	১২

পরিচালকবৃন্দ অসুস্থ অথবা দেশের বাইরে অবস্থানের কারণে সভায় উপস্থিত হতে পারেননি।

৩. পরিচালকবৃন্দের নিয়োগ ও পুনঃ নিয়োগ

জনাব আলীহোসাইন আকবরআলী এফসিএ এবং মিসেস তেহসিন জোহাইর তাহেরআলী পরিমেল নিয়মাবলীর ৯৭ ও ৯৮ ধারা অনুযায়ী বার্ষিক সাধারণ সভার সমাপ্তি হতে অবসর নিবেন এবং পুনঃ নিয়োগের জন্য যোগ্য বিধায় তাঁরা পুনরায় নির্বাচিত হতে আগ্রহ প্রকাশ করেছেন।

৪. পরিচালকমন্ডলী অন্যান্য যে সব কোম্পানীর পরিচালক বা সদস্য পদ গ্রহণ করেছেন তা পরিচালকমন্ডলী অংশে প্রকাশ করা হয়েছে।

৫. মি. মনোরঞ্জন দে এফসিএ-কে পরবর্তী তিন বছরের জন্য স্বাধীন পরিচালক হিসেবে পুনঃ নিয়োগ দেওয়া হয়েছে।

আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি

কোম্পানীর সম্পদের নিরাপত্তা, জালিয়াতি, ভুল ও অন্যান্য অনিয়ম সনাক্ত করতে পরিচালনা পর্ষদ একটি কার্যকর আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা নিশ্চিত করেছেন। আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার উন্নতির জন্য কোম্পানী Standard Operating System (SOP) গ্রহণ করেছে। একটি কার্যকর আভ্যন্তরীণ নিয়ন্ত্রণ নিশ্চিত করা, কোম্পানীর সম্পদকে সুরক্ষা এবং যুক্তিসংগত সময়ের মধ্যে সঠিক তথ্য ও উপাত্ত তৈরী করার জন্য আমরা ইতোমধ্যেই সর্বাধুনিক সফটওয়্যার Enterprise Resource Planning (ERP) গ্রহণ করেছি। আভ্যন্তরীণ নিয়ন্ত্রণ ও নিয়ম নীতি নিশ্চিত করার জন্য কোম্পানী আলাদা একটি আভ্যন্তরীণ নিরীক্ষা বিভাগ চালু করেছে। অন্যদিকে নিরীক্ষা কমিটি প্রতিনিয়ত আভ্যন্তরীণ নিরীক্ষা বিভাগের বিভিন্ন প্রতিবেদন পর্যালোচনা ও পর্যালোচনা করে সংশোধন মূলক ব্যবস্থা গ্রহণ করেন।

অস্বাভাবিক লাভ বা ক্ষতি

এই বৎসর ব্যবসায় কোন অস্বাভাবিক লাভ বা ক্ষতি নেই।

সংযুক্ত অন্যান্য কোম্পানীর সাথে লেনদেন

কোম্পানীর সাথে সংযুক্ত পক্ষগুলোর লেনদেন বাণিজ্যিক ভিত্তিতে হয়েছে। কোম্পানীর সাথে সংযুক্ত পক্ষ গুলোর লেনদেন IFRS/BFRS অনুসারে নিরীক্ষিত আর্থিক প্রতিবেদনের নোট ৩৬ এ প্রকাশ করা হয়েছে।

IPO বিক্রয়লব্ধ অর্থের ব্যবহার এবং IPO পরবর্তি আর্থিক ফলাফল

২০০৯ সাল থেকে কোম্পানীর কোন অব্যবহৃত IPO ফান্ড নেই। কোম্পানী একটি স্থিতিশীল আর্থিক ফলাফল ধরে রেখেছে।

প্রান্তিক এবং বার্ষিক প্রতিবেদনে উল্লেখযোগ্য ব্যবধান

প্রান্তিক এবং সামগ্রিক বার্ষিক কর্মক্ষমতার মধ্যে কোন উল্লেখযোগ্য পার্থক্য নেই। বছর জুড়ে কোম্পানী পরিচালনাগত এবং আর্থিক উভয় ক্ষেত্রে বিচক্ষণ কর্মক্ষমতা ধরে রাখতে সক্ষম হয়েছে।

স্বাধীন পরিচালক ও পরিচালকদের সম্মানী

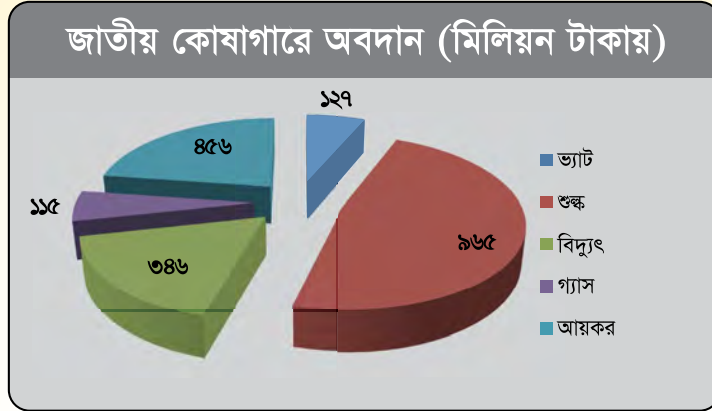
পরিচালক পর্ষদের সিদ্ধান্ত মোতাবেক কোম্পানীর পরিচালকবৃন্দ কোম্পানী হতে নিয়মিত সম্মানী পেয়ে থাকেন যা এই প্রতিবেদনের সাথে সংযুক্তি-৩ এবং হিসাব বিবরণীর নোট ২৯.০১ এ উল্লেখ করা হয়েছে।

লভ্যাংশ

পরিচালকমন্ডলী ৩১শে ডিসেম্বর ২০১৫ সমাপ্ত বছরের জন্য শেয়ার প্রতি ৩.০০ টাকা লভ্যাংশ প্রদানের সুপারিশ করেছেন। বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারগণ কর্তৃক অনুমোদন সাপেক্ষে নির্ধারিত রেকর্ড তারিখের শেয়ার মালিকদের মধ্যে এই লভ্যাংশ বিতরণ করা হবে।

জাতীয় কোষাগারে অবদান

একটি দায়িত্বশীল কর্পোরেট প্রতিষ্ঠান হিসেবে বিএসআরএম সরকারী রাজস্ব বৃদ্ধিতে গুরুত্বপূর্ণ অবদান রেখে যাচ্ছে। ২০১৫ সালে আমরা উল্লেখযোগ্য পরিমাণ আয়কর, মুসক ও শুল্ক আদায় এবং প্রদান করেছি। ২০১৫ সালে বিএসআরএম ষ্টীলস লিমিটেডের সংগৃহীত এবং নিজস্ব তহবিল হতে জাতীয় রাজস্ব কোষাগারে ২,০০৯ মিলিয়ন টাকা জমা করেছে। যা নিম্নে দেখানো হলো:-



সামাজিক দায়বদ্ধতা

বিএসআরএম তার ব্যবসায়িক সিদ্ধান্ত গুলো নৈতিক, সামাজিক ও পরিবেশগত বিষয়গুলোকে বিবেচনা করে নিতে প্রতিজ্ঞাবদ্ধ, যা কোম্পানীর ভিত্তিকে দৃঢ় করে। ২০১৫ সালে আপনার কোম্পানী সামাজিক উন্নতি, গবেষণা ও উন্নয়ন এবং পরিবেশ রক্ষায় বিশেষ অবদান রাখে। সামাজিক দায়বদ্ধতার বিস্তারিত অত্র প্রতিবেদনের ৬৭ পৃষ্ঠায় উল্লেখ করা হয়েছে।

পুরস্কার এবং স্বীকৃতি

আমরা অতীব আনন্দের সাথে আপনার জানাচ্ছি যে, এই বৎসর আমরা বেশ কিছু সম্মানজনক পুরস্কার পেয়েছি। তাদেরও কয়েকটি নিম্নে উল্লেখ করা হল:

- বিএসআরএম ষ্টীলস লিমিটেড ২nd ICSB কর্পোরেট গভার্নেন্স এক্সিলেন্স পদকে উৎপাদনকারী কোম্পানী শ্রেণীতে সেরা কর্পোরেট গভার্নেন্স-এ “SilverAward” লাভ করেছে
- বিএসআরএম ষ্টীলস লিমিটেড ইনস্টিটিউট অব চার্টার্ড একাউন্টেন্টস অব বাংলাদেশ কর্তৃক ঘোষিত সর্বোত্তম উপস্থাপিত বার্ষিক প্রতিবেদন ২০১৪ ম্যানুস্ক্রিপ্ট সেটরে সার্টিফিকেট অব মেরিট অর্জন করেছে
- বেস্ট রড ব্র্যান্ড এওয়ার্ড ২০১৫ • মার্কেটাইল ব্যাংক পদক ২০১৫ • সেরা বিদ্যুৎ ব্যবহারকারী পদক ২০১৫

তথ্য প্রযুক্তি

বিএসআরএম ষ্টীলস লিমিটেড শুরু থেকে গ্রাহক কেন্দ্রিক কোম্পানী। আপনার কোম্পানী ফ্রেতার চাহিদা ও সন্তুষ্টি বিবেচনায় তার বিক্রয় কর্মীদের সহায়তায় তথ্য প্রযুক্তি ভিত্তিক কিছু প্রকল্প হাতে নিয়েছে। আমরা ভোক্তার অভিযোগ ও জিজ্ঞাসাকে দ্রুত ও স্বল্প সময়ের মধ্যে সমাধানের জন্য অনলাইন ভিত্তিক ব্যবস্থা চালু করেছে। ব্যবসায়িক ঝুঁকি হ্রাস, ব্যবসায়িক কর্মক্ষমতা বৃদ্ধি ও ব্যবসায় সংশ্লিষ্ট সকলকে তথ্য সরবরাহের জন্য আমরা ERP system কে ক্রমাগত হালনাগাদ করছি।

মানব সম্পদ ব্যবস্থাপনা

কোম্পানীর মানব সম্পদ ব্যবস্থাপনা নীতি হচ্ছে গতিশীল ও যোগ্য মানব সম্পদ দল তৈরী করা, ভবিষ্যৎ উত্তরাধিকার নির্ধারণ করা এবং মানব সম্পদের বারে পড়ার হার হ্রাস করা। আমাদের লক্ষ্য এমন একজন নিয়োগকর্তা হওয়া, যে কিনা মেধাবীদের লালন ও প্রতিষ্ঠানের ভবিষ্যৎ নেতা তৈরী করবে। অত্র প্রতিবেদনের ৭১ পৃষ্ঠায় “টেকসই প্রবৃদ্ধি” অংশে মানব সম্পদের বিস্তারিত বিবরণ দেয়া হয়েছে।

আচরণবিধি

পরিচালনা পর্ষদ পরিচালকদের জন্য একটা আচরণ বিধি গ্রহণ করেছে। সকল পরিচালক তা মেনে চলার জন্য স্বীকৃতি স্বরূপ স্বাক্ষর করেছে।

নিরীক্ষকগণ

বর্তমান নিরীক্ষক রহমান রহমান হক, চার্টার্ড একাউন্টেন্টস (KPMG-এর বাংলাদেশের একটি সদস্য প্রতিষ্ঠান), ১০২ আশ্রাবাদ বা/এ, চট্টগ্রাম, ১৪তম এজিএম এ অবসর গ্রহণ করবেন এবং তারা যোগ্য বিধায় ১লা জানুয়ারী ২০১৬ হতে ৩০ই জুন ২০১৬ এবং ১লা জুলাই ২০১৬ হতে ৩০ই জুন ২০১৭ পর্যন্ত নিরীক্ষা কার্যক্রম পরিচালনায় ইচ্ছুক এবং উল্লেখিত সময়ের জন্য পুনঃ নিয়োগে সম্মত হয়েছেন।

কর্পোরেট গভার্নেন্স এর রিপোর্ট করা এবং অনুসরণ করা

কর্পোরেট গভার্নেন্স সংক্রান্ত বাংলাদেশ সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) নোটিফিকেশন নং- বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/এডমিন তারিখ: ৭ই আগস্ট, ২০১২ এর পালনীয় শর্তসমূহের ক্ষেত্রে কোম্পানীর অবস্থান প্রতিবেদনের সংযুক্তি-৬ এ অন্তর্ভুক্ত করা হয়েছে।

পরবর্তী ঘটনা সমূহ

ফাইনেন্সিয়াল পজিশনের তারিখ থেকে এই প্রতিবেদন উপস্থাপনের তারিখ পর্যন্ত এমন কোন পরবর্তী ঘটনা নেই যা আর্থিক বিবরণী ব্যবহারকারীদের সিদ্ধান্তকে এবং এই প্রতিবেদনের মূল্যায়নকে প্রভাবিত করতে পারে।

পরিচালকদের দায়িত্বের বিবৃতি

বিএসইসি নোটিফিকেশন নং- বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪ এডমিন/৪৪, তারিখ: ৭ই আগস্ট, ২০১২ অনুসারে পরিচালকরা এই বিষয়টি নিশ্চিত করেন যে,

- ক. বিএসআরএম স্টিলস লিমিটেড-এর ব্যাবস্থাপনা পরিষদ কর্তৃক তৈরীকৃত আর্থিক প্রতিবেদন কোম্পানীর সার্বিক অবস্থা, পরিচালনার ফলাফল সমূহ, নগদ প্রবাহ এবং সম্পদের পরিবর্তন ইত্যাদি যথাযথ ভাবে উপস্থাপন করে।
- খ. যথাযথ হিসাব বই সংরক্ষণ করা হয়েছে।
- গ. অর্থনৈতিক প্রতিবেদন তৈরী করতে যথাযথ একাউন্টিং পলিসি নিরবিচ্ছিন্নভাবে প্রয়োগ করা হয়েছে এবং একাউন্টিং প্রাক্কলনগুলো যুক্তিসংগত এবং যথোপযুক্ত বিচার বিশ্লেষণের উপর ভিত্তি করে করা হয়েছে।
- ঘ. অর্থনৈতিক প্রতিবেদন তৈরীতে ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ডস (আইএএস)/ বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ডস (বিএএস)/ইন্টারন্যাশনাল ফিনেন্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আইএফআরএস)/ বাংলাদেশ ফিনেন্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস), যেভাবে বাংলাদেশে প্রযোজ্য সেভাবে অনুসরণ করা হয়েছে এবং যে কোন ধরনের পরিবর্তন পর্যাণ্ডভাবে প্রকাশ করা হয়েছে।
- ঙ. ইন্টারনাল কন্ট্রোল সিস্টেম কার্যকরভাবে প্রয়োগ করা হয়েছে এবং মনিটর করা হয়েছে।
- চ. একটি চলমান প্রতিষ্ঠান হিসেবে যাত্রা অব্যাহত রাখতে কোম্পানীর যোগ্যতার উপর কোন সন্দেহ নাই এবং একটি চলমান প্রতিষ্ঠানের ভিত্তিতে বার্ষিক হিসাব তৈরী করা হয়েছে।
- ছ. কোম্পানীর পরিচালনাগত ফলাফলে বিগত বৎসর থেকে গুরুত্বপূর্ণ পরিবর্তন প্রতিবেদনে আলোকপাত করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে।
- জ. বিগত ছয় বৎসরে মূল পরিচালনাগত এবং আর্থিক তারিখ সমূহ সংযুক্তি-৪ এ উল্লেখ করা হয়েছে।
- ঝ. শেয়ার ধারণের পদ্ধতি সংযুক্তি-৫ এ উল্লেখ করা হয়েছে।
- ঞ. বিএসইসি এর চাহিদামত এবং কর্পোরেট গভার্নেন্সের নিয়মানুসারে কল্লাইয়েন্স স্টাটাস নামে একটি প্রতিবেদন রেগুলেটরী কম্প্লাইয়েন্স রিপোর্ট অংশে সংযুক্ত করা হল।
- ট. পরিচালকদের প্রোফাইল এবং অন্যান্য সংস্থায় তাদের অংশিদারিত্ব এবং ব্যবসায়িক স্বার্থ বোর্ড অব ডিরেক্টরস সেগমেন্টে উল্লেখ করা হয়েছে।

স্বীকৃতি

আমরা আমাদের সম্মানিত শেয়ারহোল্ডার, গ্রাহক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিঃ, চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ, সিডিবিএল, জাতীয় রাজস্ব বোর্ড, RJSC, বিভিন্ন সরকারী কতৃপক্ষ, ব্যবসায়ী সংগঠন এবং সকল ব্যাংক ও আর্থিক প্রতিষ্ঠানকে আমাদেরকে সমর্থন, সহযোগিতা ও ব্যবসায়িক উন্নয়নে দিক নির্দেশনার জন্য আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। আমরা আন্তরিক অভিনন্দন জানাচ্ছি আমাদের সকল কর্মী ও ব্যবস্থাপনার সদস্যদের, যাদের মেধা, শ্রম, পেশাদারিত্ব ও নিরলস প্রচেষ্টায় আমাদেরকে শক্তিশালী প্রতিযোগিতামূলক অবস্থান ও উচ্চ প্রযুক্তিগত অবস্থা বজায় রাখতে সহায়তা করেছে। আমরা আপনাদের সমর্থন ও উৎসাহ পেলে আরো সামনের দিকে এগিয়ে যেতে পারব, যা অতীতে আপনাদের নিকট হতে পেয়ে আসছি।

আল্লাহ হাফিজ

আলীহোসাইন আকবরআলী এফসিএ
চেয়ারম্যান

Home Insurance

Home Insurance is a type of property insurance that covers various personal insurance protections, which can include losses occurring to one's home, its contents, loss of use, or loss of other personal possessions of the homeowner.



CORPORATE SOCIAL RESPONSIBILITIES



BSRM CSR VISION

To integrate social responsibility into BSRM core business decisions, we want to have CSR at every steps of the heart of our business process.

We envision CSR strategy that demonstrates BSRM intent for Caring, Supporting, and Returning to society where we anchored our business decades ago – this is how we define CSR and search and support interventions encompassing this scope.

BSRM CSR PRINCIPLES

BSRM commits resources to the extent that it can reasonably afford, not in one-off philanthropic project, rather in a set of strategically planned efforts consistent with BSRM's own corporate strengths and complementary to programmes offered by the Government, to sustain and improve a healthy and prosperous environment, and improve the quality of life of the people living in poverty.



BSRM group engages in CSR activities in a systematic way in alignment with corporate strategies committing resources to the extent it can reasonably afford. BSRM Desk was created in 2013 to help and empower poor and the disadvantaged people and contribute to social development by establishing sustainable business plans/projects. During 2015 BSRM supported:

EDUCATION

BSRM has joined hands with The British Council for enhancing reading skills through Book Reading Competition. Under this programme, by the end of 2016, about 17,500 young students will have improved capacity in English reading, writing, speaking and listening.



CORPORATE SOCIAL RESPONSIBILITIES

WATER & ELECTRICITY

With the opening of the BSRM-TMSS water pump in July 2015 on the hill tract of Adarshagram, Jaintapur, Sylhet, so many kids living on the hills ended the miserable journey of climbing steep, rough, slippery road of about 400 feet to get water for their family. Now these kids are going to school, having a happy and safe childhood, poised to build a meaningful life. Instead of water pitchers, now they carry school bags.

Other water projects established during the year are The Chars Livelihoods Programme (CLP) supported by an NGO. The programmes will help people living on island chars in the north western disaster prone areas: Fulchar, Gaibandha, Shariakandi, Kurigram etc.

BSRM and SABINCO set up a water purification project to supply fresh drinking water at Gazi Fish Culture Ltd (GFCL) premises, Kailashgonj union, Dacobe, Khulna.

The fourth water programmes are undertaken with the help of Uttaran NGO in the coastal zone of Patuakhali, Barisal where increased salinity in the surface, ground and soil has become a crucial matter.



HEALTH CARE

BSRM-ZCF Clubfoot cure programme launched in Chittagong division aiming at 'walking clubfoot no more'.

LIVELIHOOD PROGRAMMES FOR ULTRA POOR AND PHYSICALLY CHALLENGED PEOPLE

BSRM has signed an agreement with Autism Welfare Foundation (AWF) with the objective to reach and reduce the pain of families who cannot receive the services of AWF, who will provide training, education and livelihood support to help establish many children in life.

BSRM and Centre for the Rehabilitation of the Paralysed (CRP) joined hands to support patients with special needs get trained and placed in different organisations against job placement order.

Another BSRM- NDP Livelihood Programme partnership has been signed to sustain and empower the displaced landless in the remote chars of Sirajgonj district over a period of 3 years.





WINNING

IN A ROW.

AMAZED, BUT NOT SURPRISED!

Winning the Best Brand Award is a testament of our effort in producing the best steel for the nation to keep everyone safer. But winning the award 4 times in a row is a testament of the belief our consumers have in us.

We thank all our customers for their trust and reliance on us. Thanks to you, BSRM is continually striving to keep you safer and has won the heart of millions in the process.



BSRM
innovating safety

Power Generation

Power generation means converting some form of energy- for example, heat energy from burning coal into electrical energy. Electric Power is the life blood of modern civilization.



SUSTAINABLE GROWTH—Green Environment, Human Resource and Information Technology Development

To keep our human resources safe and sound and the environment clean, we have taken number of measures. We always give priority to maintain work place safe, secure and ensure the green environment for all of our employees as well as for our country.

Green Environment:

In BSRM Steels Limited we are using world class Water Treatment Plant (WTP) for recycling the water for reusing and to keep the environment free from pollution.

The Company has also commissioned Air Pollution Control (APC) system in BSRM Iron & Steel Co. Ltd. (BISCO) to keep the air free from Pollution. In the same way, we are going to implement a rain water harvesting project for our new billet casting plant at Mirershorai. It will have marvelous positive impact on the environment.

As recognition of your effort to keep the environment clean and greener, we were awarded the “Divisional Environmental Award” by Poribesh Odhidaptar.

Human Resources Function:

In real sense BSRM believes that the employees of BSRM are the best resources of the organization and their motivation is a vital factor for the growth and development of the organization because of its direct impact on productivity. BSRM HR focuses on valued employees to optimize their creativity, performance and sustainable improvement by ensuring a safe & healthy working environment, cohesive corporate culture, proper training, reward and recognition, various employee benefits scheme. Starting from selection of right man for the right post BSRM HR works to nurture its talent towards achievement of its goal.

Human Resources Department of BSRM formulates and implements the best practices, policies, rules, guidelines to work strategically in identifying and responding to the Company's vision and needs. BSRM thinks ahead along with its people.

Reinforcing BSRM Vision “**Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization**” Human Resources Department is committed to achieve excellence in every steps of its operation through different functions & projects.

Talent Acquisition:

This is a recruitment process rather Human Resources Department follows the set recruitment and selection policy and strategy to attract qualified potential candidate who are committed to achieve the organizational goals. Key components of the process on hiring the potential applicants who demonstrate the attributes that include Appearance & People focus, Speech, Expression & Information Handling, Experience for work, Qualification for work, Maturity & Dependability, Leadership, Energy & Attitude, Strength & Weakness for the job.

Human Capital:

BSRM believes that Human Resources of the company are their best capital. This human capital push the organization towards achieving the goal. BSRM nurture this human capital through different motivational projects & training. In-house, local & training abroad sharpen the trainee's talent which ultimately result in productivity & success. Company's Domiciliary, Hospitalization, Maternity scheme are there to take care of the health of the Human Capital.

Human Resource Accounting:

Human Resource department of the company maintain statistics through HRIS. Employee cost to the company, total salary cost, department wise salary benefit cost, percentage of increase, comprising to other organization in job market maintaining, the HR budget etc. HR accounting of the company covers. HR accounting helps as an indicator to match with the present job market to hire & retain talents in the organization.

Training & Development:

In order for nurturing the talents Management of BSRM believes that institutionalizing a learning culture positively helps safety, sustainability, quality and productivity of the organization.

Our Human Resources Department strives to provide Training & Development opportunities to all employees in a systematic process. The process ensures adequate competency of employees to fulfill their job responsibilities and provide a guideline for the identification of individual training needs to ensure that competency and qualifications to perform specific tasks are maintained. Through a planned training calendar BSRM HR arranges in house/external/outbound/foreign trainings for the employees.

Health, Safety and Environment [HSE]:

We are a ISO certified company. BSRM Management take utmost care in maintaining healthy & safe working condition & environment. All work place injuries and occupational disease are preventable. Providing and maintaining safe and healthy working conditions and following best operating practices that protect the environment, BSRM established a culture of HSE excellence in the organization.

BSRM has its Environment policy and HSE management systems which are implemented to ensure the safety and health of employees.

Adequate safety equipment e.g. Personal Protective Equipment [PPE] are supplied to the employees to take proper precautions in certain areas, processes and jobs known to involve a risk of injury. Evacuation instructions are displayed at various points for the event of an emergency e.g. fire.

The HSE team is utilizing their talents for sustainable improvement of injury free workplace and to ensure a healthy environment.

Performance Management System [PMS]:

Key Performance Indicator (KPI) present mirror of the organizations performance. Employee evaluation is linked to individual performance aligning with the goals and priorities of the organization. Human Resources Department conducts a performance assessment at the end of the year on achievement results through assigned KPI/KRA and Individual Competency. This ensures a fair and accurate evaluation to review an employee's career development.

Succession Planning:

To identify necessary competencies and to assess, develop and retain a talent pool of employees in order to ensure a continuity of leadership for all critical/significant positions BSRM sets a succession planning process. Succession planning process helps skilled employees to gain the experience and competencies so that they can move into vacant positions.

Online HRIS:

Online Human Resources Information System is designed and developed to offer employees an extended level of service and flexibility by providing web-based, self service access to personal and official information.

Employee Benefits:

To remain competitive in the industry and considering the welfare and needs of the employees BSRM focus on benefits structure. As part of employee benefits policy BSRM employees are receiving different benefits and allowances other than remuneration like Leave, festival Bonuses, Provident Fund, Gratuity, Salary Advance, Interest free Company Loan for Car Scheme, Children Education Scheme, Employee Education Scheme, Employee Children Education Achievement Award for distinct academic results, Domiciliary Scheme, Executive Health Check-up Scheme, Hospitalization Scheme, Maternity Benefits Scheme, Wedding Gifts etc.

Reward and Recognitions:

To recognize employees for their excellence in service, loyalty, ideas, dedication to the values and vision of the group and their contribution to change management the Company present Awards in Recognition like Long Service Award, Living the Value Best Award, Best Suggestion Award, Change Catalyst Award, Significant Contribution Award, Safety Icon of the Year, etc.

Learning Centre:

BSRM provides the opportunity to visit the Industries to gather practical knowledge and enhance learning experience to nominated students from different Universities/Institutes as a part of their academic requirement. Using Internship program of BSRM, students can complete their Internship period under respective department to accomplish his/her academic/professional degree. After completion of academic studies students can join as Apprentice or as Trainee, which helps to be trained and develop skills, abilities at an early stage of their career.

BSRM publishes Corporate Brochure, Newsletter “Xtreme talk” periodically to share information to the employees and customers.

Equal Opportunity:

BSRM provides equal employment and advancement opportunities to all qualified persons based on their merit, qualifications and abilities without discrimination on the basis of age, sex, race, marital status or religion in accordance with laws, rules and regulations.

Information Technology:

BSRM is a customer oriented company from the very beginning. BSRM has taken a group of IT initiative to support its sales and support staff in considering client needs and satisfaction. To responding promptly and respectfully to consumer complaints and queries, BSRM has developed an online base customer complaint system where every customer complaints are entering into the system and escalated to the senior management automatically if there is any delay. Also BSRM has introduced a SMS base complaint and query system named “Apnar Jiggasha” where customers can send SMS for their complaint or query.

BSRM has introduced mobile base Sales Order System for their Sales Team to process Ordering System faster. An additional feature has been added to the Online Customer Portal so that the BSRM registered customer can enter their Order directly from the system. Previously from the portal registered BSRM Customers can check their Account Ledger, Order/Delivery/Payment history, Order balance etc. Now BSRM has its own Video Conferencing System that enabled face to face communication among their senior management across the country to have faster decision making. BSRM is planning to continue IT initiative and improvement to delight its customers.

Invention of Money

Money is a medium for the physical exchange of goods and services. It is a clearly identifiable object of value. It is the legal tender within a country.



REGULATORY COMPLIANCE REPORT

CORPORATE GOVERNANCE REPORT

Good Governance is the cornerstone of sustainability and creation of long term value – both inherently underlying the structures and work processes of BSRM Steels Limited in its history of being a pioneer in the industries, we operate in and in turn one of the best steel industry in Bangladesh. Corporate Government refers to the structures and processes for the direction and control of companies. Sound corporate governance is a fundamental part of the culture of the company and ensures long term success. Corporate governance concerns the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies. The Board of Directors of BSRM Steels Limited is firmly committed to upholding principles of sound corporate governance. The main objective of corporate governance is creation of lasting value for stakeholders. Transparency in business transaction and disclosure of information to regulatory bodies as part of its legal obligations constitute sound corporate governance. Good corporate governance also means conformity to sound ethical principles and a code of conduct in business dealings.

Board of Directors

Board of Directors is the representative and trustee of the shareholders of the company. The Board of Directors of BSRM Steels Limited comprises of five members including Chairman, Managing Director and the board also has one independent director in compliance with the corporate Governance Guidelines of BSEC. The Directors possess a wide range of experience, expertise and specialized skills to assist in decision-making and leading the Company for the benefit of its shareholders. Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest.

Selection and appointment of new Directors

Directors should ensure that the Company is properly managed to protect and enhance shareholder value and to meet the Company's obligations to shareholders, to the industry and to the law. In carrying out this duty, the Board should always be mindful of the need for establishing a Board that enhances the efficient and effective running of the Company. In relation to the selection and appointment of new Directors (if any), the existing Board of Directors has the following duties and responsibilities:

- Regularly review the size and composition of the Board and the mix of expertise, skills, experience and perspectives that may be desirable to permit the Board to execute its functions
- Identify any competencies not adequately represented and agree to the process necessary to be assured that a candidate nominated by the board members/ shareholders with those competencies is selected
- Ensure that the Board maintains at least 5 Directors, with an independent Director and have a reputable standing in the industry

The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994 and the Articles of the Company.

Retirement and re-election of Directors

As per the Articles of Association of the Company, one-third of the Directors are required to retire from the Board every year, comprising those who have been in the office the longest since their last election. A retiring Director shall be eligible for re-election.

Qualification of Board members

The Board of Directors of BSRM Steels Limited consists of members who possess a wide variety of knowledge and experience in different arena of corporate world. This ensures that together, they formulate the right policy for the development of the business. Two of the Directors in the Board are Chartered Accountants with elevated experience across key positions of finance and accounts, and who normally provides guidance in matters applicable to accounting and auditing-related issues to ensure compliance and reliable financial reporting. Respective qualification of Directors is appended in Directors' profile on page no. 31 of this annual report.

The Role of the Board

The Board is responsible for the overall governance conduct and implementation of sound business strategies within the Company and has the powers and duties afforded within the milieu of relevant laws / regulations of the country, regulatory authorities, and professional institutes. In addition, the Board of Directors, both individually and collectively, strive to comply with best practices on environmental, health, safety and ethical standards whilst ensuring that the interest of all stakeholder groups are considered when taking decision.

Audit Committee

BSRM Steels Limited has an Audit Committee as a sub-committee of the Board of Directors. This committee is assisting the Board of

Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. This committee is responsible to the Board of Directors and its duties and responsibilities are clearly set forth in writing. Audit Committee is reconstituted as per the guidelines of BSEC.

Audit Committee holds regular meetings on the following major issues:

- to review the financial statements (consolidated and separate) and reporting process and monitor the choice of accounting policies and principles;
- to review the business risk management;
- to review the internal audit assessment;
- to ensure the good corporate practices.

A separate report of the audit committee is included in the annual report.

Chairman of the Board and Managing Director

In BSRM Steels Limited, Chairman and Managing Director are two separate individuals selected from the Board of Directors. Both are performing defined responsibilities and focusing on the strategic value addition of the company. Managing director is performing the role of Chief Executive.

Directors' report to Shareholders

Board of Directors report on the performance, annual achievements and status of the company's activities to the shareholders. They are also conveying the future plan and outlook of the industry and company in their report.

Chief Financial Officer, Company Secretary and Head of Internal Audit

Company has appointed two qualified Chartered Accountants designated as Chief Financial Officer and Company Secretary. Both are members of the Institute of Chartered Accountants of Bangladesh. The CFO & Company Secretary regularly advise and assist the Board on financial strategy and compliance issues of the regulatory bodies. Chief Financial Officer and Company Secretary are also attending Board Meetings as per Corporate Governance notification of the BSEC. Company's internal audit department is also headed by a Head of Internal Audit having professional expertise and long experiences in the field of internal audit.

Board of Directors clearly defined respective roles, responsibilities and duties of the CFO, Company Secretary and Head of Internal Audit.

Internal Audit and Control

BSRM Steels Limited established an Internal Audit Department consisting of professional and knowledgeable employees. Internal Audit Department directly reports to the Board of Directors.

Internal Audit department regularly conducts their audit based on a yearly Internal Audit Plan and checks, verifies and reviews the compliance of Internal Control Procedure and other regulatory requirements.

External Auditors

External Auditors of BSRM Steels Limited is appointed in every Annual General Meeting (AGM) by the Shareholders of the company as per Companies Act 1994. Company also conforms to the requirement of Bangladesh Securities and Exchange Commission in appointing external auditors. External Auditors are not engaged to perform any of the tasks other than external /statutory audit.

Subsidiary Company

Board of the Directors of BSRM Iron & Steel Co. Ltd. - Subsidiary Company of BSRM Steels Limited is also constituted in line with the guidelines of BSEC as per Corporate Governance Notification. Independent Director of holding company has also been director of subsidiary company. Minutes of the Board of directors' meeting of subsidiary company are reviewed by the Board of holding company. The Audit Committee of the BSRM Steels limited (holding company) also reviews the financial statements of the subsidiary company.

Key Management Committee

There are other sub-committees to the Board of Directors to assist the Board of Directors in making and formulating company's strategic objectives and policies namely Management Committee & Executive Committee. These committee members sit regularly for discussing and reviewing the activities of the company.

Certification on the Compliance of Corporate Governance Guidelines of BSEC

A certificate regarding compliance of conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission issued by M.A. Mallik & Co., Chartered Accountants is included in this annual report.

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES

M. A. MALLIK & Co. CHARTERED ACCOUNTANTS

Head Office :

Aziz Chamber (2nd Floor)
6, Jubilee Road, Chittagong.
Phone : 613331, 2853523

Branch Office :

Room No. 6, First Floor
Dost Building, H. S. Surhwardy Road
Chittagong. Phone No. : 622176

Date :

Certificate on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission to the shareholders of BSRM Steels Limited

We have examined the compliance with Corporate Governance by **BSRM Steels Limited** (the Company) for the year ended December 31, 2015 as stipulated in Notification No: SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC).

The compliance of conditions of Corporate Governance Guidelines is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance Guidelines. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned notification.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date, Chittagong
February 14, 2016




M. A. Mallik & Co.
Chartered Accountants

REPORT OF THE AUDIT COMMITTEE

BSRM Steels Limited has an Audit Committee as a sub-committee of the Board of Directors, as recommended by Bangladesh Securities and Exchange Commission (BSEC). The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect the faithful and fair view of the state of affairs of the company and in providing a sound monitoring system within the business. The committee is reporting to the Board of Directors on performing the clearly set forth responsibilities by the Board of Directors.

Committee Members

The Audit Committee of the Company comprises of four members. Details are-

Sl.	Name	Designation
1	Mr. Mono Ranjan Dey FCA	Chairman
2	Mr. Alihussain Akberali FCA	Member
3	Mr. Zohair Taherali	Member
4	Mr. Shekhar Ranjan Kar FCA	Secretary

Terms of Reference

The terms of reference of the audit committee have been determined by the Board by the BSEC notification. The Committee is responsible to the Board of Directors and reports on its activities regularly. The Committee assists the Board of Directors in its general oversight of financial reporting, internal controls and functions relating to internal audit as well as ensures compliance with the Corporate Governance Guidelines promulgated by the BSEC.

Meetings and attendance

During the year under review, the Committee held four meetings. Permanent Invitees to the meeting were the Managing Director, Head of Finance and Accounts, Chief Financial Officer and Head of Internal Audit. Relevant heads of divisions and other members of the Management also attend the meeting as required. The attendance of the members at these meeting is as under:

Name of the members	No. of meetings held whilst a committee member	Meetings attended
Mr. Mono Ranjan Dey FCA	4	4
Mr. Alihussain Akberali FCA	4	4
Mr. Zohair Taherali	4	4
Mr. Shekhar Ranjan Kar FCA	4	4

Mandate and Role

The purpose, authority, composition, duties and responsibilities of the Audit Committee are defined in its Charter. The Committee has been mandated to:

- Review the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommended the same to the Board. The Audit committee also ensures the appropriateness of accounting policies and their adherence to statutory and regulatory compliance and applicable accounting standards.
- Monitor the financial reporting systems in place to ensure the integrity and the soundness of the information provided to the Board of Directors, Regulatory Authorities, Management and other Stakeholders.

- Identify, analyze and monitor the risks faced by the Company and examine the adequacy, efficiency and effectiveness of internal controls and procedures in place to avoid, mitigate or transfer such risks.
- Monitor all internal audit and inspection programs, review internal audit / inspection reports and follow-up on their findings and recommendations.
- Review the Interim Financial Statements and the Company's Annual Financial Statements prepared for disclosure, before submission to the Board of Directors.

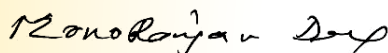
Reporting of the Committee

On discharging its responsibilities, the audit committee has ensured the followings:

- Financial statements have been prepared and presented in compliance with all laws, regulations & standards as applicable.
- Adequate controls and procedures are in place to provide reasonable assurance that the Company's assets are safeguarded and that the financial position of the Company is adequately managed.

Audit Committee also reviewed the Internal Auditor's Reports and observations. They have assessed and examined the effectiveness of the independent performance of the External Auditors Rahman Rahman Huq, Chartered Accountants and also recommended to the Board of Directors that Rahman Rahman Huq, Chartered Accountants is re-appointed as Auditors for the period ended from January 2016 to June 30, 2016, and for the year from July 01 2016 to June 30, 2017. This will be subject to the approval of the Shareholders at the next Annual General Meeting.

On behalf of the Audit Committee



Mono Ranjan Dey FCA

Independent Director and Chairman of Audit Committee

February 10, 2016

STATEMENT OF CEO AND CFO ON FINANCIAL STATEMENTS

The Board of Directors BSRM Steels Limited

We do hereby certify that:

- (i) We have reviewed financial statements for the year ended December 31, 2015, and to the best of our knowledge and belief:
 - a) These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- (ii) To the best of our knowledge and belief, the company did not enter into any transactions which are contrary to the laws of the land or the ethical standards which the company adheres to.



Aameir Alihussain
Managing Director



Mohammad Arif ACA, ACMA
Chief Financial Officer

CERTIFICATE OF MEMBERSHIP OF BAPLC



Double entry bookkeeping is an accounting principle where every entry to an account requires a corresponding and opposite entry to a different account



AUDITORS' REPORT & FINANCIALS 2015

**BSRM Steels Limited and its subsidiary
As at and for the year ended
31st December 2015**

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BSRM STEELS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of BSRM STEELS LIMITED ("the Company") which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information and all related consolidated financial statements of BSRM Steels Limited and its subsidiary and associate (together referred to as "the group).

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 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.

The financial statements of the Company's subsidiary, BSRM Iron and Steel Company Ltd. (BISCO), was not audited by us. The financial statements of BISCO shows total assets of Taka 5,642,473,667 as on 31 December 2015 and total revenue of Taka 7,916,119,496 for the year then ended. Basu Banerjee Nath & Co., Chartered Accountants has audited the Financial Statements of BISCO and expressed an unqualified opinion. Our opinion, in so far as it relates to the amounts included in respect of the company's subsidiary, is based on the audited financial statements and reports issued by subsidiary's auditor.

Opinion

In our opinion, the financial statements including consolidated financial statements give a true and fair view of the financial position of the company and of the group as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Other matter

The financial statements including consolidated financial statements of **BSRM Steels Ltd.** for the year ended 31 December 2014 were audited by Syful Shamsul Alam & Co., Chartered Accountants, who expressed an unmodified opinion on those financial statements on 30 March 2015.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and Securities and Exchange Rules 1987, we also report the following:

- (a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) 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;
- (c) the statement of financial position, and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the Company's business.


Chittagong, 10 February 2016



BSRM Steels Limited and its subsidiary
Consolidated Statement of Financial Position
As at 31 December 2015


	Notes	2015 Taka	2014 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4.a	9,921,677,186	9,478,012,241
Capital work-in-progress	5.a	27,353,337	52,120,752
Intangible assets	6.a	38,374,145	42,671,865
Investment	8.a	1,569,466,903	945,301,128
Total non-current assets		11,556,871,571	10,518,105,986
Current assets			
Short term investment	9.a	270,424,930	254,178,594
Inventories	10.a	8,773,744,844	13,627,336,725
Trade and other receivables	11.a	2,545,202,973	2,973,028,898
Current account with related companies	12.a	2,358,219,806	3,040,570,533
Advances, deposits and prepayments	13.a	2,438,950,252	1,394,394,506
Cash and cash equivalents	14.a	541,118,785	573,851,351
Total current assets		16,927,661,590	21,863,360,607
Total Assets		28,484,533,161	32,381,466,593
EQUITY AND LIABILITIES			
Equity			
Share capital	15	3,417,750,000	3,417,750,000
Retained earnings		4,215,356,323	2,609,417,357
Revaluation reserve		2,629,576,682	2,635,014,277
Equity attributable to owners of the company		10,262,683,005	8,662,181,634
Non- controlling interest		107,111,570	106,672,238
Total equity		10,369,794,575	8,768,853,872
Liabilities			
Non-current liabilities			
Long term borrowings- non current portion	16.a	659,385,605	614,600,476
Defined benefit obligations - Gratuity	17.a	74,583,446	53,029,475
Deferred tax liability	19.a	1,231,685,328	889,207,310
Total non-current liabilities		1,965,654,379	1,556,837,261
Current liabilities			
Trade payables	20.a	61,486,527	97,237,179
Short term borrowings	21.a	14,708,174,314	20,676,016,939
Current account with related companies	22.a	-	1,645,134
Liabilities for expenses	23.a	257,170,277	380,207,542
Current tax liability	18.a	560,347,182	495,092,588
Provision for WPPF and Welfare Fund	24.a	145,656,791	91,670,284
Other liabilities	25.a	416,249,116	313,905,794
Total current liabilities		16,149,084,207	22,055,775,460
Total liabilities		18,114,738,586	23,612,612,721
Total Equity and Liabilities		28,484,533,161	32,381,466,593


The annexed notes 1 to 44 form an integral part of these financial statements.


Managing Director


Director

As per our annexed report of same date


Company Secretary


Rahman Rahman Huq
Chartered Accountants

Chittagong, 10 February, 2016

BSRM Steels Limited and its subsidiary
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2015

	Notes	2015 Taka	2014 Taka
Revenue	26.a	33,493,228,651	38,571,105,303
Cost of sales	27.a	(28,678,277,200)	(35,083,090,919)
Gross profit		4,814,951,451	3,488,014,384
Selling and distribution costs	28.a	(858,647,893)	(672,978,687)
Administrative costs	29.a	(302,967,383)	(283,360,280)
Other operating income	30.a	29,617,616	16,361,164
Profit from operating activities		3,682,953,791	2,548,036,581
Finance costs	31.a	(830,836,624)	(868,082,307)
Finance income	32.a	67,645,276	147,966,281
		(763,191,348)	(720,116,026)
Profit before WPPF and Welfare Fund		2,919,762,444	1,827,920,555
Contribution to WPPF and welfare fund	24.a.i	(145,656,791)	(91,670,284)
Non-operating income	33.a	-	7,570,500
Share of (loss)/profit of associate	34	75,311,775	(3,199,602)
Profit before income tax		2,849,417,428	1,740,621,169
Provision for income tax:			
-Current tax		(393,336,207)	(369,138,077)
-Deferred tax		(358,790,800)	(123,924,225)
		(752,127,007)	(493,062,302)
Profit after tax for the year		2,097,290,421	1,247,558,867
Other comprehensive income		-	-
Total comprehensive income for the year		2,097,290,421	1,247,558,867
Profit attributable to:			
Owners of the company		2,096,851,089	1,239,217,057
Non-controlling interest		439,332	8,341,810
		2,097,290,421	1,247,558,867
Total comprehensive income attributable to:			
Owners of the company		2,096,851,089	1,239,217,057
Non-controlling interest		439,332	8,341,810
		2,097,290,421	1,247,558,867
Earnings per share			
Basic earnings per share	35.a	6.14	3.63


The annexed notes 1 to 44 form an integral part of these financial statements.


Managing Director


Director
 As per our annexed report of same date


Company Secretary

Chittagong, 10 February, 2016


Rahman Rahman Huq
 Chartered Accountants

BSRM Steels Limited Annual Report 2015

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BSRM Steels Limited and its subsidiary
Consolidated Statement of Cash Flows
For the year ended 31 December 2015

	2015	2014
	Taka	Taka
a. Cash flows from operating activities		
Cash receipts from customers	34,112,034,896	40,388,707,353
Cash payments to suppliers and employees	(26,164,861,955)	(42,505,936,100)
Income tax paid	(328,081,613)	(370,912,803)
Interest paid	(858,979,213)	(299,275,981)
Net cash generated by/(used in) operating activities	6,760,112,115	(2,787,417,531)
b. Cash flows from investing activities		
Acquisition of Property, plant and equipment	(803,313,576)	(311,997,374)
Addition to CWIP	(27,113,979)	-
Disposal of Property, plant and equipment	5,306,840	7,264,562
Increase in Investment	(216,246,336)	(11,453,482)
Software - Development/implementation	-	(47,646,754)
Realized from related companies against Software development	-	52,530,467
Trade Mark	-	(106,000)
Share money deposit to BSRM Steel Mills Limited	-	(348,854,000)
Net cash (used in)/generated by investing activities	(1,041,367,051)	(660,262,581)
c. Cash flows from financing activities		
(Repayments) / Receipts of Term Loan	13,153,199	(97,202,585)
Dividend Paid	(509,125,727)	(512,662,500)
Loan to/from Related Companies	(5,936,210,695)	4,435,282,516
Short Term Borrowings	680,705,593	(400,929,678)
Net cash provided by /(used in) financing activities	(5,751,477,630)	3,424,487,753
d. Net increase in cash and cash equivalent (a+b+c)	(32,732,566)	(23,192,359)
e. Opening cash and cash equivalents	573,851,351	597,043,710
f. Closing cash and cash equivalents (d+e)	541,118,785	573,851,351

BSRM Steels Limited
Statement of Financial Position
As at 31 December 2015

	Notes	2015 Taka	2014 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	7,023,433,417	6,464,419,933
Capital work-in-progress	5	8,527,589	51,881,394
Intangible assets	6	29,871,212	33,215,332
Investment in subsidiary	8.01	1,045,000,000	1,045,000,000
Investment in associate	8.02	1,569,466,903	945,301,128
Total non-current assets		9,676,299,121	8,539,817,787
Current assets			
Short term investment	9	266,749,130	220,102,334
Inventories	10	6,889,962,898	11,274,456,739
Trade and other receivables	11	2,247,869,647	2,971,813,680
Current account with related companies	12	2,626,472,168	2,605,398,576
Advances, deposits and prepayments	13	2,554,191,955	1,007,964,702
Cash and cash equivalents	14	468,886,084	521,092,776
Total current assets		15,054,131,882	18,600,828,807
Total Assets		24,730,431,003	27,140,646,594
EQUITY AND LIABILITIES			
Equity			
Share capital	15	3,417,750,000	3,417,750,000
Retained earnings		3,531,278,026	1,940,312,986
Revaluation reserve		2,131,590,679	2,137,028,274
		9,080,618,705	7,495,091,260
Liabilities			
Non-current liabilities			
Long term borrowings- non current portion	16	548,388,963	431,897,159
Defined benefit obligations - Gratuity	17	55,875,824	39,019,866
Deferred tax liability	19	831,760,881	729,338,236
Total non-current liabilities		1,436,025,668	1,200,255,261
Current liabilities			
Trade payable	20	33,623,532	53,285,610
Short term borrowings	21.01	12,650,676,709	17,024,368,151
Current portion of long term borrowings	21.07	196,850,016	228,481,946
Liabilities for expenses	23	237,212,136	361,444,962
Current tax liability	18	560,347,182	495,092,588
Provision for WPPF and Welfare Fund	24	132,559,843	79,677,893
Other liabilities	25	402,517,212	202,948,923
Total current liabilities		14,213,786,630	18,445,300,073
Total liabilities		15,649,812,298	19,645,555,334
Total Equity and Liabilities		24,730,431,003	27,140,646,594


The annexed notes 1 to 44 form an integral part of these financial statements.


Managing Director


Director

As per our annexed report of same date


Company Secretary


Rahman Rahman Huq
Chartered Accountants

Chittagong, 10 February, 2016

BSRM Steels Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2015

	Notes	2015 Taka	2014 Taka
Revenue	26	32,316,100,562	38,535,936,754
Cost of sales	27	(27,947,447,147)	(35,728,612,252)
Gross profit		4,368,653,415	2,807,324,502
Selling and distribution costs	28	(858,647,893)	(672,978,687)
Administrative costs	29	(268,473,270)	(249,599,115)
Other operating income	30	16,399,295	8,087,150
Profit from operating activities		3,257,931,547	1,892,833,850
Finance costs	31	(673,131,697)	(486,981,060)
Finance income	32	66,397,014	187,705,079
		(606,734,683)	(299,275,981)
Profit before WPPF and Welfare Fund		2,651,196,865	1,593,557,869
Contribution to WPPF and welfare fund	24	(132,559,843)	(79,677,893)
		2,518,637,022	1,513,879,976
Share of profit of associate (Net of tax)	34	75,311,775	(3,199,602)
Profit before income tax		2,593,948,797	1,510,680,374
Provision for income tax :			
-Current tax	18	(393,336,207)	(369,138,077)
-Deferred tax	19	(118,735,427)	(55,334,491)
		(512,071,634)	(424,472,568)
Profit after tax for the year		2,081,877,163	1,086,207,806
Other comprehensive income		-	-
Total comprehensive income for the year		2,081,877,163	1,086,207,806
Earnings per share			
Basic earnings per share	35	6.09	3.18

The annexed notes 1 to 44 form an integral part of these financial statements.

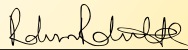

Managing Director


Director

As per our annexed report of same date


Company Secretary

Chittagong, 10 February, 2016


Rahman Rahman Huq
Chartered Accountants

BSRM Steels Limited
Statement of Changes in Equity
For the year ended 31 December 2015

	Amount in Taka		
	Share Capital	Revaluation Reserve	Total
Balance as on 1 January 2014	3,417,750,000	2,153,627,246	6,915,249,792
Total comprehensive income for the year	-	-	1,086,207,806
Cash dividend for the year 2013	-	-	(512,662,500)
Transfer of difference in depreciation between cost model and revaluation model	-	(16,598,972)	22,895,134
Balance as at 31 December 2014	3,417,750,000	2,137,028,274	7,495,091,260
Balance as on 1 January 2015	3,417,750,000	2,137,028,274	7,495,091,260
Total comprehensive income for the year	-	-	2,081,877,163
Cash dividend for the year 2014	-	-	(512,662,500)
Transfer from deferred tax to revaluation reserve	-	10,875,188	10,875,188
Transfer of difference in depreciation between cost model and revaluation model	-	(16,312,783)	21,750,377
Balance as at 31 December 2015	3,417,750,000	2,131,590,679	9,080,618,705

BSRM Steels Limited
Statement of Cash Flows
For the year ended 31 December 2015

	2015	2014
	Taka	Taka
a. Cash flows from operating activities		
Cash receipts from customers	33,251,803,564	40,058,936,081
Cash payments to suppliers and employees	(26,559,200,269)	(42,384,022,980)
Income tax paid	(328,081,613)	(370,912,803)
Interest paid	(598,193,405)	(299,275,981)
Net cash generated by/(used in) operating activities	5,766,328,277	(2,995,275,683)
b. Cash flows from investing activities		
Acquisition of Property, plant and equipment	(749,636,537)	(227,391,297)
Addition to CWIP	(8,527,589)	-
Disposal of Property, plant and equipment	5,306,840	5,517,886
Increase in Investments	(246,646,796)	(8,558,291)
Software - Development/implementation	-	(47,646,754)
Realized from related companies against Software development	-	61,987,000
Trade Mark	-	(106,000)
Share money deposit to BSRM Steel Mills Limited	-	(348,854,000)
Net cash (used in)/generated by investing activities	(999,504,082)	(565,051,456)
c. Cash flows from financing activities		
(Repayment) / Receipt of Long term loans	84,859,874	6,846,590
Dividend paid	(509,125,727)	(512,662,500)
(Repayment) / Receipt of short term borrowings	(4,373,691,442)	3,891,200,205
Loan to/from related companies	(21,073,592)	101,498,641
Net cash provided by /(used in) financing activities	(4,819,030,887)	3,486,882,936
d. Net increase/(decrease) in cash and cash equivalent (a+b+c)	(52,206,692)	(73,444,203)
e. Opening cash and cash equivalents	521,092,776	594,536,979
f. Closing cash and cash equivalents (d+e)	468,886,084	521,092,776

BSRM Steels Limited and its Subsidiary
Notes to the financial statements and consolidated financial statements
As at and for the year ended 31 December 2015

1. THE REPORTING ENTITY

1.01 Legal form of Enterprise

BSRM Steels Limited (hereinafter referred to as 'BSL', 'the company' or 'the Parent') was incorporated on 20 July, 2002, vide the certificate C-No. 4392 of 2002 as a Private Limited Company 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 Limited (DSE) and Chittagong Stock Exchange Limited (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 registered office of the company is situated at Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

1.02 Nature of the Business

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

1.03 BSRM Iron & Steel Co. Limited- Subsidiary

BSL 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 of BSRM Steels Limited.

BISCO was incorporated on 13 April 2005 as a Private Limited Company and was subsequently converted to a Public Limited Company on 15 March 2011. The principal activity of BISCO is to manufacture and sell M.S. Billets. It commenced commercial production from 1 June 2010. The Financial Statements of this subsidiary company is included in the Consolidated Financial Statements according to BFRS 10 - "Consolidated Financial Statements".

1.04 BSRM Steel Mills Limited- Associate

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. Paid up Capital of BSML is Tk. 394.43 Crore divided into 39.44 Crore Ordinary Shares of Tk. 10 each. BSRM Steels Limited has acquired 100,000,000 nos. of Ordinary Shares of Tk. 10 each of BSML i.e., 25.35% (21.76% in 2014). BSML has not started its commercial operation yet and is expected to start its commercial production within 1st quarter of 2016.

2. BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS

2.01 Statement of Compliance

The Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow Statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB) as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

2.02 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirements of BAS 1: "Presentation of Financial Statements".

2.03 Other Regulatory Compliances

The group entities are also required to comply with the following major laws and regulations along with the Companies Act 1994:

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax Act, 1991

- iv) The Value Added Tax Rules, 1991
- v) The Customs Act, 1969
- vi) Bangladesh Labour Law 2006
- vii) The Securities and Exchange Ordinance, 1969
- viii) The Securities and Exchange Rules, 1987
- ix) Securities and Exchange Commission Act, 1993

2.04 Authorization for issue

These Financial Statements have been authorized for issue by the Board of Directors on 10 February 2016.

2.05 Basis of Measurement

The Financial Statements have been prepared on going concern basis under the historical cost convention except for some classes of Property, Plant and Equipment which are measured at revalued amount.

2.06 Functional and Presentation Currency

These Financial Statements are prepared in Bangladesh Taka, which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

2.07 Going Concern

The group entities have adequate resources to continue its operation in foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the Financial Statements. The current revenue generations and resources of the group provide sufficient fund to meet the present requirements of its existing business and operations.

2.08 Use of Estimates and Judgments

The preparation of the Financial Statements in conformity with BAS and BFRS 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 ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements, Assumptions and estimation uncertainties

Information about judgements made in applying accounting policies and assumptions and estimation uncertainties that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

Note: 4	Property, plant and equipment
Note: 6	Intangible assets
Note: 10	Inventories
Note: 11	Trade and other receivables
Note: 17	Provision for gratuity
Note: 18	Current tax liability
Note: 19	Deferred tax liability
Note: 25	Other liabilities
Note: 37	Contingent liabilities

2.09 Reporting Period

These Financial Statements of the company and the consolidated financial statements of the group cover one year from 1 January 2015 to 31 December 2015.

2.10 Basis of Consolidation and Disclosure of Interest in Other Entities

Subsidiary is an enterprise controlled by the parent entity. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The consolidated financial statements have been prepared in accordance with BFRS 10 "Consolidated Financial Statements".

BISCO is a subsidiary company of BSL. The Company has made 95% investment in this subsidiary. BSL is exposed to and has rights, to variable returns from the subsidiary and also has the ability to affect those returns through its power over BISCO.

The Financial Statements of the subsidiary company are incorporated on a line by line basis and the investment held by the parent is eliminated against the corresponding share capital of subsidiary in the consolidated financial statements. The accounting policies of subsidiary have been changed when it is necessary to align them with the policies adopted by BSRM Steels Limited (Parent entity).

The group eliminates intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full).

Non-controlling Interests

The group presents non-controlling interests in its consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

The group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The proportion allocated to the parent and non-controlling interests are determined on the basis of present ownership interests.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

3.01 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the year ended 31 December 2015 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended 31 December 2014.

3.02 Property, Plant and Equipment

3.02.01 Recognition and Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation except Land & land development and Factory Building which are carried at revalued amount, being fair values at the date of revaluation less subsequent accumulated depreciation and subsequent impairment losses, if any.

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

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

3.02.02 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 benefit 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 profit and loss as incurred.

3.02.03 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in statement of profit or loss and other comprehensive income on diminishing balance method over the estimated useful lives of property, plant and equipment.

Depreciation is charged on addition from the month (date of service) of acquisition/addition and no depreciation is charged in the month of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The depreciation charge for each period is recognized as an expense unless it is included in the carrying amount of another asset.

The principal annual rates and allocation method are as follows:

<u>Category of Assets</u>	<u>Rate of depreciation (%)</u>
Plant and Machinery	5%
Motor Vehicle	20%
Furniture and Fixtures	20%
Office Equipment	20%
Factory Buildings	5%
Roads and Pavements	10%
Computer & IT equipment	20%

Depreciation methods, useful lives and residual values are reassessed at the reporting dates.

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss and other comprehensive income.

3.03 Capital Work-In-Progress

Property, Plant and Equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.04 Intangible Assets

3.04.01 Recognition and measurement

Intangible Assets that are acquired by the company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible Assets are recognized when all the conditions for recognition as per BAS 38: "Intangible Assets" are met. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

3.04.02 Subsequent Costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

3.04.03 Amortization

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives and rates of amortization are as follows:

<u>Category of Assets</u>	<u>Rate of amortization</u>	<u>Useful lives</u>
Software – old	33.33%	3 years
Trade Marks	5%	20 years
Oracle eBS software	10%	10 years

3.05 Inventories

Nature of inventories

Inventories comprise Raw Materials (Billets and Melting Scrap), Packing Materials, Consumable Stores, Fuel and Lubricants & Finished Goods (MS Rods/Billets) etc.

Valuation of the inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring these inventories and bringing them to their existing location and condition in accordance with BAS-2 "Inventories".

<u>Category</u>	<u>Valuation</u>
Finished Goods	Finished goods are valued at cost or net realizable value whichever is lower.
Raw Materials	Raw materials are valued at cost or net realizable value whichever is lower.
Store items	Based on weighted average method.

Weighted average cost method has been used to determine the cost of inventories.

3.06 Transactions in Foreign Currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling on the date of transactions. Monetary assets & liabilities, if any, denominated in foreign currencies at the Statement of Financial Position date are translated at the applicable rates of exchange ruling at that date and the related exchange differences are recognized as finance income or cost in the Statement of Profit or Loss and Other Comprehensive Income respectively.

3.07 Investment in Associate

The company's investment in associates is accounted for in the Financial Statements using the Equity Method in accordance with BAS 28: 'Investment in Associates & Joint Ventures'. Significant influence over an investee (associate) is presumed to exist in accordance with BAS 28.5-28.9. Investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of company's share of net assets' value of associate over cost of investment has been recognized in profit or loss as share of associate's profit or loss during acquisition period as per provision of BAS-28.

3.08 Financial Assets

The group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the group becomes a party to the contractual provisions of the instrument.

The group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include Short Term Investments; Trade and Other Receivables; Advances, Deposits and Prepayments; Loan to Related Companies and Cash and Bank balances etc.

3.08.01 Trade and Other Receivables

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to un-collectability of any amount so recognized.

Provisions for bad debts are shown in other liabilities. Provision for doubtful debts is made based on the company policy. Bad debts are written off on consideration of the status of individual debtors.

3.08.02 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as Property, Plant and Equipment, Inventory or Expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

3.08.03 Cash and Cash Equivalents

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

3.09 Financial Liabilities

The group recognizes all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise Trade Creditors and other financial obligations.

3.09.01 Trade and Other Payables

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

3.10 Impairment

3.10.01 Financial Assets

Financial assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Financial assets not classified as fair value through profit or loss, loans, receivables and investment in an equity accounted investee are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

3.10.02 Non Financial Assets

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

3.11 Cash Flow Statement

Statement of Cash Flows is prepared principally in accordance with BAS 7 (Cash Flow Statement) and the cash flow from operating activities have been presented under direct method.

3.12 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized in the Statement of Financial Position when the group has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements.

3.13 Borrowing Costs

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

3.14 Taxation

3.14.01 Current Tax

The group has been maintaining provision for taxation using rates enacted at the reporting date as per Income Tax Ordinance, 1984. The applicable rates are 25% (in 2014: 27.5%) for the company and currently the tax rate applicable for BISCO is 35%.

3.14.02 Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the Statement of Financial Position date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognized in the statement of profit or loss and other comprehensive income as per BAS-12 "Income Taxes".

Deferred tax on revaluation surplus of land and land development has not been recognized in the Financial Statements on the ground that income tax payable at source on capital gain during registration of sale of land is generally borne by the buyer. Hence possibility of having income tax implication on land is very remote.

3.15 Share Capital

Paid-up-capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all shareholders.

3.16 Employee Benefits

The group maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

3.16.01 Defined Contribution Plan

The group maintains a recognized provident fund for all eligible permanent employees in which both employee and employer contributes 10% of basic pay. The said fund is managed by the Board of Trustees.

3.16.02 Defined Benefit Plan

The group maintains an unfunded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity payable at the end of each year is determined on the basis of following rules and regulations of the company.

<u>Service length</u>	<u>Payment basis</u>
Less than Five (5) years	Nil
For Five (5) years and more	Two (2) times of last month's basic salary multiplied by year of service.

3.16.03 Workers' Profit Participation and Welfare Funds

The company also recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax as per Bangladesh Labour Law 2006.

3.17 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods. Sales revenue is recognized when the goods are delivered.

3.18 Finance Income and Costs

3.18.01 Finance Income

Interest income from bank deposits and loan to related-companies is recognized on accrual basis following specific rate of interest in agreement with banks and related companies.

3.18.02 Finance Costs

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

3.19 Other Operating Income

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

3.20 Earnings Per Share (EPS)

The company calculates its earnings per share in accordance with Bangladesh Accounting Standard BAS-33 "Earnings per Share" which has been reported on the face of Statement of Profit or Loss and Other Comprehensive Income.

3.20.01 Basis of Earnings

This represents profit for the year attributable to ordinary shareholders and Non- Controlling shareholders. As there were no preference shares requiring returns or dividends, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.20.02 Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.20.03 Diluted Earnings Per Share

Diluted earnings per share is required to be calculated for the year when scope for dilution exists.

3.21 Duty Drawback

Duty drawback claimed on export sales is adjusted against cost of imported raw materials.

3.22 Measurement of Fair Values

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

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

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

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

Property, plant and equipment

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

Equity and debt securities

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

3.23 Events After the Reporting Period

Events after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate the going concern assumption is not appropriate are reflected in the Financial Statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.24 Comparative Information

Comparative information has been disclosed in respect of the year 2014 in accordance with BAS-1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's Financial Statements. Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.

4.00 Property, plant and equipment (PPE) - at revalued model

		Land and Land development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Office Equipment	Roads and Pavements	Computer & IT Equipment	Total
At revaluation										
Balance as on 01 January 2014		2,210,257,975	3,508,098,600	84,199,018	1,386,687,898	35,432,993	40,724,926	12,155,219	22,735,861	7,300,292,490
	Additions	-	15,755,715	14,351,569	329,473,090	2,330,869	13,459,837	235,200	2,659,700	378,265,980
	Disposal	-	-	(8,644,489)	-	-	-	-	(42,000)	(8,686,489)
Balance as at 31 December 2014		2,210,257,975	3,523,854,315	89,906,098	1,716,160,988	37,763,862	54,184,763	12,390,419	25,353,561	7,669,871,981
Balance as at 01 January 2015		2,210,257,975	3,523,854,315	89,906,098	1,716,160,988	37,763,862	54,184,763	12,390,419	25,353,561	7,669,871,981
	Additions	128,329,142	593,671,281	16,692,244	48,863,391	3,399,364	6,752,989	135,000	3,674,520	801,517,931
	Disposal	-	-	(7,576,198)	-	-	-	-	-	(7,576,198)
Balance as at 31 December 2015		2,338,587,117	4,117,525,596	99,022,144	1,765,024,379	41,163,226	60,937,752	12,525,419	29,028,081	8,463,813,714
Accumulated depreciation										
Balance as at 01 January 2014		-	810,813,226	32,311,142	111,879,551	10,554,141	12,473,549	1,825,974	5,003,808	984,861,391
	Charged for the year	-	134,393,982	11,388,868	64,693,194	5,023,764	6,113,576	1,041,773	3,788,031	226,443,188
	Adjustment for Disposal	-	-	(5,842,199)	-	-	-	-	(10,332)	(5,852,531)
Balance as at 31 December 2014		-	945,207,208	37,857,811	176,572,745	15,577,905	18,587,125	2,867,747	8,781,507	1,205,452,048
Balance as at 01 January 2015		-	945,207,208	37,857,811	176,572,745	15,577,905	18,587,125	2,867,747	8,781,507	1,205,452,048
	Charged for the year	-	133,494,547	12,068,366	77,205,608	4,706,363	7,405,364	953,392	3,627,723	239,461,363
	Adjustment for disposal	-	-	(4,533,114)	-	-	-	-	-	(4,533,114)
Balance as at 31 December 2015		-	1,078,701,755	45,393,063	253,778,353	20,284,268	25,992,489	3,821,139	12,409,230	1,440,380,297
Carrying amount										
As at 31 December 2014		2,210,257,975	2,578,647,107	52,048,287	1,539,588,243	22,185,957	35,597,638	9,522,672	16,572,054	6,464,419,933
As at 31 December 2015		2,338,587,117	3,038,823,841	53,629,081	1,511,246,026	20,878,958	34,945,263	8,704,280	16,618,851	7,023,433,417

Depreciation allocated to:

Note	2015 Taka	2014 Taka
Cost of sales	209,182,749	201,834,665
Selling & distribution costs	11,813,911	3,602,040
Administrative costs	18,464,703	21,006,483
Total	239,461,363	226,443,188

4.01 Property, plant and equipment (PPE) - at cost model

	Amount in Taka								
	Land and land development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Office Equipment	Roads and Pavements	Computer & IT Equipment	Total
At cost									
Balance as on 01 January 2014	388,610,165	3,508,098,600	84,199,018	1,030,377,886	35,432,993	40,724,926	12,155,219	22,735,861	5,122,334,668
Additions	-	15,755,715	14,351,569	329,473,090	2,330,869	13,459,837	235,200	2,659,700	378,265,980
Disposal	-	-	(8,644,489)	-	-	-	-	(42,000)	(8,686,489)
Balance as at 31 December 2014	388,610,165	3,523,854,315	89,906,098	1,359,850,976	37,763,862	54,184,763	12,390,419	25,353,561	5,491,914,159
Balance as at 01 January 2015	388,610,165	3,523,854,315	89,906,098	1,359,850,976	37,763,862	54,184,763	12,390,419	25,353,561	5,491,914,159
Additions	128,329,142	593,671,281	16,692,244	48,863,391	3,399,364	6,752,989	135,000	3,674,520	801,517,931
Disposal	-	-	(7,576,198)	-	-	-	-	-	(7,576,198)
Balance as at 31 December 2015	516,939,307	4,117,525,596	99,022,144	1,408,714,367	41,163,226	60,937,752	12,525,419	29,028,081	6,285,855,892
Accumulated depreciation									
Balance as at 01 January 2014	-	810,813,226	32,311,142	213,472,210	10,554,141	12,473,549	1,825,974	5,003,808	1,086,454,050
Charged for the year	-	134,393,982	11,388,868	41,798,061	5,023,764	6,113,576	1,041,773	3,788,031	203,548,055
Adjustment for Disposal	-	-	(5,842,199)	-	-	-	-	(10,332)	(5,852,531)
Balance as at 31 December 2014	-	945,207,208	37,857,811	255,270,271	15,577,905	18,587,125	2,867,747	8,781,507	1,284,149,574
Balance as at 01 January 2015	-	945,207,208	37,857,811	255,270,271	15,577,905	18,587,125	2,867,747	8,781,507	1,284,149,574
Charged for the year	-	133,494,547	12,068,366	55,455,231	4,706,363	7,405,364	953,392	3,627,723	217,710,986
Adjustment for disposal	-	-	(4,533,114)	-	-	-	-	-	(4,533,114)
Balance as at 31 December 2015	-	1,078,701,755	45,393,063	310,725,502	20,284,268	25,992,489	3,821,139	12,409,230	1,497,327,446
Carrying amount									
As at 31 December 2014	388,610,165	2,578,647,107	52,048,287	1,104,580,706	22,185,957	35,597,638	9,522,672	16,572,054	4,207,764,586
As at 31 December 2015	516,939,307	3,038,823,841	53,629,081	1,097,988,865	20,878,958	34,945,263	8,704,280	16,618,851	4,788,528,446

4.a Consolidated Property, plant and equipment (PPE) - at revalued model

	Amount in Taka								
	Land and Land development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Office Equipment	Roads and Pavements	Computer & IT Equipment	Total
At cost									
Balance as on 01 January 2014	2,951,690,591	5,715,736,822	121,646,521	1,954,192,694	46,227,513	59,663,102	45,147,462	28,674,169	10,922,978,874
Additions	-	134,366,261	14,633,369	340,189,626	2,629,778	14,338,818	8,050,646	3,096,600	517,305,098
Disposal during 2014	-	-	(9,985,100)	(1,129,832)	-	-	-	(80,000)	(11,194,932)
Balance as at 31 December 2014	2,951,690,591	5,850,103,083	126,294,790	2,293,252,488	48,857,291	74,001,920	53,198,108	31,690,769	11,429,089,040
Balance as on 01 January 2015	2,951,690,591	5,850,103,083	126,294,790	2,293,252,488	48,857,291	74,001,920	53,198,108	31,690,769	11,429,089,040
Additions	128,329,142	618,874,196	43,072,915	49,102,749	3,727,709	7,281,289	226,000	4,580,970	855,194,970
Disposal	-	-	(7,576,198)	-	-	-	-	-	(7,576,198)
Balance as at 31 December 2015	3,080,019,733	6,468,977,279	161,791,507	2,342,355,237	52,585,000	81,283,209	53,424,108	36,271,739	12,276,707,812
Accumulated depreciation									
Balance as on 01 January 2014	-	1,270,547,936	50,000,410	195,526,858	13,427,373	21,414,983	2,619,568	7,659,865	1,561,196,993
Charged for the year	-	268,967,198	15,203,689	88,779,865	5,736,541	8,985,782	4,347,175	4,477,622	396,497,872
Adjustment for disposal	-	-	(6,578,820)	(4,708)	-	-	-	(34,538)	(6,618,066)
Balance as at 31 December 2014	-	1,539,515,134	58,625,279	284,302,015	19,163,914	30,400,765	6,966,743	12,102,949	1,951,076,799
Balance as on 01 January 2015	-	1,539,515,134	58,625,279	284,302,015	19,163,914	30,400,765	6,966,743	12,102,949	1,951,076,799
Charged for the year	-	264,385,247	18,809,146	100,653,864	6,066,839	9,316,524	4,914,282	4,341,039	408,486,941
Adjustment for disposal	-	-	(4,533,114)	-	-	-	-	-	(4,533,114)
Balance as at 31 December 2015	-	1,803,900,381	72,901,311	384,955,879	25,230,753	39,717,289	11,881,025	16,443,988	2,355,030,626
Carrying amount									
As at 31 December 2014	2,951,690,591	4,310,587,949	67,669,511	2,008,950,473	29,693,377	43,601,155	46,231,365	19,587,820	9,478,012,241
As at 31 December 2015	3,080,019,733	4,665,076,898	88,890,196	1,957,399,358	27,354,247	41,565,920	41,543,083	19,827,751	9,921,677,186

4.a.i Consolidated Property, plant and equipment (PPE) - at cost model

	Land and land development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Office Equipment	Roads and Pavements	Computer & IT Equipment	Total
At cost									
Balance as on 01 January 2014	605,846,988	5,715,736,822	121,646,521	1,597,882,682	46,227,513	59,663,102	45,147,462	28,674,169	8,220,825,259
Additions	-	134,366,262	14,633,369	340,189,626	2,629,777	14,338,819	8,050,646	3,096,600	517,305,099
Disposal	-	-	(9,985,100)	(1,129,832)	-	-	-	(80,000)	(11,194,932)
Balance as at 31 December 2014	605,846,988	5,850,103,084	126,294,790	1,936,942,476	48,857,290	74,001,921	53,198,108	31,690,769	8,726,935,426
Balance as on 01 January 2015	605,846,988	5,850,103,084	126,294,790	1,936,942,476	48,857,290	74,001,921	53,198,108	31,690,769	8,726,935,426
Additions	128,329,142	618,874,196	43,072,915	49,102,749	3,727,709	7,281,289	226,000	4,580,970	855,194,970
Disposal	-	-	(7,576,198)	-	-	-	-	-	(7,576,198)
Balance as at 31 December 2015	734,176,130	6,468,977,280	161,791,507	1,986,045,225	52,584,999	81,283,210	53,424,108	36,271,739	9,574,554,198
Accumulated depreciation									
Balance as on 01 January 2014	-	1,270,547,936	50,000,410	297,119,517	13,427,373	21,414,983	2,619,568	7,659,865	1,662,789,652
Charged for the year	-	268,967,198	15,203,689	65,884,732	5,736,541	8,985,782	4,347,175	4,473,855	373,598,972
Adjustment for disposal	-	-	(6,578,820)	(4,708)	-	-	-	(30,769)	(6,614,297)
Balance as at 31 December 2014	-	1,539,515,134	58,625,279	362,999,541	19,163,914	30,400,765	6,966,743	12,102,951	2,029,774,327
Balance as on 01 January 2015	-	1,539,515,134	58,625,279	362,999,541	19,163,914	30,400,765	6,966,743	12,102,951	2,029,774,327
Charged for the year	-	264,690,805	18,809,146	78,903,487	6,066,839	9,316,524	4,914,282	4,341,039	387,042,122
Adjustment for disposal	-	-	(4,533,114)	-	-	-	-	-	(4,533,114)
Balance as at 31 December 2015	-	1,804,205,939	72,901,311	441,903,028	25,230,753	39,717,289	11,881,025	16,443,990	2,412,283,335
Carrying amount									
As at 31 December 2014	605,846,988	4,310,587,950	67,669,511	1,573,942,936	29,693,376	43,601,156	46,231,365	19,587,818	6,697,161,100
As at 31 December 2015	734,176,130	4,664,771,341	88,890,196	1,544,142,197	27,354,246	41,565,921	41,543,083	19,827,749	7,162,270,863

	Notes	2015 Taka	2014 Taka
5.00 Capital work-in -progress			
Opening balance		51,881,394	202,756,077
Add: Addition during the year		293,235,293	178,210,607
		345,116,687	380,966,684
Less: Capitalized during the year		(336,589,098)	(329,085,290)
Closing balance		8,527,589	51,881,394

5.01 Details of Capital work-in -progress

Particulars	Opening balance	Addition	Capitalized	Closing balance
Land and land development	-	127,692,360	(127,692,360)	-
Civil Construction	-	46,407,914	(46,407,914)	-
Plant & Machinery	51,881,394	112,097,792	(155,451,597)	8,527,589
Motor vehicle	-	5,563,448	(5,563,448)	-
Office Equipment	-	1,473,779	(1,473,779)	-
	51,881,394	293,235,293	(336,589,098)	8,527,589

These costs include costs incurred initially to construct/install property, plant and equipment (PPE). Construction/installation costs are transferred to PPE when the construction is completed and ready for intended use.

		2015 Taka	2014 Taka
5.a Consolidated capital work in progress			
BSRM Steels Limited	5.00	8,527,589	51,881,394
BSRM Iron & Steel Co. Ltd.		18,825,748	239,358
		27,353,337	52,120,752
6.00 Intangible assets			
Trade Mark	6.01	108,667	114,932
Software	6.01	29,762,545	33,100,400
		29,871,212	33,215,332
6.01 Intangible assets schedule		Trade Mark	Software
Cost		Taka	Taka
Opening balance on 1 January 2014		19,300	202,800
Add: Addition during the year		106,000	33,378,555
Closing balance on 31 December 2014		125,300	33,581,355
Opening balance on 1 January 2015		125,300	33,581,355
Add: Addition during the year		-	-
Closing balance on 31 December 2015		125,300	33,581,355

		Trade Mark	Software
		Taka	Taka
Accumulated amortization			
Opening balance on 1 January 2014		4,545	133,848
Add: Amortized during the year - Note 29.00		5,823	347,107
Closing balance on 31 December 2014		10,368	480,955
Opening balance on 1 January 2015		10,368	480,955
Add: Amortized during the year - Note 29.00		6,265	3,337,855
Closing balance on 31 December 2015		16,633	3,818,810
Carrying amount on 31 December 2014		114,932	33,100,400
Carrying amount on 31 December 2015		108,667	29,762,545
	Notes	2015	2014
		Taka	Taka
6.a Consolidated intangible assets			
BSRM Steels Limited	6.00	29,871,212	33,215,332
BSRM Iron & Steel Co. Ltd.		8,502,933	9,456,533
		38,374,145	42,671,865
7.00 Intangible assets - Development phase (Software)			
Opening Balance		-	47,718,801
Expenditure incurred during the period/year		-	47,646,754
Transfer to intangible assets	6.01	-	(33,378,555)
Cost allocated and realized from related companies		-	(61,987,000)
		-	-

The Company procured and implemented Oracle EBS with assistance from PricewaterhouseCoopers (PwC) during 2014 which went live on 1st March 2014 and capitalized on December 2014. As per decision taken at Board Meeting held on 24 December 2014 total cost of this software was allocated to BSRM Steels Limited (35%), Bangladesh Steel Re-Rolling Mills Ltd. (35%), BSRM Steel Mills Limited (20%) and BSRM Iron & Steel Co. Ltd. (10%). All amounts were subsequently realized from those companies.

7.a Consolidated Intangible assets - Development phase (Software)			
BSRM Steels Limited	7.00	-	-
BSRM Iron & Steel Co. Ltd.		-	-
		-	-
8.00 Investment			
In subsidiary company-BSRM Iron & Steel Co. Ltd.	8.01	1,045,000,000	1,045,000,000
In associate company-BSRM Steel Mills Limited	8.02	1,569,466,903	945,301,128
		2,614,466,903	1,990,301,128

8.01 Investment in subsidiary company- BSRM Iron & Steel Co. Ltd.

BSRM Steels Limited has acquired 95% equity interest in BSRM Iron and Steel Co. Limited (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. An amount of Tk. 1,045,000,000 being face value of shares issued against acquisition of this subsidiary has been shown as investment in subsidiary at cost as per BAS 27. BSRM Steels Limited and BSRM Iron & Steel Co. Ltd. are being operated under common control.

8.02 Investment in associate company- BSRM Steel Mills Limited

BSRM Steels Limited has 25.35% (21.76% in 2014) equity interest in BSRM Steel Mills Limited (BSML) i.e. 100,000,000 Ordinary Shares of Tk. 10 each. BSML has been considered as an equity accounted investee of the company and has been accounted for according to BAS 28: Investments in Associates and Joint Ventures. Reporting date of BSML is 31 December.

Movement of Investment in Associate	Notes	2015	2014
		Taka	Taka
Opening Balance		945,301,128	948,500,730
Addition:			
Investment in associate		548,854,000	-
Share of loss of associate	34.00	(3,878,425)	(3,199,602)
Excess of proportionate net assets' value of associate over acquisition cost		79,190,200	-
Closing Balance		1,569,466,903	945,301,128

Summary of financial information of equity accounted investee:

Non-current assets	18,257,548,496	13,734,734,773
Current assets	1,829,340,388	1,081,040,949
Total assets	20,086,888,884	14,815,775,722
Share capital	3,944,354,000	2,073,000,000
Share money deposit	-	1,880,659,000
Accumulated loss	(46,700,612)	(22,254,242)
Revaluation surplus	2,292,879,671	2,292,879,671
Shareholders' equity	6,190,533,059	6,224,284,429
Non-current liabilities	6,998,566,281	7,168,138,581
Current liabilities	6,897,789,544	1,423,352,712
Total liabilities	13,896,355,825	8,591,491,293
Total Equity & Liabilities	20,086,888,884	14,815,775,722
Net Assets Value (NAV) per share	15.69	20.95
Revenue	-	-
Other income	9,412,586	120,000
Expenses	(33,858,956)	(14,822,060)
Loss for the year	(24,446,370)	(14,702,060)
Loss attributable to the owners of BSML	(24,446,370)	(14,702,060)
8.a Investment in BSRM Steel Mills Limited	1,569,466,903	945,301,128

					2015	2014
					Taka	Taka
9.00	Short term investment					
	<u>Name of the banks</u>	<u>Tenure</u>	<u>Purpose</u>	<u>Rate of Interest</u>		
	IDLC Finance Limited	6 months	LC Margin	8%	2,395,496	2,216,000
	Dhaka Bank Limited	6 months	LC Margin	8%	8,000,000	10,966,182
	Mercantile Bank Limited	1 year	Investment	8.25%	2,219,437	2,048,869
	Pubali Bank Limited	6 months	LC Margin	6.00%	6,702,000	12,304,000
	Standard Chartered Bank	6 months	LC Margin	4% ~ 6%	191,926,728	182,267,283
	AB Bank Limited	6 months	LC Margin	8%	6,105,469	-
	BD Finance & Investment Co. Ltd.	1 year	Investment	11.50%	3,000,000	-
	International Leasing & Finance Ltd.	6 months	Investment	10.75%	32,500,000	-
	IFIC Bank Limited	6 months	LC Margin	8.50%	7,000,000	-
	Shahjalal Islami Bank Limited	1 year	BG & LC Margin	7.25%	6,900,000	-
	Habib Bank Limited	6 months	LC Margin	8.50%	-	10,300,000
					266,749,130	220,102,334

Term deposit with Dhaka Bank Limited was made against Share Application Money (IPO).

9.a	Consolidated short term investment					
	BSRM Steels Limited	9.00		266,749,130	220,102,334	
	BSRM Iron & Steel Co. Ltd.			3,675,800	34,076,260	
				270,424,930	254,178,594	

10.00	Inventories		2015	2014
		<u>Qty.</u>	<u>Amount</u>	<u>Amount</u>
	Raw Material	<u>Metric Ton</u>	<u>Taka</u>	<u>Taka</u>
	Billets	119,469	3,874,719,508	8,684,672,880
	Packing Materials	112	6,619,847	7,686,115
	Direct Consumables		724,857	1,701,302
			3,882,064,212	8,694,060,297
	Work-in-progress		2,885,874	-
	Finished Goods			
	Finished Goods-Own production	56,186	2,313,186,383	1,881,977,698
	Finished Goods-Procured	256	12,051,362	8,702,296
	Finished Goods-Others		3,041,821	-
		56,442	2,328,279,566	1,890,679,994
	Stores and Spares			
	Mechanical stores		409,814,641	408,007,277
	MS Roll		5,631,366	18,533,808
	Electrical stores		203,411,874	199,091,899
	General stores		10,703,122	13,969,184
	Civil Store		13,040,441	21,951,183
	Others		26,890,642	21,473,014
			669,492,086	683,026,365
	Fuel and Lubricants		7,241,160	6,690,083
			6,889,962,898	11,274,456,739

		Notes	2015 Taka	2014 Taka
10.a Consolidated inventories				
BSRM Steels Limited	10.00		6,889,962,898	11,274,456,739
BSRM Iron & Steel Co. Ltd.			1,884,296,553	2,360,021,212
Unrealized profit elimination			(514,607)	(7,141,226)
			8,773,744,844	13,627,336,725
11.00 Trade & Other Receivables				
Trade Receivables	11.01		2,015,372,386	2,463,282,259
Other Receivables	11.03		232,497,261	508,531,421
			2,247,869,647	2,971,813,680

The directors have estimated that the above receivables are good and realizable. No provision has been kept against these receivables.

11.01 Trade Receivables				
Bangladesh Steel Re-Rolling Mills Ltd.			772,465	109,526,139
BSRM Steel Mills Limited			1,778,389	32,205,780
BSRM Logistics Limited			259,600	259,600
BSRM Recycling Industries Limited			-	75,839,766
H Akberali & Co. Limited			31,640	-
BSRM Iron & Steel Co. Ltd.			16,998,485	-
Other Parties	11.02		1,995,531,807	2,245,450,974
			2,015,372,386	2,463,282,259
11.02	Out of these receivables, there are pending litigations against 21 parties (worth Tk. 27,374,463). These receivables are secured by Post dated cheques.			
11.03 Other Receivables				
Interest Receivables			134,229,590	405,237,502
Accrued Interest from FDR			9,780,088	11,102,876
DEDO and Others Receivables			88,487,583	92,191,043
			232,497,261	508,531,421
11.04 Ageing of trade receivables are as follows-				
Less than 3 months			1,713,967,443	2,201,670,586
Over 3 months but less than 6 months			121,604,854	113,394,866
Over 6 months			179,800,089	148,216,807
			2,015,372,386	2,463,282,259
11.a Consolidated trade and other receivables				
BSRM Steels Limited	11.00		2,247,869,647	2,971,813,680
BSRM Iron & Steel Co. Ltd.			314,331,811	1,215,218
Less: Intra group receivables			(16,998,485)	-
			2,545,202,973	2,973,028,898

	Notes	2015 Taka	2014 Taka
12.00 Current account with related companies			
Bangladesh Steel Re-Rolling Mills Limited		439,638,033	1,303,031,742
BSRM Iron & Steel Co. Ltd.		395,858,419	542,787,176
Chittagong Power Company Limited		447,643,657	263,263,550
BSRM Logistics Limited		310,618,570	189,511,400
BSRM Ispat Limited		275,389,027	175,316,500
BSRM Metals Limited		58,296,932	32,070,000
H Akberali & Co. Limited		59,065,664	39,999,321
BSRM Steel Mills Limited		639,961,866	-
BSRM Wires Limited		-	53,086,805
BSRM Recycling Industries Limited		-	6,332,082
		2,626,472,168	2,605,398,576

All transactions among the related companies have been made through account payee cheques or bank transfers and interests were charged on all related companies' balances.

12.a Consolidated current account with related companies			
BSRM Steels Limited	12.00	2,626,472,168	2,605,398,576
BSRM Iron & Steel Co. Ltd.		127,606,057	977,959,133
Less: Inter-company elimination		(395,858,419)	(542,787,176)
		2,358,219,806	3,040,570,533
13.00 Advances, deposits and prepayments			
Advances	13.01	2,536,051,427	989,896,920
Deposits	13.04	16,222,963	15,162,714
Prepayments	13.05	1,917,565	2,905,068
		2,554,191,955	1,007,964,702
13.01 Advances			
Staff loan		1,457,478	1,491,362
Advance Income tax-corporate		501,502,115	378,959,284
Against expenses		54,179,907	104,231,187
Bank guarantee margin		2,105,155	2,105,155
Advance against L/C		3,327,436	1,402,331
LC Margin		25,074,709	138,614,148
Trade VAT account (Godown)		7,932	13,349
VAT chargeable account (Godown)		6,961,289	4,389,210
VAT current account		11,435,406	9,836,894
Advance for Raw Materials purchase	13.02	1,930,000,000	-
Share money deposit to BSRM Steel Mills Ltd.	13.03	-	348,854,000
		2,536,051,427	989,896,920

13.02 The company in its 207Ath Borad Meeting held on 21 October 2015 has decided to give advances of Tk. 150 Crore and Tk. 50 Crore to BSRM Steel Mills Limited and BSRM Iron & Steel Co. Ltd. respectively for purchasing billets. Accordingly the Company has provided Tk. 150 Crore to BSRM Steel Mills Limited and Tk. 43 Crore to BSRM Iron & Steel Co. Ltd.

13.03 The company in its 162nd Board Meeting held on 4th November 2012 has decided to invest Tk. 1.00 billion to BSRM Steel Mills Limited (BSML). Accordingly the Company has invested Tk. 451,146,000 and shares were also allotted by BSML. The company deposited Tk. 200,000,000 and Tk. 148,854,000 on 11.08.14 & 14.08.14 respectively to BSML's bank account no. 0003-0210022524 at NCC Bank Limited, Agrabad Branch, Chittagong as share money. Shares have been issued against the said amount in 2015 accordingly.

		Notes	2015 Taka	2014 Taka
13.04 Deposits				
Ansar/VDP			1,260,752	1,260,752
Bangladesh Telecommunications Limited (BTCL)			24,000	24,000
City Cell			15,000	15,000
Power Development Board			4,308,620	3,703,020
Ranks Tel			10,000	10,000
Karnaphuli Gas distribution Co. Limited			9,179,192	9,179,192
Kolkata office premises			37,750	37,750
Central Depository Bangladesh Limited			500,000	500,000
BOC Bangladesh Ltd.			16,000	16,000
Others			871,649	417,000
			16,222,963	15,162,714
13.05 Prepayments				
BSTI License fees			750,200	2,250,400
Insurance			1,167,365	654,668
			1,917,565	2,905,068
13.06	The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in kind or in cash and that no provision for these are required at this stage.			
13.07	An amount of Tk. 23,053,915.27 was claimed by Custom, Excise & VAT authority, Bondor circle, Narayanganj vide nothi no. 04/VAT/Warehouse (02)/Bondor circle/2012/207 dated 3rd November 2014 for trade VAT on sale of 115,269 MT finished goods. The Company filed a writ petition no. 10833 of 2014 before the Hon'ble High Court Division of the Supreme Court of Bangladesh and the court stayed the claim. In view of above, no provision for this claim has been made in the financial statements.			
13.a Consolidated advances, deposits and prepayments				
BSRM Steels Limited	13.00		2,554,191,955	1,007,964,702
BSRM Iron & Steel Co. Ltd.			314,758,297	386,429,804
Less: Intra group elimination			(430,000,000)	-
			2,438,950,252	1,394,394,506
14.00 Cash and cash equivalents				
Cash in hand	14.01		2,319,225	2,496,048
Cash at banks	14.02		256,153,075	211,644,064
Fixed deposit	14.04		210,413,784	306,952,664
			468,886,084	521,092,776
14.01 Cash In hand				
Head office			257,476	157,473
Factory office			674,780	397,339
Dhaka office			701,969	1,456,705
Sylhet office			100,000	100,000
Comilla office			65,000	65,000
Khulna office			250,000	68,925
Bogra office			200,000	200,000
Rangpur office			20,000	20,000
Barishal office			50,000	30,606
			2,319,225	2,496,048

14.02 Cash at Banks

<u>Name of the Banks</u>	<u>Branch</u>	<u>Account type</u>	2015	2014
			Taka	Taka
Agrani Bank Limited	Laldighi East	Current	(1,928,537)	3,176,816
Agrani Bank Limited- Escrow	Laldighi East	Escrow	37,447	39,097
Agrani Bank Limited	Colonel Hat	Current	-	46,129
Agrani Bank Limited	Thomson Bridge	Current	-	143,050
Al-Arafah Islami Bank	Agrabad	Current	12,078,699	7,384,949
Bank Asia Limited	Agrabad	Current	22,122	4,394,195
BASIC Bank Limited	Dewanhat	Current	1,621,097	1,115,653
Commercial Bank of Ceylon PLC	Agrabad	Current	226,767	284,064
Dhaka Bank Limited	Jubilee Road	Current	5,209,686	6,711,630
Dutch Bangla Bank Limited	Jubilee Road	Current	134,277,858	102,118,536
Dutch Bangla Bank Limited	Agrabad	Current	84,646	92,678
Eastern Bank Limited	Agrabad	Current	3,610,910	42,539
EXIM Bank Limited	Jubilee Road	Current	4,946,015	-
Habib Bank Limited	Laldighi	Current	4,427,765	39,405,029
HSBC	Agrabad	Current	(18,865,378)	(13,402,029)
HSBC -STD A/c	Agrabad	STD	-	4,621
HSBC- USD Exporter's A/C	Agrabad	USD	6,268,421	3,854,947
HSBC-MDA USD A/C	Agrabad	USD	5,897,849	3,749,301
IFIC Bank Limited	Agrabad	Current	65,316	117,185
Islami Bank Bangladesh Ltd.	Jubilee Road	Current	30,495,314	19,234,398
Jamuna Bank Limited	Khatungong	Current	122,478	1,199,844
Mercantile Bank Limited	Jubilee Road	Current	2	1,308
Mutual Trust Bank Limited	CDA Avenue	Current	3,505,753	26,725
National Bank Limited	Jubilee Road	Current	8,720,189	3,868,827
NCC Bank Ltd.	Agrabad	Current	18,016	1,170,659
NRB Bank Limited	Agrabad	Current	1,661,943	541,626
One Bank Limited	Agrabad	Current	927,595	9,113,217
Prime Bank Limited	OR Nizam Road	Current	12,955,339	11,555,765
Premier Bank Limited	Agrabad	Current	3,691	13,871
SBAC Bank Limited	Agrabad	Current	126,698	-
Shahjalal Islami Bank Limited	Jubilee Road	Current	1,766,605	2,208,310
Social Islami Bank Ltd.	Jubilee Road	Current	7,405,052	23,416
Sonali Bank	Cable Shilpa, Khulna	STD	304,146	157,976
Sonali Bank	Kalibari	Current	(1,738,698)	781,614
Southeast Bank Ltd.	Pahartali	Current	7,044,244	6,354,895
Standard Chartered Bank	Agrabad	Current	(9,996,664)	(26,556,810)
Standard Chartered Bank	Gulshan	Current	1,216	3,366
State Bank of India	Chittagong	Current	466,857	21,227
The City Bank Limited	VIP Road, Dhaka	Current	1,508,930	26,422
The City Bank Limited	Agrabad	Current	459,312	3,863,593
The Trust Bank Limited	CDA Avenue	Current	20,019,963	62,341
United Commercial Bank Ltd.	Jubilee Road	Current	5,656,782	11,572,855
Uttara Bank Limited	Agrabad	Current	9,228	868,817
Sub total			249,424,674	205,392,652

			Notes	2015 Taka	2014 Taka
HSBC Bank			14.03		
HSBC Bank	Agrabad	STD		432,371	425,651
HSBC Bank	Agrabad	EURO		-	28,226
HSBC Bank	Agrabad	GBP		-	759
HSBC Bank	Agrabad	USD		-	17,318
HSBC Bank	Agrabad	Dividend		6,296,030	5,779,458
Sub total				6,728,401	6,251,412
Grand Total				256,153,075	211,644,064

14.03 These accounts were opened for deposit of Share Money (IPO) and payment of dividend. Balances in these accounts represent amount refundable to the applicants to whom shares were not allotted and unclaimed dividend.

14.04 Fixed Deposits

				2015 Taka	2014 Taka
<u>Name of the banks</u>	<u>Tenure</u>	<u>Purpose</u>	<u>Rate of Interest</u>		
AB Bank Ltd.	3 months	LC Margin	6.75% ~ 8%	18,847,771	42,126,633
Al Arafah Islami Bank Limited	3 months	LC Margin	8.5% ~ 10.85%	-	22,186,616
Bank Al Falah Limited	3 months	LC Margin	12%	-	-
Bank Asia Limited	3 months	LC Margin	8%	31,653,283	34,100,574
Commercial Bank of Ceylon plc	3 months	LC Margin	5%	13,428,617	24,097,797
The City Bank Limited	3 months	LC Margin	6% ~ 8.25%	18,145,437	11,859,035
Dhaka Bank Limited	3 months	LC Margin	5.5% ~ 6.75%	14,860,622	23,808,613
Dutch Bangla Bank Limited	3 months	LC Margin	5% ~ 6%	19,910,250	30,926,025
Habib Bank Limited	3 months	LC Margin	6%	7,700,000	-
IFIC Bank Limited	3 months	LC Margin	7%	280,000	10,000,000
Jamuna Bank Limited	3 months	LC Margin	8%	7,284,000	-
Mercantile Bank Limited	3 months	BG & LC Margin	7%	6,933,384	10,461,644
NCC Bank Limited	3 months	LC Margin	8%	13,212,929	42,925,091
National Bank Limited	3 months	LC Margin	9%	-	12,535,913
One Bank Limited	3 months	LC Margin	8.8%	-	10,293,000
Pubali Bank Limited	3 months	LC Margin	11%	-	-
State Bank of India	3 months	LC Margin	8.75%	13,540,000	-
Shahjalal Islami Bank Limited	3 months	LC Margin	8.50%	-	10,692,742
Social Islami Bank Limited	3 months	LC Margin	11%	-	-
Trust Bank Limited	3 months	LC Margin	6% ~ 6.75%	13,613,262	10,412,485
United Commercial Bank Ltd.	3 months	LC Margin	6% ~ 7.5%	31,004,229	-
Uttara Bank Limited	3 months	LC Margin	7.8%	-	10,526,496
				210,413,784	306,952,664

		Notes	2015 Taka	2014 Taka
14.a	Consolidated cash and cash equivalents			
	BSRM Steels Limited	14.00	468,886,084	521,092,776
	BSRM Iron & Steel Co. Ltd.		72,232,701	52,758,575
			541,118,785	573,851,351
15.00	Share capital			
	Authorized capital			
	475,000,000 Ordinary Shares of Tk. 10 each		4,750,000,000	4,750,000,000
	25,000,000 Preference Shares of Tk. 10 each		250,000,000	250,000,000
			5,000,000,000	5,000,000,000
	Issued, Subscribed and Paid-up capital			
	145,000,000 Ordinary Shares of Tk.10 each		1,450,000,000	1,450,000,000
	104,500,000 Ordinary Shares of Tk.10 each fully paid-up for consideration other than cash		1,045,000,000	1,045,000,000
	21,750,000 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares (For the Year 2009)		217,500,000	217,500,000
	54,250,000 Ordinary Shares of Tk. 10 each fully paid up as Bonus Shares (For the year 2010)		542,500,000	542,500,000
	16,275,000 Ordinary Shares of TK. 10 each Fully paid-up as Bonus Shares (For the year 2012)		162,750,000	162,750,000
			3,417,750,000	3,417,750,000
15.01	Classification of shares by holding			
	Class by number of shares	No. of Holders	No. of Shares	Holding (%)
	Less than 500	4,875	687,444	0.20%
	From 500 to 5,000	8,402	12,336,320	3.61%
	From 5,001 to 10,000	751	5,488,154	1.61%
	From 10,001 to 20,000	370	5,348,967	1.57%
	From 20,001 to 30,000	137	3,415,041	1.00%
	From 30,001 to 40,000	89	3,108,901	0.91%
	From 40,001 to 50,000	40	1,847,653	0.54%
	From 50,001 to 100,000	83	6,035,240	1.77%
	From 100,001 to 1,000,000	90	25,475,257	7.45%
	From 1,000,001 and above	21	278,032,023	81.35%
		14,858	341,775,000	100%

15.02 Composition of Shareholders at 31 December 2015

Name of shareholders	No. of Holders	No. of Shares	Holding (%)
Sponsor Shareholders	7	165,361,665	48.38%
Foreign Shareholders	7	1,230,421	0.36%
Other Shareholders	14,844	175,182,914	51.26%
	14,858	341,775,000	100%

15.03 Dividends

The following dividends were declared and paid/ payable by the company for the year:

15% Cash dividend (Tk. 1.5) per qualifying ordinary share
(For 2014 and 2013)

Notes	2015 Taka	2014 Taka
	512,662,500	512,662,500

During the year 2015, no amount was remitted in foreign currencies to non-resident shareholders as dividend.

After the reporting date, the following dividends were proposed by the Board of directors.

30% Cash dividend (Tk. 3) per qualifying ordinary share	1,025,325,000	-
15% Cash dividend (Tk. 1.5) per qualifying ordinary share	-	512,662,500
	1,025,325,000	512,662,500

16.00 Long term borrowings- non current portion

BD Finance & Investment Co. Ltd.	16.02	111,241,937	167,469,149
IPDC Limited	16.03	-	58,304,999
Jamuna Bank Limited	16.04	5,045,562	3,969,313
Meghna Bank Limited	16.05	112,050,395	155,230,764
United Leasing Co. Limited	16.06	29,096,839	46,922,934
Agrani Bank Limited	16.07	283,365,041	-
Al Arafah Islami Bank Limited	16.08	7,589,189	-
		548,388,963	431,897,159

16.01 Term loan for BMRE

Due within one (1) year	21.07	-	72,176,164
Due after more than one (1) year		-	-
		-	72,176,164

Terms of BMRE loan:

Lenders

Agrani Bank Ltd. has sanctioned an amount of Tk. 32 crore as term loan against BMRE.

Total loan facilities: Tk. 32 crore.

Interest rate

Interest rate was charged @ 12% per annum on half-yearly basis.

Disbursement

The first disbursement was made on 26.09.2010.

Repayments

Above term loan has been re-paid by 48 monthly installments starting from October 2011.

Securities

Registered Mortgage on project land, building on first ranking parri passu basis and hypothecation of Machinery, Furniture & Fixtures, Equipment etc.

Purpose

For acquisition of plant and machineries to enhance the production from 375,000 Metric Tons per year to 500,000 Metric Tons per year.

	Notes	2015	2014
		Taka	Taka
16.02 BD Finance & Investment Co. Ltd.			
Due within one (1) year	21.07	56,106,148	48,417,560
Due after more than one (1) year	16.00	111,241,937	167,469,149
		167,348,085	215,886,709

Terms of loan:

Lenders:

BD Finance has sanctioned an amount of Tk. 25 crore as term loan and disbursed the full amount within 2013.

Total loan facilities: Tk. 25 crore.

Interest rate:

Interest rate is 12% - 14% (2014: 15%) per annum and is calculated on monthly basis.

Disbursement:

Full disbursement was made on 26.08.2013.

Repayments

Above term loan is being re-paid in 60 monthly installments starting from September 2013.

Securities:

Post dated cheques for the total amount, Post dated cheques for monthly loan installments, personal guarantee of all directors of the company, corporate guarantee of H. Akberali & Co. Ltd.

	Notes	2015	2014
		Taka	Taka
16.03 IPDC Limited			
Due within one (1) year	21.07	56,889,847	50,125,183
Due after more than one (1) year	16.00	-	58,304,999
		56,889,847	108,430,182

Terms of loan:

Lenders:

Industrial Promotional and Development Company of Bangladesh has sanctioned an amount of Tk. 15 crore as term loan and disbursed the full amount within 2013.

Total loan facilities: Tk. 15 crore.

Interest rate:

Interest rate is 13% per annum.

Disbursement:

Full disbursement was made on 17.12.2013.

Repayments

Above term loan is being re-paid in 12 quarterly installments starting from March 2014.

Securities:

Floating charge by way of hypothecation on all the movable assets of BSL duly registered with RJSC, Legally enforceable Corporate Guarantee of BSRM Limited, Pledge of dematted shares in the capital of BSRMSL covering 125% of exposure against this facility, Personal Guarantee of all the sponsor directors, Post dated cheques for the total amount, Post dated cheques for quarterly loan installments, Demand Promissory note along with letter of continuation.

Purpose:

To meet working capital requirement.

	Notes	2015	2014
		Taka	Taka
16.04 Jamuna Bank Limited			
Due within one (1) year	21.07	20,327,362	6,626,212
Due after more than one (1) year	16.00	5,045,562	3,969,313
		25,372,924	10,595,525

Terms of loan:**Lenders:**

Jamuna Bank Limited has sanctioned Tk. 3.767 crore and Tk. 1 crore as term loan and disbursed Tk. 3.756 crore up to the reporting period.

Total loan facilities: Tk. 3.767 crore.

Interest rate:

Interest rate is 13% - 14% per annum.

Disbursement:

Last disbursement was made on 08.04.2015.

Repayments

Above term loan will be re-paid in 8 quarterly installments (with six months' grace period).

Securities:

Modification of charge with RJSC on inventory and machinery installed through BMRE. Cross corporate guarantee of the company and also personal guarantee of all directors. Signed security cheques covering each installment.

Purpose:

To import Magnet Cranes for own use.

	Notes	2015	2014
		Taka	Taka
16.05 Meghna Bank Limited			
Due within one (1) year	21.07	41,530,113	35,900,819
Due after more than one (1) year	16.00	112,050,395	155,230,764
		153,580,508	191,131,583

Terms of loan:

Lenders:

Meghna Bank Limited has sanctioned an amount of Tk. 20 crore as term loan and disbursed the full amount within 2014.

Total loan facilities: Tk. 20 crore.

Interest rate:

Interest rate is 13.5% - 14% per annum.

Disbursement:

Full disbursement was made on 03.02.2014.

Repayments

Above term loan is being re-paid in 54 monthly installments starting from September 2014.

Securities:

Lien of 29.20 lac shares of BSRM Steels Limited and personal guarantee of all directors of the company. Post dated cheques covering the facility.

Purpose:

To set up a warehouse at Jangal, Madanpur, Narayanganj.

	Notes	2015	2014
		Taka	Taka
16.06 United Leasing Co. Limited			
Due within one (1) year	21.07	17,754,589	15,236,008
Due after more than one (1) year	16.00	29,096,839	46,922,934
		46,851,428	62,158,942

Terms of loan:

Lenders:

United Leasing Company has sanctioned an amount of Tk. 7 crore as term loan and disbursed the full amount within 2014.

Total loan facilities: Tk. 7 crore.

Interest rate:

Interest rate is 12% - 14% per annum.

Disbursement:

Full disbursement was made on 29.05.2014.

Repayments

Above term loan is being re-paid in 48 monthly installments starting from June 2014.

Securities:

Charge creation with RJSC on all fixed and floating assets covering value of loan. Personal guarantee of all directors and a post dated cheque amount of Tk. 94,365,120 in favour of ULC to cover the loan.

Purpose:

To meet working capital requirement.

	Notes	2015	2014
		Taka	Taka
16.07 Agrani Bank Limited			
Due within one (1) year		-	-
Due more than one (1) year	16.00	283,365,041	-
		283,365,041	-

Terms of loan:**Total Loan facility:**

Tk.55 Crore

Interest Rate:

14.5% - 15.50%.p.a.and subject to change

Disbursement:

The last disbursement was made on 17.06.15.

Repayment:

Loan facility will be repaid in 60 monthly installment.

Securities:

- i) Registered mortgage of Tk 55 crore on project land building and hypothecation of machinery.
- ii) Personal guarantee of all the directors of the company.
- iii) Corporate guarantee of BSRM Group.

Purpose:

For acquisition of plant machineries to enhance the production from 600,000 Metric Tons to 700,000 Metric Tons.

	Notes	2015	2014
		Taka	Taka
16.08 Al Arafah Islami Bank Limited			
Due within one (1) year	21.07	4,241,957	-
Due after more than one (1) year	16.00	7,589,189	-
		11,831,146	-

Terms of loan:**Total Loan facility:**

TK.137.7 lac

Interest Rate:

13% per annum subject to be changed by the bank from time to time.

Disbursement:

The first disbursement was made on 21 June 2015.

Repayment:

In 36 equal monthly installments along with monthly rent to be started from the 1st month of disbursement and be realized within the 10th of every month.

Securities:

- i) Hypothecation of machinery to be imported as per quotation till full adjustment of bank's dues.
- ii) LC @ 5% cash margin and HPSM (machinery) @ 10% client equity.
- iii) personal guarantee of all directors of the company.
- iv) Company's equity of Tk 15.30 lac to be deposited first before Creating HPSM (machinery).
- v) Required number of post dated cheques to be submitted for realization of monthly installment & one cheque covering the limit.
- vi) Corporate guarantee of BSRM Wires Ltd.

Purpose:

To Import Capital Machinery from South Korea.

		Notes	2015 Taka	2014 Taka
16.a Consolidated long term borrowings- non current portion				
BSRM Steels Limited	16.00		548,388,963	431,897,159
BSRM Iron & Steel Co. Ltd.			110,996,642	182,703,317
			659,385,605	614,600,476
17.00 Defined benefit obligations - Gratuity				
Opening balance			39,019,866	26,291,272
Provision made during the period	27.04, 28 & 29		17,080,972	12,842,618
			56,100,838	39,133,890
Payment made during the period			(225,014)	(114,024)
			55,875,824	39,019,866
17.a Consolidated defined benefit obligations - Gratuity				
BSRM Steels Limited	17.00		55,875,824	39,019,866
BSRM Iron & Steel Co. Ltd.			18,707,622	14,009,609
			74,583,446	53,029,475
18.00 Current tax liability				
Opening balance			495,092,588	496,867,314
Add: Provided for the year			560,347,182	369,138,077
Less: Over Provision for Previous year			(167,010,975)	-
			393,336,207	369,138,077
			888,428,795	866,005,391
Income tax paid			(328,081,613)	(370,912,803)
Closing balance			560,347,182	495,092,588

Year wise income taxes assessment status is as follows:

Accounting Year	Assessment Year	Opening balance (Taka)	Charged/ (credited) to profit or loss (Taka)	Adjusted/paid during the year (Taka)	Closing balance (Taka)	Remarks
Prior to 2013	-	-	-	-	-	Assessment completed
2013	2014-2015	-	-	-	-	Under Tax audit
2014	2015-2016	495,092,588	(167,010,975)	(328,081,613)	-	Assessment completed
2015	2015-2016	-	560,347,182		560,347,182	Return due by 15 July 2016

- 18.01** The company, following decision of the Board of Directors in its Meeting held on 7 March, 2012 filed a Writ Petition on 22 March, 2012 before the High Court Division of Supreme Court of Bangladesh challenging the legality of Section 16CCC of Income Tax Ordinance 1984 imposing minimum income tax of 0.50% (currently 0.30%) of the gross receipts of the company regardless of profit or loss as per financial statements. Accordingly, the High Court issued a Rule Nisi calling the Government Authorities to show cause as to why Section 16CCC of the Income Tax Ordinance 1984 should not be declared to be illegal and of no legal effect and pending hearing of the Rule restrained the Government Authorities from charging minimum tax under the said Section. In view of above, no provision for income tax up to 2012 envisaged u/s 16CCC has been made in the financial statements.

	Notes	2015	2014
		Taka	Taka
18.a Consolidated current tax liability			
BSRM Steels Limited	18.00	560,347,182	495,092,588
BSRM Iron & Steel Co. Ltd.		-	-
		560,347,182	495,092,588

19.00 Deferred tax liability

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

Opening balance	729,338,236	680,299,907
<u>Provided/ (adjusted) during the year:</u>		
Investments in associates	83,053,812	-
Adjusted for gratuity	(3,238,493)	(3,500,363)
Deferred tax to revaluation surplus of PPE (excluding land)	(10,875,188)	-
For temporary difference of PPE (excluding land)	38,920,108	58,834,854
Adjusted for impact of excess depreciation on revaluation surplus	(5,437,594)	(6,296,162)
Closing balance	831,760,881	729,338,236

Reconciliation of Deferred tax liabilities/(assets) is as follows:

	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
		Taka	Taka	Taka	Taka
As on 31 December 2015					
Property, plant and equipment (other than land)	25%	4,714,608,845	1,663,904,744	3,050,704,101	762,676,025
Intangible assets (Software)	25%	-	-	-	-
Provision for gratuity	25%	(55,875,824)	-	(55,875,824)	(13,968,956)
Investment in Associates	15% - 20%	1,569,466,903	1,000,000,000	569,466,903	83,053,812
Deferred tax liability					831,760,881

	Notes	2015 Taka	2014 Taka
19.a Consolidated deferred tax liability			
BSRM Steels Limited	19.00	831,760,881	729,338,236
BSRM Iron & Steel Co. Ltd.		399,924,447	159,869,074
		1,231,685,328	889,207,310
20.00 Trade payables			
Bangladesh Steel Re-Rolling Mills Limited		-	45,173,981
BSRM Logistics Limited		9,428,567	8,111,629
Others		24,194,965	-
		33,623,532	53,285,610

This represents amounts payable against supply of raw materials and services.

20.a Consolidated trade payables			
BSRM Steels Limited	20.00	33,623,532	53,285,610
BSRM Iron & Steel Co. Ltd.		44,861,480	43,951,569
Less: Intra group elimination		(16,998,485)	-
		61,486,527	97,237,179
21.00 Short term borrowings			
Short term borrowings	21.01	12,650,676,709	17,024,368,151
Long term borrowings-current portion	21.07	196,850,016	228,481,946
		12,847,526,725	17,252,850,097
21.01 Short term borrowings			
Loan against Trust Receipt (LATR)	21.02	45,151,458	344,471,999
Time loan	21.03	3,300,397,200	1,789,574,763
Demand Loan	21.04	5,459,085,534	3,958,717,700
Bank overdraft and cash credit	21.05	671,099,853	190,029,502
Factoring Loan-United Leasing Co. Limited		18,974,277	34,515,394
Liability for accepted bills for payment (ABP)	21.06	3,155,968,387	10,707,058,793
		12,650,676,709	17,024,368,151

	2015	2014
	Taka	Taka
21.02 Loan against Trust Receipt (LATR)		
Al Arafah Islami Bank Limited	2,444,040	1,327,378
IFIC Bank Limited	1,784,239	16,566,766
Mercantile Bank Limited	125,406	13,744,673
Premier Bank Limited	12,290,398	1,512,180
Uttara Bank Limited	28,507,375	12,692,692
HSBC Limited	-	10,218,396
National Credit and Commerce Bank Limited	-	217,797,582
Pubali Bank Limited	-	1,088,343
Social Islami Bank Limited	-	69,523,989
	45,151,458	344,471,999
21.03 Time Loan		
Jamuna Bank Limited	261,026,673	432,360,045
Uttara Bank Limited	201,565,000	507,922,630
Prime Bank Limited	1,945,035,084	-
HSBC Limited	300,000,000	-
IPDC Limited	50,179,236	-
Shahjalal Islami Bank Limited	523,222,223	-
AB Bank Limited	19,368,984	-
BRAC Bank Limited	-	609,626,796
NRB Bank Limited	-	99,766,446
United Commercial Bank Limited	-	139,898,846
	3,300,397,200	1,789,574,763
21.04 Demand Loan		
Eastern Bank Limited	2,149,150,455	1,172,323,988
Dutch Bangla Bank Limited	1,029,579,249	222,616,283
The City Bank Limited	821,011,167	884,666,839
Standard Chartered Bank	399,727,500	40,166,084
Commercial Bank of Ceylon plc	526,343,889	-
IFIC Bank Limited	533,273,274	-
Bank Asia Limited	-	696,659,006
National Credit & Commerce Bank Limited	-	942,285,500
	5,459,085,534	3,958,717,700
21.05 Bank overdraft, SOD and cash credit		
Bank Alfalah Limited - OD	101,073,551	94,503,386
AB Bank Limited - OD	5,355,803	204,285
BRAC Bank Limited - OD	303,837,903	9,421,293
Dhaka Bank Limited - OD	206,341	603,498
Dutch Bangla Bank Limited - OD	175,053,660	138,509,041
National Credit and Commerce Bank Limited - CC	45,892,039	(137,903,261)
National Credit and Commerce Bank Limited - SOD	16,230,854	1,923,174
Premier Bank Limited - SOD	12,106,927	23,677,876
Premier Bank Limited - CC	14,397,535	20,239,270
Pubali Bank Limited	119,462	13,001,323
South Bangla Agriculture & Commerce Bank Limited - SOD	(1,368,106)	22,031,331
Uttara Bank Limited - CC	(1,806,116)	3,818,286
	671,099,853	190,029,502

	Notes	2015	2014
		Taka	Taka
21.06 Liability for accepted bills for payment (ABP)			
AB Bank Limited		271,682,041	592,605,088
Bank Asia Limited		146,085,458	1,060,461,498
Commercial Bank of Ceylon plc.		131,546,305	428,166,895
Dhaka Bank Limited		130,237,715	230,226,434
Dutch Bangla Bank Limited		252,980,806	625,207,492
Eastern Bank Limited		125,456,705	633,576,519
Habib Bank Limited		146,308,563	208,430,300
HSBC Limited		252,074,183	589,317,090
IFIC Bank Limited		127,406,460	443,406,915
Mercantile Bank Limited		131,606,218	337,355,379
National Credit and Commerce Bank Limited		257,501,860	617,198,633
Prime Bank Limited		146,190,637	218,253,945
Shajalal Islami Bank Limited		130,237,291	187,870,474
Standard Chartered Bank		129,538,217	1,038,702,710
Trust Bank Limited		120,295,106	841,126,498
United Commercial Bank Limited		253,152,142	210,264,969
BRAC Bank Limited		120,288,315	-
Jamuna Bank Limited		143,792,199	-
State Bank of India		139,588,166	-
Al Arafah Bank Limited		-	450,385,930
Islami Bank Limited		-	630,376,119
National Bank Limited		-	269,670,042
One Bank Limited		-	221,151,545
Pubali Bank Limited		-	275,307,365
Premier Bank Limited		-	192,529,940
The City Bank Limited		-	185,349,216
Uttara Bank Limited		-	220,117,797
		3,155,968,387	10,707,058,793

21.07 Long term borrowings-current portion

This represent current portion of long term loans from financial institutions which are repayable within next twelve months from January, 2016 and consist of as follows:

Term loan for BMRE	16.01	-	72,176,164
BD Finance & Investment Co. Ltd.	16.02	56,106,148	48,417,560
IPDC Limited	16.03	56,889,847	50,125,183
Jamuna Bank Limited	16.04	20,327,362	6,626,212
Meghna Bank Limited	16.05	41,530,113	35,900,819
United Leasing Co. Limited	16.06	17,754,589	15,236,008
Al Arafah Islami Bank Limited	16.08	4,241,957	-
		196,850,016	228,481,946

		Notes	2015 Taka	2014 Taka
21.a Consolidated short term borrowings				
BSRM Steels Limited	21.00		12,847,526,725	17,252,850,097
BSRM Iron & Steel Co. Ltd.			1,860,647,589	3,423,166,842
			14,708,174,314	20,676,016,939
22.00 Current account with related companies			-	-
22.a Consolidated current account with related companies				
BSRM Steels Limited	22.00		-	-
BSRM Iron & Steel Co. Ltd.			395,858,419	544,432,310
Less: Intra group elimination			(395,858,419)	(542,787,176)
			-	1,645,134
23.00 Liabilities for expenses				
Advertisement expenses			48,509,041	45,723,444
Audit Fees			569,250	445,500
Bank Guarantee			993,569	17,707,745
Brokerage and commission			60,000,000	65,400,000
C & F Bill Payable			201,279	158,774
Carrying expenses			99,819,285	157,196,454
Consultancy fees			113,483	559,930
Domiciliary expenses			798,051	692,285
Gas bill payable			10,000,000	6,219,628
Godown rent			1,254,669	-
Liability against supply of goods / services			3,801,544	21,016,850
Printing and stationeries			4,273,867	372,613
Production incentive payables			3,325	945,588
Rent payables			18,587	6,805
Salary & Allowances			2,091,029	17,547,862
Sales promotion expenses			2,870,829	2,315,345
Travelling Bill			3,700	750
Others			1,890,628	25,135,389
			237,212,136	361,444,962
23.a Consolidated liabilities for expenses				
BSRM Steels Limited	23.00		237,212,136	361,444,962
BSRM Iron & Steel Co. Ltd.			19,958,141	18,762,580
			257,170,277	380,207,542
24.00 Provision for WPPF and Welfare Fund				
Opening balance			79,677,893	95,872,044
Add: Provided during the year			132,559,843	79,677,893
Less: Paid during the year			(79,677,893)	(95,872,044)
Closing balance			132,559,843	79,677,893

	Notes	2015 Taka	2014 Taka
24.a Consolidated provision for WPPF and Welfare Fund			
BSRM Steels Limited	24.00	132,559,843	79,677,893
BSRM Iron & Steel Co. Ltd.		13,096,948	11,992,391
		145,656,791	91,670,284
24.a.i Consolidated contribution to WPPF and Welfare Fund			
BSRM Steels Limited	24.00	132,559,843	79,677,893
BSRM Iron & Steel Co. Ltd.		13,096,948	11,992,391
		145,656,791	91,670,284
25.00 Other liabilities			
Advance against sales		334,761,177	137,137,747
Income Tax deducted at source from salary		-	2,047,117
Security Deposit		20,424,283	15,888,625
Income Tax deducted at source-others		3,668,136	7,373,390
VAT deducted at source		1,176,944	1,359,716
Earnest/Retention Money		9,516,877	17,703,841
Liability against fractional bonus share		1,163,929	1,163,929
Unclaimed dividend		10,743,372	7,206,599
Liability against share application money		7,581,814	7,581,814
Interest payable		11,582,900	3,041,622
Provision for bad debts		621,777	621,777
Provident fund		1,276,003	1,822,746
		402,517,212	202,948,923
Income Tax and VAT deducted at source have subsequently been deposited to the Government Exchequer.			
25.a Consolidated other liabilities			
BSRM Steels Limited	25.00	402,517,212	202,948,923
BSRM Iron & Steel Co. Ltd.		443,731,904	110,956,871
Less: Intra group elimination		(430,000,000)	-
		416,249,116	313,905,794
26.00 Revenue			
Xtreme 500W		30,277,443,123	36,882,370,602
D-Bar Grade-B420DWR		1,286,976,758	97,097,872
D-Bar GR 400		182,218,238	941,661,831
D-Bar Grade-75		265,293,328	223,489,460
D-Bar GR300		24,230,518	-
Miss Rolls		279,938,597	391,316,989
		32,316,100,562	38,535,936,754
26.01 Break-up of Revenue			
Local sales		31,073,168,721	37,479,406,719
Export sales		1,242,931,841	1,056,530,035
		32,316,100,562	38,535,936,754

Total export sales for the period was USD 15,942,023 against export of 23,733.01 MT of goods.

		Notes	2015 Taka	2014 Taka
26.a Consolidated revenue				
BSRM Steels Limited	26.00		32,316,100,562	38,535,936,754
BSRM Iron & Steel Co. Ltd.			7,916,119,496	9,374,112,186
Less: Intra group sales by subsidiary			(6,738,991,407)	(9,338,943,637)
			33,493,228,651	38,571,105,303
27.00 Cost of sales				
Cost of sales- own production	27.01		27,085,241,456	35,455,365,915
Cost of sales-finished goods procured and sold	27.02		862,205,691	273,246,337
			27,947,447,147	35,728,612,252
27.01 Cost of sales-own production				
Opening stock of raw materials			8,694,060,297	523,010,501
Add: Purchase			21,138,945,355	39,463,570,525
			29,833,005,652	39,986,581,026
Less: Closing stock of raw materials	10.00		(3,882,064,212)	(8,694,060,297)
Raw materials consumed			25,950,941,440	31,292,520,729
Add: Manufacturing expenses				
Salary and wages			130,612,454	112,253,880
Overtime			2,203,215	1,925,779
Casual wages			6,071,592	10,114,057
Factory overhead	27.04		155,288,351	173,669,592
Power			346,163,628	352,134,455
Gas			115,170,784	105,255,777
Management expenses			180,855,914	171,664,309
Fuel and Lubricants consumption			161,115,779	202,914,871
Mechanical store consumption			154,530,506	133,451,642
MS Roll consumption			42,698,884	39,629,960
Electrical store consumption			53,010,738	27,557,879
General store consumed			6,053,057	5,217,351
Rental expenses			5,436,924	2,772,508
Depreciation	4.00		209,182,749	201,834,665
			1,568,394,575	1,540,396,725
Cost of Goods Manufactured			27,519,336,015	32,832,917,454
Less: Closing stock of Work-in-Progress			(2,885,874)	-
			27,516,450,141	32,832,917,454
Add: Opening stock of Finished Goods			1,881,977,698	4,504,426,159
			29,398,427,839	37,337,343,613
Less: Closing stock of Finished Goods	10.00		(2,313,186,383)	(1,881,977,698)
Cost of sales - own production			27,085,241,456	35,455,365,915
27.02 Cost of sales-finished goods procured and sold				
Opening stock of finished goods			8,702,296	52,542,652
Add: Finished goods purchased from outside			868,596,578	229,405,981
			877,298,874	281,948,633
Less: Closing stock of finished goods	10.00		(15,093,183)	(8,702,296)
Cost of sales-finished goods procured and sold			862,205,691	273,246,337

27.03 Quantitative movement of inventories	Notes	2015	2014
		M. Tons	M. Tons
Raw Materials			
Opening stock		182,813	10,744
Add: Imported during the year		314,386	567,543
Add: Purchased from related companies		240,402	242,774
		737,601	821,061
Less: Consumed /Sold during the year		618,293	640,892
Add: Adjustment / Return		161	2,644
Closing stock		119,469	182,813
Finished Goods			
Opening stock		37,372	89,458
Add: Produced during the year		602,832	623,918
Add: Purchased from related companies & others		17,183	3,799
Add: Stock adjustment		3,567	-
Stock available for sale		660,954	717,175
Less: Sold during the period		604,513	679,803
Closing stock		56,442	37,372
27.04 Factory overhead		Taka	Taka
Bonus		4,774,257	4,311,950
Car Allowance		1,018,849	1,055,364
Carrying charges -Finished goods		31,329,527	57,413,326
Carrying charges -Raw materials		66,459,308	68,233,484
Consulting Fees		677,011	1,110,950
Conveyance expenses		7,694,805	7,262,544
Domiciliary Expenses		504,877	5,958
Electric expenses		786,554	192,853
Entertainment		4,105,084	3,770,277
Ex-Gratia allowance		145,700	162,950
Factory office expenses		152,018	353,339
Fees & Renewals		78,456	622,235
Gratuity	17.00	8,860,031	6,589,631
Guest house expenses		548,975	525,151
Guest house rent		1,704,700	1,474,610
Insurance expenses		3,183,911	3,463,926
Leave assistance		30,000	95,000
Medical expenses		651,506	1,418,688
Mobile/Telephone expenses		2,900	13,200
Motor Car Expenses		231,880	291,648
Paper and periodical		6,920	7,706
Postage and telegram		18,010	20,025
Repair and maintenance of buildings		5,495,093	1,722,992
Repair and maintenance of machineries		10,919,809	4,513,424
Repairs and maintenance- others		2,267,546	6,323,036
Stationery		2,708,130	1,835,854
Testing charges		50,100	32,300
Travelling Expenses		882,395	602,993
Generator expenses		-	244,178
		155,288,351	173,669,592

	Notes	2015 Taka	2014 Taka
27.05 Value of imports on C.I.F basis			
Raw materials		10,174,663,834	26,934,627,345
Components and spare parts		210,680,424	210,342,924
Capital goods		393,343,474	42,477,230

27.06 Consumption of imported and domestic materials and spares

	2015		2014	
Raw materials:	Taka	%	Taka	%
Imported	14,523,905,379	56%	20,992,727,284	67%
Local	11,427,036,061	44%	10,299,793,445	33%
	25,950,941,440	100%	31,292,520,729	100%
Spare parts and components:				
Imported	223,344,074	54%	174,075,209	43%
Local	194,064,890	46%	234,696,494	57%
	417,408,964	100%	408,771,703	100%

27.a Consolidated cost of sales

BSRM Steels Limited	27.00	27,947,447,147	35,728,612,252
BSRM Iron & Steel Co. Ltd.		7,476,448,079	8,687,937,171
Less: Intra group sales by subsidiary to BSRM Steels Limited		(6,738,991,407)	(9,338,943,637)
Less: Adjustment for unrealized profit on opening inventory		(7,141,226)	(1,656,093)
Add: Provision for unrealized profit on closing inventory		514,607	7,141,226
		28,678,277,200	35,083,090,919

28.00 Selling and distribution costs

Advertisement		168,997,780	162,722,247
Brokerage and commission		99,386,688	151,012,413
Car allowance		2,682,540	1,718,000
Carriage on sales		278,353,003	217,512,214
Conveyance expenses		3,222,579	3,246,826
Depreciation expenses	4.00	11,813,911	3,602,040
Electricity expenses-Depot		1,611,552	1,405,071
Entertainment		13,593,615	17,787,642
Export charges		2,118,062	2,871,302
Fees & Renewals		161,522	1,252,516
Generator Rent & fuel		34,521	138,975
Gratuity expenses	17.00	2,105,687	2,829,537
Internet expenses		300,521	429,309
Leave assistance		265,239	120,000
Legal expenses		6,058	61,760
Medical expenses		514,610	488,968
Motor car expenses		35,353	3,076,359
Motor cycle allowance		1,372,103	941,787

	Notes	2015 Taka	2014 Taka
Office expenses		1,243,927	2,441,402
Paper & periodicals		38,015	82,069
Printing Charges		10,630,864	4,644,149
Repair and maintenance of building		763,802	144,356
Repair and maintenance- others		1,227,045	41,725
Salaries & Allowances		73,386,572	49,159,781
Sales promotion expenses		79,952,772	32,912,986
Stationery expenses		168,873	447,304
Testing Charges		2,093,289	1,629,420
Travelling expenses		8,291,473	6,550,906
Warehouse rent		3,332,213	3,101,367
Royalty Expenses	28.01	90,676,909	-
Bad & Doubtful Debt expenses		266,795	-
Loss on Goods in Transit		-	437,356
Professional & consultant fee		-	168,900
		858,647,893	672,978,687

28.01 The trademark 'Xtreme 500W' has been registered in the name of 'H. Akberali & Co. Limited' (HACL) from the department of Patents, Designs and Trademark of Government of Bangladesh under section 20(2) of the Trademark Act 2009. The company is paying royalty to HACL @ Tk. 150 per MT on its sold quantity from 01 January 2015 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.

28.a Consolidated selling and distribution cost

BSRM Steels Limited	28.00	858,647,893	672,978,687
BSRM Iron & Steel Co. Ltd.		-	-
		858,647,893	672,978,687

29.00 Administrative costs

Advertisement		1,051,896	714,637
Amortization	6.01	3,344,120	352,930
Audit and other fees		601,450	580,750
Bonus		3,548,494	3,071,902
Car allowance		3,117,527	3,112,246
Conveyance expenses		2,562,161	3,283,278
CSR expenses		18,981,845	4,060,407
Depreciation	4.00	18,464,703	21,006,483
Directors' remuneration	29.01	58,454,450	51,414,050
Domiciliary expenses		575,538	507,409
Donation and subscriptions		1,147,130	18,878,706
Electricity expenses		1,777,914	2,173,679
Entertainment		6,767,693	8,716,744
Fees and renewals		2,186,080	1,899,407
Generator expenses		44,510	57,198
Gratuity expenses	17.00	6,115,254	3,423,450

	Notes	2015	2014
		Taka	Taka
Health check-up scheme		13,450	36,140
Hospitalization scheme		416,766	413,071
Insurance expenses		2,875	48,533
Internet expenses		1,480,988	3,036,591
Land revenue		616,059	261,177
Leave assistance		730,000	370,000
Legal expenses		1,348,582	417,925
Maternity Scheme Benefit		822,795	395,097
Motor car expenses		2,984,794	2,633,634
Motor car repair		1,510,343	1,184,817
Motor cycle allowance		236,499	474,630
Office & miscellaneous expenses		900,748	2,517,140
Office rent		6,074,540	5,985,060
Paper and periodicals		552,726	549,988
Postage expenses		879,175	430,453
Printing		1,440,755	233,118
Professional & Consulting fee		5,832,803	1,592,048
Repair and maintenance of building		231,051	54,281
Repair and maintenance- others		6,519,763	6,374,061
Salaries and allowances		95,375,692	87,481,330
Stationery		3,227,196	3,438,532
Telephone expenses		3,245,952	1,551,198
Training expenses		1,221,199	965,129
Traveling expenses		4,067,753	5,423,925
Medical expenses		-	477,961
		268,473,270	249,599,115

29.01 Directors' remuneration

Details of directors' remuneration paid during the year are as follows:

Name	Gross Remuneration	Income Tax Deducted	Net Paid
Mr. Alihussain Akberali - Chairman	22,820,125	5,703,625	17,116,500
Mr. Aameir Alihussain - Managing Director	19,514,375	4,877,375	14,637,000
Mr. Zohair Taherali - Director	10,217,250	2,553,250	7,664,000
Mrs. Tehseen Zohair Taherali - Director	5,807,250	1,450,750	4,356,500
Mr. Mono Ranjan Dey - Independent Director (Attendance fee)	95,450	16,450	79,000
	58,454,450	14,601,450	43,853,000

In addition to remuneration, directors avail company vehicles for transportation purposes. No amount is lying as receivable from the directors.

The company in its 206th Borad Meeting held on 10 September 2015 has re-fixed the remuneration of all directors with effect from 01 July 2015.

		Notes	2015 Taka	2014 Taka
29.a Consolidated administrative cost				
BSRM Steels Limited	29.00		268,473,270	249,599,115
BSRM Iron & Steel Co. Ltd.			34,494,113	33,761,165
			302,967,383	283,360,280
30.00 Other operating income				
Gain/(loss) on sale of PPE			2,263,756	2,683,928
Miscellaneous income			14,135,539	5,403,222
			16,399,295	8,087,150
30.a Consolidated other operating income				
BSRM Steels Limited	30.00		16,399,295	8,087,150
BSRM Iron & Steel Co. Ltd.			13,218,321	8,274,014
			29,617,616	16,361,164
31.00 Finance costs				
Interest on cash credit			77,920,260	55,405,407
Interest on LATR			43,066,232	225,015,681
Interest on demand and time loan			879,111,888	579,360,172
Interest on term loan			89,201,356	88,772,216
Bank charges & others			7,671,348	29,132,985
Bank guarantee commission			143,909	792,339
Interest income from loan to related companies			(423,983,296)	(493,811,096)
Interest on syndicated term loan			-	1,449,707
Bill collection charge			-	863,649
			673,131,697	486,981,060
31.a Consolidated finance cost				
BSRM Steels Limited	31.00		673,131,697	486,981,060
BSRM Iron & Steel Co. Ltd.			164,047,951	426,688,759
Less: Intra group interest Income			(6,343,024)	(45,587,512)
			830,836,624	868,082,307
32.00 Finance income				
Interest on IPO deposit			7,856	4,288
Interest income from FDR			28,435,732	50,302,623
Interest on STD			13,060	5,482
Foreign currency exchange gain	32.01		11,716,105	129,685,151
Interest on trade debtors			26,224,261	7,707,535
			66,397,014	187,705,079
32.01 Foreign currency exchange gain/(loss)				
Realized foreign currency transaction gain			1,698,504	98,716,817
Unrealized foreign currency translation gain			10,017,601	30,968,334
			11,716,105	129,685,151

Foreign currency transaction gain/ loss

This represents net gain on transaction in foreign currency during the year.

Foreign currency translation gain/loss

This represents net gain on translation of foreign currencies into Bangladeshi Taka at the rate prevailing on reporting date.

	Notes	2015 Taka	2014 Taka
32.a Consolidated finance income			
BSRM Steels Limited	32.00	66,397,014	187,705,079
BSRM Iron & Steel Co. Ltd.		7,591,286	5,848,714
Less: Intra group interest Income		(6,343,024)	(45,587,512)
		67,645,276	147,966,281
33.00 Other Non Operating Income		-	-
33.a Consolidated Other Non Operating Income			
BSRM Steels Limited		-	-
BSRM Iron & Steel Co. Ltd.		-	7,570,500
		-	7,570,500
34.00 Share of loss of associate (Net of tax)			
Net loss attributable to the shareholders' of associate		(24,446,370)	(14,702,060)
Percentage of holding		25.35%	21.76%
Net loss attributable to BSRM Steels Ltd.		(3,878,425)	(3,199,602)
Excess of proportionate net assets' value of associate over acquisition cost		79,190,200	-
		75,311,775	(3,199,602)
35.00 Earnings per share (EPS)			
35.01 Basic EPS			
Profit attributable to the ordinary shareholders (Taka)		2,081,877,163	1,086,207,806
Weighted Average no. of shares outstanding during the year (Nos.)		341,775,000	341,775,000
Basic EPS (Tk)		6.09	3.18

Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding as on 31 December 2015 as per BAS-33: Earnings Per Share. No diluted EPS was required to be calculated for the year since there was no scope for dilution.

35.a Consolidated earnings per share (CEPS)			
Net profit after tax (Tk.)		2,096,851,089	1,239,217,057
Weighted Average number of ordinary shares outstanding during the period (Nos.)		341,775,000	341,775,000
Consolidated earnings per share (CEPS) as per share-attributable to equity holders of the parent (Tk.)		6.14	3.63

36.00 Related party transactions

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

Name	Relationship	Nature of Transactions	Mode of transaction	Closing balance (net) as on 31.12.2015
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Material supply/Short term Loan/Sale of Rod	Market price/negotiated price	440,410,498 Dr.
BSRM Iron and Steel Co. Limited	Subsidiary	Material supply, STL, etc.		412,856,904 Dr.
BSRM Ispat Limited	Sister Company	Inter Company Transactions		275,389,027 Dr.
BSRM Steel Mills Ltd.	Associate	Short term Loan, sales, etc.		641,740,255 Dr.
BSRM Logistics Limited	Sister Company	Sales, purchase, STL, etc.		301,449,603 Dr.
BSRM Metals Limited	Sister Company	Inter Company Transactions		58,296,932 Dr.
H. Akberali & Co. Ltd.	Sister Company	Short term Loan, sales, etc.		59,097,304 Dr.
Chittagong Power Company Ltd.	Sister Company	Inter Company Transactions		447,643,657 Dr.

36.01 Details of transactions

Name of companies	Opening balance (net)	Transaction during the year (net)	Closing balance (net)
	Tk.	Tk.	Tk.
Bangladesh Steel Re-Rolling Mills Limited	1,182,331,447 Dr.	(741,920,949)	440,410,498 Dr.
BSRM Iron and Steel Co. Ltd.	542,787,176 Dr.	(129,930,272)	412,856,904 Dr.
BSRM Ispat Limited	175,316,500 Dr.	100,072,527	275,389,027 Dr.
BSRM Steel Mills Limited	32,205,780 Dr.	609,534,475	641,740,255 Dr.
BSRM Logistics Limited	181,659,371 Dr.	119,790,232	301,449,603 Dr.
BSRM Metals Limited	32,070,000 Dr.	26,226,932	58,296,932 Dr.
H. Akberali & Co. Limited	39,999,321 Dr.	19,097,983	59,097,304 Dr.
Chittagong Power Company Ltd.	263,263,550 Dr.	184,380,107	447,643,657 Dr.
BSRM Wires Limited	53,086,805 Dr.	(53,086,805)	-
BSRM Recycling Industries Ltd.	82,171,848 Dr.	(82,171,848)	-

37.00 Contingent liabilities

Contingent liabilities at the reporting date are as follows:

37.01 Bank guarantee

	Notes	2015 Taka	2014 Taka
IFIC Bank Limited		11,175,837	15,961,555
HSBC Limited		779,500	779,500
Mercantile Bank Limited		12,912,500	10,912,500
Trust Bank Limited		-	912,431
Al Arafah Islami Bank Ltd.		-	2,636,194
		24,867,837	31,202,180

		Notes	2015 Taka	2014 Taka
37.02	Minimum tax liability under section 16 CCC of ITO, 1984	18.01	278,127,327	278,127,327
37.03	Claim against trade VAT by Customs, Excise & VAT authority.	13.07	23,053,915	23,053,915

38.00 Capital expenditure commitment

The company has acquired 335.45 decimals of land in Narayanganj (Mouja: Chapatoli & Kaudala; Thana: Bandar) for construction of warehouse. Estimated cost of construction of the warehouse will be Tk. 50 Crore.

39.00 Production capacity

Licensed Capacity (In M. Ton)- yearly	700,000	700,000
Installed Capacity (In M. Ton)- yearly (Capacity increase to 700,000 MT from 07 December 2015)	700,000	600,000
Production (In M. Ton)	602,832	623,918
Capacity utilized-Weighted (%)	99.5%	104%

The above mentioned production capacity represents the normal production capacity of the company (BSRM Steels Ltd.) only.

40.00 Employees

Number of employees whose salary was below Tk. 3,000	-	-
Number of employees whose salary was above Tk. 3,000	578	553
	578	553

The above mentioned number of employees represent employees working for BSRM Steels Ltd. (i.e. Parent Company) only.

41.00 Operating lease

Operating lease rentals as per BAS 17: Leases are payable as follows :

Within one year	10,912,890	15,684,884
Within 2 to 5 years	15,243,156	15,006,546
After 5 years	1,852,750	-
	28,008,796	30,691,430

42.00 Event after the reporting period

42.01 Issuance of Zero Coupon Bond (ZCB)

The company is going to issue unsecured non-convertible Zero Coupon Bonds (ZCB) having face value of Tk. 2,450,592,000 (Tk. 1,000 each) following the consent given by Bangladesh Securities and Exchange Commission (BSEC) on 28 December 2015 (received in January 2016) for raising fund through issuance of ZCB under private placement. Minimum subscription by an investor will be Tk. 5,000,000. Maturity of these Bonds will be from 6 months to 4 years from the date of issuance and will be redeemed accordingly in 8 installments. The indicative discount rate is expected to be 9.5% and the proceed from issuance of ZCB will be Tk. 2,000,000,000. The fund will be utilized to meet capital expenditures and investment in power project under the name of 'Chittagong Power Company Ltd.'. These bonds are expected to be issued within March 2016.

42.02 Proposed dividend

The Board of Directors at the meeting held on 10 February 2016 has recommended 30% cash dividend for the year 2015.

43.00 Financial risk management

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

The company management has overall responsibility for the establishment and oversight of the Company's risk management framework. The company's management policies are established to identify and analyze the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limit. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The Company has exposure to the following risks from its use of financial instruments:

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

43.01 Credit risk

Credit risk is the risk of a financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables and investments.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of steels (MS Rod and allied products).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2015	2014
	Taka	Taka
Investments in FDRs (Short term & long term)	477,162,914	527,054,998
Advances and deposits	2,554,191,955	1,007,964,702
Trade and other receivables	2,247,869,647	2,971,813,680
Due from sister companies	2,626,472,168	2,605,398,576
Cash at bank	256,153,075	211,644,064
	8,161,849,759	7,323,876,020
b) Ageing of receivables		
Dues within 3 months	1,713,967,443	2,201,670,586
Dues over 3 months but less than 6 months	121,604,854	113,394,866
Dues over 6 months	179,800,089	148,216,807
	2,015,372,386	2,463,282,259

43.02 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Contractual cash flows			
		Within 12 months	1 to 5 years	More than 5 years	Total
	Taka	Taka	Taka	Taka	Taka
As at 31.12.2015					
Long term loan	745,238,979	196,850,016	548,388,963	-	745,238,979
Defined benefit obligations - Gratuity	55,875,824	-	55,875,824	-	55,875,824
Trade creditors	33,623,532	33,623,532	-	-	33,623,532
Short term liabilities	12,650,676,709	12,650,676,709	-	-	12,650,676,709
Liabilities for expenses	237,212,136	237,212,136	-	-	237,212,136
Provision for WPPF and Welfare Fund	132,559,843	132,559,843	-	-	132,559,843
Other liabilities	402,517,212	402,517,212	-	-	402,517,212
	14,257,704,235	13,653,439,448	604,264,787	-	14,257,704,235

As at 31.12.2014					
Long term loan	660,379,105	228,481,946	431,897,159	-	660,379,105
Defined benefit obligations - Gratuity	39,019,866	-	39,019,866	-	39,019,866
Trade creditors	53,285,610	53,285,610	-	-	53,285,610
Short term liabilities	17,024,368,151	17,024,368,151	-	-	17,024,368,151
Liabilities for expenses	361,444,962	361,444,962	-	-	361,444,962
Provision for WPPF and Welfare Fund	79,677,893	79,677,893	-	-	79,677,893
Other liabilities	202,948,923	202,948,923	-	-	202,948,923
	18,421,124,510	17,950,207,485	470,917,025	-	18,421,124,510

43.03 Market risk

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

43.03.01 Currency risk exposure and its management

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

The Company is exposed to foreign currency risk relating to purchases and other transactions which are denominated in foreign currencies. As at 31 December 2015, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

Exposure to currency risk 31.12.2015	GBP	EURO	USD	Taka
Foreign currency denominated assets:				
Cash and cash equivalents	-	-	156,077.9	12,166,270
Trade and other receivables	-	-	1,920,784.8	149,725,179
	-	-	2,076,862.7	161,891,449
Foreign currency denominated liabilities:				
Liability for accepted bills for payment (ABP)	-	-	40,487,086.4	3,155,968,387
	-	-	40,487,086.4	3,155,968,387
Net exposure	-	-	42,563,949.2	3,317,859,836
31.12.2014	GBP	EURO	USD	Taka
Foreign currency denominated assets:				
Cash and cash equivalents	7.1	325.7	97,806.1	7,650,551
Trade and other receivables	-	-	-	-
	7.1	325.7	97,806.1	7,650,551
Foreign currency denominated liabilities:				
Liability for accepted bills for payment (ABP)	-	-	137,358,034.6	10,707,058,793
	-	-	137,358,034.6	10,707,058,793
Net exposure	7.1	325.7	137,455,840.6	10,714,709,344

The following significant exchange rate is applied during the year:

	2015	2014
US dollar	77.95	77.95
EURO	83.88	86.66
GBP	114.40	106.75

Sensitivity analysis

A reasonably possible strengthening (weakening) of the foreign currencies against BD Taka at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity- net of tax	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
31 December 2015				
USD (2% movement)	(62,876,042)	62,876,042	(47,157,032)	47,157,032
EURO	-	-	-	-
GBP	-	-	-	-
31 December 2014				
USD (2% movement)	(213,988,745)	213,988,745	(160,491,558)	160,491,558
EURO (2% movement)	565	(565)	423	(423)
GBP (2% movement)	15	(15)	11	(11)

43.03.02 Transaction risk

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

43.03.03 Economic risk

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

43.03.04 Interest risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to re-pay debts as they fall due and to minimize the risks surrounding interest payments and receipts.

Exposure to interest rate risk

The interest rate profile of the company's interest- bearing financial instruments as reported to the management of the company is as follows.

Fixed- rate instruments

	2015	2014
	Taka	Taka
Financial assets	3,103,635,082	3,132,453,574
Financial liabilities	(13,395,915,688)	(17,684,747,256)
	(10,292,280,606)	(14,552,293,682)

Variable- rate instruments

Financial assets	-	-
Financial liabilities	-	-
	-	-

Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

	Carrying amount											
	Fair value through profit or loss		Held to maturity		Loans and receivables		Available for sale		Other financial liabilities		Total	
	Taka		Taka		Taka		Taka		Taka		Taka	
31 December 2015												
Financial Assets not measured at fair value:												
Trade and other receivables	-		-		2,247,869,647		-		-		2,247,869,647	
Due from inter companies	-		-		2,626,472,168		-		-		2,626,472,168	
Investments in FDRs	-		-		-		477,162,914		-		477,162,914	
Cash at bank	-		-		256,153,075		-		-		256,153,075	
	-		-		5,130,494,890		477,162,914		-		5,607,657,804	
Financial Liabilities not measured at fair value:												
Trade and other payables	-		-		-		-		33,623,532		33,623,532	
Short term liabilities	-		-		-		-		12,650,676,709		12,650,676,709	
Long term loan	-		-		-		-		745,238,979		745,238,979	
Other liabilities	-		-		-		-		402,517,212		402,517,212	
	-		-		-		-		13,832,056,432		13,832,056,432	
31 December 2014												
Financial Assets not measured at fair value:												
Trade and other receivables	-		-		2,971,813,680		-		-		2,971,813,680	
Due from inter companies	-		-		2,605,398,576		-		-		2,605,398,576	
Investments in FDRs	-		-		-		527,054,998		-		527,054,998	
Cash at bank	-		-		211,644,064		-		-		211,644,064	
	-		-		5,788,856,320		527,054,998		-		6,315,911,318	
Financial Liabilities not measured at fair value:												
Trade and other payables	-		-		-		-		53,285,610		53,285,610	
Short term liabilities	-		-		-		-		17,024,368,151		17,024,368,151	
Long term loan	-		-		-		-		660,379,105		660,379,105	
Other liabilities	-		-		-		-		202,948,923		202,948,923	
	-		-		-		-		17,940,981,789		17,940,981,789	

DIRECTORS' & AUDITORS' REPORT AND FINANCIALS 2015 OF SUBSIDIARY

**BSRM Iron & Steel Co. Ltd.
As at and for the year ended
31st December 2015**

DIRECTORS' REPORT

Dear Shareholders

It is my pleasure to welcome all of you to the 11th Annual General Meeting (AGM) of **BSRM Iron & Steel Co. Ltd.** We have passed another operational year of BSRM Iron & Steel Co. Ltd. involved in producing M.S. Billets. Year 2015 was the sixth year of operation since commencement of business.

It is my privilege to place before you the Directors' Report and Audited Financial Statements for the year ended 31st December 2015 for your review, approval and adoption.

Review of Operation

In the year 2015, the company's production was decreased by 2.42% while sales were also decreased by 2.68%. In 2015, your company produced 1,76,312 MT Billet and sold 1,77,199 M.T. Billet. The main reason for less Production and Sales quantity was shut-down of Plant for one week due to emergency maintenance work of Air Pollution Control System. Sales in terms of value were decreased by 15.55% than that of 2014 due to drastic fall of Raw Material price in international market.

Sales were constrained to the parent company and other group concerns. Company had also to battle with the volatile price of scrap both in home and abroad.

Operating Results

Particulars	Amount in Crore Taka	
	2015	2014
Sales	791.61	937.41
Gross Profit	43.97	68.62
Profit before int. taxes & WPPF	41.84	66.07
Less: Interest & WPPF	16.95	43.28
Less: Income Tax	24.01	6.86
Net Profit	0.88	16.68
EPS in Taka	0.08	1.52
Net Assets Value	233.47	232.59
Net Assets Value Per Share in Taka	21.22	21.14

Directors

In accordance with the provision of the Article of Association of the company Mr. Aameir Alihussain & Mrs. Sabeen Aameir, the two directors of the company, representing one third of the number of existing directors retire by rotation in the Annual General Meeting and being eligible Mr. Aameir Alihussain & Mrs. Sabeen Aameir offer themselves for re- appointment.

Dividend

Directors didn't recommend any dividend for the year ended December 31, 2015 rather recommended to utilize the retained earnings for completion of ongoing projects/further renovation.

Auditors

The Company's Auditors M/s Basu Banerjee Nath & Co., Chartered Accountants, retire and are eligible for reappointment. Boards of Directors recommend their appointment for the ensuing year.

Outlook for 2016

Bangladesh has entered an era of growth and prosperity. We expect a huge demand of quality steel Billet this year for construction of various mega projects in our country. Our company is striving hard to maintain sustainable growth of the company by adopting and investing in the state-of-the-art technology and management practices.

Events after the date of Financial Position

There is no subsequent event after the date of the Financial Position and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

Gratitude

The Board offer gratitude to all the Employees, Shareholders, Government Agencies, Bank and Financial institutions, Consumers, Suppliers and other service Agencies for performing their respective roles in their best manner which help us to run our business smoothly and efficiently.

Thanking you all.

By order of the board



Alihussain Akberali FCA

Chairman

31 January 2016

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BSRM Iron & Steel Co. Ltd.

Report on the Financial Statements:

We have audited the accompanying financial statements of **BSRM Iron & Steel Co. Ltd.** which are comprised of the Statement of financial position as of December 31, 2015, Statement of profit or loss account & other comprehensive income, Statement of Changes in Equity and Statement of Cash flows for the year ended December 31, 2015 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 (BFRSs) 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.

Auditors' 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 Standards on Auditing (BSAs). 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:

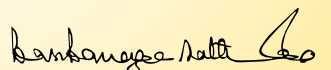
In our opinion, the financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), including Bangladesh Accounting Standards (BASs) give a true and fair view of the state of the Company's affairs as of December 31, 2015 and the results of its financial performance, Statement of cash flows and Statement of Changes in 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 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 Statement of financial position, Statement of profit & loss account and other comprehensive income dealt with by this report are in agreement from our examination of those books.

Chittagong, January 31, 2016.


(Basu Banerjee Nath & Co.)
Chartered Accountants


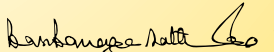
BSRM Iron & Steel Co. Ltd.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2015

	NOTES	2015 Taka	2014 Taka
Assets:			
Non-current Assets:			
Property, Plant and Equipment	04	3,812,894,098	3,759,217,059
Less: Accumulated Depreciation		914,650,331	745,624,753
		2,898,243,767	3,013,592,306
Capital Work in Progress	05	18,825,748	239,358
Intangible Asset	06	8,502,933	9,456,533
Total Non-current Assets		2,925,572,448	3,023,288,197
Current Assets:			
Short Term Investment	07	3,675,800	34,076,260
Inventories	08	1,884,296,553	2,360,021,212
Trade and Other Receivables	09	314,331,811	1,215,218
Due from Related Companies	10	127,606,057	977,959,133
Advance, Deposits & Prepayments	11	314,758,297	386,429,804
Cash and Cash Equivalents	12	72,232,701	52,758,575
Total Current assets		2,716,901,219	3,812,460,202
Total Assets		5,642,473,667	6,835,748,399
Equity:			
Share Capital	13	1,100,000,000	1,100,000,000
Retained Earnings		710,494,682	701,708,043
Revaluation Reserve	14	524,195,793	524,195,793
Total equity attributable to equity holders of the company		2,334,690,475	2,325,903,836
Liabilities:			
Non-current liabilities			
Long Term borrowings	15	110,996,642	182,703,317
Retirement Benefit Obligations-Gratuity	16	18,707,622	14,009,609
Deferred Tax	17	399,924,447	159,869,074
Total non-current liabilities		529,628,711	356,582,000
Current liabilities:			
Current Portion of Long Term borrowings	18	68,823,121	211,671,595
Short term borrowings	19	1,791,824,468	3,211,495,247
Liabilities for Expenses	20	19,958,141	18,762,580
Trade Creditors	21	44,861,480	43,951,569
Due to Related Companies	22	395,858,419	544,432,310
Other Liabilities	23	443,731,904	110,956,871
Provision for WPPF & WWF	24	13,096,948	11,992,391
Total current liabilities		2,778,154,481	4,153,262,563
Total liabilities		3,307,783,192	4,509,844,563
Total equity and liabilities		5,642,473,667	6,835,748,399
Net Asset Value (NAV) Per Share		21.22	21.14

Note: The annexed notes 01 to 32.02 form an integral part of these financial statements.


Managing Director


Director
 As per our annexed report of same date


Company Secretary

Basu Banerjee Nath & Co.
 Chartered Accountants

Chittagong, January 31, 2016


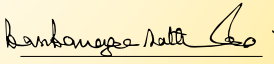
BSRM Iron & Steel Co. Ltd.
STATEMENT OF PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

	NOTES	2015 Taka	2014 Taka
Revenue		7,916,119,496	9,374,112,186
Cost of goods sold	25	(7,476,448,079)	(8,687,937,171)
Gross Profit		439,671,417	686,175,015
General & Administrative Cost	26	(34,494,113)	(33,761,165)
		405,177,304	652,413,850
Other Income	27	13,218,321	8,274,014
Net Operating Profit		418,395,625	660,687,864
Financial Expenses	28	(164,047,951)	(426,688,759)
Financial Income	29	7,591,286	5,848,714
		(156,456,665)	(420,840,045)
Net Profit before Tax, WPPF and WWF		261,938,960	239,847,819
Contribution to Beneficiaries Profit Participation Fund (WPPF) & Workers Welfare Fund	24	(13,096,948)	(11,992,391)
		248,842,012	227,855,428
Non Operating Income	30	-	7,570,500
Net Profit Before Tax		248,842,012	235,425,928
Income Tax Expenses:			
Deferred Tax	17	(240,055,373)	(68,589,734)
Net profit after tax transferred to statement of shareholders equity		8,786,639	166,836,194
Earnings Per Shares (EPS)	31	0.08	1.52

Note: The annexed notes 1 to 32.02 form an integral part of these financial statements.


Managing Director


Director
 As per our annexed report of same date


Company Secretary

Basu Banerjee Nath & Co.
 Chartered Accountants

Chittagong, January 31, 2016

BSRM Iron & Steel Co. Ltd.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

Particulars	Share Capital	Retained Earnings	Revaluation Reserve	Total
	Tk.	Tk.	Tk.	Tk.
Balance as on January 01, 2014	1,100,000,000	534,871,849	524,195,793	2,159,067,642
Net Profit/(Loss) after tax for the year	-	166,836,194	-	166,836,194
Revaluation Reserve	-	-	-	-
Balance as on December 31, 2014	1,100,000,000	701,708,043	524,195,793	2,325,903,836
Balance as on January 01, 2015	1,100,000,000	701,708,043	524,195,793	2,325,903,836
Net Profit/(Loss) after tax for the year	-	8,786,639	-	8,786,639
Balance as on December 31, 2015	1,100,000,000	710,494,682	524,195,793	2,334,690,475

BSRM Iron & Steel Co. Ltd.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

	2015	2014
	Taka	Taka
<u>A. CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Cash collection from customers	7,616,221,224	9,668,019,212
Cash payment for cost and expenses	(6,622,437,386)	(8,923,553,983)
Net cash provided by / (Used in) Operating Activities	993,783,838	744,465,229
<u>B. CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Acquisition of Property, Plant & Equipment	(53,677,039)	(139,039,116)
Acquisition of Intangible Assets	-	(9,456,533)
Disposal of Property, Plant & Equipment	-	1,746,676
Capital Work in Progress	(18,586,390)	54,433,039
Short Term Investment	30,400,460	(2,895,191)
Net cash provided by / (Used in) Investing Activities	(41,862,969)	(95,211,125)
<u>C. CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Loan to/from Related Company's Transaction	701,779,185	7,475,234
Received /(Payment) of Short Term Loan	(1,562,519,253)	(502,428,319)
Repayment of Long Term Borrowings	(71,706,675)	(104,049,175)
Net cash provided by / (Used in) Financing Activities	(932,446,743)	(599,002,260)
Net Cash Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	19,474,126	50,251,844
Cash and Cash Equivalents at the Beginning of the Year	52,758,575	2,506,731
Cash and Cash Equivalents at the End of the Year	72,232,701	52,758,575
	19,474,126	50,251,844
Net Operating Cash Flow per Share	9.03	6.77

BSRM Iron & Steel Co. Ltd.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015.

01 Legal form of Enterprise

The company was incorporated as a private Limited Company on April 13, 2005, vide certificate of incorporation No. CH-5415 of 2005 under the Companies Act, (No-XVIII), 1994. The Company was converted into a Public Limited Company on March 15, 2011. The Company's Registered and Corporate Office is situated at Ali Mansion, Sadarghat Road, Chittagong. It is a subsidiary company of BSRM Steels Limited. The shares of the Company are not quoted for public issue for the public subscription.

01.01 Nature of the business

The principal activities of the company are manufacturing different quality of M.S. Billets and sell the same to steel rolling mills. The company had set up its automatic steel melting plant at 202-205 Nasirabad Industrial Area, Baizid Bostami Road, Chittagong and commenced commercial production from June 01, 2010.

02 Basis of Preparation

02.01 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 Statement of Cash Flows

BAS 8 Accounting policies, Changes in Accounting Estimates and Errors

BAS 10 Events after the Reporting Period

BAS 12 Income Taxes

BAS 16 Property, Plant and Equipment

BAS 17 Leases

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

02.02 Statement of compliance

The financial statements have been prepared in compliance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

02.03 Basis of measurement

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

02.04 Use of estimates and judgments

The preparation of financial statements 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 assumptions are reviewed on an on going basis.

02.05 Reporting period

The financial statements of the company cover one year from January 01,2015 to December 31,2015 and is followed consistently.

03 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all the years presented in these financial statements.

03.01 Foreign currency

Transactions in foreign currency are translated at the rates ruling on the dates advices are received. Monetary assets and liabilities denominated in foreign currencies are retranslated at rates ruling at the reporting date. All exchange differences are charged/credited to statement of profit and loss account and other comprehensive income by being absorbed in the respective date of income & expenditure.

03.02 Property, Plant & Equipment

03.02.01 Recognition and measurement

Property, Plant & Equipment except land & land development are stated at cost less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self constructed / installed assets includes the cost of materials and direct labour and any other costs directly attributable to bringing the assets to the working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

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

KPMG Bangladesh (Rahman Rahman Huq, Chartered Accountants), 102 Agrabad C/A, Chittagong, has been engaged by the company to estimate fair market value of the land at different locations in Bangladesh as at 31st May 2012. Rahman Rahman Huq also engaged qualified surveyors named Asian surveyors Ltd, 28 Dilkhusha C/A, Dhaka 1000, for verifying the land and it's market price.

The valuation had been conducted using the market value method as this is the most commonly used and appropriate for valuation of lands under prevailing circumstances. In the process of valuation, Information from the Land brokers and other related sources, price factors of similar land in the locality, published mouza rates, recent rate of transfer of land in this area have been considered.

As per valuation report the net revaluation gain stood TK. 524,195,793 (Note No. 14). This Revaluaton gain has been recognized in these Financial Statements.

03.02.02 Subsequent costs

The cost of replacing parts of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future benefit 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 statement of profit and loss account and other comprehensive income.

03.02.03 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other Property, Plant & Equipment, depreciation is recognized in the statement of profit and loss account and other comprehensive income on diminishing balance method over the estimated useful lives of Property, Plant & Equipment. Depreciation is charged on addition from the month of acquisition/addition (date of service) and no depreciation is charged in the month of disposal. The depreciation method used reflects the pattern in which the assets economic benefits are consumed by the entity. The depreciation charge for each period should be recognized as an expense unless it is included in the carrying amount of another asset. The principal annual rates are as follows.

Name of the Assets	Depreciation Rates (%)	Allocation
Plant & Machinery	7.50%	Depreciations are charged on location basis
Motor Vehicles	20%	
Furniture & Fixture	20%	
Office Equipment	20%	
Factory Building	5%	
Roads & Pavements	10%	
IT Equipment	20%	

03.02.04 Capital work in progress

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

03.03 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 in accordance with BAS-2. 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 Materials (Heavy Melting steel scarp, Shredded scarp & Sponge Iron), Store items, Finished goods etc.

03.04 Trade receivables

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

03.05 Advance, deposits & prepayments

Advance are initially measured at cost. After initial recognition, advance are carried at cost less deductions, adjustments or charges to other account heads, such as, property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the statement of comprehensive income.

03.06 Cash & Cash Equivalents

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

03.07 Impairment

Financial Assets

Financial Assets are impaired if objective evidence indicates that a loss event has occurred after initial recognition of the assets and that the loss event had a negative effect on the estimated future cash flows of that assets that can be estimated reliably.

Non-financial Assets

The carrying amount of the company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

03.08 Employees benefit schemes

A contributory provident fund has been introduced and the fund has obtained recognition from tax authority on 13.04.2011. The provident Fund starts its operation from July 01, 2011. Both employees & company contribute equally (10% of basic salary).

Appropriate Provision has been made for Workers' Profit Participation Fund and Workers' Welfare Fund as per provisions of law.

03.09 Earnings per Share (EPS)

Basic Earnings:

This represents profit for the year ended attributable to ordinary shareholders. As there is no preference dividend, noncontrolling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders (refer to note-31 of the financial statements).

Diluted Earnings per share:

No diluted earnings per share is required to be calculated for the year as there is no scope for dilution during the year under audit.

03.10 Provisions

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

03.11 Finance income and expense

Interest income has been recognised on cash basis. Interest expenses incurred during the period has been charged to the Statement of Comprehensive Income.

03.12 Contingencies

Contingencies arising from claims, litigation, assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

03.13 Income tax expenses

Current tax:

The company in terms of decision of the board of directors in its meeting held on March 07, 2012 filed a Writ petition on August 06, 2012 before the High Court Division of Supreme Court of Bangladesh challenging the legality of Section 16CCC of Income Tax Ordinance 1984 imposing minimum income tax of 0.50% (Present minimum income tax U/S 16CCC is 0.30%) of the gross receipts of the company regardless of profit or loss as per accounts. Accordingly the High Court issued a Rule Nisi calling the Government Authorities to show cause as to why Section 16CCC of the Income Tax Ordinance 1984 should not be declared to be illegal and of no legal effect and pending hearing of the Rule restrained the Government Authorities from charging minimum tax under the said section. In view of above, no provision for income tax envisaged u/s 16CCC has been made in these financial statements.

Deferred tax:

The Company has adopted deferred tax accounting policy as required in BAS-12/ IAS-12 (Income taxes). Accordingly deferred tax assets/ liabilities is accounted for on all temporary timing differences arising from the tax base of the assets and liabilities and their carrying value for financial reporting purpose.

03.14 Comparative Information and Rearrangement thereof

In accordance with the provisions of BAS-34, 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.

Figures for the year 2014 have been rearranged wherever considered necessary to ensure comparability with the current year.

03.15 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net off returns and allowances, Value Added Tax etc.

03.16 Financial Instruments

Non-derivative financial instruments comprise cash & cash equivalents, advance from customers, trade creditors, trade debtors and share capital etc.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances & FDR .

Trade receivables

Trade receivables are recognised at fair value.

Advance from customers

Advance from customers are recognised at fair value at the date of transactions.

Trade payables and other liabilities

Trade payables and other liabilities are recognized at fair value on the date of transactions. The company derecognizes a financial liabilities when its contractual obligations are discharged, cancelled or expired.

Share capital

Ordinary share are classified as equity.

03.17 Employee Benefits

The company maintains both defined contribution plan i.e Provident Fund and defined benefit plan i.e. Gratuity.

03.18 General

i) Amount in the Financial Statement have been rounded off to the nearest taka.

ii) Bracket figure denote negative.

4.00 Property, Plant and Equipment:
At Revalued Model:

Assets Category	Revaluation				Depreciation				Carrying amount as on December 31, 2015	
	Opening balance as on January 01, 2015	Addition	Adjust / Disposal	Revaluation adjustment for gain on revaluation	Closing balance as on December 31, 2015	Opening balance as on January 01, 2015	Charged during the year	Adjustment for disposal		Closing balance as on December 31, 2015
	TK.	TK.	TK.	TK.	TK.	TK.	TK.	TK.	TK.	TK.
Land & Land Development	741,432,616	-	-	-	741,432,616	-	-	-	-	741,432,616
Plant & Machinery	2,326,248,768	25,202,915	-	-	2,351,451,683	594,307,926	130,890,700	-	725,198,626	1,626,253,057
Motor Vehicles	36,388,693	26,380,671	-	-	62,769,364	20,767,468	6,740,780	-	27,508,248	35,261,116
Factory Building	577,091,499	239,358	-	-	577,330,857	107,729,270	23,448,256	-	131,177,526	446,153,331
Roads & Pavement	40,807,689	91,000	-	-	40,898,689	4,098,996	3,960,890	-	8,059,886	32,838,803
Furniture & Fixture	11,093,428	328,345	-	-	11,421,773	3,586,009	1,360,476	-	4,946,485	6,475,288
Office Equipment	19,817,158	528,300	-	-	20,345,458	11,822,475	1,911,160	-	13,733,635	6,611,823
IT Equipment	6,337,208	906,450	-	-	7,243,658	3,312,609	713,316	-	4,025,925	3,217,733
BALANCE AS AT DECEMBER 31, 2015	3,759,217,059	53,677,039	-	-	3,812,894,098	745,624,753	169,025,578	-	914,650,331	2,898,243,767
BALANCE AS AT DECEMBER 31, 2014	3,622,686,384	139,039,117	2,508,442	-	3,759,217,059	576,335,602	170,050,917	761,766	745,624,753	3,013,592,306

At Cost Model:

Assets Category	Cost			Depreciation				Carrying amount as on December 31, 2015		
	Opening balance as on January 01, 2015	Addition	Adjust / Disposal	Revaluation adjustment for gain on revaluation	Closing balance as on December 31, 2015	Opening balance as on January 01, 2015	Charged during the year		Adjustment for disposal	Closing balance as on December 31, 2015
Land & Land Development	217,236,823	-	-	-	217,236,823	-	-	-	-	217,236,823
Plant & Machinery	2,326,248,768	25,202,915	-	-	2,351,451,683	594,307,926	131,196,258	-	725,504,184	1,625,947,499
Motor Vehicles	36,388,693	26,380,671	-	-	62,769,364	20,767,468	6,740,780	-	27,508,248	35,261,116
Factory Building	577,091,499	239,358	-	-	577,330,857	107,729,270	23,448,256	-	131,177,526	446,153,331
Roads & Pavement	40,807,689	91,000	-	-	40,898,689	4,098,996	3,960,890	-	8,059,886	32,838,803
Furniture & Fixture	11,093,428	328,345	-	-	11,421,773	3,586,009	1,360,476	-	4,946,485	6,475,288
Office Equipment	19,817,158	528,300	-	-	20,345,458	11,822,475	1,911,160	-	13,733,635	6,611,823
IT Equipment	6,337,208	906,450	-	-	7,243,658	3,312,609	713,316	-	4,025,925	3,217,733
BALANCE AS AT DECEMBER 31, 2015	3,235,021,266	53,677,039	-	-	3,288,698,305	745,624,753	169,331,136	-	914,955,889	2,373,742,416
BALANCE AS AT DECEMBER 31, 2014	3,098,490,591	139,039,117	2,508,442	-	3,235,021,266	576,335,602	170,050,917	761,766	745,624,753	2,489,396,513

Depreciation allocated to:

2015	2014
TAKA	TAKA
168,930,377	168,653,040
95,201	1,397,877
169,025,578	170,050,917

Manufacturing expenses(NO. 25.00)

General & Administrative Cost(NO. 26.00)

Note: Depreciation was charged during January & February on Plotter Machine (Office Equipment), Office Equipment, Computer & Accessories , Furniture & Fixtures, Air Conditioner (Office Equipment) amounting taka 2,351; 72,691; 110,886; 265,482; 258,806; and 658,608 respectively as administrative expenses. After implementation of Oracle from 01 March, 2014 depreciation was charged / allocated on the basis of location of Respective assets.

		2015	2014
		Taka	Taka
5.00 Capital Work in Progress:			
Motor Vehicle		-	239,358
Plant and Machinery		18,130,236	-
Building and Factory Sheds		695,512	-
		18,825,748	239,358
6.00 Intangible Assets (Software):			
Cost			
Opening Balance		9,536,000	-
Add: Addition During The Year		-	9,536,000
Less: Disposal During The Year		-	-
Closing Balance		9,536,000	9,536,000
Accumulated Amortization			
Opening Balance		79,467	-
Add: Amortization During The Year		953,600	79,467
Less: Disposal During The Year		-	-
Closing Balance		1,033,067	79,467
Carrying Amount		8,502,933	9,456,533
7.00 Short Term Investment:			
<u>Name Of The Bank</u>	<u>Rate of Interest</u>		
United Commercial Bank Limited	10%-12%	-	34,076,260
Habib Bank Limited	7.75%	1,675,800	-
Al-Arafah Islami Bank Limited	6%	2,000,000	-
		3,675,800	34,076,260
8.00 Inventories:			
Raw Materials	(Note No. 25.00)	1,544,667,786	1,948,127,797
Finished Goods	(Note No. 25.00)	29,261,876	72,308,618
Consumable Stores	(Note No. 8.03)	310,366,891	339,584,797
		1,884,296,553	2,360,021,212
8.01 Raw Materials (In Quantity):		MT	MT
Opening Stock of Raw Materials		56,034.26	52,607.08
Add: Purchase/Import during the year:			
Local Purchase		28,053.28	69,945.43
Import-Scrap		136,949.84	108,802.92
Import- Sponge Iron		29,440.76	20,054.78
Raw Material Available for Manufacture		250,478.14	251,410.21
Less: Sale of Raw Material		1,641.69	14.73
Less: Closing Stock of Raw Materials		58,765.41	56,034.26
Consumption		190,071.04	195,361.22

8.02 Finished Goods (In Quantity):

Opening Stock of Finished Goods
Add: Manufactured
Goods Available for Sales
Less: Sales
Closing Stock of Finished Goods

2015	2014
MT	MT
1,631.99	3,037.50
176,311.92	180,677.59
177,943.91	183,715.09
177,198.71	182,083.10
745.20	1,631.99

8.03 Consumable Store :

Mechanical Store
Electrical Store
General Store
Fuel & Lubricants Store
Other Consumable Store

2015	2014
Taka	Taka
109,622,089	92,297,645
94,516,299	84,329,578
1,588,661	2,543,912
2,821,973	3,462,076
101,817,869	156,951,586
310,366,891	339,584,797

9.00 Trade and Other Receivables:

BSRM Steel Mills Limited
Bangladesh Steel Re-Rolling Mills Limited
Others

698,126	-
307,688,776	-
5,944,909	1,215,218
314,331,811	1,215,218

10.00 Due From Related Companies:

Bangladesh Steel Re-Rolling Mills Limited
BSRM Steels Mills Limited.

-	977,959,133
127,606,057	-
127,606,057	977,959,133

Note: All Transactions among the related companies have been made through A/C Payee cheque/Bank Transfer & interest were charged accordingly.

11.00 Advance, Deposits & Prepayments:

For Expenses (Note No. 11.01)
Security Deposit (Note No. 11.02)
Guarantee Margin (Note No. 11.03)
Advance against LC
Staff Loan
LC Margin
Advance Income Tax
VAT Current Account
Advance For Scrap Purchase

70,911,886	12,798,777
26,062,885	28,959,461
1,314,408	1,389,428
11,125,997	17,418,352
96,662	192,078
21,820,857	96,173,720
151,794,184	134,845,393
3,577,603	7,098,334
28,053,815	87,554,261
314,758,297	386,429,804

11.01 Advance for Expenses:

	2015	2014
	Taka	Taka
Bangladesh Power Development Board (12KM Power Line Construction)	45,380,203	255,800
Construction & Engineering works	-	2,329,968
Land Purchases	305,000	305,000
Insurance expenses	909,115	2,494,846
Fuel, Oil & Lubricants	609,345	1,201,590
Energypac Engineering Limited	-	1,320,000
Nikko Systems Private Limited	5,673,336	337,980
Clearing & Forwarding expenses	10,571	10,571
Others	18,024,316	4,543,022
	70,911,886	12,798,777

11.02 Security Deposits:

Power Development Board,Ctg(33KV)	18,600,000	18,600,000
T & T Department Chittagong	2,000	2,000
Kolkata Office,Howrah(IRS 25,000)	-	37,750
Chittagong Mohanagar Package(Guest House Rent)	60,000	60,000
Sharif Alam(Guest House Rent)	24,350	48,000
Bakhrabad Gas Systems Ltd.	1,347,588	1,347,588
Brothers Prokaushali Workshop(Gas Cylindar)	400,000	400,000
Premier LP GAS Ltd.(Gas Cylindar)	46,000	46,000
Zilla Commandant Anser & VDP	270,511	270,511
Power Development Board,(Barawlia)	1,800,000	1,800,000
Power Development Board,(Bhatiary)	1,500	1,500
Mohammadia Trading.(Gas Cylindar)	250,800	250,800
Nurul Alam (Guest House)	14,000	14,000
GBX Logistics Limited	20,000	140,000
GP Shipping Lines Limited	131,000	35,000
Linde Bangladesh Limited	824,000	824,000
Sea Borne (Pvt.) Limited	5,000	5,000
Trident Shipping Line Limited	-	210,000
CMA CGM BD Shipping Ltd.-Damarage	2,115,000	1,338,000
Mearsk Bangladesh Ltd.	3,729	2,989,044
Bangladesh Railway(33KV Electric Line Expansion)	140,000	140,000
Birds Bangladesh Agencies Ltd	-	400,268
Hanjin Shipping Limited	7,407	-
	26,062,885	28,959,461

		2015	2014
		Taka	Taka
11.03	Guarantee Margin:		
	BG # 13/09 (Trust)	460,303	460,303
	BG # 30/14 (MBL)	1,325	1,325
	BG # 28/12 (MBL)	-	122,000
	BG # 30/12 (MBL)	104,000	104,000
	BG # 32/12 (MBL)	-	40,000
	BG # 34/12 (MBL)	-	72,000
	BG # 40/12 (MBL)	-	109,000
	BG # 05/15 (MBL)	50,000	-
	BG # 14/15 (MBL)	217,980	-
	Bakhrabad Gas System Ltd.	480,800	480,800
		1,314,408	1,389,428
12.00	Cash & Cash Equivalents:		
	Cash in Hand (Note No. 12.01)	1,615,796	1,634,591
	Cash at Bank (Note No. 12.02)	(4,836,343)	(5,260,531)
	FDR Account (Note No. 12.03)	75,453,248	56,384,515
		72,232,701	52,758,575
12.01	Cash in Hand:		
	Head Office	95,797	134,589
	Factory Office	1,300,000	1,300,000
	Imprest Cash (Bhatiary Office)	20,000	-
	Imprest Cash (Baroaulia Office)	199,999	200,002
		1,615,796	1,634,591
12.02	Cash at Bank:		
	Agrani Bank Limited	272,186	388,693
	(Laldighi corporate Branch, Chittagong.)		
	The City Bank Limited	3,634	554,335
	(Agrabad Branch, Chittagong.)		
	Trust Bank Limited	798	2,822
	(O.R.Nizam Road, Branch, Chittagong.)		
	United Commercial Bank Limited	1,426	966
	(Jubilee Road Branch, Chittagong.)		
	Islami Bank Bangladesh Limited	24,234	751,731
	(Jubilee Road Branch, Chittagong.)		
	Sonali Bank Limited	(5,139)	146
	(Kalibari Branch.)		
	Hongkong Shanghai Banking Corporation Limited	(9,271,639)	(7,719,255)
	(Chittagong Branch.)		
	Mutual Trust Bank Limited	42,194	24,394
	(Chittagong Branch.)		
	United Commercial Bank Limited (ESCROW A/C)	47,996	59,751
	(Jubilee Road Branch, Chittagong)		

	2015	2014
	Taka	Taka
Dhaka Bank Limited (Jubilee Road Branch, Chittagong.)	7,368	4,967
Habib Bank Limited (Chittagong Branch.)	559,076	-
Janata Bank Limited (Laldighi Br. Ctg.)	80,991	87,695
Al-Arafah Islami Bank Limited (Agrabad Branch, Chittagong.)	25,603	19,782
Standard Bank Limited (Agrabad Branch, Chittagong.)	(0.05)	3,532
Shahjalal Islami Bank Limited (Jubilee Road Branch, Chittagong.)	31,968	84,069
Prime Bank Limited (O.R.Nizam Road,Branch, Chittagong.)	32,228	79,715
Meghna Bank Limited (Principal Branch,Dhaka.)	237,774	149,809
Mercantile Bank Limited (Jubilee Road Branch, Chittagong.)	406	3,981
Social Islami Bank Limited (Jubilee Road Branch, Chittagong.)	9,728	31,892
Dutch Bangla Bank Ltd. (Jubilee Road Branch, Chittagong.)	81,192	90,105
Standard Chartered Bank (Agrabad Branch, Chittagong.)	724,777	18,669
Jamuna Bank Limited (Khatunganj Branch, Chittagong.)	49,295	55,567
Bank Al-Falah Limited (Agrabad Branch, Chittagong.)	17,751	14,511
Eastern Bank Limited (Agrabad Branch, Chittagong.)	368,194	14,552
State Bank of India (Agrabad Branch, Chittagong.)	12,174	7,140
IFIC Bank Limited (Agrabad Branch, Chittagong.)	148	1,794
National Credit & Commerce Bank Limited (Agrabad Branch, Chittagong.)	1,798,436	-
Bank Asia Limited (Agrabad Branch, Chittagong.)	2,926	174
Sonali Bank Limited (Laldighi Br. Ctg.)	7,932	7,932
	(4,836,343)	(5,260,531)

Note: a) Bank amount represent book balance which has been reconciled with the bank statement & conformed by the banker's certificate.

b) The negative balance shows in the notes represents book overdraft.

12.03 Fixed Deposit:

Name Of The Banks	Purpose	Rate of Interest	2015	2014
			Taka	Taka
United Commercial Bank Limited	LC Margin	7.75%	22,205,150	9,735,000
The City Bank Limited	LC Margin	8.25%	11,330,625	14,268,525
Jamuna Bank Limited	LC Margin	8.25%	1,988,978	1,844,181
Dutch Bangla Bank Limited	LC Margin	6%	4,943,875	2,199,349
Bank Asia Limited	LC Margin	7.50%	1,753,918	1,630,500
Shahajalal Islami Bank Limited	LC Margin	8.50%	-	4,571,384
Dhaka Bank Limited	LC Margin	6.75%	4,903,140	6,675,074
Arab-Bangladesh Bank Limited	LC Margin	8.75%	5,062,267	4,680,234
National Credit & Commerce Bank Limited	LC Margin	8%	516,949	10,780,268
Social Islami Bank Limited	LC Margin	8.50%	498,851	-
IFIC Bank Limited	LC Margin	6%	9,209,675	-
Mercantile Bank Limited	LC Margin	8.25%	13,039,820	-
			75,453,248	56,384,515

13.00 Share Capital:**Authorised Capital:****300,000,000 Ordinary shares of Tk.10.00 each****3,000,000,000 3,000,000,000****Issued, Subscribed & Paid up Capital:****1,100,000,000 1,100,000,000****110,000,000 Ordinary shares of Tk.10.00 each fully paid up in cash. Details of Shareholding position are given below:**

Name of the Shareholders	No.of Shares Held	% of Share Holding	2015	2014
			Taka	Taka
Mr. Alihussain Akberali FCA	1,258,250	1.14	12,582,500	12,582,500
Mr.Aameir Alihussain	59,250	0.05	592,500	592,500
Mr. Zohair Taherali	247,090	0.22	2,470,900	2,470,900
Mrs.Tehseen Zohair Taherali	25,500	0.02	255,000	255,000
Mrs.Bilkis Alihussain	44,910	0.04	449,100	449,100
H.Akberali & Co. Ltd	3,649,050	3.32	36,490,500	36,490,500
VORTEX investments Ltd	215,950	0.20	2,159,500	2,159,500
BSRM Steels Limited	104,500,000	95.00	1,045,000,000	1,045,000,000
	110,000,000	100.00	1,100,000,000	1,100,000,000

14.00 Revaluation Reserve:

KPMG Rahman Rahman Huq, Chartered Accountants has revalued the land of the company in defferent location as at 31st May 2012 which is appended below:

Location of The Lands	Area in Decimals	Mutated at Decimals	Per Decimals Price	Book Value TK.	Revalued Amount Tk.	Gain on Revaluation TK.
i) Nasirabad I/A Baizid Bostami Road Chittagong on the side of Baizid Bostami Road.	221	221	2,500,000	168,860,441	553,125,000	384,264,559
ii) Barowilia in Sitakunda	36	36	1,000,000	2,102,550	35,500,000	33,397,450
iii) West Gomdandi, Boalkhali, Chittagong.	747	697	175,000	15,360,716	121,894,500	106,533,784
Total:	1,004	954		186,323,707	710,519,500	524,195,793

15.00 Long Term Borrowings:

		2015	2014
		Taka	Taka
IPDC Term Loan	(Note No. 15.01)	38,268,773	100,000,000
Meghna Bank Term Loan	(Note No. 15.02)	44,364,572	82,703,317
Jamuna Bank Limited	(Note No. 15.03)	6,565,153	-
Al-Arafah Islami Bank Limited	(Note No. 15.04)	12,699,506	-
Prime Bank Limited	(Note No. 15.05)	9,098,638	-
		110,996,642	182,703,317

15.01 IPDC Term Loan:

Due within one (1) year	18	33,148,343	-
Due more than one (1) year	15	38,268,773	100,000,000
		71,417,116	100,000,000

Terms of IPDC Term Loan:**Lenders :**

Industrial Promotion and Development Company of Bangladesh Ltd. has sanctioned an amount of Tk. 10 crore as term loan and disbursed the full amount within 2014.

Total loan facilities: Tk. 10 crore

Interest Rate:

Interest rate is 13% (2014: 14.25%) per annum.

Disbursement:

Full disbursement was made on 09.12.14

Repayments:

Above term loan is being re-paid in 36 equal monthly installments starting from January 2015.

Securities :

Floating charge by way of Hypothecation on all movable assets of BISCO duly registered with RJSC, Legally enforceable Corporate Guarantee of BSRM Limited duly supported by its Board Resolution, Lien on 3,000,000 dematted sponsor shares of BSRM Steels Ltd., Personal Guarantee of all sponsor directors, 01(One) security cheque for the entire facility amount, Demand promissory Note along with letter of continuation.

Purpose:

To meet working capital requirement.

2015	2014
Taka	Taka

15.02 Meghna Bank Term Loan:

Due within one (1) year	18	18,826,501	-
Due more than one (1) year	15	44,364,572	82,703,317
		63,191,073	82,703,317

Terms of Meghna Bank Term Loan:**Lenders :**

Meghna Bank Limited has sanctioned an amount of Tk. 4.176 crore as term loan and disbursed the full amount within 2013.

Total loan facilities: Tk. 4.176 crore.

Interest Rate:

Interest rate is 13% (2014: 15.50%) per annum.

Disbursement:

Full disbursement was made on 09.12.13

Repayments:

Above term loan is being re-paid in 16 equal quarterly installments starting from March 2014.

Securities:

Hypothecation on machinery to be imported through bank, personal guarantee of all directors of the company backed by Board resolution, Corporate Guarantee of BSRM Steels Ltd., post dated cheques for each facility.

Purpose:

To import 4 pieces of 28 MT furnace for Billet manufacturing unit.

15.03 Jamuna Bank Term Loan:

Due within one (1) year	18
Due more than one (1) year	15

2015	2014
Taka	Taka
5,719,795	-
6,565,153	-
12,284,948	-

Terms of Jamuna Bank Term Loan:**Lenders :**

Jamuna Bank Limited has sanctioned an amount of Tk. 1.23 crore as term loan and disbursed the full amount within 2015.

Total loan facilities: Tk. 1.23 crore.

Interest Rate:

Interest rate is 13% per annum.

Disbursement:

Full disbursement was made on 22.09.15

Repayments:

Above term loan is being re-paid in 24 equal monthly installments starting from January 2016.

Securities :

Hypothecation on machinery to be imported through bank, personal guarantee of all directors of the company backed by Board resolution,
Corporate Guarantee of BSRM Steels Ltd., post dated cheques for each facility.

Purpose:

To import 1 unit transformer for Billet manufacturing unit.

2015	2014
Taka	Taka
7,042,482	-
12,699,506	-
19,741,988	-

15.04 Al-Arafah Islami Bank Term Loan:

Due within one (1) year	18
Due more than one (1) year	15

Terms of Al-Arafah Bank Term Loan:**Lenders:**

Al-Arafah Islami Bank Limited has sanctioned an amount of Tk. 2.43 crore as term loan and disbursed the full amount within 2015.

Total loan facilities: Tk. 2.43 crore.

Interest Rate:

Interest rate is 13% per annum.

Disbursement:

Full disbursement was made on 31.05.15

Repayments:

Above term loan is being re-paid in 12 equal quarterly installments starting from August 2015.

Securities:

Hypothecation of vehicle to be purchased as per quotation till full adjustment of Bank's dues, personal guarantee of all directors, irrevocable letter of Authority to repossess the vehicles, Corporate guarantee of the BSRM Wires Limited.

Purpose:

For purchasing of 07 (Seven) LPK-2518/48(6*4) TC Tiper 20 CUM Dump truck.

15.05 Prime Bank Term Loan:

Due within one (1) year	18
Due more than one (1) year	15

2015	2014
Taka	Taka
4,086,000	-
9,098,639	-
13,184,639	-

Terms of Prime Bank Term Loan:**Lenders:**

Prime Bank Limited has sanctioned an amount of Tk. 1.49 crore as term loan and disbursed the full amount within 2015.

Total loan facilities: Tk. 1.49 crore.

Interest Rate:

Interest rate is 13% per annum.

Disbursement:

Full disbursement was made on 09.02.15

Repayments:

Above term loan is being re-paid in 60 equal monthly installments starting from March 2015.

Securities:

Hypothecation on machinery to be imported through bank, personal guarantee of all directors of the company backed by Board resolution, Corporate Guarantee of BSRM Steels Ltd., post dated cheques for each facility.

Purpose:

To import 2 units 5 Ton EOT Crane for Billet manufacturing unit.

2015	2014
Taka	Taka

16.00 Retirement Benefit Obligations-Gratuity:

Opening balance as on January 01, 2015

14,009,609 10,491,909

Provision during the year

6,062,456 3,517,700

20,072,065 14,009,609

Paid during the year

(1,364,443) -

Closing Balance as on December 31, 2015

18,707,622 14,009,609

17.00 Deferred Tax:

Opening balance as on January 01, 2015

159,869,074 91,279,340

Provision during the year

240,055,373 68,589,734

399,924,447 159,869,074

18.00 Current Portion of Long Term Borrowings:

Syndicate Term Loan (Note No.18.01)

- 198,235,864

ULC Term Loan

- 1,830,146

Lease Liability (DBL)

- 11,605,585

IPDC Term Loan (Note No. 15.01)

33,148,343 -

Meghna Bank Term Loan (Note No. 15.02)

18,826,501 -

Jamuna Bank Limited (Note No. 15.03)

5,719,795 -

Al-Arafah Islami Bank Limited (Note No. 15.04)

7,042,482 -

Prime Bank Limited (Note No.15.05)

4,086,000 -

68,823,121 211,671,595

18.01 Syndicate Term Loan:

Due within one year

2015	2014
Taka	Taka
-	198,235,864
-	198,235,864

Lender wise details of syndication term loan are as follows:

Bangladesh Development Bank Limited (Former BSRS)	-	8,817,346
Bank Asia Limited	-	7,115,097
City Bank Limited	-	14,226,472
Eastern Bank Limited	-	14,228,904
Industrial & Infrastructure Development Finance Company (IIDFC) Limited	-	7,732,786
Janata Bank Limited	-	21,325,233
Mutual Trust Bank Limited	-	14,218,844
One Bank Limited	-	11,793,726
Rupali Bank Limited	-	14,204,637
Sonali Bank Limited	-	27,681,227
Standard Bank Limited	-	21,345,292
Trust Bank Limited	-	7,115,097
United Commercial Bank Limited	-	21,328,266
Dhaka Bank Limited	-	7,102,937
	-	198,235,864

Note: Syndicated Loan:**Lenders:**

The company has entered into a syndicated loan agreement on 01-06-2009 with IIDFC the lead arranger and with 13 (thirteen) other Banks.

Total Loan Facilities: Taka 136.20 crores.

Interest Rate:

Initially interest rate was 14.50%, During the year 2011 it was 13% but subsequently the rate has been increased to 15.50% as per Bangladesh Bank Circular.

Disbursement:

The first disbursement was made on February 2009.

Repayments:

The facility will be repayable by 18 (eighteen) quarterly installments commencing from 15.01.2011 to 15.04.2015.

Securities:

Registered mortgage on project land, building on first ranking parri passu basis and hypothecation of Machinery, furniture & fixtures, equipments etc.

Purpose:

The purpose of the loan is to set up a computer- controlled, fully automatic billet making plant.

19.00 Shor Term Borrowings:

Loan Against Trust Receipt(LTR)	(Note No. 19.01)	65,342,532	450,527,854
Inland Foreign Documentary Bills for collection (IFDBC)	(Note No. 19.02)	1,240,209,581	2,159,087,429
Cash Credit (C.C) & Overdraft	(Note No. 19.03)	95,714,593	226,343,163
Time Loan	(Note No. 19.04)	-	252,081,837
Demand Loan	(Note No. 19.05)	390,557,762	123,454,964
		1,791,824,468	3,211,495,247

	2015	2014
	Taka	Taka
19.01 Loan Against Trust Receipt(LTR)		
Trust Bank Ltd.	35,511,673	-
Shahjalal Islami Bank Limited.	9,244,751	24,462,669
Mercantile Bank Limited.	-	293,274,792
Dutch Bangla Bank Ltd.	-	53,210,433
Dhaka Bank Limited.	-	1,472,005
Prime Bank Limited	19,429,515	78,107,955
Bank Asia Limited	1,156,593	-
	65,342,532	450,527,854
19.02 Inland Foreign Documentary Bills for Collection (IFDBC):		
IFIC Bank Limited.	7,761,218	76,768,446
Dhaka Bank Limited.	9,258,728	137,674,343
National Credit & Commerce Bank Limited	10,873,605	135,310,034
Trust Bank Limited.	34,859,698	284,861,907
Jamuna Bank Limited.	21,525,402	-
Bank Asia Limited	-	59,193,857
Mutual Trust Bank Limited	-	12,111,816
Islami Bank Bangladesh Limited.	101,024,984	361,031,592
Mercantile Bank Limited.	197,363,538	280,170,628
United Commercial Bank Limited	47,125,881	29,031,239
Hongkong Shanghai Banking Corporation Limited	-	205,315,756
Prime Bank Limited.	185,828,124	195,361,220
One Bank Limited.	34,754,304	58,839,162
AB Bank Limited.	9,234,301	136,507,379
Eastern Bank Limited.	19,845,865	16,407,721
Shahajalal Islami Bank Limited	-	93,637,066
Dutch Bangla Bank Ltd.	88,283,639	29,385,823
Standard Chartered Bank	423,443,906	17,782,485
The City Bank Limited	39,402,770	29,696,954
Social Islami Bank Limited	9,623,618	-
	1,240,209,581	2,159,087,429
19.03 Cash Credit (CC) & Overdraft:		
Mutual Trust Bank Limited. (SOD)	650,963	23,198,021
IFIC Bank Limited.	96,407,769	54,504,635
Janata Bank Limited.(CC HYPO)	3,671,977	21,790,391
AB Bank Limited.	174,100	385,634
The City Bank Limited.(CC HYPO)	104,774	(684,330)

	2015	2014
	Taka	Taka
One Bank Limited.	(7,975,185)	43,649,902
Dhaka Bank Limited	379,380	292,381
Standard Bank Limited	2,300,815	6,215,513
Habib Bank Limited	-	23,555,945
National Credit & Commerce Bank Limited	-	53,435,071
	95,714,593	226,343,163
19.04 Time Loan:		
AB Bank Limited.	-	16,968,350
Social Islami Bank Limited	-	4,763,625
The City Bank Limited.	-	230,013,812
Dutch Bangla Bank Ltd.	-	336,050
	-	252,081,837
19.05 Demand Loan:		
Bank Al Falah Limited	22,349,139	123,454,964
Islami Bank Bangladesh Limited.	52,508,623	-
Eastern Bank Limited.	315,700,000	-
	390,557,762	123,454,964
20.00 Liabilities for Expenses:		
Salary & Allowances	25,650	6,023,906
Basu Banerjee Nath & Co.	60,000	60,000
C & F Expenses	1,838,159	146,835
Carrying Expenses	10,317,014	7,873,820
Insurance Expenses	122,214	137,047
Electricity Expenses	1,255,064	1,195,106
Domicillary Expenses	256,633	186,123
Tiffin Allowance	174,350	181,950
Mill Overtime	737,117	686,893
Oil, Fuel & Lubricant	266,508	332,654
Leave Salary	325,985	315,410
Production Incentive	-	38,520
Others	4,579,447	1,584,316
	19,958,141	18,762,580
21.00 Trade Creditors		
Capital Refractories Limited	-	1,283,689
Grindwell Norton Ltd.	-	1,304,818
Ferro Alloy Co. Pvt. Limited	2,650,500	9,105,600
Linde Bangladesh Limited	653,093	332,335
Moushi Enterprise	-	403,143

	2015	2014
	Taka	Taka
Abul Khair Steel Industries	-	2,118,306
Tata International Limited	-	337,500
S L Ship Recycling Industries Ltd	434	3,338,419
Burhani Steel Corporation	-	238,448
Gen Air Technology	-	316,200
Shahab Uddin	-	201,081
Bismillah Iron Store	-	139,700
Baroawlia Lime Store	519,287	119,543
Nitol Motors Ltd.	-	148,553
Shital Enterprise	-	117,150
M.Hossen	1,785,615	-
Shapla Enterprise	193,950	-
Fair Trade International	391,755	-
BSRM Logistics Limited	1,158,526	1,960,237
BSRM Wires Limited	-	140,800
BSRM Steels Limitd	16,998,485	-
T.N. Brothers	2,681,572	-
ANS Enterprise	6,900	-
Hazi Abul Bashar & Sons	146,700	-
Meltaflux Company Pvt. Limited	337,824	-
Others	17,336,839	22,346,047
	44,861,480	43,951,569
22.00 Due To Related Companies:		
BSRM Wires Ltd.	-	1,645,134
BSRM Steels Ltd.	395,858,419	542,787,176
	395,858,419	544,432,310

Note: All Transactions among the related companies have been made through A/C Payee cheque/Bank Transfer & interest were charged accordingly.

23.00 Other Liabilities:

Retention Money	3,410,186	4,611,165
Staff Income Tax	7,200	91,633
TAX deduction at source	715,195	1,716,726
VAT Deduction at Source	509,955	354,731
Provident Fund	-	406,039
Payable Against Interest	6,343,024	103,080,881
Advance against sales	432,746,344	695,696
	443,731,904	110,956,871

NOTE: VAT & TAX deduction at source have been deposited to Govt. Exchequer subsequently.

24.00 Provision For WPPF & WWF:

	2015	2014
	Taka	Taka
Opening balance as on January 01, 2015	11,992,391	8,614,520
Provided during the year	13,096,948	11,992,391
	25,089,339	20,606,911
Paid during the year	(11,992,391)	(8,614,520)
Closing Balance as on December 31, 2015	13,096,948	11,992,391

25.00 Cost of Goods Sold:

Opening Stock of Raw Materials	1,948,127,797	1,810,865,772
Add: Purchase during the year	5,435,891,533	7,059,308,822
Raw material available for consumption.	7,384,019,330	8,870,174,594
Less: Sales of Scrap	43,958,276	27,035,171
Less: Closing Stock of Raw Materials	1,544,667,786	1,948,127,797
	1,588,626,062	1,975,162,968
Raw Material Consumed	5,795,393,268	6,895,011,626
Add: Production/Manufacturing Overhead		
Salaries & Allowances	121,326,658	119,801,187
Casual Wages	24,649,628	23,403,071
Factory Overhead (Note No. 25.01)	148,101,252	145,604,685
Power	859,207,343	844,549,261
Gas	60,236	-
Fuel & Lubricants Consumed	21,824,158	23,281,591
Mechanical store	36,514,850	101,388,037
Electrical store	16,811,275	12,879,303
General Store	7,606,991	7,858,190
Godown Rent	9,726,825	7,258,696
Consumable Store Consumed (Note No. 25.02)	223,248,476	266,174,742
Depreciation (Note No. 04)	168,930,377	168,653,040
	1,638,008,069	1,720,851,803
Cost of Goods Manufactured	7,433,401,337	8,615,863,429
Add: Opening Stock of Finished Goods	72,308,618	144,382,360
Goods available for Sale	7,505,709,955	8,760,245,789
Less: Closing Stock of Finished Goods	29,261,876	72,308,618
Cost of Goods Sold	7,476,448,079	8,687,937,171

	2015	2014
	Taka	Taka
25.01 Factory Overhead:		
Factory Office Expenses	249,507	115,051
Repairs & Maintenance	9,675,530	13,995,750
Printing & Stationary Expenses	5,826	42,451
Generator Expenses	-	1,313,369
Medical Expenses	1,434,847	1,409,533
Postage & Telegram	6,286	24,472
Electric Expenses	8,917,161	7,676,409
Travelling	1,248,993	1,157,602
Conveyance	5,842,385	5,999,071
Entertainment	4,233,496	3,832,043
Guest House Rent	1,003,152	1,318,976
Carrying Charge	103,607,866	99,616,564
Gratuity	5,514,780	3,159,283
Consultancy Fee	2,472,698	876,928
Fees & Renewal	245,694	327,225
Paper & Periodical	10,024	10,394
Telephone & Mobile Expenses	58,133	199,315
Insurance Expenses	1,678,524	2,485,037
Guest House Expenses	1,442,819	2,045,212
Testing Charges	453,531	-
	148,101,252	145,604,685
25.02 Consumable Store Consumed:		
Lining Materials	177,167,895	136,513,014
Consumable Store	46,080,581	129,661,728
	223,248,476	266,174,742
26.00 General & Administrative Cost:		
Directors Remuneration (Note No. 26.01)	13,200,000	12,000,000
Depreciation (Note No. 04)	95,201	1,397,877
Amortization (Note No. 06)	953,600	79,467
Motor Car Expenses	311,624	296,711
Travelling Expenses	222,824	317,146
Salaries & Allowances	9,523,702	8,203,304
Office Rent	1,622,877	1,633,897
Advertisement Expenses	25,200	14,040
Office Expenses	290,548	104,749
Professional Fees	1,701,546	2,924,520
Conveyance Expenses	109,450	415,110
Stationery	130,633	22,996

	2015	2014
	Taka	Taka
Repair & Maintenance	1,463,655	1,341,804
Postage & Telegram	-	17,645
Mobile & Telephone Expenses	476,213	385,791
Audit Fee	94,700	75,667
Entertainment Expenses	1,612,734	2,238,985
Legal Expenses	282,940	205,382
Training Expenses	263,725	88,090
Fees & Renewals	742,243	773,053
Electricity Expenses	519,914	509,643
Medical Expenses	197,608	174,871
Donation & Subscription Expenses	105,500	182,000
Gratuity	547,676	358,417
	34,494,113	33,761,165

26.01 Directors Remuneration:

Name	Designation	Basic Salary Per Month		2015 Taka	2014 Taka
		Jan-Jun, 2015	Jul-Dec, 2015		
Mr. Alihussain Akberali FCA	Chairman	300,000	350,000	3,900,000	3,600,000
Mr. Aameir AliHussain	Managing Director	200,000	250,000	2,700,000	2,400,000
Mr. Zohair Taherali	Director	300,000	350,000	3,900,000	3,600,000
Mrs. Tehseen Zohair Taherali	Director	200,000	250,000	2,700,000	2,400,000
				13,200,000	12,000,000

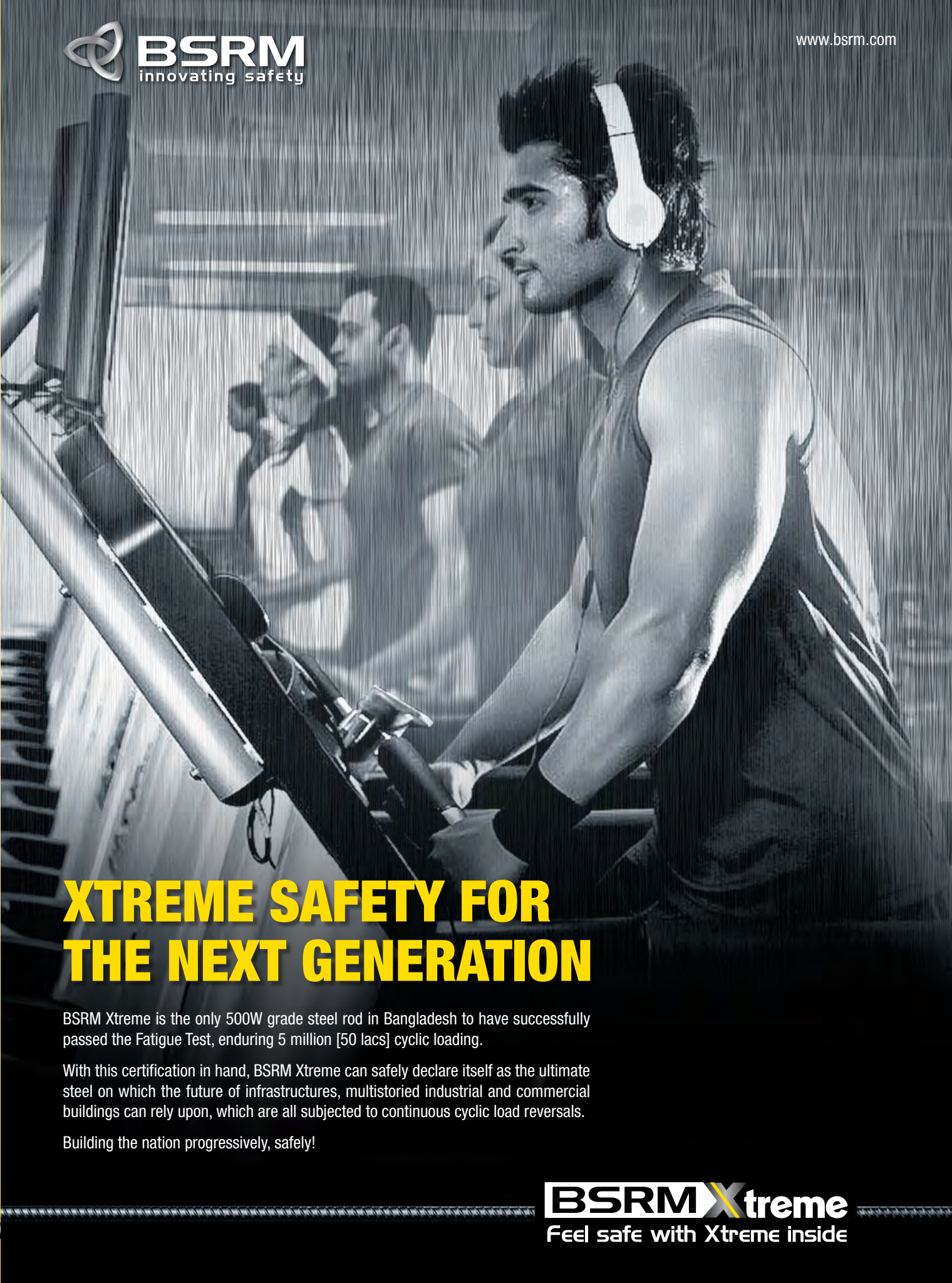
27.00 Other Income:

Miscellaneous Income	5,658,321	7,839,938
Profit on sale of Property, Plant & Equipment	-	434,076
Truck/Trailer Rent Received	7,560,000	-
	13,218,321	8,274,014

28.00 Financial Expenses:

Bank Charges	5,387,706	2,469,560
Interest on Loan Against Trust Receipts	52,146,743	195,463,126
Interest on Term Loan	34,967,842	80,107,448
Interest on Cash Credit & Overdraft	66,426,720	12,194,638
Interest (Income) / Expenses on Related Companies	(15,482,400)	141,974,669
Foreign Currency (Gain)/Loss (Note No-28.01)	20,601,340	(5,520,682)
	164,047,951	426,688,759

	2015	2014
	Taka	Taka
28.01 Foreign Currency(Gain) / Loss :		
Foreign Currency(Gain)/ Loss Transaction	39,367,589	8,134,143
Foreign Currency(Gain) / Loss Translation	(18,766,249)	(13,654,825)
	20,601,340	(5,520,682)
29.00 Financial (Income) /Loss:		
Interest on FDR (Gross)	7,591,286	5,848,714
	7,591,286	5,848,714
30.00 Non-Operating Income:		
Truck/Trailor Rent Received	-	7,570,500
	-	7,570,500
31.00 Earnings Per Share (EPS):		
The computation of EPS is given below:		
a) Profit attributable to the Ordinary Shareholders (Net Profit After Tax)	8,786,639	166,836,194
b) No. of Shares Outstanding for the year (1,100,000,000/10)	110,000,000	110,000,000
	0.08	1.52
32.00 Capacity Utilization:		
32.01 Production Capacity:		
Installed Capacity (In M.Ton) yearly	190,000.00	190,000.00
Actual Production (In M.Ton)	176,311.92	180,677.59
% of capacity utilization	93%	95%
32.02 Number of Employees:		
Number of employees whose salary was below Tk. 3,000	-	-
Number of employees whose salary was above Tk. 3,000	315	305
Total No. of Employees	315	305



XTREME SAFETY FOR THE NEXT GENERATION

BSRM Xtreme is the only 500W grade steel rod in Bangladesh to have successfully passed the Fatigue Test, enduring 5 million [50 lacs] cyclic loading.

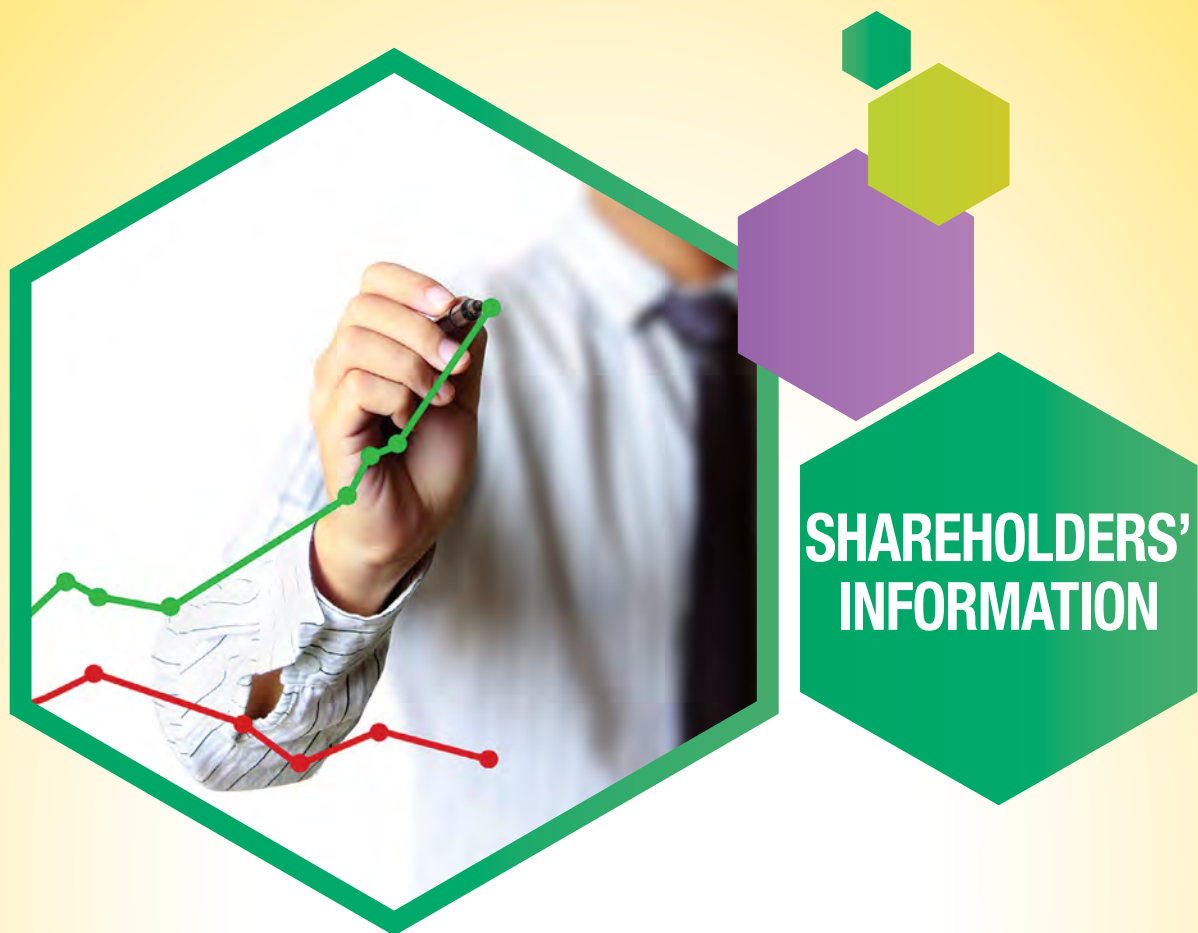
With this certification in hand, BSRM Xtreme can safely declare itself as the ultimate steel on which the future of infrastructures, multistoried industrial and commercial buildings can rely upon, which are all subjected to continuous cyclic load reversals.

Building the nation progressively, safely!

Mining

Mining is the extraction of valuable minerals deposits from deep in the earth's crust which is of economic interest to the nation





ANNUAL GENERAL MEETING (AGM)

No. of AGM : 14th AGM

Date : March 30, 2016

Venue : Institution of Engineers of Bangladesh, Chittagong Center,
S. S. Khaled Road, Chittagong.

Time : 9:30 AM

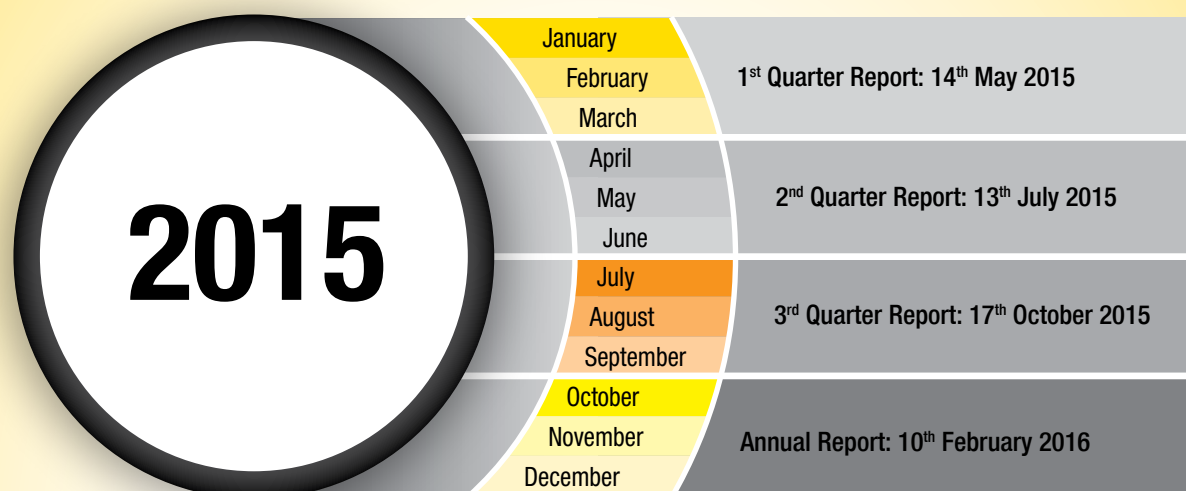
RECORD DATE

The Record date is March 3, 2016

FINANCIAL CALENDAR

Financial Year: 1st January to 31st December.

During the year 2015 operational results of the company were announced on:



BSRM STEELS SHARE PERFORMANCE ON STOCK EXCHANGES

Movement of Close share price on **Dhaka Stock Exchange Ltd. (DSE)** during the year 2015:

Highest value: 102.5 | Lowest value: 54.2



DIVIDEND DATE

A final dividend @ 30% cash has been recommended on 10 February 2016 and after having approval of the shareholders at the AGM, dividend will be distributed within 30 days from the date of AGM.

LISTING

The company's shares are listed at the Stock Exchanges at Dhaka and Chittagong of Bangladesh.

FACE VALUE PER SHARE: Tk. 10/=

CLOSING PRICE OF PER SHARE

Closing Price of per share of your company as at 30th December 2015 was Taka 96.30

DIVIDEND		
Year	Rate of Dividend	Form of Dividend
2015	30%	Cash (Recommended)
2014	15%	Cash
2013	15%	Cash
2012	10% and 5%	Cash and Stock respectively
2011	15%	Cash
2010	20%	Stock (Bonus)
2009	15%	Stock (Bonus)

EPS	
Year	Taka
2015	6.09
2014	3.18
2013	4.95
2012	2.53
2011	2.46
2010	2.82
2009	1.68

MARKET CAPITALIZATION	
Year	Taka in million
2015	32,913
2014	29,974
2013	23,480
2012	22,101
2011	38,572
2010	57,200
2009	14,670

PLANT LOCATION

4, Fouzderhat Industrial Estate, Chittagong, Bangladesh. Tel: +88(031) 2770192-3.

INVESTOR CORRESPONDENCE

Mail to: BSRM Steels Limited, Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh,
Voice: +880 31 2854901-10, E-mail: mail@bsrm.com, Fax: +880 31 610101, Web: www.bsrm.com

Modern Agriculture

Modern agriculture is the business of food production from cultivation, harvesting, food processing, to distribution of farmed products.



EVENTS & IMAGES



Mr. Alihussain Akberali FCA, Chairman of the Company along with Company Secretary and others Directors addressed number of issues to the shareholders at 13th AGM.



A special resolution to raise fund by issuing Zero Coupon Bond (ZCB) of Tk. 2,000 million was passed in the 7th Extra General Meeting (EGM) held at Shoronika Community Center, Chittagong on 25th August 2015. Among others, Chairmen of the Company Mr. Alihussain Akberali FCA, Managing Director of the Company Mr. Aamier Alihussain, Independent Director, Mr. Mono Ranjan Dey FCA, Company Secretary Mr. Shekhar Ranjan Kar FCA were present at the meeting. A good number of shareholders attended the EGM as well.



A view of shareholders attended at 13th Annual General Meeting held on 15th June, 2015 at The Institution of Engineers Bangladesh (IEB)



BSRM awarded for being the best electricity consumer of 2015 under industrial category in Power & Energy week 2015. The award ceremony was held at Bangabandhu International Conference Centre (BICC) on 10th December 2015. Honorable President Mr. Md. Abdul Hamid inaugurated the ceremony as chief guest and handed over the esteemed award to Managing Director Mr. Aamier Alihussain.



BSRM Steels Limited awarded for practicing excellent governance by The Institute of Chartered Secretaries of Bangladesh (ICSB). Mr. Aamier Alihussain, Managing Director of the Company received the prestigious award from honorable Finance Minister Mr. AMA Muhit.

EVENTS & IMAGES



BSRM Group Chairman Mr. Alihussain Akberali FCA has been recognized with Mercantile Bank Honorary Award 2015 for his outstanding contribution to the Industry & Commerce sector of the country over the years. The occasion was 16th founding anniversary of Mercantile Bank held at Ball Room of Pan Pacific Sonargaon Hotel on 1st June, 2015. Mr. Aamier Alihussain, Managing Director of BSRM received gold medal and certificate on Chairman's behalf from honorable Commerce Minister Mr. Tofayel Ahmed.



BSRM organized a seminar titled "The Advent of grade-80" to begin "Maxima" a high strength steel re-bar at Pan Pacific Sonargaon Hotel, Dhaka on 15th December 2015, where BUET experts shared their knowledge on this new product.



Mr. Mohammad Arif ACA, ACMA, CFO, BSRM Steels Limited received the prestigious certificate of merit under manufacturing category on behalf of the Company for best presented Annual Report and maintaining good Corporate Governance in 2014 by ICAB from Commerce Minister Mr. Tofayel Ahmed.



BSRM organized a seminar on "Innovation in hybrid building design" on 27th August, 2015 in the ball room of Pan Pacific Sonargaon Hotel, Dhaka. The seminar was presided over by Prof. Dr. Jamilur Reza Chowdhury, Vice-Chancellor of University of Asia Pacific as Chief Guest and attended by engineers, consultants, professors and industry professionals, key note speakers along with BSRM high officials.

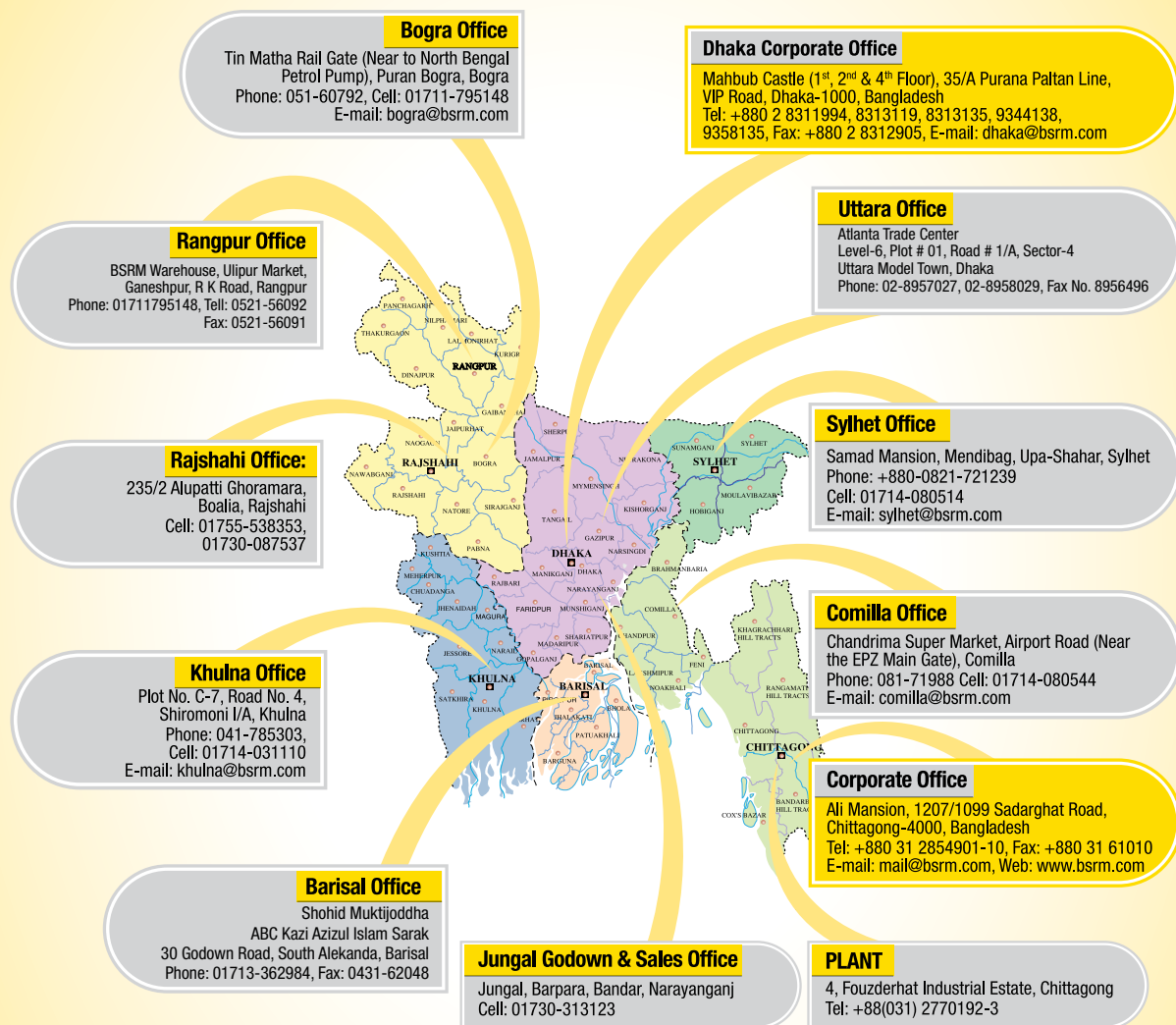


BSRM recognized as the best brand in the category of reinforcing steel for the 4th consecutive year.

GLOSSARY OF TERMS

Terms	Brief description
The Company / Parent	BSRM Steels Limited
Subsidiary	BSRM Iron & Steel Co. Ltd.
Associate	BSRM Steel Mills Limited
Revenue	Turnover or Sales
Profit	Income
Profit attributable to the shareholders'	Net profit after tax
Basic EPS	Basic Earnings per Share (Profit attributable to the Ordinary shareholders divided by weighted average number of Ordinary shares)
Diluted EPS	Diluted Earnings or Income per Share
Deferred Tax	Difference between the carrying value of property, plant & equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.
Equity	Shareholders' Fund or Owners' Fund
Net Current Assets	Current Assets less Current Liabilities
Capital Employed	Non-current Assets plus Net Current Assets
Revaluation Reserve	Reserve created from assets re-valuation
EBITDA	Earnings before Interest, Tax & Depreciation Allowance
Return on Shareholders' Equity	Net Profit after Tax divided by Shareholders' Equity
Return on Capital Employed	Net Profit after Tax divided by Capital Employed
Current Ratio	Current Assets divided by Current Liabilities
Quick / Acid Test Ratio	Current Assets less Inventories divided by Current Liabilities
Inventory Turnover Ratio	Revenue divided by Inventories
Total Assets Turnover Ratio	Revenue divided by Total Assets
P/E Ratio	Market value per share as at reporting date divided by EPS
Price/Equity Ratio	Market price divided by face value per share
Dividend Payout Ratio	Yearly dividend per share divided by EPS
Dividend Covered Ratio	Net Profit after Tax divided by declared Dividend
Debt-equity Ratio	Current plus long term liabilities divided by shareholders' equity
Interest Coverage Ratio	EBIT divided by Interest expenses
Market Capitalization	Market price per share multiplied by number of Ordinary Shares

BSRM OFFICE MAP



BSRM Steels Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chittagong

PROXY FORM

I/We(Name)

of(Address)

being a Shareholder of BSRM Steels Limited ("the company") hereby appoint,

Mr. /Ms.(Name)

of(Address)

as my /our proxy, to attend on my/our behalf at the 14th Annual General Meeting (AGM) of the Company to be held on March 30, 2016 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my /our behalf as he /she thinks appropriate on all resolutions.

Dated this----- day of -----2016.

Signature of the Shareholder
Folio /BO ID No:

Dated -----

Signature of the witness

Signature of the Proxy
Folio/BD ID No :

Dated -----

Note: The Proxy Form, dully filled in and stamped, must be deposited at the Registered Office of the Company, Ali Mansion, 1207/1099 Sadarghat Road, Chittagong not later than 48 hours before the time fixed for the holding of the meeting.

Signature Verified

Authorized Signature
BSRM Steels Limited

BSRM Steels Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chittagong

ATTENDANCE SLIP

I hereby record my presence at the 14th Annual General Meeting of BSRM Steels Limited on March 30, 2016.

Name -----

BO ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature

Signature Verified

Authorized Signature
BSRM Steels Limited

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.

