

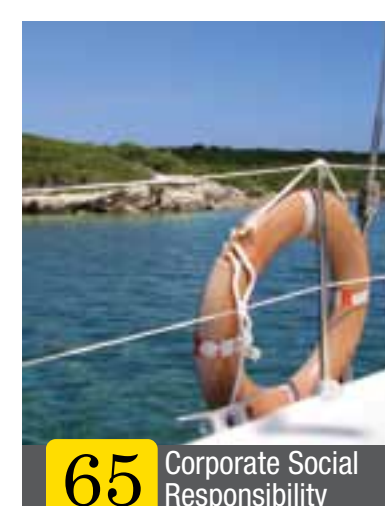
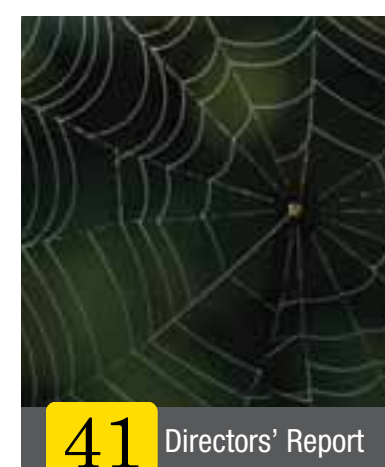
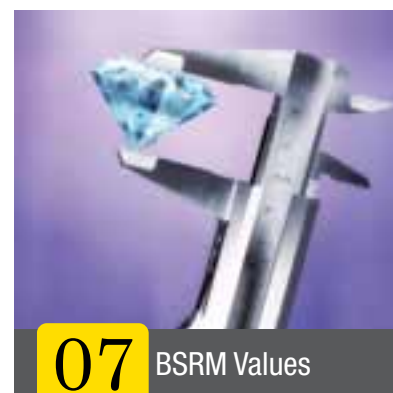


QUALITY ENSURES SAFETY

ANNUAL REPORT 2013

ANNUAL REPORT 2013

CONTENTS





The roots of a tree are its main source of stability and strength. No matter how big and broad a tree becomes, it needs strong roots to withstand rough weather. The roots ensure the safety of the tree as it grows. Without strong roots, the tree cannot survive.

BSRM VISION

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.

Diamond is basically another form of carbon, the same carbon that makes up the graphite we use in pencils to write. The difference between graphite and diamond is geologically profound, although they are made up of the same thing. Under immense pressure and heat, organic material turns to diamond, one of the hardest material on Earth. What makes it so hard is the quality of its molecular structure, that ensures its safety for a long time. That's why, diamonds are forever!



BSRM VALUES

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

Creating 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 services before, during and after the business transactions and honouring 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 upliftment 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.

CODE OF CONDUCT



BSRM always adopt the best, ethical and transparent business practices to be fair and honest in all our 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.



Helmets have been the yardstick for construction safety, ensuring the minimization in loss of lives in case of construction accidents. This one element has been pivotal in protecting workers from the many unpredictable accidents that might happen. The quality of materials used in the helmets have been a marvel, making sure that the impact force is evenly distributed to reduce the pressure on the head, keeping workers safe.

BSRM GROUP'S MILESTONES

2013

1. 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.
2. Start of ground breaking project for ERP (Enterprise Resource Planning) software development and commissioning. This software will cover all significant business and functional areas.

2012

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

2010

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

2006

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

1996

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.

1987

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

1984

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

1952

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

2008

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

2009

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 (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. as on 18 January 2009. Market Capitalization as on 31 December 2013 is 6.87 times higher than face value. The public shareholding including institutional investors is 29.13%.

What's Next?

1. Start of commercial production of world's largest induction furnace based billet casting project – "BSRM Steel Mills Limited" to feed BSRM Steels Limited and Bangladesh Steel Re-Rolling Mills Limited.
2. Enhancing capacity of BSRM Steels Limited to 700,000 M. Ton per annum by July, 2015.
3. Increasing capacity of Bangladesh Steel Re-Rolling Mills to 450,000 M. Ton per annum which will be the first and largest merchant mill in Bangladesh.
4. Completion of all process for listing Bangladesh Steel Re-Rolling Mills Limited with the stock exchanges.
5. Setting up a coal based 150 MW power plant to meet the internal demand as well as to supply to the national grid.

A compass is a navigational instrument that shows directions in a frame of reference that is stationary relative to the surface of the Earth. The magnetic compass was first invented as a device for divination as early as the Chinese Han Dynasty (since about 206 BC), and paved the way for its use in navigation to keep ships safe within the routes already explored.

A medal usually adorning the pocket of a person in military service signifies achievement and excellence. The medal is an emblem of everything the military stands for. It signifies the strength, the sacrifice and their continued commitment to protecting their country. It is a celebration of the accomplishments of the men and women in service and their commitment to our safety.

AWARDS AND RECOGNITIONS

Best Enterprise of the year 2010

BSRM was judged the Best Enterprise of the year for 2010 by the Bangladesh Business Award hosted by the DHL-Daily Star.



D & B Corporate Awards 2010 & 2012

Dun & Bradstreet South Asia Middle East Limited (DNBSAME) awarded “D & B Corporate Awards 2010” to BSRM Steels Limited under Steel Category and ranked BSRM Steels Limited as 23rd company among Bangladesh's Top 500 companies 2010. BSRM Steels Limited awarded in same category in 2012. DNBSAME initiated a series of corporate awards to recognize the corporate leaders of Bangladesh based on their performance and contribution to the economy.



Best Brand Awards Bangladesh 2011 & 2013

BSRM has been recognized as the best brand of Bangladesh in the Steel Category at the Best Brand Award Bangladesh 2011 & 2013 ceremony, organized by Bangladesh Brand Forum. After extensive research across the nation conducted by Nielsen on 5000 in different categories, samples to identify the winning Brands, BSRM was voted as the best known brand in the steel category.



Pride of Chittagong-Chattagramer Ahonkar

Mr. Alihussain Akberali FCA, CIP – Chairman of BSRM Group has been recognized as one of the persons who worked and contributed to the growth of Chittagong by The Daily Purbokone & Grameen Phone for his outstanding contribution to the development of Chittagong through Industrialization.



13th ICAB National Awards

BSRM Steels Limited has received the “13th ICAB National Awards” for best presented Annual Report 2012 under the manufacturing category from the Institute of Chartered Accountants of Bangladesh (ICAB). South Asian Federation of Accountants (SAFA) awarded the Certificate of Merit for the same report.



Divisional Environment Award 2013

BSRM Iron & Steel Co. Ltd. (BISCO) has received the “Divisional Environment Award 2013”, organized by Department of Environment (DOE), Chittagong on World Environment Day 2013.

PERFORMANCE AT A GLANCE-2013

REVENUE: Tk. 36,229 million
GROWTH: - 5.29%

OPERATING PROFIT: Tk. 2,314 million
GROWTH: 99.45%

NET PROFIT AFTER TAX: Tk. 1,196 million
GROWTH: 38.23%

NAV PER SHARE Tk. 18.78
GROWTH: 10.34%

GROSS PROFIT: Tk. 3,250 million
GROWTH: 72.11%

PROFIT BEFORE TAX: Tk. 1,822 million
GROWTH: 40.46%

EARNINGS PER SHARE: Tk. 3.50
GROWTH: 38.34%

NOCF PER SHARE: Tk. 11.99
GROWTH: 663.16%

The quality of honey inside bee hives is ensured through an ingenious method that bees employ. All the bees inside the hive flutter their wings constantly to keep the temperature of the hive even, almost a mathematical impossibility considering the number of bees and the task involved. This action ensures the quality of honey inside the hive, making it safe for consumption.

KEY FINANCIAL HIGHLIGHTS

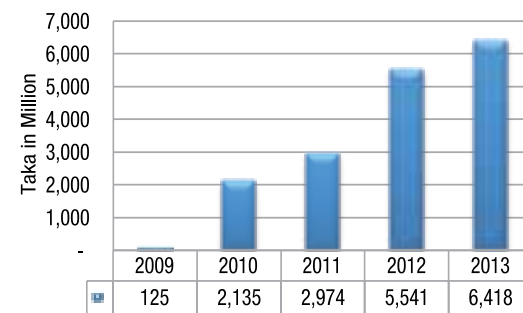
Taka in '000

	2013	2012	2011	2010	2009
Assets Employed					
Non-current Assets	8,062,136	7,523,279	5,057,576	4,868,209	3,570,151
Net Current Assets	(512,599)	(1,247,175)	(1,210,790)	(1,535,710)	(1,838,905)
Total Assets Employed	7,549,537	6,276,104	3,846,786	3,332,499	1,731,246
Financed by					
Share Capital	3,417,750	3,255,000	3,255,000	2,712,500	1,450,000
Revaluation Reserve	2,153,627	2,171,100	-	-	-
Retained Earnings	846,518	114,554	(280,919)	(577,624)	(1,325,010)
Shareholders' Equity	6,417,895	5,540,654	2,974,081	2,134,876	124,990
Long Term borrowings	425,051	218,866	872,705	1,197,623	1,606,256
Retirement benefit obligations - Gratuity	26,291	17,622	-	-	-
Deferred Tax Liabilities	680,300	498,962	-	-	-
Total Capital Employed	7,549,537	6,276,104	3,846,786	3,332,499	1,731,246
Operational Results					
Revenue	36,229,051	38,253,465	31,234,710	22,007,682	15,843,586
Gross Profit	3,250,149	1,888,439	1,914,575	1,929,718	1,581,634
Profit from Operations	2,314,398	1,160,385	1,369,696	1,551,538	1,367,049
Profit before Interest, Taxes & Depreciation Allowances	2,538,472	1,382,576	1,560,699	1,737,733	1,549,265
Profit before Tax	1,821,569	1,296,810	962,121	967,674	574,089
Profit after Tax	1,196,114	865,331	839,205	964,886	574,084
Ratios					
Gross Profit ratio - %	8.97%	4.94%	6.13%	8.77%	9.98%
Net Profit ratio - %	3.30%	2.26%	2.69%	4.38%	3.62%
EBITDA margin to Sales - %	7.01%	3.61%	5.00%	7.90%	9.78%
Return on Shareholders Equity - %	18.64%	15.62%	28.22%	45.20%	459.31%
Return on Capital Employed - %	15.84%	13.79%	21.82%	28.95%	33.16%
Current Ratio - Times	0.97	0.92	0.93	0.83	0.77
Quick / Acid test ratio - Times	0.61	0.44	0.57	0.42	0.37
Inventory turnover ratio - Times	6.37	4.87	4.84	6.03	4.80
Total Assets turnover ratio - Times	1.55	1.70	1.45	1.80	1.60
Earnings per Share (EPS) - Taka	3.50	2.53	2.46	2.82	1.68
Price/Earnings (P/E) ratio - Times	19.63	26.82	48.26	74.69	60.23
Price/Equity ratio - Times	6.87	6.79	11.85	21.09	10.12
Dividend per share (DPS) - Taka	1.50	1.50	1.50	2.00	1.50
Dividend Payout ratio	0.43	0.59	0.61	0.71	0.89
Dividend Cover ratio	2.33	1.77	1.72	1.78	2.64
Net Assets Value (NAV) per share - Taka	18.78	17.02	9.14	7.87	0.86
Net Operating Cash Flow per share - Taka	11.99	(2.24)	(14.14)	3.83	(9.21)
Debt Equity ratio - Times	2.14	2.81	5.20	4.07	74.36
Interest coverage ratio	3.64	3.98	3.39	2.90	1.78
Market price per share at 31 December - Taka	68.70	67.90	118.50	210.88	101.18
Market Capitalization at 31 December (Taka million)	23,480	22,101	38,572	57,200	14,670
Contribution to National Exchequer (Taka million)	2,454	2,028	1,451	1,280	1,440
Average Number of Employees	573	523	472	392	302

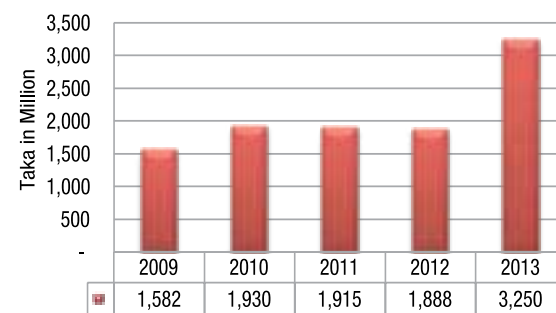
Security cameras do more than just record the sights and sounds of daily life. It is a safety feature that works for the entire society, because it is a key element in deterring crime and other anti-social activities, because with the cameras, apprehension is immediate.

Key Performance Indicators

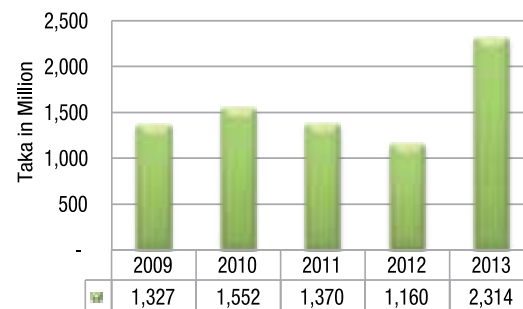
Shareholders' Equity



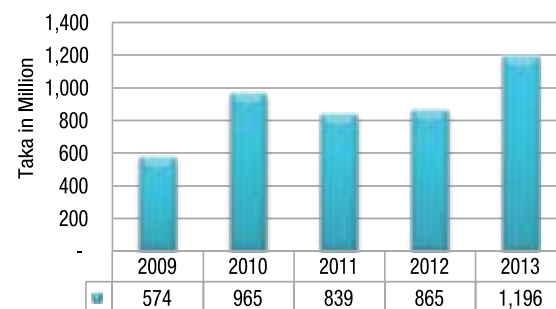
Gross Profit



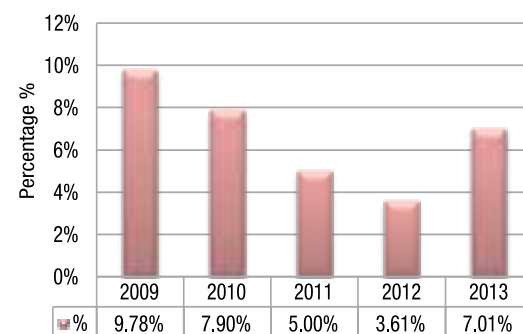
Operating Profit



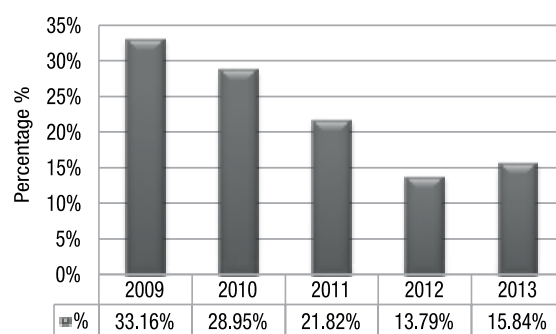
Net Profit after Tax



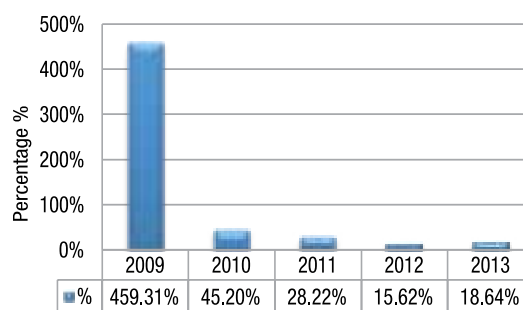
EBITDA to Sales



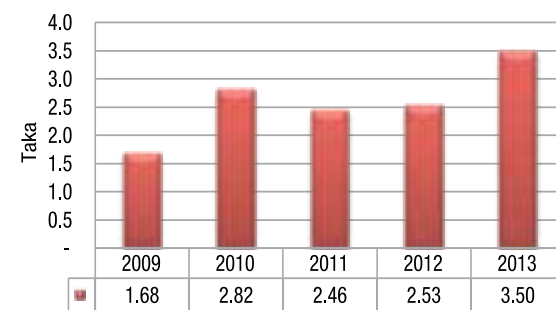
Return on Capital Employed



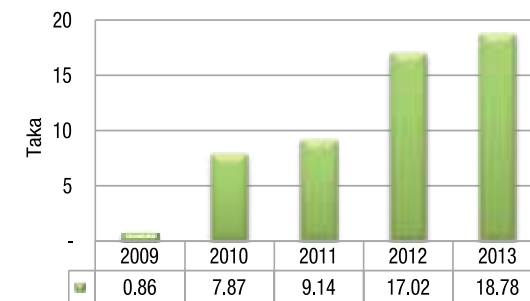
Return on Shareholders' Equity



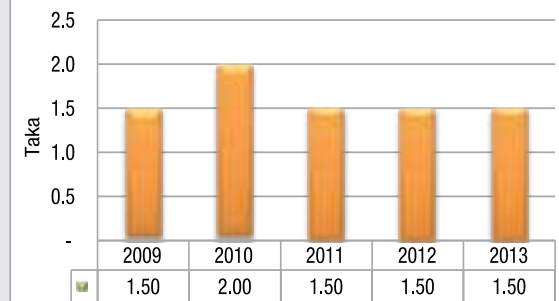
Earnings Per Share



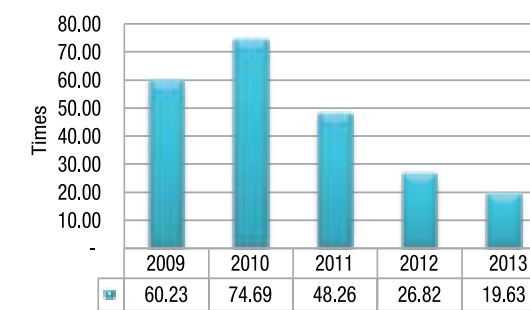
Net Assets Value Per Share



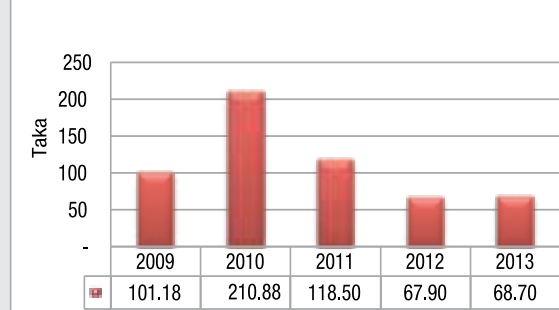
Dividend Per Share



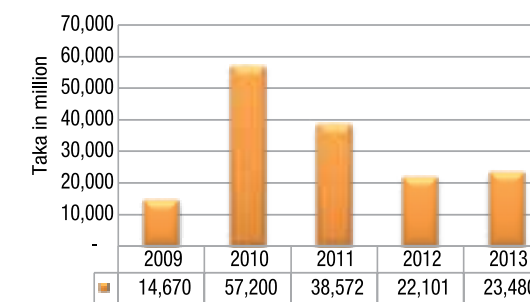
Price Earnings Ratio



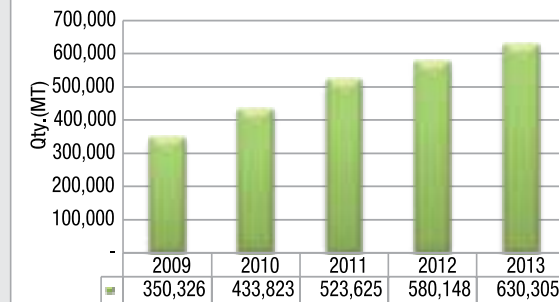
Market price per share as at 31st December



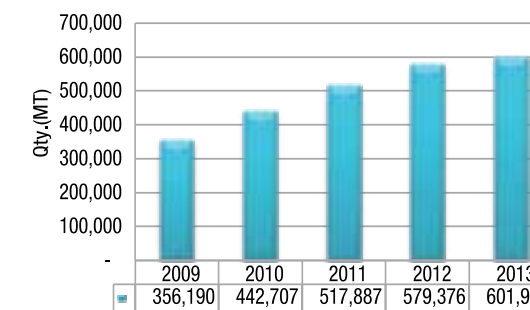
Market Capitalization



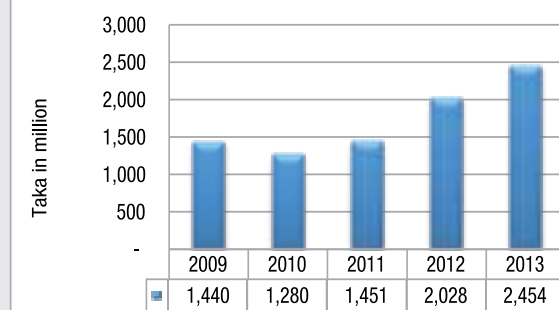
Production Qty.



Sales Qty.

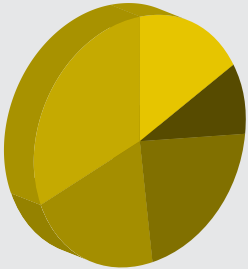


Contribution to National Exchequer

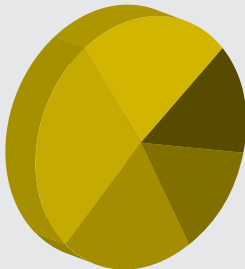


VALUE ADDED STATEMENT & EVA

	2013 Taka	%	2012 Taka	%
Value Added:				
Revenue	36,229,050,933		38,253,464,657	
Other Income	242,874,841		498,483,879	
	36,471,925,774		38,751,948,536	
Less : Paid to suppliers for materials and services	33,509,602,846		36,633,840,046	
	2,962,322,928	100	2,118,108,490	100
Distributed as follows:				
EMPLOYEES				
Wages, Salaries, bonus, commssions, pensions and other benefits	280,783,914	9.48	307,432,211	14.51
PROVIDERS OF FINANCE	635,896,922	21.47	291,675,539	13.77
GOVERNMENT	625,455,060	21.11	431,478,774	20.37
DIVIDEND	512,662,500	17.30	488,250,000	23.06
	2,054,798,396	69.36	1,518,836,524	71.71
RETAINED FOR REINVESTMENT & FUTURE GROWTH				
Depreciation & Amortization	224,073,251	7.56	222,190,929	10.49
Retained Profit	683,451,281	23.07	377,081,037	17.80
	907,524,532	30.64	599,271,966	28.29
	2,962,322,928	100	2,118,108,490	100



DIVIDEND 17.30
DEPRECIATION & RETAINED PROFITS 30.64
GOVERNMENT 21.11
PROVIDERS OF FINANCE 21.47
EMPLOYEES 9.48



DIVIDEND 23.06
DEPRECIATION & RETAINED PROFITS 28.29
GOVERNMENT 20.37
PROVIDERS OF FINANCE 13.77
EMPLOYEES 14.51

ECONOMIC VALUE ADDED (EVA)

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

Calculation of EVA

Net Operating profit after Tax (NOPAT)
Total Capital Employed
Cost of Capital in %
Cost of Capital (COC)
EVA = NOPAT - COC

Amount in '000	
2013	2012
1,677,939	841,279
7,549,537	6,276,104
15.00%	15.25%
1,132,431	957,106
545,508	(115,826)

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

PRODUCTS AND MARKETS

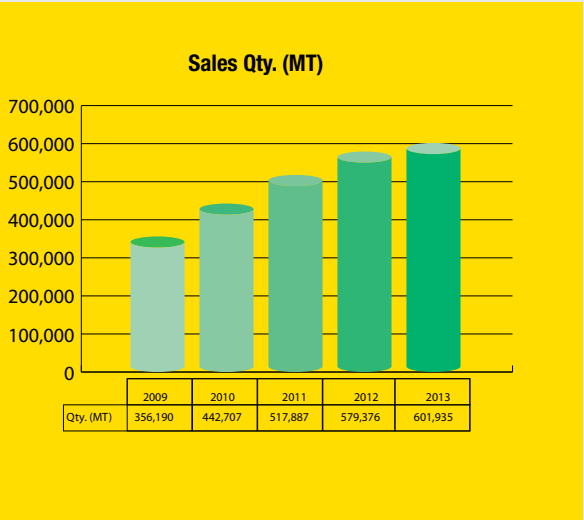
BSRM Steels Limited is a high grade steel manufacturing company and only producer of EMF tested ductile rod in Bangladesh. EMF (Elongation at Maximum Force) is the parameter of measuring of ductility of steel which has taken the country's construction sector to a new era. Products of BSRM Steels are:

Sl. No.	Name of Products	Size (mm)
1	Xtreme500W	8, 10, 12, 14, 16,
2	Grade – 400	20, 22, 25, 28, 29, 32 & 40 mm

Market performance

BSRM is the market leader in the steel industry. Net sales for 2013 were 601,935 MT with value in Taka 3,622.90 crore. The Chart shows sales growth of BSRM Steels Limited for the last Five years.

Product-wise performance



A. Xtreme500W

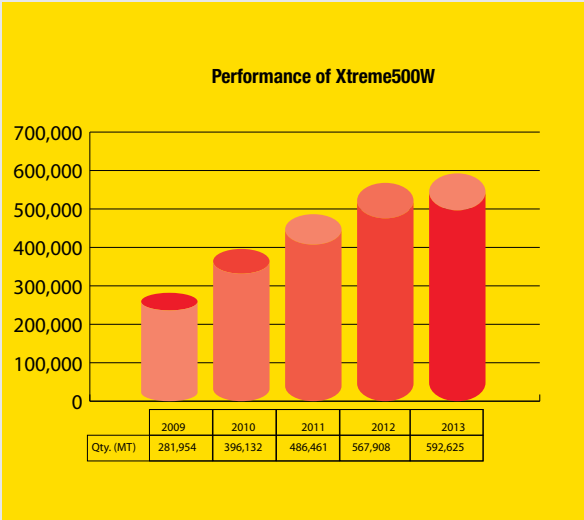
Why Xtreme500W....

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. At present in Bangladesh BSRM is the only company to ensure EMF 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 Xtreme500W:



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. Our 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:

- The pride of Dhaka, the 9.6 kilometer Gulistan-Jatrabari fly-over (Mayor Mohammad Hanif Flyover), also preferred Xtreme500W.
- Saidabad Water Treatment Plant Phase-II also using Xtreme500W.
- Hatirjheel Integrated Development Project.
- Zillur Rahman Flyover (Mirpur-Airport & Banani)
- Following projects are also using the Xtreme500W:
 - i. Gono Bisyabidyaloy
 - ii. Food Silo, Shantahar, Noagaon
 - iii. NCC Bank Head Office, Dhaka
 - iv. MIDAS Tower, Dhaka
 - v. Dhaka Bank – Head Office, Dhaka

B. Other Products

BSRM also manufactures the traditional Grade 60/400 and Grade 40 bars for customers who are comfortable in using the older steel grades.



BSRM STEELS LIMITED

At the time of its completion in 2008 the modern factory shed was a Landmark in its own right. Built near the Sandwip channel, to withstand 260 km / hr. cyclonic wind storm gusts and with Electric Overhead Crane traction system needed more than 3500 tons structural framing steel. The crane traction system annually handles over a million tons of steel billets and finished rebar.



BILLET CASTING

The billet making and casting plant of BSRM Iron & Steel Co. which is a 95% owned subsidiary of BSRM Steels Ltd. The plant has an annual capacity of up to 170,000 tons of steel billets of 160mm x 160mm cross-section. This is the largest billet making plant in the country.



BILLET EJECTION

A 160mm x 160mm billet reheated to 1150°C comes out of the modern 75 ton / hr. European designed and built continuous pusher-type Furnace.



BAR ROLLING

A series 3 of H-V-H Mill stands of the 20 stand continuous rolling mills designed and built by Danieli – Morgardshammar an European consortium of steel plant builders.



RE-BAR STACK

Re-bar sizes from 8mm to 40mm are stacked in factory premise for nationwide distribution. Overhead electro magnetic cranes handel required re-bar quanttly safely and quickly.

TRANSMITTAL LETTER

Date: April 5, 2014

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, 2013

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, 2013 for your information and records.

Yours sincerely,



Shekhar Ranjan Kar FCA
Group CFO & Company Secretary

NOTICE OF THE 12TH ANNUAL GENERAL MEETING

Notice is hereby given that the 12th Annual General Meeting of shareholders of **BSRM Steels Limited** will be held on April 24, 2014 at 11.00 am at the Institution of Engineers of Bangladesh, Chittagong Center, S. S. Khaled Road, Chittagong to transact the following businesses 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, 2013 together with the Directors' Report and the Auditors' Report on those Financial Statements.
2. To elect / re-elect the Director(s) of the company.
3. To appoint Auditors for the year 2014 & fix their remuneration.
4. To declare Dividend for the year ended 31st December 2013.

By order of the Board



(Shekhar Ranjan Kar FCA)
Group CFO & Company Secretary

Chittagong
22nd March 2014

Notes:

- Record Date was 9th March 2014.
- Shareholders whose name appears in the share register of the company or in the Depository Register on the record date will be entitled to attend the 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.

Please note that no gift or gift coupon will be given to the shareholders for attending the Annual General Meeting.

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

Mr. Zohair Taherali, Director

Mrs. Tehseen Zohair Taherali, Director

Mrs. Sabeen Aameir, 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

Mrs. Sabeen Aameir, Member

Mr. Shekhar Ranjan Kar FCA, Secretary

COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA

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, Head of Operations

Mr. Mohammed Reazul Kabir FCA, Head of Finance & Accounts

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, Head Operations

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

Syful Shamsul Alam & Co.

Chartered Accountants

Yunusco City Center (9th Floor)

807, CDA Avenue, Nasirabad, 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

Web: www.bsrm.com

DHAKA CORPORATE OFFICE

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

35, Purana Paltan Line, Inner Circular Road (VIP Road), Dhaka.

Tel: 88 02 8311994, 8313135, 9358135

Fax: 88 02 8312905,

Email-dhaka@bsrm.com

REGIONAL OFFICES:

UTTARA OFFICE

H-14, Road-6, Sector: 1, Uttara Dhaka.

Tel: 8957027, 8958029

Fax # 8956496

SYLHET

Samad Mansion

Mendibag, Upa-Shahar, Sylhet.

Tel:0821-721239, 01714080514,

Fax:0821-2832751.

Email-sylhet@bsrm.com

BOGRA

Tin Matha Rail Gate, Puran Bogra, Bogra.

Tel-051-60792, 01711-795148

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

Email-khulna@bsrm.com

BARISHAL

Amtala Panir Tank

South Alekanda, Barishal.

Tel-0431-217518

RAJSHAHI

Alupatti, Ghoramara,

Boalia, Rajshahi.

Tel- 01755-538353, 01730-087537

RANGPUR

House # 71/01, Road # 2,

Islambag, RK Road, Rangpur.

Tel- 01711-795148, 01730-784821

The invention of seat belts cut down the number of deaths from road accidents by ten folds. It is considered by some as the single most important element of safety for vehicular use, an invention universally adopted across many vehicle types. The simplicity is its quality, which has been exceptional in saving lives. That's quality that ensures safety.

BOARD OF DIRECTORS



Mr. Alihussain Akberali FCA
Chairman

The 3rd son of late Akberali Africawala was born in 1949. He is the most experienced industrialists 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 nine times. His father late Akberali Africawala was a renowned businessman in steel sector. Mr. Alihussain Akberali passed his primary and high school education from St. Placids School in Chittagong and graduated in Commerce form University of Karachi, Pakistan. He 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 Director of Chittagong Stock Exchange Ltd. and Vice Chairman of Chittagong Metropolitan Chamber of Commerce and Industry. He is also a member of Audit Committee of the Company.

Mr. Aameir Alihussain
Managing Director

Son of Mr. Alihussain Akberali FCA, 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 in Pakistan.

Ensuring quality and focusing on customers' satisfaction are his top priorities.



Mr. Zohair Taherali
Director

He was born in 1963 and involved for last 22 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 also a member of the Audit Committee of the company. He is commerce graduate from University of Karachi in Pakistan.

Mrs. Tehseen Zohair Taherali
Director

She was born in 1970. 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.

She graduated from University of Chittagong.



Mrs. Sabeen Aameir
Director

She was born in 1977. She looks after the Corporate Social Responsibility (CSR) activities of the company. As a member of the Board of Directors, she is applying her prudent thoughts to resolve the matters in the board and she is also concentrating on the development of the Human Resource Management of the company. She is also a member of the Audit Committee of the company. She did her MBA from LUMS University, Pakistan.

Mr. Mono Ranjan Dey FCA
Independent Director

A renowned Chartered Accountant Mr. M. R. Dey was born in 1954. He has 25 years of experience in internal and external audit and assurance, developing internal control system, company related matters, taxation and VAT matters.

He is Qualified Chartered Accountants and Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Currently he is 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.



Names 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	Mrs. Sabeen Aameir
Bangladesh Steel Re-Rolling Mills Ltd	Managing Director & Chairman	Director	Director	Director	Director
BSRM Wires Limited	Managing Director	Director	Chairman	Director	-
BSRM Recycling Industries Limited	Managing Director	Director	Chairman	Director	-
BSRM Iron & Steel Co Limited	Managing Director & Chairman	Director	Director	Director	Director
Chittagong Power Company Limited	Managing Director & Chairman	Director	Director	-	-
Bangladesh Steels Limited	Director	Managing Director	Chairman	Director	-
East Bengal Trading & Industrial Corporation Limited	Director	Managing Director	Chairman	Director	-
BSRM Ispat Limited	Managing Director	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. Ltd.	Managing Director & Chairman	Director	Director	Director	-
Karnafully Engineering Works Ltd.	Chairman	Director	Managing Director	Director	-
Section Steel Industries Ltd.	Managing Director	Chairman	-	-	-

KEY MANAGEMENT

Tapan Sengupta, Executive Director

Kazi Anwar Ahmed, Head of Corporate Affairs

M. Firoze, Head of Marketing & Product Development

Shekhar Ranjan Kar FCA, Group CFO & Company Secretary

S. K. Das, Head of Operations

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

Sankar Roy, Group Head T & D

Jamil Ahmed, Head of HR

Mohammed Reazul Kabir FCA, Head of Finance & Accounts

M. Harunur Rashid, Lead Non-Technical Project

Mohd. Imtiaz Uddin Chowdhury, Head of Supply Chain

Mohammad Arif ACA, 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

A smoke detector is a small device, yet has the ability to ward off big disasters by warning and taking the right measures at the right time. Technological leaps have made the smoke detector attain better quality, to ensure better safety for the people concerned, and is usually an important aspect of a building's safety features.



CHAIRMAN'S ADDRESS

Assalamualikum and Good morning to all our Shareholders and Partners.

On behalf of the Board of Directors, I welcome you all to the 12th AGM of BSRM Steels Limited. I would like to express my gratitude and thanks for the support and confidence you have put on us in running your company.

I want to start with a note that your company has registered higher sales even though the country witnessed a disturbed period due to political unrest throughout 2013. This was only possible due to the dedicated work force of your company who planned ahead to adapt to difficult market conditions apprehended during an election year and acted proactively by positioning itself on a few strategic areas.

Please allow me to present some facts and figures which will testify the achievements your company has made in 2013.

Business and financial performance:

The Company completed 2013 with 38.23% growth in profit after tax amounting to Tk. 119.61 crore. During the year annual Revenue is Tk. 3,622.90 crore which was Tk. 3,825.35 crore in 2012. Net Asset Value (NAV) per share is Tk. 18.78 against Tk. 17.02 in the last year. The Company also invested Tk. 31.42 crore in plant and Machinery and for other Capital assets which actually helped us to maintain the optimum efficiency of the plant and increased production capacity to 600,000 MT per year from that of 375,000 MT in 2009.

In Bangladesh, the GDP in Fiscal year 2013 grew by 6%. Now newly formed Government is in power and we hope steel business in Bangladesh will increase tremendously as all development work will start in private and public sector. Our people are also becoming aware of safety of health and environment. Therefore demand for quality MS Rod like BSRM Xtreme500W is rising. In future huge infrastructural projects will be under taken which will also increase demand for BSRM Xtreme500W.

You may know that the share of your company was traded in substantial volume during 2013 which is another indicator that investors have confidence in BSRM Steels Limited and the progress it has made in business.

Outlook and 2014

You know population is growing in both size and affluence; people in more numbers are leaving the villages, where farming is a way of life, and migrating to cities in a big way. This gives rise to a more prosperous consumer-minded middle class and more demand for roads, bridges, and buildings – creating opportunities for BSRM business growth.

To position ourselves to meet the demand, in 2014 we are moving ahead with projects to widen our production facilities, accordingly projects have been undertaken, funding arranged from banks and distribution channel expanded – this will improve our ability to serve customers and investors in a befitting way.

The positive performance achieved in 2013, the progress made over the past few years, the competent management in place – all indicates that the company is standing on a firm foundation and is ready to go for higher capacity and position for greater market share.

To that direction your company has already invested Tk. 451,146,000 in shares of BSRM Steel Mills Limited - a new Billet

**The Company
completed 2013 with
38.23% growth in profit
after tax amounting to
Tk. 119.61 crore.**

manufacturing company being set up at Mirsarai. Now your Company is holding 21.76% equity in BSRM Steel Mills Limited as of 31st December 2013. It is worth mentioning here that it would be the largest ever billet manufacturing plant in the world based on Induction furnace technology. Hopefully the new plant will start its commercial operation in 2014 with a capacity of 862,000 M.Ton per annum.

A consortium of 25 banks and financial institution has arranged Tk. 5,908 Million and US\$40 million for this project. It is the ever biggest commercial syndication loan facility arranged for any Bangladeshi Company.

After completion of the project, dependency of BSRM Steels Limited on imported billets will be substantially reduced. The project is considered to be a significant milestone in the industrial development of Bangladesh.

CSR

Now let me say a few words on CSR plan, which is very dear and near to my heart. The company attaches great importance to this effort of corporate social responsibility and has now created a CSR Dept. to ensure engagement and play an active role. Yes, we have been engaged in philanthropy for decades, but I do not just want to stop there, I ask myself how could we do more, which would directly help the underprivileged, and I am happy to announce that we have engaged a few NGOs to implement a few projects on our behalf in 2013.

To name a few projects - we are constructing a centre, near border area at Jessore, where the victims of human trafficking smuggled into the neighboring countries for immoral activities will be trained to do self sustaining jobs, so that they do not have to embark on leaving their homes and family for their survival. At Miresherai we are starting with 50 families to give a alternative livelihood options by funding and helping with agricultural training so that they do not destroy forest and earn a steady income by taking lease and growing food, raise live stocks to make a safe living.

Under CSR programme we have donated 5,000 blankets to reach the extreme cold places, to vulnerable people in Rangpur, Chittagong and other areas through NGOs. In addition, we have contributed to schools / homes especially for physically challenged children.

Acknowledgements

In conclusion, I would like to thank each and every one of our employees whose commitments and efforts made 2013 yet another successful year for the Company. Many previous records of production and sales have been broken and new milestones set.

Taking into account the Company's profitability, shareholder expectations and the need for future sustainable development, the Board of Directors recommended 15% cash dividend.

I would also like to convey my sincere thanks to our customers, shareholders, suppliers, auditors, legal advisors, BSEC, Bankers, RJSC, DSE, CSE and other business associates including the Government and various authorities for their continued support in our journey of delivering consistent, competitive, profitable and sustainable growth.

Again, I sincerely thank each and every one of you, our shareowners, for the confidence and trust you have reposed on us. I can assure you that the BOD will remain focused on achieving favorable returns for shareholders.

ALLAH HAFIZ

With warm regards

Alihussain Akberali FCA
Chairman

চেয়ারম্যানের প্রতিবেদন

আমাদের অংশীদারগণ এবং শেয়ারহোল্ডারবৃন্দকে সুপ্রভাত। আসসালামু আলাইকুম।

বি.এস.আর.এম -এর ১২তম বার্ষিক সাধারণসভায় পরিচালক পর্ষদের পক্ষ থেকে আপনাদেরকে স্বাগত জানাচ্ছি। আমাদের উপর আপনাদের আস্থা ও বিশ্বাসের জন্য আমরা আন্তরিকভাবে কৃতজ্ঞ।

২০১৩ সালে দেশে বিদ্যমান রাজনৈতিক অস্থিরতা সত্ত্বেও আপনাদের কোম্পানীর বিক্রয় উল্লেখযোগ্য হারে বৃদ্ধি পেয়েছে। এটা সঞ্চব হয়েছে আপনাদের কোম্পানীর নিবেদিতপ্রাণ কর্মীবাহিনীর কার্যকর পরিকল্পনা, উদ্যম আর দক্ষতার কারণে। তারা নির্বাচনী বছরকে সামনে রেখে একটি চৌকস পরিকল্পনা তৈরী করেছিলেন।

২০১৩ সালে কোম্পানীর সাফল্যের কিছু তথ্য ও উপাত্ত আপনাদের সামনে পেশ করতে চাই।

ব্যবসা ও আর্থিক দক্ষতা

কোম্পানীর করপূর্ব মুনফার পরিমান ১,৮২১.৫৭ মিলিয়ন টাকা এবং কর উত্তর মুনাফার পরিমান ছিল ১,১৯৬.১১ মিলিয়ন টাকা, যা পরবর্তী বছরের তুলনায় ৩৮.২৩% বেশী। ২০১৩ সালে কোম্পানীর বার্ষিক আয় ৩,৬২২.৯০ কোটি টাকা যা ২০১২ সালে ৩,৮২৫.৩৫ কোটি টাকা ছিল। এই বছর শেয়ার প্রতি কোম্পানীর সম্পত্তির মূল্য দাঁড়িয়েছে ১৮.৭৮ টাকা যা পূর্ববর্তী বছরে ১৭.০২ টাকা ছিল। কোম্পানী যন্ত্রপাতি ও মূলধনী সম্পত্তি ক্রয়ে ৩১.৪২ কোটি টাকা বিনিয়োগ করেছে যা প্রকৃতপক্ষে কারখানার সর্বোত্তম ও সর্বোচ্চ ব্যবহার নিশ্চিত করেছে। উল্লেখ্য, ২০০৯ সালে কোম্পানীর বার্ষিক উৎপাদন ক্ষমতা ছিল ৩৭৫,০০০ মে:টন যা ৬০০,০০০ মে: টনে উন্নীত হয়েছে।

২০১৩ সালে বাংলাদেশে জি.ডি.পি এর প্রবৃদ্ধি ছিল ৬%। আমরা আশা করছি, বর্তমান নবগঠিত সরকারের অধীনে ব্যক্তিগত ও রাষ্ট্রীয় পর্যায়ে উন্নয়ন কর্মকাণ্ড ব্যাপকভাবে বৃদ্ধি পাবে এবং ফলশ্রুতিতে ইম্পাত ব্যবসা উল্লেখযোগ্য হারে বাড়বে। সম্প্রতি স্বাস্থ্য ও পরিবেশের নিরাপত্তার ব্যাপারে জনসাধারণ ক্রমান্বয়ে সচেতন হয়ে উঠছে। তাতে BSRM Xtreme 500W-এর চাহিদা বাড়ছে। ভবিষ্যতে ভৌত অবকাঠামো নির্মাণকাজ ব্যাপক আকারে শুরু হলে BSRM Xtreme500W-এর চাহিদা আরো বাড়বে।

রূপকল্প এবং ২০১৪

বাংলাদেশের জনসংখ্যা বৃদ্ধির সাথে সাথে মানুষ ক্রমশ শহরমুখী হচ্ছে। ফলে মধ্যমআয়ের ভোক্তাশ্রেণীর বিকাশ ঘটছে এবং রাস্তাঘাট, ব্রিজ ও বহুতল ভবন নির্মাণের প্রয়োজনীয়তা বাড়ছে। এতে করে বি.এস.আর.এম স্টীলস লিমিটেডের এর ব্যবসা প্রসারের সুযোগ সৃষ্টি হয়েছে।

ইতিমধ্যে আমরা গ্রাহকের চাহিদা পূরণের জন্য উৎপাদন বৃদ্ধির পরিকল্পনা গ্রহণ করেছে। ২০১৪ সালে আমাদের উৎপাদন বাড়ানোর জন্য কিছু প্রকল্প শুরু হবে। প্রকল্প সমূহের জন্য প্রয়োজনীয় তহবিলের ব্যবস্থা করা হয়েছে। বিতরণ ও সরবরাহ ব্যবস্থাকেও শক্তিশালী করা হয়েছে। এতে করে আমরা গ্রাহকবৃন্দকে আরো বেশী সেবা প্রদান করতে পারবো।

২০১৩ সালে আমাদের অর্জন, আমাদের ধারাবাহিক প্রবৃদ্ধি, আমাদের দক্ষ ব্যবস্থাপনা এটাই প্রমান করে যে, কোম্পানী একটি শক্তভিত্তির উপর দাঁড়িয়ে আছে এবং আরো উৎপাদন বৃদ্ধি ও মার্কেট শেয়ার পাবার যোগ্যতা রাখে। এই উদ্দেশ্যকে সামনে রেখে কোম্পানী ইতিমধ্যে বি.এস.আর.এম স্টীল মিলসের ৪৫১,১৬৪,০০০ টাকার শেয়ার ক্রয় করেছে। উক্ত কোম্পানীটি মিরসরাইতে একটি বিলেট উৎপাদন কারখানা স্থাপন করতে যাচ্ছে। আপনাদের কোম্পানী এর ২১.৬৭% শেয়ার গ্রহণ করেছে। উল্লেখ্য যে, এই কোম্পানীটি পৃথিবীর বৃহত্তম ইনডাকশন ফার্নেস চালিত বিলেট কারখানা হবে। বার্ষিক ৮,৬২,০০০ মে: টন বিলেট উৎপাদন ক্ষমতাসম্পন্ন কারখানাটি ২০১৪ সালের মধ্যেই বাণিজ্যিক উৎপাদন শুরু করবে।

২৫টি ব্যাংক ও আর্থিক প্রতিষ্ঠানের একটি কনসোর্টিয়াম এই প্রকল্পে ৫,৯০৮ মিলিয়ন বাংলাদেশী টাকা ও ৪০ মিলিয়ন মার্কিন ডলার ঋণের ব্যবস্থা করেছেন। বাংলাদেশী কোন কোম্পানীর জন্য এটাই বৃহত্তম বাণিজ্যিক ঋণ। উক্ত প্রকল্প সমাপ্ত হলে বি.এস.আর.এম স্টীলসের আমদানীকৃত বিলেটের উপর নির্ভরতা উল্লেখযোগ্য হারে হ্রাস পাবে। এই প্রকল্পটি বাংলাদেশের শিল্পায়নে একটি মাইলফলক হিসাবে বিবেচিত হবে।

কর্পোরেট সামাজিক দায়বদ্ধতা

এইবার আমি কর্পোরেট সামাজিক দায়বদ্ধতা সম্পর্কে আলোকপাত করতে চাই। আমি সর্বান্তকরণে এই বিষয়টির সাথে জড়িত রয়েছি। আমাদের কোম্পানী কর্পোরেট সামাজিক দায়বদ্ধতাকে অত্যন্ত গুরুত্বের সাথে বিবেচনা করে। যাতে আমরা এই বিষয়ে আরো কার্যকর ভূমিকা পালন করতে পারি, সেজন্য একটি পৃথক শাখা গঠন করা হয়েছে। যদিও আমরা কয়েক দশক ধরে এই নিয়ে কাজ করছি, তবুও আমরা আরো ব্যাপক ভূমিকা রাখতে চাই, যাতে সমাজের সুবিধাবঞ্চিত জনগোষ্ঠি উপকৃত হয়। আমাদের পক্ষে কিছু প্রকল্প বাস্তবায়নের জন্য আমরা কিছু NGO কে মনোনীত করেছি।

এই ধরনের একটি প্রকল্পতে আমরা যশোরের সীমান্ত এলাকায় পাচারের শিকার নারীদের অন্য একটি আশ্রয়কেন্দ্র নির্মাণ করছি, যাতে নির্ধাতিত নারীরা প্রশিক্ষণের মাধ্যমে নিজেদের স্বাবলম্বী করতে পারেন। অন্য একটি প্রকল্পে, মিরসরাইতে আমরা ৫০টি পরিবারকে বিকল্প জীবিকা আহরণের জন্য প্রশিক্ষণ দান করছি, যাতে তারা চাষাবাদ ও গবাদি পশু পালনের মাধ্যমে জীবিকা নির্বাহ করতে পারেন এবং বনজ সম্পদের উপর তাদের নির্ভর করতে না হয়।

কর্পোরেট সামাজিক দায়বদ্ধতার প্রকল্প অনুযায়ী আমরা NGO-দের মাধ্যমে রংপুর, চট্টগ্রাম ও দেশের অন্যান্য এলাকায় ৫০০০ কঞ্চল বিতরণ করেছি। এছাড়াও যে সব স্কুলে দরিদ্র শিশু ও প্রতিবন্ধী শিশু পড়াশোনা করে তাদের আমরা নিয়মিতভাবে সহযোগীতা করছি।

সর্বশেষে আমি কোম্পানীর ২০১৩ সালের সাফল্যের জন্য সকল কর্মচারী ও কর্মকর্তাবৃন্দকে ধন্যবাদ জানাচ্ছি। তাদের একাত্মতা ও নিষ্ঠার ফলে আমাদের উৎপাদন ও বিক্রয় অতীতের সমস্ত রেকর্ড অতিক্রম করেছে।

কোম্পানীর মুনাফা, শেয়ারহোল্ডারদের আশা, কোম্পানীর ধারাবাহিক প্রবৃদ্ধির কথা বিবেচনা করে বোর্ড অব ডাইরেক্টরস ১৫% নগদ লাভ্যাংশ প্রস্তাব করছে।

পরিশেষে আমি আমাদের ক্রেতা, শেয়ারহোল্ডার, পণ্য সরবরাহকারী, অডিটর, আইনজীবী, ব্যাংকার, BSEC, RJSC, DSE, CSE-কে আমাদের সহযোগীতা করার জন্য আন্তরিকভাবে ধন্যবাদ জানাচ্ছি।

আমাদের উপর বিশ্বাস ও আস্থা রাখার জন্য আমি পুনরায় আমাদের প্রত্যেক শেয়ারহোল্ডারকে আন্তরিকভাবে কৃতজ্ঞতা জানাচ্ছি। পরিচালকমণ্ডলী সর্বদা শেয়ারহোল্ডারবৃন্দের স্বার্থ রক্ষায় সচেষ্ট।

আল্লাহ হাফিজ।

বিনীত

আলীহোসাইন আকবরআলী এফ.সি.এ
চেয়ারম্যান



FROM THE DESK OF MANAGING DIRECTOR

Dear Honorable Shareholders,

Welcome to all of you to the 12th Annual General Meeting of BSRM Steels Limited. We have passed another good year with total Earnings before Income Tax of BDT 1,821.57 million and managed to retain our position as the market leader with a considerable margin.

Though the various challenges and political unrest prevailing in the country, Bangladesh economy in 2013 was prosperous due to huge remittance from abroad, strong foreign currency reserve, steady growth in GDP, lower inflation rate, bumper crop production and above all there was no major natural disaster in this year. Many infrastructural construction projects like flyover, power plants, bridges, mills, high rise buildings etc are being under taken in this year both in private and public sectors. In the same way our company also had strong contribution in the country's infrastructure development.

Distinguished guests, before I proceed, allow me to share key performance figures of 2013. Despite the sluggish global economic performance and volatility in local political situation, your company registered impressive results in 2013 due to improved local and regional economies.

The first six months of this year (January – June 2013) your Company has registered exceptionally good performance.

The Company with its 630,305 M. Ton production and Revenue of Tk. 36,229 Million in 2013, becomes the single largest steel re-rolling mill in Bangladesh within five years of its Commercial production. Its production, revenue and profitability are increasing gradually. During the year your Company contributed Tk. 2,454 Million to the government exchequer. Earnings per share increased to Tk. 3.50 per shares against EPS of Tk. 2.53 in 2012.

We are continuously trying to increase efficiency and productivity of the mill, lowering the production cost and above all to maintain the quality of the products. The quality and reliability of our products are unmatched, un-challenged. Our product gives customers peace of mind because we provide them with a strong foundation to stand on or to take shelter for a safe and secured life.

We have also earned an excellent reputation and confidence from our bankers for paying of each and every loan installments on time. They consider it as a measure of our honesty and integrity and they feel comfortable in extending credit facility to us.

Transparency, accountability and good governance culture is essential for sustainable growth. Accurate and un biased data and information generation within reasonable time can only ensure transparency and accountability. For this purpose we commissioned ERP system which was officially launched on 1st March 2014.

We are focusing continuously on our sales and distribution and have a presence now in all markets where there is demand for quality products.

**Earnings per share
increased to Tk. 3.50
per shares against EPS
of Tk. 2.53 in 2012.**

We are also undertaking various CSR projects with passion and are proud of our achievements in that regards. Some projects have recently started and we are looking forward to seeing favorable results in future.

Going forward, we are hoping that the economic activity will continue its momentum in 2014 and the government policies remain consistent in future which impact propels growth in any sector.

I would like to thank all of our shareholders and the stakeholders for their utmost support to move ahead with same spirit and dedication to remain the Company as an unparallel leader in this sector. We look forward to seeing you all again in future with us.

Sincerely yours


Aameir Alihussain
Managing Director

ব্যবস্থাপনা পরিচালকের পক্ষ থেকে

প্রিয় শেয়ারহোল্ডারবৃন্দ

আপনাদেরকে বি.এস.আর.এম স্টিলস লিমিটেডের ১২তম বার্ষিক সাধারণ সভায় সুস্বাগতম জানাই। আমরা সফলভাবে আরও একটি বছর অতিক্রম করেছি। এ বছর আমাদের করপূর্ব মুনাফার পরিমাণ ছিল ১,৮২১.৫৭ মিলিয়ন টাকা এবং এই বছরেও আমরা বাজারে আমাদের প্রাধান্য ধরে রাখতে পেরেছি।

উল্লেখযোগ্য পরিমাণ বৈদেশিক মুদ্রার সরবরাহ, শক্তিশালী বৈদেশিক মুদ্রার তহবিল, ধারবাহিক প্রবৃদ্ধি, সহনীয় মুদ্রাস্ফীতি, আশাতীত শস্য উৎপাদন ও সর্বোপরি এই বছর প্রাকৃতিক দুর্যোগ না হওয়ায়, নানাবিধ প্রতিকূলতা ও রাজনৈতিক অস্থিরতা সত্ত্বেও ২০১৩ সালে বাংলাদেশের অর্থনীতি উল্লেখযোগ্য অগ্রগতি অর্জন করেছে। গত বছর ব্যক্তিগত ও সরকারী পর্যায়ে বিভিন্ন ভৌত অবকাঠামো যেমন- ফ্লাইওভার, ব্রিজ, বিদ্যুৎ কেন্দ্র, কলকারখানা, বহুতল ভবন নির্মাণের কাজ শুরু হয়েছে। এসব অবকাঠামো নির্মাণে আমাদের কোম্পানীর গুরুত্বপূর্ণ অবদান রয়েছে।

শ্রদ্ধেয় অতিথিবৃন্দ, কোম্পানীর ২০১৩ সালের কার্যক্রম সংক্রান্ত কিছু তথ্য আমি আপনাদের সম্মুখে তুলে ধরতে চাই। বিশ্বমন্দা ও আভ্যন্তরীণ রাজনৈতিক অস্থিরতা সত্ত্বেও ২০১৩ সালে আপনাদের কোম্পানীর কিছু উল্লেখযোগ্য সাফল্য অর্জন করেছে। আভ্যন্তরীণ ও আঞ্চলিক অর্থনীতির শক্তিশালী অবস্থান এই সাফল্যকে ত্বরান্বিত করেছে।

২০১৩ সালের প্রথম ছয় মাসে কোম্পানী অসাধারণ দক্ষতা প্রদর্শন করেছে।

উৎপাদন শুরুর পাঁচ বছরের মধ্যে আমাদের কোম্পানী বাংলাদেশের একক বৃহত্তম রি-রোলিং মিলে পরিণত হয়েছে। ২০১৩ সালে কোম্পানীর উৎপাদন ছিল ৬৩০,৩০৫ মে.টন এবং বিক্রয় ছিল ৩৬,২২৯ মিলিয়ন টাকা। ২০১৩ সালে আমরা রাষ্ট্রীয় কোষাগারে ২,৪৫৪ মিলিয়ন টাকা প্রদান করেছি। ২০১৩ সালে শেয়ার প্রতি আয় ছিল ৩.৫০ টাকা যা পূর্ববর্তী বছরে ২.৫৩ টাকা ছিল।

আমরা কারখানার দক্ষতা, উৎপাদনশীলতা, পণ্যের মান ও গুণগত উৎকর্ষতা বৃদ্ধির জন্য বিরামহীনভাবে প্রচেষ্টা চালিয়ে যাচ্ছি। গ্রাহকবৃন্দ তাদের নিরাপদ ও সুরক্ষিত জীবনের জন্য একটি নির্ভরযোগ্য আশ্রয় নির্মাণে আমাদের পণ্য ব্যবহার করে প্রশান্তি পেয়ে থাকেন।

আমরা প্রতিটি ঋণের কিস্তি যথাসময়ে পরিশোধ করে আমাদের ঋণদাতা ব্যাংকগুলো থেকে বিপুল সুনাম ও নির্ভরতা অর্জন করেছি। তারা এটিকে আমাদের দক্ষতা ও সততার মাপকাঠি হিসেবে বিবেচনা করেন এবং আমাদের ঋণদানে স্বাচ্ছন্দ্যবোধ করেন।

অর্থবহ অগ্রগতির জন্য স্বচ্ছতা, জবাবদিহিতা ও ন্যায়পরায়ণতার কোন বিকল্প নাই। সঠিক ও পক্ষপাতহীন তথ্য ও উপাত্ত যথাসময়ে প্রাপ্তি, দক্ষতা ও স্বচ্ছতা নিশ্চিত করে। এ জন্য আমরা ERP System চালু করেছি যা মার্চ ১, ২০১৪ থেকে আনুষ্ঠানিকভাবে যাত্রা শুরু করেছে।

আমরা সমাজকল্যাণমূলক বিভিন্ন প্রকল্প হাতে নিয়েছি এবং তাতে আশাতীত সাড়া পেয়েছি। অতি সম্প্রতি আমরা আরও কিছু প্রকল্প চালু করছি, যা থেকে অদূর ভবিষ্যতে সুফল পাওয়া যাবে।

আমরা আশাবাদী ২০১৪ সালে অর্থনৈতিক কর্মকাণ্ড আরও জোরদার হবে এবং সরকার ব্যবসাবান্ধব নীতি অব্যাহত রাখবেন।

আমি সমস্ত শেয়ারহোল্ডারবৃন্দ ও আমাদের পৃষ্ঠপোষকদের, তাদের সর্বাঙ্গিক সহযোগিতার জন্য ধন্যবাদ জানাই। তাদের সহযোগীতা আমাদেরকে এই সেক্টরে নেতৃত্বান্বীত ভূমিকা পালনে উদ্বীগু করেছে। আমরা আমাদের অগ্রযাত্রায় আগামী দিনেও আপনাদের পাশে পেতে চাই।

ধন্যবাদান্তে


আমীর আলীহোসাইন
ব্যবস্থাপনা পরিচালক

DIRECTORS' REPORT

Dear Fellow Shareholders

On behalf of the Board of Directors of BSRM Steels Limited, I am pleased to present before you the Directors' Report, Auditors' Report, and Audited Financial Statements for the year ended 31st December 2013 along with other information for your consideration and approval.

Review of 2013

1. Economic Scenario

During the year 2013, Bangladesh has maintained an impressive track record of growth and development. In the past decade, the economy has grown at nearly 6 percent per year and poverty dropped by nearly a third, coupled with increased life expectancy, literacy and per capita food intake. Bangladesh aspires to be a middle income country by 2021.

This will require increasing GDP growth to 7 to 8 percent.

In fiscal year 2013, Bangladesh achieved the GDP 6% which was higher than projected. Bumper production of crops, no major natural calamity, huge foreign currency remittance and record breaking foreign currency reserves, put the economy on a strong foot hold. Both in public and private sectors a number of development works have been initiated which ultimately increase the demand for quality steel products. As a result throughout the year demands for BSRM Xtreme 500W increased constantly in spite of volatile political situation prevailed thorough out the year.

2. Operational & Financial Review

Some key performance indicators for BSRM Steels Limited are appended below for your information:

Operational Performance:

Particulars	2013	2012	2011
Installed Capacity (MT)	600,000	600,000	550,000
Production Qty. (MT)	630,305	580,147	523,624
Capacity Utilization (%)	105	97	95
Sale Qty. (MT)	601,935	579,377	517,887

The production of the company increased by 8.65% at the same time sales is also increased by 3.89%.

Financial Performance:

Amount in BDT in million

Particulars	2013	2012	2011
Sales	36,229.05	38,253.46	31,234.71
Gross Profit	3,250.15	1,888.44	1,914.57
Profit before Interest, Taxes & WPP&WF	2,314.39	1,160.39	1,369.70
Less: Interest & WPP&WF	492.82	(136.42)	407.58
Less: Tax expenses & Provision for Income Tax	625.46	431.48	122.92
Net Profit	1,196.11	865.33	839.20

Sales decreased by 5.29% in BD Taka but in terms of quantity it increased by 3.89%. This is because average market price of finished products declined this year. However Net Profit to Sales ratio is also increased by 1.04% compared with last year.

The quality of a spider's web was unparalleled till the recent advent of carbon nanotubes. Such was the quality that it even rivaled the strength of steel. It is this quality of strength that enables it to hold its shape after an insect flies into it, and resists the effect of breeze blowing across it. It is the quality of webs that ensures the safety of the spider, and its lifecycle.

Other Financial Information:

Amount in BDT in million			
Particulars	2013	2012	2011
Paid up Capital	3,417.75	3,255.00	3,255.00
Share holders' Equity	6,417.89	5,540.65	2,974.08
Current Liabilities	15,829.55	16,178.60	17,763.31
Non-current Liabilities	1,131.64	735.45	872.70
Addition to Fixed Assets & CWIP	325.47	347.75	382.96
Operating Cash Flow	4,098.11	(727.69)	(4,603.89)

Subsidiary Operation:

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

Financial performance of BISCO is as follows:

Particulars	2013	2012	2011
	M. Ton	M. Ton	M. Ton
Production Qty.	168,326	138,725	121,679
Sales Qty.	167,066	137,947	122,433
	Amount in BDT in million		
Sales	8,861.77	8,004.95	6,507.63
Gross Profit	513.39	598.48	603.99
Profit before Interest, Taxes & WPP&WF	489.07	562.39	569.60
Less: Interest & WPP&WF	317.84	354.38	419.61
Less: Tax expenses & Provision for Income Tax	30.53	60.75	13.01
Net Profit	140.70	147.26	136.98

OPERATION OF ASSOCIATED COMPANY:

BSRM Steels Limited has acquired 21.76% of shares of BSRM Steel Mills Limited as on 31st December 2013. Total investment in this company is Tk. 451,146,000. BSRM Steel Mills Limited thus becomes the associated company of BSRM Steels Limited. You are already informed that with 862,000 M. Ton billet producing capacity, it will be the largest induction furnace based billet casting plant in the world. The project cost will be TK. 13,011 million.

3. Industry Outlook and Possible Future Development

The steel industry’s environment is changing rapidly and more drastically than ever. In facing this challenge, we are working with our core corporate value of sustainable growth. Some major competitors have also entered in to the market. Now people are also quality conscious. In this back drop, we are expanding rapidly to make ourselves self reliant.

Moreover, now urbanization is a growing trend and people are migrating to the cities. Demand for high rise buildings, roads, bridges, flyovers are increasing. Quality steel products are needed for these infrastructure constructions as people are more concerned about the safety of health and environment. Naturally demand for quality steel product is rising.

4. Market of BSRM Xtreme500W & Challenges:

Presently, the company can supply 600,000 M. Ton of finished products in the market. Now the company can meet up about 20% of demand of the country. With its’ production and supply capacity now it is the biggest and only fully automated rolling plant in Bangladesh.

Bangladesh Brand Forum has awarded BSRM the “BEST ROD BRAND 2011 & 2013” in Bangladesh. BSRM Xtreme500W is mainly consumed with in the country. Our teams are relentlessly trying to explore new markets. Now export in to our neighboring country has been started and it is gradually increasing. However, there is strong demand in the country for BSRM’s product. The rising middle class population coupled with increased urbanization will increase steel consumption intensity in the economy. There are many opportunities that are helping grow the Bangladeshi steel market which are-

- Rural demand picking up.
- Investment planned in the communication sectors, especially construction of flyover, Padma bridge, Metro Rail etc.
- Construction of power plants.
- Construction of mills and factories.

However, there are also some challenges that your company must overcome to remain as the business leader.

- Volatile market price of Billets - basic raw material of steel production.
- Scarcity for power
- Efficient distribution channel
- Adoption of modern technology for efficient production and delivery.

BSRM Group has taken back ward linkage initiative to set up a state of the art melt shop to produce best quality billets to cater to our own consumption. The project will be able to produce 862,000 M. Ton MS billets which will lessen BSRM Steels Limited dependency on the imported billets. The plant will start its commercial production by 2014. Your company has invested Tk. 451,146,000 in this melting plant. BSRM Steels Limited will be free from volatile billet price fluctuation risk and be able to supply its product at a competitive price.

BSRM Group of Companies is also planning to setup 150MW coal based power plant to meet its internal demand.

To meet the growing demand, your Company has decided to increase Production Capacity to 700,000 MT per annum. Two agreements have been signed with the suppliers. The project cost is approximately Tk. 45.00 crore which will be completed by July 2015.

We are committed to meet our promise to customers and customers’ satisfaction largely depended on quick delivery. We have taken number of measures for prompt delivery. Now number of dealers has been increased as well as we opened some new depots, mechanized delivery and introducing ERP system for efficient delivery.

Campaign:

BSRM Xtreme500W is the EMF tested ductile rebar of the country that ensures better safety than other available rods. Elongation at maximum force or EMF it the essential parameter of measuring ductility of steel. In the developed countries, EMF is an essential feature of reinforcing steels.

5. Segment-wise or Product-wise Performance

Company has one location of producing products which vary in sizes. Detailed product wise performances are as follows:

Products	Production (In MT)		Sales (In MT)	
	2013	2012	2013	2012
Xtreme500W	621,276	573,139	592,625	567,908
Others	9,029	7,008	9,310	11,469
Total	630,305	580,148	601,935	579,377

6. 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 and information system, regular analysis of market and economic scenario and robust policies to cope 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-42 of the Financial Statements.

7. 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.

8. 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”.

9. Board of Directors

(i) Composition and size of the Board

On 31st December 2013 there were 6 members on the Board. The Board comprises Chairman, Managing Director, three Directors and one Independent Director.

(ii) Board Meeting and attendance

The Board met 17 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	17	16
Mr. Aameir Alihussain	Managing Director	17	12
Mr. Zohair Taherali	Director	17	17
Mrs. Tehseen Zohair Taherali	Director	17	17
Mrs. Sabeen Aameir	Director	17	10
Mr. Mono Ranjan Dey FCA	Independent Director	17	04

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

(iii) Details of Directors being appointed / re-appointed

Mr. Alihussain Akberali FCA and Mrs. Tehseen Zohair Taherali will retire by rotation at the conclusion of this AGM as per Section 97 & 98 of the Articles of Association of the Company and being eligible they offer themselves for re-appointment.

(iv) Names of Companies in which Directors hold the directorship and membership have been disclosed in Board of Directors segment.

10. Internal control system:

The company has adopted Standard Operating Procedures (SOP) for the betterment of internal control system. To ensure effective internal control system, safe guard assets of the company and to generate accurate data and information within reasonable time frame, your Company has already commissioned most modern software called Enterprise Resource Planning (ERP).

A professional team of 12 members have been engaged in the internal audit department to oversee the transactions and to ensure effective internal control system.

Audit Committee regularly monitor and review the reports generated by the internal audit department and takes corrective measures to ensure effective internal control system.

11. Extra-Ordinary Gain or Loss

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

12. Related Party Transactions

Basis of the related party transactions with the Company has been elaborated in the audited financial statements in note 36 in accordance with relevant Bangladesh Accounting Standards (BAS).

13. Utilization of IPO proceeds and Financial Result after IPO

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

14. Significant Variance between Quarterly and Annual Financial Statements

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 perspective.

15. Remuneration of Directors including Independent Directors

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.

16. Dividend

Your directors are pleased to recommend 15% Cash dividend on equity shares for the year ended 31st December 2013 for consideration and approval by the shareholders in the annual general meeting. The dividend on equity shares, if approved, would be paid to those members whose name appear on the register of members as on record date.

17. Contribution to National Exchequer

BSRM is paying and facilitating collection of Government's revenue. In 2013, we paid and collected & deposited a significant amount of Income Tax, VAT & Duties. All due and applicable taxes were paid, collected and deposited in time. During the year 2013, BSRM Steels Limited contributed to the government exchequer along with utility about a sum of Taka 2,454 Million which is appended below:



18. 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 2013, your company has been contributing to the welfare of the community, research & development and protection of environment. Details of CSR have been described in the chapter of Corporate Social Responsibilities.

19. Awards & Recognition

During this year your Company won the 3rd position of "13th ICAB National Awards" for best presented Annual Report 2012 under manufacturing category from the Institute of Chartered Accounts of Bangladesh (ICAB). Your Company has also won the Certificate of Merit on Best presented Annual Report in manufacturing sector among the SAFA countries in 2013. BSRM Iron & Steel Co. Ltd. (BISCO) has also received the "Divisional Environment Award 2013", organized by Department of Environment (DOE), Chittagong on World Environment Day 2013. It is a great recognition of our transparency and accountability to the society. Both the rewards are a symbol of our uncompromising commitment to Quality.

20. Information Technology (IT)

Expected growth could not be achieved without adopting proper and contemporary Information Technology (IT). We have already advanced one step ahead for the adoption of real time integration in our business through ERP software namely Oracle ERP which was officially launched on 1st March 2014. Now we are able to operate and manage our business and to connect our customers faster.

21. Human Resource Management

BSRM Steels Limited is an institution, run by a team of well educated, highly qualified, experienced professionals, coming from various back ground- multinational/foreign companies, local corporate and having years of experience to lead respective departments. Moreover, we are enthusiastically trying to motivate them with focus on nurturing talent and developing future leaders of the organization. We have already arranged a number of trainings for them, at the same time we have introduced most modern performance evaluation system, effective corporate organization structure, job specification, sound promotion and remuneration system, health and safety policies etc.

22. Code of Conduct

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

23. Auditor

Present auditor Syful Shamsul Alam & Co., Chartered Accountants, (A member firm of UHY) will retire in 12th AGM and being eligible to audit for the year 2014 as per order of Bangladesh Securities and Exchange Commission (BSEC) No. BSEC/CMRRCD/2009-193/104/Admin dated July 27, 2011 they have conveyed their willingness to accept for reappointment.

24. 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/44 dated 07 August 2012 on corporate governance has been included in the report in Annexure -6.

25. 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.

26. Directors' Responsibilities statements:

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

- 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.
- Proper books of Account of the Company have been maintained.
- 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.
- International Accounting Standards (IAS) / Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern and the annual accounts have been prepared on going concern basis.
- The significant deviations from last year in the operating results of the company have been highlighted in the report and reasons thereof have been explained.

- h) The key operating and financial data for the last six years 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.

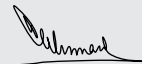
We rely on their enthusiasm, sincerity as well as their commitments for maintaining quality to ensure safety and to build the company as a pioneer and leader in steel sector.

Gratitude:

We express our sincere thanks and appreciation to all honorable share holders, 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 express our heartiest congratulations to all our staffs and management members whose perseverance and professionalism, hard works contribute to maintain our strong competitive position and high technological status. We rely on their enthusiasm, sincerity as well as their commitments for maintaining quality to ensure safety and 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.

On behalf of the Board



Alihussain Akberali FCA
Chairman
February 25, 2014

Annexure-1

Management Discussion and Analysis

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	2013	2012	Growth
	BDT	BDT	%
Cost of Goods Sold	32,978,902,353	36,365,025,246	(9.31%)
Gross Profit	3,250,148,580	1,888,439,411	72.11%
Net Profit	1,196,113,781	865,331,036	38.23%

Cost of goods sold (COGS)

Cost of goods sold (COGS for short) 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 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 2013 has been reduced by 9.31% than 2012 due to decrease of raw materials cost and other indirect overhead. Out of total decrease in COGS, Raw materials cost was decreased by 10.34% due to decrease the billet price in international markets as well as local markets.

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 2013, Gross Profit Margin was increased by 4.03% due to decrease in the cost of goods sold.

Net profit margin ratio

Net Profit is calculated by subtracting expenses including Tax and WPPF 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 of the company in the year 2013 has increased by Taka 330,782,745 compared to 2012.

RISK FACTORS AND CONCERNS

1. Business Risks

a) Risks associated with sourcing of Raw Materials

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

The subsidiary Company- BSRM Iron and Steel Co. Ltd. (BISCO) can meet a small portion of billet demand by supplying 160,000 M. Ton MS Billet per annum .

As up gradation of mill is going on to enhance the production capacity to 700,000 M. Ton per annum, needs for secured supply chain for MS Billets should top priority.

To meet the challenge a separate company –“BSRM Steel Mills Limited” is going to be commissioned by this year to produce 862,000 M. Ton MS billet per year. BSRM Steels Limited is holding 21.76% equity shares of this company.

b) Risks associated with Power Supply

As you know, presently the main constraint of economic development of Bangladesh is acute shortage of power for which thousands of new industrial investment proposal from home and aboard have failed to materialize.

For ensuring uninterrupted power supply, BSRM Group has made a deal with PGCB and installed substation for tapping power from grid line from the 230 KV national grid.

Moreover now more than 10,000 MW power can be produced in Bangladesh. Government is also planning for setting up some big power stations.

We are also planning to set up a 150 MW coal based power plant in Mireshorai. Government approval has already been obtained for setting up this plant.

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 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.

Prudent financial management and strong negotiation with the lenders and timely collection from customers are few of major 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 local export collection in foreign currency are directly deposited to meet foreign exchange payment requirement. In the Year 2013 company has not been affected significantly by the normal trend of 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 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. Operational Risks

There are several processes involved in steel production and disruptions in one process may have serious effects in other process streams. There is risk that operational downtime caused by factors such as transport problems or process disruptions will become very costly. These risks are mitigated by optimizing raw materials inventories, and finished goods inventories.

There is another regular risk of having adequate and regular supply of Gas, Power for production.Your Company is also aware of such risks and its mitigation through alternative supply of fuel.

Annexure -3

Remuneration paid to Directors in 2013

Members of the board of directors were entitled and paid as follows:

Name	Position	Attendance Fees	Remuneration	Total Paid
Mr. Alihussain Akberali FCA	Chairman	11,500	9,600,000	9,611,500
Mr. Aameir Alihussain	Managing Director	8,625	10,800,000	10,808,625
Mr. Zohair Taherali	Director	11,500	6,000,000	6,011,500
Mrs. Tehseen Zohair Taherali	Director	11,500	3,600,000	3,611,500
Mrs. Sabeen Aameir	Director	11,500	600,000	611,500
Mr. Mono Ranjan Dey FCA	Independent Director	53,350	-	53,350
Total Taka		107,975	30,600,000	30,707,975

Annexure -4

Key operating and financial data of preceding 6 years

		2013	2012	2011	2010	2009	2008
Operations and Market:							
Production (Qty)	MT	630,305	580,147	523,625	433,823	350,326	118,959
% of Production Growth	%	8.65%	10.79%	20.70%	23.83%	194.49%	-
Sales (Qty)	MT	601,935	579,377	517,887	442,707	356,190	81,560
% of Sales Growth	%	3.90%	11.87%	16.98%	24.29%	336.72%	-
Financial Results:							
Turnover	TK	36,229,050,933	38,253,464,657	31,234,710,327	22,007,682,247	15,843,586,337	5,483,534,721
Gross Profit	TK	3,250,148,580	1,888,439,411	1,914,574,972	1,929,718,476	1,581,634,316	(1,311,367,578)
	%	8.97%	4.94%	6.13%	8.77%	9.98%	(23.91%)
Earnings before interest, WPP&WF and Tax	TK	2,314,398,453	1,160,385,361	1,369,695,830	1,551,537,999	1,367,048,990	(1,426,969,844)
	%	6.39%	3.03%	4.39%	7.05%	8.62%	(26.02%)
Net Profit after tax	TK	1,196,113,781	865,331,036	839,205,050	964,885,985	574,084,231	(1,899,094,620)
	%	3.30%	2.26%	2.69%	4.38%	3.62%	(34.63%)
Earnings Per Share (EPS)*	TK	3.50	2.53	2.46	2.82	1.68	(5.56)
Financial Position:							
Current Ratio (Times)		0.97	0.92	0.93	0.83	0.77	0.72
Net Asset Value	TK	6,417,895,062	5,540,653,743	2,974,080,646	2,134,875,596	124,989,611	(449,094,620)
Net Asset Value Per Share	TK	18.78	17.02	9.14	7.87	0.86	(3.10)
Net operating Cash Flow Per Share	TK	11.99	(2.24)	(14.38)	6.67	(9.21)	(36.74)
Paid -up Capital (In Crore)	TK	341.775	325.50	325.50	271.25	145.00	145.00

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

Annexure-5

THE PATTERN OF SHAREHOLDING AS ON 31 DECEMBER 2013

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
Bangladesh Steel Re-Rolling Mills Limited (Represented by Mrs. Sabeen Aameir)	Director	106,594,173
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	Relation	No. of Shares Held
M. Firoze	Head of Marketing & Product Development	Nil
A.F.M Mizanur Rahman	Plant Head	Nil
Jasim Uddin Ahmed	Head of Technical Projects	4,270
Shobhon Mahbub Shahabuddin	Head of National Sales	Nil
M. Harunur Rashid	Lead Non-Technical Project	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

Annexure-6

Report of the status of compliance of Corporate Governance

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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (vi)	Basis for Related Party transactions	✓		
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		
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)	Adoption 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 attened the Board Meeting	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		
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/RIPO/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 metter which shall be immediately disclosed to the BOD	NA		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 hold- ing 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 state- ment	✓		
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 Com- pany'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 Direc- tors' Report	✓		

পরিচালকমণ্ডলীর প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ
আমি পরিচালকমণ্ডলীর প্রতিবেদন, নিরীক্ষকের প্রতিবেদন, ৩১শে ডিসেম্বর ২০১৩ সালের সমাপ্ত বছরের নিরীক্ষিত হিসাব বিবরণী ও অন্যান্য তথ্যাদি আপনাদের বিবেচনা ও অনুমোদনের জন্য পেশ করছি।

২০১৩ সালের পর্যালোচনা

১. অর্থনৈতিক পর্যালোচনা
২০১৩ সালেও বাংলাদেশ উন্নয়ন ও প্রবৃদ্ধির ধারাবাহিকতা রক্ষা করতে পেরেছে। গত দশকে অর্থনীতি ৬% এর কাছাকাছি প্রবৃদ্ধি অর্জন করেছে এবং দারিদ্রতা প্রায় এক তৃতীয়াংশে হ্রাস পেয়েছে। মানুষের জীবনযাত্রার মান, শিক্ষার হার, খাদ্যাভ্রহণ বৃদ্ধি পেয়েছে। ২০২১ সালের মধ্যে বাংলাদেশ একটি মধ্যম আয়ের দেশে পরিণত হবার যোগ্যতা রাখে। এর জন্য ৭% থেকে ৮% জিডিপি প্রবৃদ্ধি প্রয়োজন।

২০১৩ সালে বাংলাদেশের জিডিপির প্রবৃদ্ধি প্রায় ৬% ছিল যা প্রাক্কলণ থেকে বেশি। শস্যের আশাতীত উৎপাদন, বড় ধরনেরর প্রাকৃতিক দুর্যোগ না হওয়া, প্রচুর বৈদেশিক মুদ্রার আন্তঃপ্রবাহ ও রেকর্ড পরিমান বৈদেশিক মুদ্রার রিজার্ভ, আমাদের অর্থনীতিকে একটি শক্ত ভিত্তির উপর দাড় করিয়েছে। যার ফলে বছর জুড়ে চলা রাজনৈতিক অস্থিরতা সত্ত্বেও Xtreme500W এর চাহিদা বেড়েছে।

২. উৎপাদন ও আর্থিক ফলাফল পর্যালোচনা
আপনাদের সদয় অবগতির জন্য BSRM Steels Limited- এর কিছু উল্লেখ্যযোগ্য তথ্য উপাত্ত সন্নিবেশিত করছি-

বিবরণ	২০১৩	২০১২	২০১১
উৎপাদন ক্ষমতা (মে. টন)	৬০০,০০০	৬০০,০০০	৫৫০,০০০
উৎপাদন (মে.টন)	৬৩০,৩০৫	৫৮০,১৪৭	৫২৩,৬২৪
উৎপাদন ক্ষমতার ব্যবহার (%)	১০৫	৯৭	৯৫
বিক্রয় (মে. টন)	৬০১,৯৩৫	৫৭৯,৩৭৭	৫১৭,৮৮৭

চলতি বছরে কোম্পানীর উৎপাদন ৮.৬৫% বেড়েছে, একই সময়ে বিক্রয় ৩.৮৯% বেড়েছে।

বিবরণ	২০১৩	২০১২	২০১১
বিক্রয়	৩৬,২২৯.০৫	৩৮,২৫৩.৪৬	৩১,২৩৪.৭১
মোট লাভ	৩,২৫০.১৫	১,৮৮৮.৪৪	১,৯১৪.৫৭
সুদ, আয়কর ও শ্রমিক তহবিলের অনুদান পূর্ব লাভ	২,৩১৪.৩৯	১,১৬০.৩৯	১,৩৬৯.৭০
বাদ: সুদ ও শ্রমিক তহবিলের আনুদান	৪৯২.৮২	(১৩৬.৪২)	৪০৭.৫৮
বাদ: আয়কর ও আয়কর সঞ্চিতি	৬২৫.৪৬	৪৩১.৪৮	১২২.৯২
নীট মুনাফা	১,১৯৬.১১	৮৬৫.৩৩	৮৩৯.২০

আলোচ্য বছরে যদিও বিক্রয় টাকার অংকে ৫.২৯% হ্রাস পেয়েছে তথাপি বিক্রয়ের পরিমান ৩.৮৯% বেড়েছে। এইখানে উল্লেখ্য যে, গত বছরের তুলনায় নীট মুনাফা ও বিক্রয়ের অনুপাত ১.০৪% বেড়েছে।

বিবরণ	২০১৩	২০১২	২০১১
পরিশোধিত মূলধন	৩,৪১৭.৭৫	৩,২৫৫.০০	৩,২৫৫.০০
শেয়ারহোল্ডারস ইকুইটি	৬,৪১৭.৮৯	৫,৫৪০.৬৫	২,৯৪৪.০৮
চলতি দায়	১৫,৮২৯.৫৫	১৬,১৭৮.৬০	১৭,৭৬৩.৩১
দীর্ঘ মেয়াদি দায়	১,১৩১.৬৪	৭৩৫.৪৫	৮৭২.৭০
স্থায়ী সম্পত্তি সংযোজন	৩২৫.৪৭	৩৪৭.৭৫	৩৮২.৯৬
পরিচালন নগদ প্রবাহ	৪,০৯৮.১১	(৭২৭.৬৯)	(৪,৬০৩.৮৯)

সাবসিডিয়ারী অপারেশন
BSRM Steels Limited, BSRM Iron & Steel Co. Ltd. (BISCO) -এর ৯৫% সাধারণ শেয়ারের মালিকানা গ্রহণ করেছে। এই কোম্পানীটি (BISCO) ২০১০ সাল হতে বিলেট তৈরী করে আসছে।

বিবরণ	২০১৩	২০১২	২০১১
	মে. টন	মে.টন	মে.টন
উৎপাদন	১৬৮,৩২৬	১৩৮,৭২৫	১২১,৬৭৯
বিক্রয়	১৬৭,০৬৬	১৩৭,৯৪৭	১২২,৪৩৩
	মিলিয়ন টাকায়		
বিক্রয়	৮,৮৬১.৭৭	৮,০০৪.৯৫	৬,৫০৭.৬৩
মোট লাভ	৫১৩.৩৯	৫৯৮.৪৮	৬০৩.৯৯
সুদ, আয়কর ও শ্রমিক কল্যান তহবিলের অনুদান পূর্ব লাভ	৪৮৯.০৭	৫৬২.৩৯	৫৬৯.৬০
বাদ: সুদ ও শ্রমিক কল্যান তহবিলের অনুদান	৩১৭.৮৪	৩৫৪.৩৮	৪১৯.৬১
বাদ: আয়কর ও আয়কর সঞ্চিতি	৩০.৫৩	৬০.৭৫	১৩.০১
নীট মুনাফা	১৪০.৭০	১৪৭.২৬	১৩৬.৯৮

সহযোগী কোম্পানীর কার্যক্রম:

BSRM Steels Limited, BSRM Steels Mills Limited- এর ২১.৭৬% শেয়ার ক্রয় করেছে। কোম্পানীটিতে মোট ৪৫১,১৪৬,০০০ টাকা বিনিয়োগ করা হয়েছে। ফলে BSRM Steels Mills Limited এখন BSRM Steels Limited এর সহযোগী কোম্পানীতে পরিণত হয়েছে। আপনারা ইতিমধ্যে অবগত হয়েছেন যে, ৮৬২,০০০ মে: টন ক্ষমতাসম্পন্ন এই বিলেট কারখানাটি পৃথিবীর বৃহত্তম ইনডাকসন ফার্নেস বেইসড বিলেট কারখানা। প্রকল্পটির প্রাক্কলিত ব্যয় ১৩,০১১ মিলিয়ন টাকা।

৩. শিল্পের আউটলুক ও সম্ভাব্য ভবিষ্যত উন্নয়ন:
অন্যান্য সময়ের তুলনায় ইস্পাত শিল্পের পরিবেশ দ্রুত ও ব্যাপকভাবে পরিবর্তিত হচ্ছে। এই চ্যালেঞ্জ মোকাবেলার জন্য আমরা আমাদের মূলনীতি তথা অর্থবহ বিকাশকে বিশেষ গুরুত্ব আরোপ করছি। সাম্প্রতিককালে কিছু প্রতিযোগী বাজারে প্রবেশ করেছেন, একই সাথে ভোক্তারা পণ্যের মান সম্পর্কে অনেক বেশী সচেতন। এই সব প্রেক্ষাপটে আমরা স্বাবলম্বী হবার লক্ষ্যে দ্রুত ব্যবসার পরিধি সম্প্রসারণ করছি।
এছাড়া নগরায়ণ ও মানুষের শহরমুখী হবার প্রবণতার ফলে বহুতল দালান, রাস্তা-ঘাট, ব্রীজ, উড়াল সড়ক ইত্যাদির চাহিদা বাড়ছে। ফলে এসব ভৌত অবকাঠামো নির্মাণের জন্য মান সম্মত ইস্পাতের চাহিদা বাড়ছে, কারণ মানুষ এখন স্বাস্থ্য ও পরিবেশ নিয়ে অনেক বেশী সচেতন।

৪. BSRM Xtreme500W বাজার ও এর চ্যালেঞ্জ:
বর্তমানে বাজারে আমরা ৬০০,০০০ মে: টন ইস্পাত সামগ্রী সরবরাহ করতে পারি, যা দেশের সামগ্রীক চাহিদার প্রায় ২০%। উৎপাদন ও সরবারহের সক্ষমতা অনুযায়ী, এটি দেশের বৃহত্তম স্বয়ংক্রিয় রি-রোলিং মিল।

বাংলাদেশ ব্রান্ড ফোরাম BSRM কে Best Rod Brand 2011 & 2013 পদকে ভূষিত করেছে। BSRM Xtreme 500W প্রধানত বাংলাদেশেই ব্যবহৃত হয়। আমাদের অনুসন্ধানী দল সম্ভাব্য নতুন বাজার অনুসন্ধানের প্রচেষ্টা চালিয়ে যাচ্ছেন। আমরা ইতিমধ্যে প্রতিবেশী দেশে রপ্তানী শুরু করেছি। মধ্যবিত্ত শ্রেণীর বৃদ্ধি ও নগরায়ণের ফলে ইস্পাতের চাহিদা বাড়ছে।

- বাংলাদেশে ইস্পাতের ব্যাপক সম্ভাবনা রয়েছে। কারণ-
- * গ্রামীণ জনপদে উন্নতমানের ইস্পাত নির্মাণ সামগ্রীর চাহিদা বাড়ছে,
 - * যোগাযোগ ব্যবস্থায় বিনিয়োগ বাড়ছে। বিশেষ করে উড়াল সড়ক,পন্থা সেতু, মেট্রোরেল ইত্যাদি উল্লেখযোগ্য
 - * বিদ্যুৎকেন্দ্র নির্মিত হচ্ছে
 - * কল কারখানা নির্মিত হচ্ছে

উল্লেখ্য যে, এই ব্যবসায় শীর্ষস্থান ধরে রাখতে আপনাদের কোম্পানীর বেশ কিছু চ্যালেঞ্জও রয়েছে। তাহলো-

- * কোম্পানীর মূল কাঁচামাল- বিলেটের বাজারদরে অস্থিরতা
- * বিদ্যুৎ ও গ্যাস সংকট
- * দক্ষ বিতরণ ব্যবস্থা চালুকরণ
- * উৎপাদন ও সরবরাহ বাড়ানোর জন্য দক্ষ কলাকৌশল প্রবর্তন।

আমাদের নিজস্ব চাহিদা পূরণে একটি অত্যাধুনিক বিলেট তৈরীর কারখানা স্থাপন করতে যাচ্ছি। এটা আমাদের আমদানী নির্ভরতা হ্রাসে সহায়ক হবে। এই প্রকল্পটি ২০১৪ সালের মধ্যে উৎপাদন শুরু করবে। আপনাদের কোম্পানী উক্ত প্রকল্পে ৪৫১,১৪৬,০০০ টাকা বিনিয়োগ করেছে। এই প্রকল্পটি আমাদের প্রতিযোগীতামূলক মূল্যে বাজারে পণ্য সরবরাহে সহায়ক হবে।

জ্বালানীর ক্রমবর্ধমান চাহিদা পূরণের জন্য আমরা কয়লাভিত্তিক ১৫০ মেগাওয়াট বিদ্যুৎকেন্দ্র স্থাপনের পরিকল্পনা করছি।

আমাদের পণ্যের ক্রমবর্ধমান চাহিদা পূরণের জন্য আমরা কারখানার উৎপাদন ক্ষমতা ৭০০,০০০ মে: টনে উন্নীত করার সিদ্ধান্ত নিয়েছি। এই বিষয়ে সংশ্লিষ্ট যন্ত্র সরবরাহকারীদের সাথে দুটি চুক্তি স্বাক্ষর করা হয়েছে। এতে প্রাক্কালিত ব্যয় হলো ৪৫ কোটি টাকা ও প্রকল্পটি জুলাই ২০১৫ তে সমাপ্ত হবে।

গ্রাহকের সন্তুষ্টি বিধানে আমরা প্রতিজ্ঞাবদ্ধ। দ্রুত পণ্য সরবরাহের উপর গ্রাহকের সন্তুষ্টি অনেকাংশে নির্ভর করে। দ্রুত পণ্য সরবরাহ করার জন্য আমরা কিছু পদক্ষেপ গ্রহণ করেছি। এর মধ্যে রয়েছে ডিলারের সংখ্যা বৃদ্ধি, নতুন ডিপো স্থাপন, যান্ত্রিক সরবারহ ব্যবস্থা চালুকরণ, দক্ষ সরবরাহের জন্য ERP এর ব্যবহার শুরু।

প্রচার
BSRM Xtreme 500W হলো EMF পরীক্ষিত একমাত্র রড যা অন্যান্য রডের তুলনায় অধিক নিরাপত্তা প্রদান করে। উন্নত বিশ্বে মানসম্মত রডের এটা একটি অত্যাবশ্যকীয় মাপকাঠি।

৫. পণ্য ভিত্তিক অর্জন ও ফলাফল

আপনাদের কোম্পানী একটিমাত্র কারখানা থেকে বিভিন্ন মাপের ও গ্রেডের পণ্য উৎপাদন করে থাকে। বিভিন্ন গ্রেডের পণ্য উৎপাদন ও বিক্রয়ের অর্জন নিম্নে উল্লেখ করা হল:

পণ্যসমূহ	উৎপাদন (মে.টন)		বিক্রয় (মে.টন)	
	২০১৩	২০১২	২০১৩	২০১২
Xtreme500W	৬২১,২৭৬	৫৭৩,১৩৯	৫৯২,৬২৫	৫৬৭,৯০৮
অন্যান্য	৯,০২৯	৭,০০৮	৯,৩১০	১১,৪৬৯
মোট	৬৩০,৩০৫	৫৮০,১৪৮	৬০১,৯৩৫	৫৭৯,৩৭৭

৬. ঝুঁকি

ঝুঁকি পর্যালোচনা করে তা নিয়ন্ত্রন করা ব্যবসায়েরই একটি অংশ। পরিচালকমন্ডলী নিয়মিতভাবে সম্ভাব্য ঝুঁকি ও হুমকি যা আমাদের মুনাফা বা ধারাবাহিক বিকাশকে ব্যাহত করতে পারে, তা পর্যালোচনা করেন। আমাদের দক্ষ ব্যবস্থাপনা কাঠামো, তথ্য বিতরণ ব্যবস্থা, নিয়মিত বাজার নিরীক্ষা, প্রাসঙ্গিক নীতিসমূহ আমাদের ঝুঁকি নিয়ন্ত্রন ব্যবস্থাপনাকে আরও শক্তিশালী করেছে।

সংযুক্তি -২ ও হিসাব বিবরণীর নোট ৪২-এ এই ব্যাপারে বিস্তারিত আলোচনা রয়েছে।

৭. ব্যবস্থাপনার পর্যালোচনা

পরিচলাকমন্ডলী নিয়মিতভাবে পণ্যের উৎপাদন খরচ, মোট ও নীট মুনাফা পর্যালোচনা করেন এবং তাৎক্ষণিক ব্যবস্থা গ্রহন করেন, এই ব্যাপারে সংযুক্তি -১ এ বিস্তারিত আলোচনা রয়েছে।

৮. ক্রেডিট রেটিং

Credit Rating Information and Services Limited (CRISL) আমাদের নিম্নোক্ত ভাবে মূল্যায়ন করেছে।

দীর্ঘমেয়াদী	স্বল্পমেয়াদী
AA	ST-2

AA বলতে বোঝায় উচ্চমান, সর্বোচ্চ নিরাপত্তা, উচ্চ মানের ঋণ। এটা বুঝায় যে কোম্পানীকে ঋণ দেয়ার ব্যাপারে কোন বড় ধরনের ঝুঁকি নাই।

ST-2 দিয়ে বুঝায় যে, সময়মত ঋণ পরিশোধের সর্বোচ্চ নিরাপত্তা। কোম্পানীর পর্যাপ্ত তারল্য প্রবাহ ও কম ঋণ ঝুঁকি।

৯. পরিচালক মন্ডলী

(i) পরিচালনা পরিষদের আকার

৩১ ডিসেম্বর ২০১৩ সালে ৬ সদস্য বিশিষ্ট পরিচালক মন্ডলী ছিলো যাতে একজন চেয়ারম্যান , একজন ব্যবস্থাপনা পরিচালক, তিন জন পরিচালক এবং একজন ইনডিপেন্ডেন্ট পরিচালক ছিলেন।

(ii) পরিষদ সভা ও উপস্থিতি

বছরে ১৭টি বোর্ড মিটিং হয়েছিল যাতে অংশগ্রহণ ছিল নিম্নরূপ:

পরিচালকবৃন্দের নাম	পদবী	অনুষ্ঠিত মোট সভার সংখ্যা	সভায় উপস্থিতির সংখ্যা
জনাব আলীহোসাইন আকবরআলী এফ.সি.এ	চেয়ারম্যান	১৭	১৬
জনাব আমীর আলীহোসাইন	ব্যবস্থাপনা পরিচালক	১৭	১২
জনাব জোহাইর তাহেরআলী	পরিচালক	১৭	১৭
মিসেস তেহসিন জোহাইর তাহেরআলী	পরিচালক	১৭	১৭
মিসেস সাবিন আমীর	পরিচালক	১৭	১০
জনাব মনোরঞ্জন দে এফ.সি.এ	স্বাধীন পরিচালক	১৭	০৪

(iii) পরিচালকবৃন্দের নিয়োগ ও পুন:নিয়োগ

জনাব আলীহোসাইন আকবরআলী এফ.সি.এ ও মিসেস তেহসিন জোহাইর তাহেরআলী পরিমেল নিয়মাবলীর ৯৭ ও ৯৮ ধারা অনুযায়ী বার্ষিক সাধারণ সভা সমাপ্তি হতে অবসর নিবেন। পুন: নিয়োগের জন্য যোগ্য বিধায় তারা পুনরায় নির্বাচিত হতে আগ্রহ প্রকাশ করেছেন।

(iv) পরিচালকমন্ডলী অন্যান্য যেসব কোম্পানীর পরিচালক বা সদস্য পদ গ্রহণ করেছেন তা পরিচালকমন্ডলী অংশে প্রকাশ করা হয়েছে।

১০. আভ্যন্তরীন নিয়ন্ত্রন ব্যবস্থা

আভ্যন্তরীন নিয়ন্ত্রন ব্যবস্থায় উন্নয়নের জন্য কোম্পানী Standard Operating System (SOP) চালু করেছে। একটি কার্যকর আভ্যন্তরীন নিয়ন্ত্রন ব্যবস্থা নিশ্চিত করণ, কোম্পানীর সম্পত্তির সুরক্ষা এবং যুক্তিসংগত সময়ের মধ্যে সঠিক তথ্য ও উপাত্ত পাবার জন্য, আপনাদের কোম্পানী একটি সর্বাধুনিক Software চালু করেছে। এটি Enterprise Resource Planning (ERP) নামে পরিচিত। বর্তমানে আমাদের আভ্যন্তরীন নিরীক্ষক দলে মোট ১২ জন সদস্য রয়েছেন, যারা লেনদেনসমূহ পরীক্ষা করে দেখেন এবং আভ্যন্তরীন নিয়ন্ত্রন ব্যবস্থার কার্যকারীতা নিশ্চিত করেন। অডিট কমিটি নিয়মিতভাবে আভ্যন্তরীন নিরীক্ষক দলের প্রতিবেদসমূহ পর্যালোচনা করে প্রয়োজনীয় ব্যবস্থা গ্রহণ করেন।

১১. ব্যবসায় অতিরিক্ত লাভ বা লোকসান

২০১৩ সালে কোম্পানীর ব্যবসার বাহিরে অতিরিক্ত কোন লাভ লোকসান ছিল না।

১২. সংযুক্ত অন্যান্য কোম্পানীর সাথে লেনদেন

Bangladesh Accounting Standard (BAS) অনুযায়ী নিরীক্ষিত হিসাব বিবরণী নোট ৩৬-এ সংযুক্ত অন্যান্য কোম্পানীর সাথে লেনদেন সম্পর্কে বিস্তারিত আলোচনা করা হয়েছে।

১৩. প্রাথমিক গণ প্রস্তাব (IPO)-এর অর্থের ব্যবহার এবং প্রাথমিক গণ প্রস্তাব (IPO)-এর পরবর্তী ফলাফল

২০০৯ এর পর থেকে কোম্পানীর গণ প্রস্তাবের মাধ্যমে সংগৃহিত কোন অর্থ অব্যবহৃত নেই এবং প্রাথমিক গণ প্রস্তাবের পর থেকে কোম্পানীর আর্থিক ফলাফল ক্রমশ উন্নতির দিকে যাচ্ছে।

১৪. ত্রৈমাসিক ও বার্ষিক ফলাফলের উল্লেখযোগ্য ব্যবধান

কোম্পানীর ত্রৈমাসিক ও বার্ষিক ফলাফলের উল্লেখযোগ্য ব্যবধান হয় নাই। ২০১৩ সালে কোম্পানীর বার্ষিক ফলাফল ভাল ছিল।

১৫. Independent Director সহ পরিচালকদের সম্মানী ভাতা

পরিচালক পর্যদের সিদ্ধান্ত মোতাবেক কোম্পানীর পরিচালকবৃন্দ কোম্পানী হতে নিয়মিত ভাতা ও সম্মানী পেয়ে থাকেন যা এই প্রতিবেদনের সাথে সংযুক্তি- ৩ এবং হিসাব বিবরণীর নোট ২৯.১ এ উল্লেখ করা হয়েছে।

১৬. লভ্যাংশ

পরিচালকমন্ডলী ৩১ ডিসেম্বর ২০১৩ এ সমাপ্ত বছরের জন্য ১৫% নগদ লভ্যাংশ প্রদানের সুপারিশ করেছে। বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারগণ কর্তৃক অনুমোদন সাপেক্ষে কোম্পানীর জন্য নির্ধারিত রেকর্ড তারিখে থাকা শেয়ারহোল্ডারগণের মধ্যে এই লভ্যাংশ বিতরণ করা হবে।

১৭. রাষ্ট্রীয় কোষাগারে অবদান

সরকারী রাজস্ব আহরণে বিএসআরএম প্রত্যক্ষ-পরোক্ষভাবে সহযোগীতা ও অবদান রেখে যাচ্ছে। কোম্পানী ২০১৩ সালে প্রযোজ্য সব ধরনের আয়কর, মূসক ও শুল্ক আদায় এবং প্রদান করছে। ২০১৩ সালে বিএসআরএম স্টীলস লিমিটেড রাষ্ট্রীয় কোষাগারে প্রত্যক্ষ-পরোক্ষভাবে ২,৪৫৪ মিলিয়ন টাকা রাজস্ব প্রদান করেছে।



১৮. সামাজিক দায়বদ্ধতা এবং কার্যক্রম

ব্যবসায়িক সিদ্ধান্তের ক্ষেত্রে বিএসআরএম নৈতিকতা, সামাজিক ও পরিবেশগত বিষয়সমূহে বিশেষ নজর দিয়ে থাকে। ২০১৩ সালে আপনাদের কোম্পানী সামাজিক উন্নয়ন, গবেষণা, শিক্ষা ও পরিবেশ উন্নয়নের জন্যে উল্লেখযোগ্য অনুদান প্রদান করেছে। এই বিষয়ে পৃথক একটি অধ্যায়ে বিস্তারিত আলোচনা করা হয়েছে।

১৯. অর্জন ও স্বীকৃতি

Institute of Chartered Accountant of Bangladesh (ICAB) কর্তৃক প্রদত্ত “13th ICAB National Award” এ আপনাদের কোম্পানী ২০১২ সালে “Best Presented Annual Report” এ ৩য় স্থান অধিকার করেছে। একই সাথে আপনাদের কোম্পানী এই বার্ষিক প্রতিবেদনটির জন্য SAFA দেশসমূহের মধ্যে অবস্থিত কোম্পানীগুলোর মধ্যে “Certificate of Merits” Award পেয়েছে।

BSRM Iron and Steel Co. Ltd. (BISCO) বাংলাদেশ পরিবেশ অধিদপ্তর থেকে Divisional Environmental Award 2013 পেয়েছে। এই দুটি পুরস্কারই আমাদের স্বচ্ছতা ও পণ্যের মানের প্রতি আমাদের আপোষহীন অবস্থানকে নির্দেশ করে।

২০. তথ্য প্রযুক্তি

কাজিত প্রবৃদ্ধির জন্য একটি দক্ষ তথ্য প্রবাহ ব্যবস্থাপনা প্রয়োজন। যে উদ্দেশ্যে আমরা অত্যাধুনিক Oracle ERP Software চালু করেছি। আনুষ্ঠানিকভাবে ১লা মার্চ ২০১৪ সাল থেকে চালু হওয়া এই Software টি সংক্ষিপ্ততম সময়ের মধ্যে তথ্য ও উপাত্ত সরবরাহ করে আমাদের ব্যবসা কার্যক্রমকে দ্রুততার সাথে সম্পন্ন করতে সহযোগীতা করবে।

২১. মানবসম্পদ ব্যবস্থাপনা:

BSRM Steels Limited একটি শিক্ষিত, দক্ষ, অভিজ্ঞ, পেশাদার কর্মীবাহিনী দ্বারা পরিচালিত হচ্ছে। বুদ্ধিবৃত্তির বিকাশ ও দক্ষ নেতৃত্ব সৃষ্টির জন্য আমরা প্রতিনিয়ত প্রচেষ্টা চালিয়ে যাচ্ছি। কর্মীবাহিনীর দক্ষতা বৃদ্ধির জন্য আমরা প্রয়োজনীয় প্রশিক্ষণ কার্যক্রম চালু করেছি। এছাড়াও আমরা কাজের সঠিক মূল্যায়ন, কার্যকর অবকাঠামো গঠন, একটি দক্ষ পদোন্নতি নীতিমালা প্রণয়ন, সম্মানী, স্বাস্থ্য ও নিরাপত্তার বিষয়ে নীতিমালা চালু করেছি।

২২. কোড অব কন্ডাক্ট

পরিচালকমন্ডলী তাদের জন্য একটি Code of Conduct চালু করেছেন, যা প্রতিটি পরিচালক কর্তৃক স্বাক্ষরিত।

২৩. নিরীক্ষক

১২ তম বার্ষিক সাধারণ সভায় কোম্পানীর বর্তমান বিধিবদ্ধ নিরীক্ষক সাইফুল সামশুল আলম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস (A member firm of UHY) পদত্যাগ করবে এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশ নং BSEC/ CMRRCD/ 2009-193/104/Admin dated July 27, 2011 অনুযায়ী সাইফুল সামশুল আলম এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস আগামী বছরের জন্য নিরীক্ষাকার্য সম্পাদনের যোগ্য হওয়ায় তাঁরা পুনরায় নিয়োগের ইচ্ছা প্রকাশ করেছেন যা পরিচালক পর্যদের সভায় অনুমোদিত হয়েছে।

২৪. কর্পোরেট সুশাসন প্রতিপালন

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক নির্দেশিত কর্পোরেট সুশাসনের শর্তগুলো আপনাদের কোম্পানী যথাযথভাবে ব্যবসায় পালন করছে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ইস্যুকৃত Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August

2012-এর শর্তসমূহ প্রতিপালনের প্রতিবেদন সংক্রান্ত একটি তালিকা এই বার্ষিক প্রতিবেদনের সাথে সংযুক্তি করা হল। তাছাড়া কর্পোরেট সুশাসন সংক্রান্ত একটি প্রতিবেদনও আলাদাভাবে সংযুক্তি করা হল (Annexure-6)।

২৫. স্থিতিপত্রের তারিখ পরবর্তী ঘটনা

আর্থিক প্রতিবেদনের স্বার্থসংশ্লিষ্ট কারো বিবেচনার জন্য কোম্পানীর স্থিতিপত্রের তথ্য ২০১৩ সালের ৩১ ডিসেম্বর পরবর্তী এবং এই প্রতিবেদনের তারিখ পর্যন্ত প্রকাশিতব্য কোন ঘটনা নেই যা আর্থিক বিশ্লেষণে বিচ্যুতি ঘটাতে পারে।

২৬. আর্থিক বিবরণীর ব্যাপারে পরিচালক মন্ডলীর দায়িত্ব

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের No. SEC. CMRRCD/2006-158/134/Admin/44 dated 07August 2012- অনুযায়ী পরিচালকমন্ডলী নিশ্চিত করেছেন যে—

- কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে—এর কর্মকাণ্ড, কার্যক্রমের ফলাফল, নগদ প্রবাহ ও ইকুইটির পরিবর্তন সম্পর্কে যথার্থ চিত্র উপস্থাপিত হয়েছে।
- কোম্পানীর হিসাবের বই যথাযথ সংরক্ষণ করা হয়েছে।
- আর্থিক বিবরণী প্রস্তুত করার সময় উপযুক্ত হিসাবনীতি সঙ্গতিপূর্ণভাবে প্রয়োগ করা হয়েছে এবং হিসাবের প্রাক্কলন যুক্তিসঙ্গত ও বিস্তৃত বিচার বোধের ভিত্তিতে করা হয়েছে।
- আর্থিক বিবরণীসমূহ প্রস্তুত করার সময় আন্তর্জাতিক ও বাংলাদেশে গৃহীত হিসাব মানদণ্ড অনুসরণ করা হয়েছে এবং তা থেকে যেকোন ব্যত্যয় পর্যাপ্তভাবে প্রকাশ করা হয়েছে।
- অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি ছিল বলিষ্ঠ এবং তা কার্যকরভাবে বাস্তবায়ন ও মনিটরিং করা হয়েছে।
- চালু প্রতিষ্ঠান হিসেবে কার্যক্রম অব্যাহত রাখায় কোম্পানীর সামর্থ্যের ব্যাপারে তেমন কোন দ্বিধা নেই।
- কোম্পানীর কার্যক্রম ফলাফলের ক্ষেত্রে গত বছরের তুলনায় উল্লেখযোগ্য যেসব ব্যত্যয় রয়েছে সেগুলো বর্ণনা করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে।
- কার্যক্রম ও আর্থিক বিষয়ে ছয় বৎসরের উপাত্ত সংযোজন করা হয়েছে।
- কোম্পানীর শেয়ার ধারণ সংক্রান্ত একটি প্রতিবেদন সংযুক্তি ৫-এ প্রদান করা হয়েছে।
- বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন-এর কর্পোরেট সুশাসন সংক্রান্ত শর্তের প্রতিপালন বিবরণ সংযুক্তি করা হল।
- পরিচালনা পর্যদের ব্যবসায়িক স্বার্থ এবং সংশ্লিষ্টতা এই প্রতিবেদনের সাথে সংযুক্তি করা হল।

কৃতজ্ঞতা স্বীকার

আমরা সম্মানিত শেয়ারহোল্ডারবৃন্দ, আমাদের গ্রাহকগণ, বাংলাদেশ সিকিউরিটি এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড, জাতীয় রাজস্ব বোর্ড, RJSC, বিভিন্ন সরকারী প্রতিষ্ঠান, বাণিজ্যিক সংস্থাসমূহ এবং ব্যাংক ও আর্থিক প্রতিষ্ঠানসমূহকে তাদের সমর্থন, সহযোগীতা ও পরামর্শের জন্য আন্তরিকভাবে ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। আমাদের কারিগরী দক্ষতা, প্রতিযোগীতামূলক বাজারে সুবিধাজনক অবস্থানের জন্য আমাদের কর্মচারী ও কর্মকর্তাবৃন্দকে আন্তরিকভাবে ধন্যবাদ জানাই। তাদের পেশাদারিত্ব ও পরিশ্রমের জন্য এই অর্জন সম্ভব হয়েছে। তাদের সততা ও উদ্যমকে আমরা অভিবাদন জানাই। তারা পণ্যের মানের প্রশ্নে আপোষহীন কারণ একমাত্র পণ্যের মানই নিরাপত্তার নিশ্চয়তা দিতে পারে এবং কোম্পানীর নেতৃস্থানীয় ভূমিকা নিশ্চিত করে।

অতীতের মতোই আমরা ভবিষ্যতেও আমাদের অগ্রযাত্রায় আপনাদের সমর্থন ও উৎসাহ কামনা করি।

পরিচালকমন্ডলীর পক্ষে—

আলীহোসাইন আকবরআলী এফ.সি.এ
চেয়ারম্যান

ফেব্রুয়ারী ২৫, ২০১৪

A lifebuoy works on a very simple concept, that air is lighter than water. The result of a simple concept translates to saving lives, a transformation that is nothing more than a wonder. It is one of the key safety features aboard every vessel plying on water.

CORPORATE SOCIAL RESPONSIBILITY

BSRM Group always tries to reconcile corporate growth with the community uplift. We have taken a number of social outreach programs in education, healthcare, livelihood creation, sports, cultural arena etc. We believe that, social welfare and business growth should work together.

Over the years we are contributing various educational institutions, madrashas, Mashjids and other similar institutions. We have also donated to various hospitals for procuring medical apparatus.

In last several years for easing traffic congestion and for city beautification, we are donating road dividers to the Metropolitan polices in Dhaka, Chittagong and other major cities.

In winter each year we donate thousands of blankets among the poor all over the country. We also arrange tree plantation



each year which contributes a lot to keep the environment green.

To uphold our heritage and culture, we have recently built a “Shahid Minar” at Chittagong Government Women College, Nasirabad in Chittagong. We are also trying to contribute to increase quality of education. Now we are the co sponsor for famous TV show “Spelling Bee”.

In all manmade or natural disaster like Rana Plaza accident or old Dhaka (Nimtoli) fire incident, we try to stand with the people of our country by contributing to the Prime Minister’s Relief Fund.

BSRM intent for Caring, Supporting, and Returning to society where we anchored our business decades ago.

Recently our group has decided to contribute more effectively in the Nation building and social welfare activities. We have already created a separate wing for Corporate Social Responsibility activities under direct supervision of our Honorable Chairman. Under the kind guidance of the Honorable Chairman, BSRM group of companies will create a ‘shared value’ for our shareholders in a way that they are able to see how they directly contribute to the development of the society.

BSRM CSR Vision

To integrate social responsibility into BSRM core business decisions, we 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.

Recently we have initiated few more projects under CSR

Project Title: Burhani BSRM School, Bangla Bazar, Chittagong.

A free school for slum kids from Nursery to grade 8, at present it is running with 400 pupils. Ex-grade 8 students are sent to other schools to continue higher studies.



Teacher taking class in Burhani BSRM School

Project Title: Livelihood programme for women vulnerable to irregular migration and trafficking, Durgapur, Sharsha, Jessore.

Management and Resources Development Initiative (MRDI), will monitor and supervise the project who in turn engaged Alternative Development Organization for Research & Evaluation (ADORE), a non-government organization and Gramer Kagoj (GK) to implement the project.



Project Title: Livelihood support Program for landless, forest dependent community of Mirsarai Upazilla.


BSRM has engaged Young Power in Action (YPSA), to implement this project. Under this project a group of 50 landless forest dependent people has been organized. YPSA will help create awareness, motivate them on agriculture based livelihood opportunity, train them how to use better techniques to increase yield, and how to manage fund once crops are sold and retain part of the income in a somity account.

A project for supplying pure drinking water by using solar power in the hilly area of Rangamati, Banderban and Khagrachari is under consideration. If the project is feasible then we shall go for implementation of this project with assistance from Local NGOs.

Honored shareholders, we always appreciate and welcome your ideas, advice and guidance which will help us to play a more effective role in social welfare and to serve the nation.



Blanket distribution to the poor people



The history of mankind experienced several growth spurts. From the domestication of animals that gave rise to the Agricultural Revolution to the invention of the steam engine that gave rise to the Industrial revolution, we have used the natural resources of our planet to have an exponential growth in population. Now, with the decline in the reserve of natural resources, we have turned our focus to renewable energy, the best tool for sustainable growth for mankind.

SUSTAINABLE GROWTH

Green Environment, Human Resource and Information Tecnology Development

BSRM Group of Companies is involved in production and supply of steels products. To keep our human resources safe and sound and to keep the environment of mill clean, we have taken number of projects and ultimately we have succeeded to mitigate all problems.

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.

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

To keep our human resources safe and sound and to keep the environment of mill clean, we have taken number of projects and ultimately we have succeeded

Human Resource Development

We have highly professional and experienced team in each department which actually enables us to maintain our quality of product, sustainable growth, efficiency in production and marketing as well as to retain our position as the leader in this sector.

Capacity building

For capacity building we regularly arrange training for all of our staffs. Both in house and outside training is arranged for them. Usually, such big steel mill needs a significant number of foreign expatriates. As we were able to develop our people, now minimum foreign expatriates are engaged at our plants.

Safety, Health and Environment Policy

We have created a separate desk called SHE (Safety, Health and Environment) to oversee and take necessary measures regarding safety, health and environment. Our Group is ISO certified and obtained ISO-90001:2008 (QMS) and ISO-14001:2004 (EMS) for its compliance on HR and safety related issues.

Our main principles are as follows:

- Provide visible and active leadership in regards to SHE and will seek opportunities to exceed regulatory requirements.
- Increase SHE awareness and competence by training and education.
- Integrate SHE into the existing operations, as well as in to planning and execution of projects.
- Continuously seek to recognize hazards and assess SHE risks with in the operations.
- Strive to reduce the environmental impact of the operations and optimize resource consumption by planning and carrying out operations through environmentally responsible processes and practices.
- Promote safe behavior among those who work for BSRM including employees, contractors, service provider and visitors.
- Ensure through appropriate supervision that employees understand and follow established job safe practices and procedures and that work which is deemed to be unsafe is immediately stopped.
- Minimize environmental emissions, foster continual improvement, establish objectives and targets, benchmark performance and adopt best practices.
- Comply with all relevant statutory and other requirements pertaining to SHE.
- Investigate accidents and incidents and occurrences of occupational exposure to prevent a recurrence.
- Ensure that all supervisors understand and fulfill their accountabilities to ensure safe and health working conditions are maintained.
- Ensure that all employees understand and fulfill their accountabilities to perform their jobs safely and to follow established safe work practices and procedures.

Safety Committee:

In each plant there is a safety committee headed by the plant head. There are also some sub-committee which are working under the main committee. The committee ensures the compliance with the safety policy, train and encourages staffs to follow the safety guidelines, use proper machineries. If the committee finds any weakness then it takes the corrective measures.

Staff Succession Plan

Succession planning is a process whereby an organization ensures that employees are recruited and developed to fill each key role within the company. Through our succession planning process, we recruit superior employees, develop their knowledge, skills, abilities, and prepare them for advancement or promotion into ever more challenging roles. Actively pursuing succession planning ensures that employees are constantly developed to fill each needed role. As our organization expands, provides promotional opportunities and increases sales, our succession planning guarantees that we have employees on hand ready and waiting to fill new roles. We have also appointed number of trainees in various areas as a supportive measure.

Policy of the safety of records of the entity

Our company has comprehensive records for safety of all the company's data and information. As per law, all kinds of vouchers, Ledger, sales invoice and other books and records has been kept for 12 years. For online data back-up we have installed several backup servers as follows:

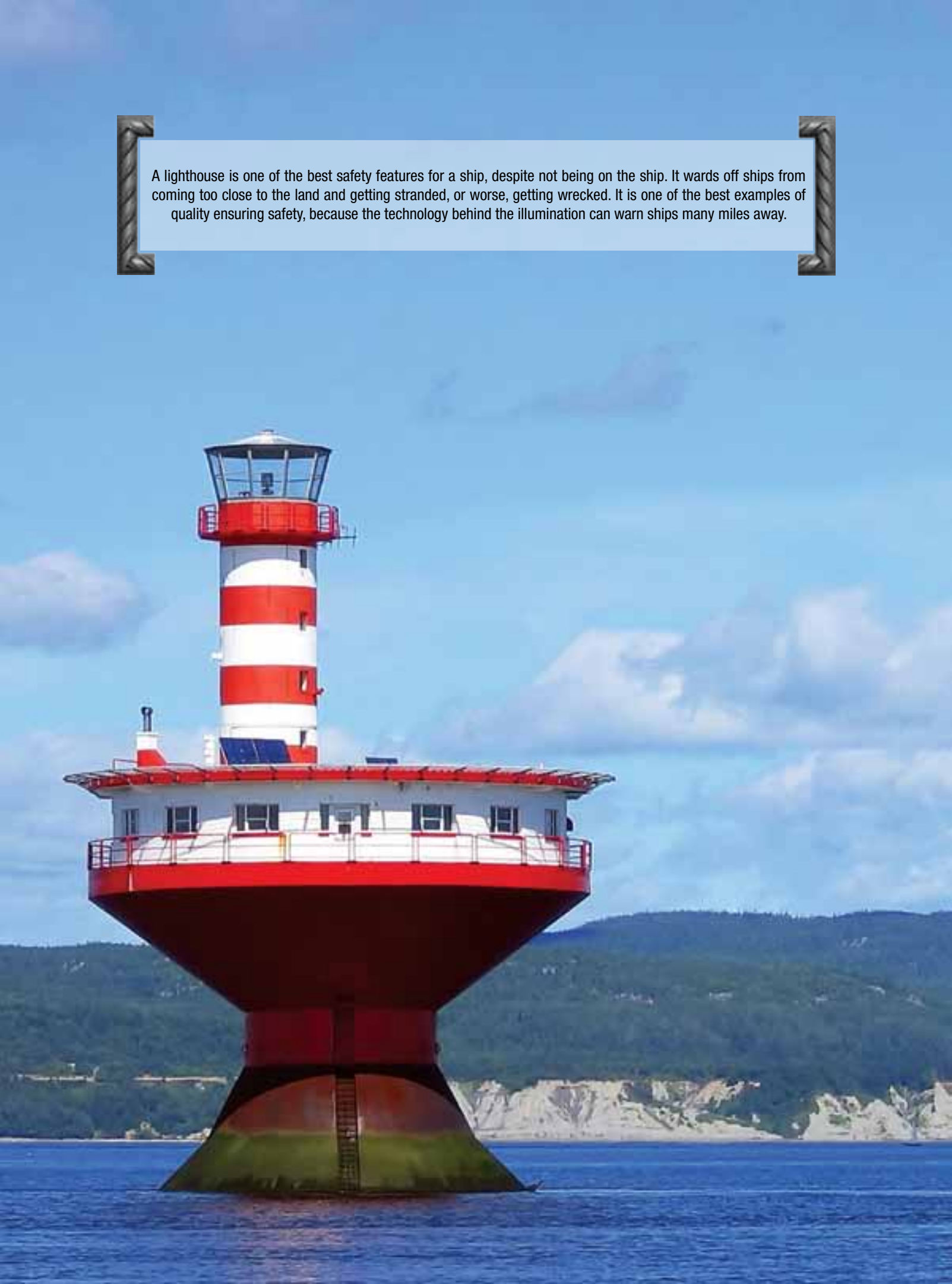
Oracle Database Backup:

BSRM has installed 2 Database Server with Linux clustering, so that if the primary database fails then we will switch to the secondary database.

BSRM is using RMAN (Recovery Manager) to take their backup and this system is taking incremental backup every hour and this backup files are transferring to two different location every midnight. Also BSRM is taking weekly backup in Tape Drive and put the drive in a safe vault.

Disaster Recovery:

BSRM has installed a Failover Server in a different location so that if any disaster occurred then user can switch to that server.



A lighthouse is one of the best safety features for a ship, despite not being on the ship. It wards off ships from coming too close to the land and getting stranded, or worse, getting wrecked. It is one of the best examples of quality ensuring safety, because the technology behind the illumination can warn ships many miles away.

REGULATORY COMPLIANCE REPORT

Corporate Governance Report

Corporate governance 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. Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest.

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 oversight the good corporate practices; and
- to review the adequacy of internal audit function etc.

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 is reporting 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 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 Company 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 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 Strategy and Planning Cell (ESPC). 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 the annual report.

M.A. MALLIK & Co.
CHARTERED ACCOUNTANTS

Head Office:

Aziz Chamber (2nd Floor)
6. Jubilee Rood, 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 31st December 2013 as stipulated in Notification No: SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission.

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.

Dated Chittagong,
25th February 2014


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 true and fair view of the state of affairs of the company and in ensuring a good 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 five members. The Committee is chaired by an Independent Director and is supported by the Company Secretary, who attends the Committee’s meetings as the Secretary of the Committee. Meeting of the Committee were attended by the Managing Director, Head of Accounts & Finance and Head of Internal Audit of the Company on invitation.

The terms of reference of the audit committee has been determined by the Board in accordance with the BSEC notification.

Role of Audit Committee

Main activities of the audit committee are summarized below:

1. Overseeing and monitoring of financial reporting process, adoption of reporting standards and control risk management process

Audit Committee is assisting in the oversight of the financial reporting process, including monitoring the adoption of reporting standards and internal control risks management process to ensure that appropriate financial reporting process and standards used and adequate activities/measures control to high risk areas are periodically evaluated and tested.

2. Review of Periodic Financial Statements

During the year, Audit Committee reviewed all periodical financial statements of the company. This review was made along with the Board of Directors. Their review ensured that the financial statements are prepared in compliance with legal and accounting standard requirements and that the financial statements were disclosed accurate, reliable and timely information of the company.

3. Review of Internal Control Assessment

During the year, the committee revised and reviewed the internal control system and internal audit plan with an emphasis on minimizing of defects, losses and fraud. The committee also reviewed that the internal control was both adequate and effective.

4. Review of Internal Audit Report

During the year, the committee reviewed the activities of Internal Audit Department and take necessary actions on the basis of internal audit report.

5. Review the Related Party Transactions and Investment Activities of Subsidiary

The Committee also reviewed the related party’s transactions submitted by management and investing activities as well as affairs of Subsidiary and it appears that all the due procedures and policies have been followed.

Meetings and attendance

During the year under review, the Committee held four meetings. The attendance of the members at these meeting is as under:

Name of the members	Position	No. of meetings held whilst a committee member	Meetings attended
Mr. Mono Ranjan Dey FCA	Chairman	4	4
Mr. Alihussain Akberali FCA	Member	4	4
Mr. Zohair Taherali	Member	4	4
Mrs. Sabeen Aameir	Member	4	4
Mr. Shekhar Ranjan Kar FCA	Secretary	4	4

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.

Observations, findings and suggestions of the committee were communicated to the Board of Directors and the Board of Directors had taken appropriate measures on the report.

On behalf of the Audit Committee

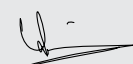
Mono Ranjan Dey
Mono Ranjan Dey FCA
Independent Director and Chairman of the Audit Committee
February 25, 2014

Statement of CEO and CFO on Financial Statements

The Board of Directors
BSRM Steels Limited

We certify that :-

- i) We have reviewed financial statements for the year ended December 31, 2013 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 in to 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
Chief Financial Officer

Barometers are scientific instruments used in meteorology to measure atmosphere pressure. These measurements are used in calculating and predicting short term weather changes. Barometers are very useful for navigation in several modes of transportation, because it enables ships, airplanes, etc. to plan a safe voyage.



AUDITORS' REPORT & FINANCIALS 2013

BSRM Steels Limited and its subsidiary
As at and for the year ended 31st December 2013

AUDITORS' REPORT TO THE SHAREHOLDERS OF BSRM STEELS LIMITED

We have audited the accompanying consolidated financial Statements of BSRM Steels Limited and its subsidiary ("the Group"), as well as the financial statements of BSRM Steels Limited which are comprised of the Statement of Financial Position as at 31 December 2013, Statement of 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.

Financial statements of the subsidiary, BSRM Iron & Steel Co. Limited for the year ended 31 December 2013 were audited by Basu Banerjee Nath & Co., Chartered Accountants who issued an unqualified opinion on 12 February 2014.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations 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 (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 risks 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.

The financial statements of the company's subsidiary namely, BSRM Iron & Steel. Ltd. (BISCO) were audited by Basu Banerjee Nath & Co., Chartered Accountants and they expressed an unqualified opinion on these financial statements. Our opinion, in so far as it relates to the amounts included in respect of the company's subsidiary, is based on the reports of subsidiary's auditors as mentioned above.

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

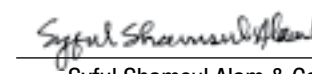
Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of BSRM Steels Limited as at 31 December 2013 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- (a) 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;
- (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 Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts; and
- (d) the expenditure incurred was for the purposes of the company's business.

25 February 2014
Chittagong.


Syful Shamsul Alam & Co.
Chartered Accountants


BSRM Steels Limited and its subsidiary
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013


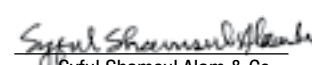
	Note(s)	2013 Taka	2012 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4.a	9,361,781,880	9,372,527,737
Capital work-in-progress	5.a	257,428,476	230,528,663
Intangible assets	6.a	83,707	151,596
Intangible assets - Development phase	7.a	47,718,801	18,474,671
Investment	8.a	451,146,000	13,500,000
Total non-current assets		10,118,158,864	9,635,182,668
Current assets			
Short term investment	9.a	33,672,752	8,971,000
Inventories	10.a	7,883,356,183	9,803,259,163
Trade and other receivables	11.a	4,853,971,631	3,903,919,192
Current account with related companies	12.a	3,148,249,274	1,193,645,518
Advances, deposits and prepayments	13.a	1,343,746,999	1,174,816,668
Cash and cash equivalents	14.a	774,270,614	1,124,417,579
Total current assets		18,037,267,454	17,209,029,120
Total Assets		28,155,426,318	26,844,211,788
EQUITY AND LIABILITIES			
Equity			
Share capital	15	3,417,750,000	3,255,000,000
Retained earnings		1,362,612,936	432,208,879
Revaluation reserve		2,651,613,249	2,669,085,851
Equity attributable to owners of the company		7,431,976,185	6,356,294,730
Non- controlling interest		98,330,428	91,295,226
Total equity		7,530,306,613	6,447,589,956
Liabilities			
Non-current liabilities			
Long term borrowings	16.a	711,803,061	977,061,308
Defined benefit obligations - Gratuity	17.a	36,783,181	23,552,640
Deferred tax liability	19.a	771,579,247	559,709,677
Total non-current liabilities		1,520,165,489	1,560,323,625
Current liabilities			
Trade payable	20.a	-	-
Short term borrowings	21.a	17,258,619,203	18,057,880,435
Current account with related companies	22.a	350,000	-
Liabilities for expenses	23.a	460,008,178	421,467,565
Current tax liability	18.a	496,867,314	72,043,712
Provision for WPPF and Welfare Fund	24.a	104,486,564	78,799,730
Other liabilities	25.a	784,622,958	206,106,766
Total current liabilities		19,104,954,216	18,836,298,207
Total liabilities		20,625,119,706	20,396,621,832
Total Equity and Liabilities		28,155,426,318	26,844,211,788

The annexed notes 1 to 42 form an integral part of these financial statement


Managing Director

25 February 2014
Chittagong.


Director
As per our annexed report of same date


Company Secretary

Syful Shamsul Alam & Co.
Chartered Accountants


BSRM Steels Limited and its subsidiary
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013


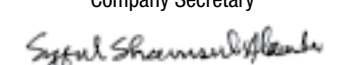
	Note(s)	2013 Taka	2012 Taka
Revenue	26.a	36,294,868,280	38,262,395,136
Cost of sales	27.a	(32,466,554,850)	(35,786,858,382)
Gross profit		3,828,313,430	2,475,536,754
Selling and distribution costs	28.a	(683,970,583)	(509,829,190)
Administrative costs	29.a	(288,822,580)	(264,075,551)
Other operating income	30.a	5,165,110	2,130,743
Profit from operating activities		2,860,685,377	1,703,762,757
Finance costs	31.a	(844,891,039)	(663,619,886)
Finance income	32.a	138,708,257	524,464,195
Profit before WPPF and Welfare Fund		2,154,502,596	1,564,607,066
Contribution to WPPF and welfare fund	24.a	(104,486,564)	(78,799,730)
Non-operating income	34.a	7,560,000	7,626,000
Profit before income tax		2,057,576,032	1,493,433,337
Provision for income tax:			
- Current tax		(437,489,805)	(72,043,712)
- Deferred tax		(218,497,109)	(420,182,548)
Profit after tax for the year		1,401,589,118	1,001,207,077
Other comprehensive income			
Revaluation surplus of property, plant and equipment		-	2,853,214,982
Deferred tax on revaluation surplus of assets		-	(139,527,129)
Total comprehensive income for the year		1,401,589,118	3,714,894,931
Profit attributable to:			
Owners of the company		1,394,553,917	997,165,269
Non-controlling interest		7,035,201	4,041,808
		1,401,589,118	1,001,207,077
Total comprehensive income attributable to:			
Owners of the company		1,394,553,917	3,684,643,333
Non-controlling interest		7,035,201	30,251,597
		1,401,589,118	3,714,894,931
Earnings per share			
Basic earnings per share	35.a	4.08	2.92

The annexed notes 1 to 42 form an integral part of these financial statement


Managing Director

25 February 2014
Chittagong.


Director
As per our annexed report of same date


Company Secretary

Syful Shamsul Alam & Co.
Chartered Accountants

BSRM Steels Limited and its subsidiary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2013

	Share Capital	Revaluation Reserve	Retained Earnings	Total	Non-controlling Interest	Total Equity
Balance as on 1 January 2012	3,255,000,000	-	(95,098,603)	3,159,901,397	61,043,629	3,220,945,026
Profit after tax for the year 2012	-	-	997,165,270	997,165,270	4,041,808	1,001,207,077
Other comprehensive income-Revaluation surplus	-	2,853,214,982	-	2,853,214,982	-	2,853,214,982
Cash dividend paid for the year 2011	-	-	(488,250,000)	(488,250,000)	-	(488,250,000)
Adjustment for non-controlling interest on revaluation reserve	-	(26,209,790)	-	(26,209,790)	26,209,790	-
Adjustment of deferred tax on revaluation of assets	-	(139,527,129)	-	(139,527,129)	-	(139,527,129)
Depreciation on revalued assets	-	(18,392,213)	18,392,213	-	-	-
Balance as at 31 December 2012	3,255,000,000	2,669,085,851	432,208,879	6,356,294,730	91,295,226	6,447,589,956
Balance as on 1 January 2013	3,255,000,000	2,669,085,851	432,208,879	6,356,294,730	91,295,226	6,447,589,956
Profit after tax for the year 2013	-	-	1,394,553,917	1,394,553,917	7,035,201	1,401,589,118
Issue of Bonus Shares for the year 2012	162,750,000	-	(162,750,000)	-	-	-
Cash dividend paid for the year 2012	-	-	(325,500,000)	(325,500,000)	-	(325,500,000)
Adjustment of deferred tax on revaluation of assets	-	-	6,627,539	6,627,539	-	6,627,539
Depreciation on revalued assets	-	(17,472,602)	17,472,602	-	-	-
Balance as at 31 December 2013	3,417,750,000	2,651,613,249	1,362,612,936	7,431,976,185	98,330,428	7,530,306,613

Revaluation surplus amounting to Tk. 17,472,602 has been transferred to retained earnings for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets' original cost. The amount has been netted off for tax.

BSRM Steels Limited and its subsidiary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 Taka	2012 Taka
a. Cash flows from operating activities		
Cash receipts from customers	44,146,915,078	37,970,125,282
Cash payments to suppliers and employees	(40,286,260,583)	(37,023,602,584)
Interest paid	(396,957,569)	(139,155,691)
Net cash (used in)/generated by operating activities	3,463,696,926	807,367,007
b. Cash flows from investing activities		
Acquisition of fixed assets	(419,872,726)	(562,151,784)
Disposal of fixed assets	541,895	2,355,553
Increase in Investment	(462,347,752)	(10,576,000)
Intangible assets - Development phase	(29,244,130)	(18,474,671)
Net cash (used in)/generated by investing activities	(910,922,713)	(588,846,902)
c. Cash flows from financing activities		
(Repayments) / Receipts of Term Loan	(265,258,247)	(1,208,351,379)
Dividend Paid	(325,500,000)	(488,250,000)
Loan to/from Related Companies	(1,512,901,700)	1,274,537,152
Short Term Borrowings	(799,261,231)	743,955,316
Net cash provided by /(used in) financing activities	(2,902,921,178)	321,891,089
d. Net increase in cash and cash equivalent (a+b+c)	(350,146,965)	540,411,194
e. Opening cash and cash equivalent	1,124,417,579	584,006,385
f. Closing cash and cash equivalent (d+e)	774,270,614	1,124,417,579


BSRM Steels Limited
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013


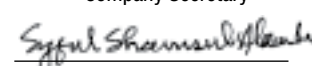
	Note(s)	2013 Taka	2012 Taka
ASSETS			
Non-current assets			
Property, plant and equipment	4	6,315,431,098	6,225,464,247
Capital work-in-progress	5	202,756,077	220,688,383
Intangible assets	6	83,707	151,596
Intangible assets - Development phase	7	47,718,801	18,474,671
Investment	8	1,496,146,000	1,058,500,000
Total non-current assets		8,062,135,683	7,523,278,897
Current assets			
Short term investment	9	33,672,752	8,971,000
Inventories	10	5,684,973,546	7,862,203,863
Trade and other receivables	11	4,853,157,259	3,903,735,445
Current account with related companies	12	3,148,249,274	1,193,645,518
Advances, deposits and prepayments	13	856,311,952	874,371,863
Cash and cash equivalents	14	740,582,814	1,088,501,445
Total current assets		15,316,947,598	14,931,429,134
Total Assets		23,379,083,281	22,454,708,032
EQUITY AND LIABILITIES			
Equity			
Share capital	15	3,417,750,000	3,255,000,000
Retained earnings		846,517,816	114,553,895
Revaluation reserve		2,153,627,246	2,171,099,848
		6,417,895,062	5,540,653,743
Liabilities			
Non-current liabilities			
Long term borrowings	16	425,050,569	218,866,089
Defined benefit obligations - Gratuity	17	26,291,272	17,621,521
Deferred tax liability	19	680,299,907	498,962,191
Total non-current liabilities		1,131,641,748	735,449,801
Current liabilities			
Trade payable	20	278,463,358	241,702,060
Short term borrowings	21	13,333,024,039	15,358,788,633
Current account with related companies	22	441,352,057	-
Liabilities for expenses	23	408,499,401	237,625,040
Current tax liability	18	496,867,314	72,043,712
Provision for WPPF and Welfare Fund	24	95,872,044	68,253,149
Other liabilities	25	775,468,260	200,191,895
Total current liabilities		15,829,546,471	16,178,604,488
Total liabilities		16,961,188,219	16,914,054,289
Total Equity and Liabilities		23,379,083,281	22,454,708,032

The annexed notes 1 to 42 form an integral part of these financial statement


Managing Director

25 February 2014
Chittagong.


Director
As per our annexed report of same date


Company Secretary

Syful Shamsul Alam & Co.
Chartered Accountants


BSRM Steels Limited
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013


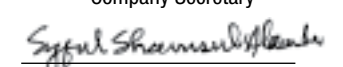
	Note(s)	2013 Taka	2012 Taka
Revenue	26	36,229,050,933	38,253,464,657
Cost of sales	27	(32,978,902,353)	(36,365,025,246)
Gross profit		3,250,148,580	1,888,439,411
Selling and distribution costs	28	(683,970,583)	(509,829,190)
Administrative costs	29	(255,715,032)	(220,355,603)
Other operating income	30	3,935,488	2,130,743
Profit from operating activities		2,314,398,453	1,160,385,361
Finance costs	31	(635,896,922)	(291,675,539)
Finance income	32	238,939,353	496,353,136
Profit before WPPF and Welfare Fund		1,917,440,885	1,365,062,958
Contribution to WPPF and welfare fund	24	(95,872,044)	(68,253,148)
Profit before income tax		1,821,568,840	1,296,809,810
Provision for income tax :			
- Current tax	18	(437,489,805)	(72,043,712)
- Deferred tax	19	(187,965,255)	(359,435,062)
Profit after tax for the year		1,196,113,781	865,331,036
Other comprehensive income			
Revaluation surplus of property, plant and equipment		-	2,329,019,189
Deferred tax on revaluation surplus of assets		-	(139,527,129)
Total comprehensive income for the year		1,196,113,781	3,054,823,097
Earnings per share			
Basic earnings per share	35	3.50	2.53

The annexed notes 1 to 42 form an integral part of these financial statement


Managing Director

25 February 2014
Chittagong.


Director
As per our annexed report of same date


Company Secretary

Syful Shamsul Alam & Co.
Chartered Accountants

BSRM Steels Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Amount in Taka			
	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 1 January 2012	3,255,000,000	-	(280,919,354)	2,974,080,646
Profit after tax for the year 2012	-	-	865,331,036	865,331,036
Other comprehensive income-Revaluation surplus	-	2,329,019,189	-	2,329,019,189
Cash dividend paid for the year 2011	-	-	(488,250,000)	(488,250,000)
Adjustment of deferred tax on revaluation of assets	-	(139,527,129)	-	(139,527,129)
Depreciation on revalued assets	-	(18,392,213)	18,392,213	-
Balance as at 31 December 2012	3,255,000,000	2,171,099,848	114,553,895	5,540,653,743
Balance as on 1 January 2013	3,255,000,000	2,171,099,848	114,553,895	5,540,653,743
Profit after tax for the year 2013	-	-	1,196,113,781	1,196,113,781
Issue of Bonus Shares for the year 2012	162,750,000	-	(162,750,000)	-
Cash dividend paid for the year 2012	-	-	(325,500,000)	(325,500,000)
Adjustment of deferred tax on revaluation of assets	-	-	6,627,539	6,627,539
Depreciation on revalued assets	-	(17,472,602)	17,472,602	-
Balance as at 31 December 2013	3,417,750,000	2,153,627,246	846,517,816	6,417,895,062

Revaluation surplus amounting to Tk. 17,472,602 has been transferred to retained earnings for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets' original cost. The amount has been netted off for tax.

BSRM Steels Limited
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 Taka	2012 Taka
a. Cash flows from operating activities		
Cash receipts from customers	35,283,564,607	37,955,022,628
Cash payments to suppliers and employees	(30,788,490,897)	(38,887,398,919)
Interest receipt/(paid)	(396,957,569)	204,677,597
Net cash (used in)/generated by operating activities	4,098,116,141	(727,698,694)
b. Cash flows from investing activities		
Acquisition of fixed assets	(296,229,813)	(329,269,485)
Disposal of fixed assets	118,734	2,355,553
Increase in Investment	(462,347,752)	(22,471,000)
Intangible assets - Development phase	(29,244,130)	(18,474,671)
Net cash (used in)/generated by investing activities	(787,702,961)	(367,859,603)
c. Cash flows from financing activities		
(Repayment) / Receipt of Long term loans	206,184,480	(653,838,854)
Dividend paid	(325,500,000)	(488,250,000)
(Repayment) / Receipt of short term borrowings	(2,025,764,594)	760,362,426
Loan to/from related companies	(1,513,251,700)	2,026,525,845
Net cash provided by /(used in) financing activities	(3,658,331,814)	1,644,799,417
d. Net increase in cash and cash equivalent (a+b+c)	(347,918,632)	549,241,120
e. Opening cash and cash equivalent	1,088,501,445	539,260,325
f. Closing cash and cash equivalent (d+e)	740,582,814	1,088,501,445

BSRM STEELS LIMITED AND ITS SUBSIDIARY
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2013

1. THE REPORTING ENTITY

1.01 Legal form of Enterprise

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

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

1.02 Nature of the Business

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

1.03 BSRM Iron & Steel Co. Limited- Subsidiary Company

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

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 sales of 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 Company

BSRM Steel Mills Limited (BSRMSML) was incorporated on 16 April 2008 as a Private Limited Company and was subsequently converted to a Public Limited Company on 12th November 2013. The main objective of BSRMSML is to manufacture and sell M.S. Billets. Paid up Capital of BSRMSML is Tk. 207.30 Crore divided into 20.73 Crore Ordinary Shares of Tk. 10 each. BSRM Steels Limited has acquired 21.76% equity interest in BSRMSML i.e. 45,114,600 Ordinary Shares of Tk. 10 each. BSRMSML has not started its commercial operation yet and is expected to start its commercial production by 2014.

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". The financial statements comprise of:

- a) A statement of financial position as at 31 December 2013
- b) A statement of comprehensive income for the year ended 31 December 2013
- c) A statement of changes in equity for the year ended 31 December 2013
- d) A statement of cash flows for the year ended 31 December 2013
- e) Notes, comprising a summary of significant accounting policies and explanatory information.

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:

The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax Act, 1991
The Value Added Tax Rules, 1991
The Customs Act, 1969
Bangladesh Labour Law, 2006
The Securities and Exchange Ordinance, 1969
The Securities and Exchange Rules, 1987
Securities and Exchange Commission Act, 1993

2.04 Authorization for issue

The Consolidated and Separate Financial Statements have been authorized for issue by the Board of Directors on 25 February 2014.

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 Applicable Accounting Standards

The following BASs are applicable for preparation and reporting of the Financial Statements for the period under review:

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 - 27 Consolidated and Separate Financial Statements
BAS - 28 Investment in Associates
BAS - 33 Earnings Per Share
BAS - 36 Impairment of Assets
BAS - 37 Provisions, Contingent Liabilities and Contingent Assets
BAS - 38 Intangible Assets
BAS - 39 Financial Instruments: Recognition and Measurement
BFRS - 5 Non-current Assets Held for Sale and Discontinued Operations
BFRS - 7 Financial Instruments: Disclosures
BFRS - 10 Consolidated Financial Statements
BFRS - 12 Disclosure of interest in other entities
BFRS - 13 Fair value measurement

2.09 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.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the 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: 18	Current tax liability
Note: 25	Other liabilities
Note: 19	Deferred tax liability
Note: 17	Provision for gratuity
Note: 38	Contingent liabilities

2.10 Changes in Accounting Policy

The company has applied the following BFRSs from the year 2013.

BFRS - 10	Consolidated Financial Statements
BFRS - 12	Disclosure of interest in other entities
BFRS - 13	Fair value measurement

These standards are applicable to companies from 1 January 2013.

2.11 Change in Accounting Estimate

From the year 2013, depreciation is charged on addition from the month of acquisition/addition and no depreciation is charged in the month of disposal. Previously, full year's depreciation was charged on addition irrespective of the date of acquisition/addition and no depreciation was charged in the year of disposal.

2.12 Reporting Period

The Financial Statements of the group cover one year from 1 January to 31 December and is followed consistently.

2.13 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 BSRMSL. The Company has made 95% investment in its subsidiary. BSRMSL 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 in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup 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.

The company applies equity accounting method to account for its investment in associate, BSRM Steel Mills Limited (BSRMSML). However, profit or loss has not been recognized since BSRMSML has not started its commercial operation yet.

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 period ended 31 December 2013 are consistent with those policies and methods adopted in preparing the Financial Statements for the year ended 31 December 2012.

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 fixed assets, depreciation is recognized in profit and loss account on diminishing balance method over the estimated useful lives of fixed assets.

Depreciation is charged on addition from the month 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:

Category of Assets	Rate of depreciation (%)	Allocated to
Plant & Machinery	5%	Factory overhead
Motor Vehicle	20%	Administrative expenses
Furniture and Fixtures	10%	Administrative expenses
Office Equipment	10%	Administrative expenses
Factory Buildings	5%	Factory overhead
Roads and Pavements	5%	Administrative expenses

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 profit and loss account.

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 loss, 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:

Category of Assets	Rate of amortization	Useful lives
Software	33.33%	3 years
Trade Marks	5%	20 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".

Category	Valuation
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. Exchange difference on borrowings denominated in foreign currencies to finance the imported Plant & Machinery is included in the carrying amount of related plant and/or machinery. Other monetary assets & liabilities, if any, denominated in foreign currencies at the 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 Comprehensive Income respectively.

3.07 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 Receivable; Advances, Deposits and Prepayments; Loan to Related Companies and Cash and Bank balances etc.

3.07.01 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.

Provision 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.

3.07.02 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 and loss.

3.07.03 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.

3.08 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.

3.08.01 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.

3.09 Impairment

3.09.01 Financial Assets

Financial assets not carried at fair value through profit or loss, loans and receivables 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.

3.09.02 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.

3.10 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.

3.11 Investment in Associate

Investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.

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.

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 27.5% for BSRMSL and for BISCO at reduced rate as per SRO 172/2009 dated 30 June, 2009.

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 profit and loss account 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 @ 10% of basic pay (Equally contributed by employee & employer) for all eligible permanent employees from 1st day of January 2010. 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.

Service length	Payment basis
Less than Five (5) years	Nil
For Five (5) years and more	Two (2) times of last month basic salary multiplied by year of services

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 are 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 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 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 there is scope for dilution exists.

3.21 Duty Drawback

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

3.22 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.

3.23 Comparative Information

Comparative information has been disclosed in respect of the year 2012 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.

3.24 General

i) Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.

ii) Bracket figures denote negative.

4.00 Property, plant and equipment - 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 cost									
Balance as on 01 January 2012	388,020,036	3,210,862,637	50,210,416	800,486,308	26,586,692	28,988,527	10,443,179	10,406,485	4,526,004,280
Additions/revaluation during 2012	1,822,237,939	251,581,747	15,666,590	513,720,023	4,193,273	5,144,821	-	4,109,750	2,616,654,143
Disposal during 2012	-	-	(5,061,263)	-	-	-	-	(46,500)	(5,107,783)
Adjustment for revaluation 2012	-	-	-	(151,061,368)	-	-	-	-	(151,061,368)
Balance as at 31 December 2012	2,210,257,975	3,462,444,384	60,815,723	1,163,144,963	30,779,965	34,133,348	10,443,179	14,469,735	6,986,489,272
Balance as on 01 January 2013	2,210,257,975	3,462,444,384	60,815,723	1,163,144,963	30,779,965	34,133,348	10,443,179	14,469,735	6,986,489,272
Additions/revaluation during 2013	-	45,654,216	23,701,695	223,542,935	4,653,028	6,591,578	1,712,040	8,306,626	314,162,118
Disposal during 2013	-	-	(318,400)	-	-	-	-	(40,500)	(358,900)
Balance as at 31 December 2013	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
Accumulated depreciation									
Balance as on 01 January 2012	-	522,977,133	15,936,817	138,001,997	5,654,374	6,947,386	874,898	2,308,425	692,701,030
Charged for the year 2012	-	146,973,363	9,413,014	58,810,217	2,511,528	2,720,511	478,414	1,216,131	222,123,178
Adjustment for disposal during 2012	-	-	(2,728,980)	-	-	-	-	(8,835)	(2,737,815)
Adjustment for Revaluation 2012	-	-	-	(151,061,368)	-	-	-	-	(151,061,368)
At 31 December 2012	-	669,950,496	22,620,851	45,750,846	8,165,902	9,667,897	1,353,312	3,515,721	761,025,025
Balance as on 01 January 2013	-	669,950,496	22,620,851	45,750,846	8,165,902	9,667,897	1,353,312	3,515,721	761,025,025
Depreciation Rate		0.05	0.20	0.05	0.10	0.10	0.05	0.10	
Charged for the year 2013	-	140,862,730	9,854,059	66,128,705	2,388,239	2,805,652	472,662	1,493,315	224,005,362
Adjustment for disposal during 2013	-	-	(163,768)	-	-	-	-	(5,228)	(168,996)
Balance as at 31 December 2013	-	810,813,226	32,311,142	111,879,551	10,554,141	12,473,549	1,825,974	5,003,808	984,861,391
Carrying amount									
As at 31 December 2013	2,210,257,975	2,697,285,374	51,887,876	1,274,808,347	24,878,852	28,251,377	10,329,245	17,732,053	6,315,431,098
As at 31 December 2012	2,210,257,975	2,792,493,888	38,194,872	1,117,394,117	22,614,063	24,465,451	9,089,867	10,954,014	6,225,464,247

Depreciation allocated to:

	Note	2013 Taka	2012 Taka
Cost of sales	27.01	206,991,435	205,783,580
Administrative costs	29.00	17,013,927	16,339,599
Total		224,005,362	222,123,178

Notes:

1. Opening balance of Office equipment and Computer & IT equipment has been re-arranged.

2. Land and Factory Buildings have been revalued at 31 May 2012 by an independent valuer

i) Name of valuer: Rahman Rahman Huq, Chartered Accountants (Representative of KPMG in Bangladesh)

ii) Valuation method : Market value approach for land and depreciated replacement cost approach for factory building.

iii) Date of Capitalization: Revaluation surplus capitalized on 31 December 2012.

iv) Total 401.43 decimals land situated at Fouzdarhat, Boalkhail, Kumira and land purchased from Modern Karlin Silk Mills Ltd. were registered in the name of the company but yet to be muted and were not considered for revaluation.

4.01 Property, plant and equipment - 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 2012	388,020,036	3,210,862,637	50,210,416	800,486,308	26,586,692	28,988,527	10,443,179	10,406,485	4,526,004,280
Additions during 2012	590,129	251,581,747	15,666,590	6,348,643	4,193,273	5,144,821	-	4,109,750	287,634,953
Disposal during 2012	-	-	(5,061,283)	-	-	-	-	(46,500)	(5,107,783)
Adjustment For Revaluation 2012	-	-	-	-	-	-	-	-	-
Balance at 31 December 2012	388,610,165	3,462,444,384	60,815,723	806,834,951	30,779,965	34,133,348	10,443,179	14,469,735	4,808,531,450
Balance as on 01 January 2013	388,610,165	3,462,444,384	60,815,723	806,834,951	30,779,965	34,133,348	10,443,179	14,469,735	4,808,531,450
Additions during 2013	-	45,654,216	23,701,695	223,542,935	4,653,028	6,591,578	1,712,040	8,306,626	314,162,118
Disposal during 2013	-	-	(318,400)	-	-	-	-	(40,500)	(358,900)
Adjustment for Revaluation 2013	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2013	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
Accumulated depreciation									
Balance as on 01 January 2012	-	522,977,133	15,936,817	138,001,997	5,654,374	6,947,386	874,898	2,308,425	692,701,030
Charged for the year 2012	-	146,973,363	9,413,014	33,441,648	2,511,528	2,720,511	478,414	1,216,131	196,754,609
Adjustment for Disposal during 2012	-	-	(2,728,980)	-	-	-	-	(8,835)	(2,737,815)
Adjustment for Revaluation 2012	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2012	-	669,950,496	22,620,851	171,443,645	8,165,902	9,667,897	1,353,312	3,515,721	886,717,824
Balance as on 01 January 2013	-	669,950,496	22,620,851	171,443,645	8,165,902	9,667,897	1,353,312	3,515,721	886,717,824
Depreciation Rate		0.05	0.20	0.05	0.10	0.10	0.05	0.10	
Charged for the year 2013	-	140,862,730	9,854,059	42,028,565	2,388,239	2,805,652	472,662	1,493,315	199,905,222
Adjustment for Disposal during 2013	-	-	(163,768)	-	-	-	-	(5,228)	(168,996)
Adjustment for Revaluation 2013	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2013	-	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

Carrying amount

As at 31 December, 2013	388,610,165	2,697,285,374	51,887,876	816,905,676	24,878,852	28,251,377	10,329,245	17,732,053	4,035,880,618
As at 31 December, 2012	388,610,165	2,792,493,888	38,194,872	635,391,306	22,614,063	24,465,451	9,089,867	10,954,014	3,921,813,626

Depreciation allocated to:

	2013 Taka	2012 Taka
Cost of sales	182,891,295	180,415,011
Administrative costs	17,013,927	15,123,467
	<u>199,905,222</u>	<u>195,538,478</u>

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

	Amount in Taka								
	Land and Land development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Office Equip-ment	Roads and Pavements	Computer & IT Equipment	Total
At cost									
Balance as on 01 January 2013	2,951,038,040	5,646,020,841	99,020,612	1,711,679,922	41,037,816	52,247,724	10,443,179	19,724,612	10,531,212,746
Additions/revaluation during 2013	652,551	69,715,981	23,701,695	242,512,772	5,189,697	7,415,378	34,704,283	9,080,557	392,972,914
Disposal during 2013	-	-	(1,075,786)	-	-	-	-	(131,000)	(1,206,786)
Balance as at 31 December 2013	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
Accumulated depreciation									
Balance as on 01 January 2013	-	985,238,674	35,750,514	104,265,281	10,180,369	16,452,014	1,353,312	5,444,845	1,158,685,009
Depreciation Rate		0.05	0.20	0.05	0.10	0.10	0.05	0.10	
Charged for the year 2013	-	285,309,262	14,742,873	91,261,577	3,247,004	4,962,969	1,266,256	2,244,593	403,034,534
Adjustment for disposal during 2013	-	-	(492,977)	-	-	-	-	(29,573)	(522,550)
Balance as at 31 December 2013	-	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
Carrying amount									
As at 31 December 2013	2,951,690,591	4,445,188,886	71,646,111	1,758,665,836	32,800,140	38,248,119	42,527,894	21,014,304	9,361,781,880
As at 31 December 2012	2,951,038,040	4,660,782,167	63,270,098	1,607,414,641	30,857,447	35,786,875	9,089,867	14,288,602	9,372,527,737

Notes:

1. Opening balance of Office equipment and Computer & IT equipment has been re-arranged.
2. Land and Factory Buildings have been revalued at 31 May 2012 by an independent valuer
 - i) Name of valuer: Rahman Rahman Huq, Chartered Accountants (Representative of KPMG in Bangladesh)
 - ii) Valuation method : Market value approach for land and depreciated replacement cost approach for factory building.
 - iii) Date of Capitalization: Revaluation surplus capitalized on 31 December 2012.
 - iv) Total 401.43 decimals land situated at Fouzdarhat, Boalkhali, Kumira and land purchased from Modern Karlin Silk Mills Ltd. were registered in the name of the company but yet to be muted and were not considered for revaluation.

4.a.i Property, plant and equipment - 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 2013	605,194,437	5,646,020,841	99,020,612	1,355,369,910	41,037,816	52,247,724	10,443,179	19,724,612	7,829,059,131
Additions/revaluation during 2013	652,551	69,715,981	23,701,695	242,512,772	5,189,697	7,415,378	34,704,283	9,080,557	392,972,914
Disposal during 2013	-	-	(1,075,786)	-	-	-	-	(131,000)	(1,206,786)
Adjustment for Revaluation 2013	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2013	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
Accumulated depreciation									
Balance as on 01 January 2013	-	985,238,674	35,750,514	229,958,080	10,180,369	16,452,014	1,353,312	5,444,845	1,284,377,808
Depreciation Rate		0.05	0.20	0.05	0.10	0.10	0.05	0.10	
Charged for the year 2013	-	285,309,262	14,742,873	67,161,437	3,247,004	4,962,969	1,266,256	2,244,593	378,934,394
Adjustment for Disposal during 2013	-	-	(492,977)	-	-	-	-	(29,573)	(522,550)
Adjustment for Revaluation 2013	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2013	-	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
Carrying amount									
As at 31 December 2013	605,846,988	4,445,188,886	71,646,111	1,300,763,165	32,800,140	38,248,119	42,527,894	21,014,304	6,558,035,607
As at 31 December 2012	605,194,437	4,660,782,167	63,270,098	1,125,411,830	30,857,447	35,786,875	9,089,867	14,288,602	6,544,681,323

		2013 Taka	2012 Taka			
5.00	Capital work-in-progress					
	Opening balance*	220,688,383	179,256,651			
	Add: Addition during the year	211,713,909	254,774,289			
		432,402,292	434,030,940			
	Less: Capitalized during the year	(229,646,215)	(213,342,557)			
		202,756,077	220,688,383			
*Opening balance of capital work-in-progress has been re-arranged.						
5.01	Details of Capital work-in -progress					
Particulars		Opening balance	Addition	Capitalized during the year	Closing balance	
Civil Construction		220,688,383	209,230,028	(227,319,539)	202,598,872	
IT equipment		-	2,326,676	(2,326,676)	-	
Security training center at Caroline		-	157,205	-	157,205	
		220,688,383	211,713,909	(229,646,215)	202,756,077	
These costs include costs incurred initially to construct property, plant and equipment (PPE). Construction costs are transferred to PPE when the construction is complete.						
		Note(s)	2013 Taka	2012 Taka		
5.a	Consolidated capital work in progress					
	BSRM Steels Limited*	5.00	202,756,077	220,688,383		
	BSRM Iron & Steel Co. Limited		54,672,399	9,840,280		
			257,428,476	230,528,663		
6.00	Intangible assets					
	Trade Mark	6.01	14,755	15,720		
	Software	6.01	68,952	135,876		
			83,707	151,596		
6.01	Intangible assets schedule					
	Cost		Trade Mark	Software	2013 Taka	2012 Taka
	Opening balance		19,300	202,800	222,100	19,300
	Add: Addition during the year		-	-	-	202,800
	Less: Disposal during the year		-	-	-	-
	Closing balance		19,300	202,800	222,100	222,100
	Accumulated amortization					
	Opening balance		3,580	66,924	70,504	2,753
	Add: Amortized during the year - Note 29.00		965	66,924	67,889	67,751
	Less: Adjustment for disposal during the year		-	-	-	-
	Closing balance		4,545	133,848	138,393	70,504
	Carrying amount		14,755	68,952	83,707	151,596
		Note(s)	2013 Taka	2012 Taka		
6.a	Consolidated intangible assets					
	BSRM Steels Limited	6.00	83,707	151,596		
	BSRM Iron & Steel Co. Limited		-	-		
	Less: Inter-company elimination		-	-		
			83,707	151,596		
7.00	Intangible assets - Development phase					
	Opening Balance		18,474,671	-		
	Expenditure incurred during the year		29,244,130	18,474,671		
	Transfer to intangible assets		-	-		
			47,718,801	18,474,671		
The company is developing a business management software with assistance from PWC, Pakistan. Development costs relating to this ERP (Enterprise Resource Planning) were capitalised after establishment of technical and commercial feasibility of its use. The company has signed a contract with PWC, Pakistan for this ERP development and implementation of the project.						

		Note(s)	2013 Taka	2012 Taka
7.a Consolidated Intangible assets - Development phase				
BSRM Steels Limited	7.00		47,718,801	18,474,671
BSRM Iron & Steel Co. Limited			-	-
Less: Inter-company elimination			-	-
			47,718,801	18,474,671
8.00 Investment				
In subsidiary company-BSRM Iron & Steel Co. Limited	8.01		1,045,000,000	1,045,000,000
In associate company-BSRM Steel Mills Limited	8.02		451,146,000	13,500,000
			1,496,146,000	1,058,500,000

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. Limited have been operating under common control.

8.02 Investment in associate company- BSRM Steel Mills Limited
BSRM Steels Limited has acquired 21.76% equity interest in BSRM Steel Mills Limited (BSRMSML) i.e. 45,114,600 Ordinary Shares of Tk. 10 each. This investment has been shown as investment in associates as equity-accounted investee and recognized initially at cost as per BAS 28. BSRM Steels Limited and BSRM Steel Mills Limited have been operating under common control. Profit or loss has not been recognized using equity method of accounting since BSRM Steel Mills Limited has not started its commercial operation.

		Note(s)	2013 Taka	2012 Taka
8.a Consolidated investment				
BSRM Steels Limited	8.00		1,496,146,000	1,058,500,000
BSRM Iron & Steel Co. Limited			-	-
Less: Investment in subsidiary-BSRM Iron & Steel Co. Limited			(1,045,000,000)	(1,045,000,000)
			451,146,000	13,500,000
9.00 Short term investment				
Name of the banks	Rate of Interest			
IDLC Finance Limited	12%		2,000,000	-
Dhaka Bank Limited	11% ~ 11.25%		31,672,752	8,971,000
			33,672,752	8,971,000
Term deposit with Dhaka Bank Limited was made against Share Application Money (IPO).				
9.a Consolidated short term investment				
BSRM Steels Limited	9.00		33,672,752	8,971,000
BSRM Iron & Steel Co. Limited			-	-
			33,672,752	8,971,000

10.00 Inventories		2013 (Metric Ton)	2013 Taka	2012 Taka
Raw Material				
Billets		10,744	519,919,793	3,797,786,784
Finished Goods				
Finished Goods-Own production	88,623		4,504,426,159	3,443,317,865
Finished Goods-Procured	835		52,542,652	15,067,236
	89,458		4,556,968,811	3,458,385,101
Stores and Spares				
Mechanical stores			434,566,195	422,044,874
MS Roll			18,568,553	32,331,771
Electrical stores			122,752,568	131,046,838
General stores			8,077,569	7,186,083
			583,964,885	592,609,566
Packing Material			3,090,708	2,911,987
Fuel and Lubricants			21,029,349	10,510,425
			5,684,973,546	7,862,203,863

		Note(s)	2013 Taka	2012 Taka
10.a Consolidated inventories				
BSRM Steels Limited	10.00		5,684,973,546	7,862,203,863
BSRM Iron & Steel Co. Limited			2,200,038,730	2,007,482,704
Less: Provision for unrealized profit			(1,656,093)	(66,427,404)
			7,883,356,183	9,803,259,163
11.00 Trade & Other Receivables				
Trade Receivables	11.01		4,675,582,495	3,736,798,698
Other Receivables	11.03		177,574,764	166,936,747
			4,853,157,259	3,903,735,445
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.			3,563,424,229	2,775,603,565
BSRM (SMW)			-	-
BSRM Steel Mills Limited			7,985,041	-
Other Parties	11.02		1,104,173,225	961,195,133
			4,675,582,495	3,736,798,698
11.02	Of these receivables, there are pending litigation against 15 parties (worth Tk. 25,029,416). These receivables are secured by Post Dated Cheques.			
11.03 Other Receivables				
Interest Receivables			165,989,342	153,432,060
Accrued Interest from FDR			11,585,422	13,504,687
			177,574,764	166,936,747
11.04 Ageing of accounts receivables are as follows-				
Less than 3 months			1,116,481,050	3,718,091,312
Over 3 months but less than 6 months			192,526,625	6,794,796
Over 6 months			3,366,574,821	11,912,590
			4,675,582,496	3,736,798,698
11.a Consolidated trade and other receivables				
BSRM Steels Limited	11.00		4,853,157,259	3,903,735,445
BSRM Iron & Steel Co. Limited			279,277,730	241,885,806
Less: Inter-company receivables			(278,463,358)	(241,702,059)
			4,853,971,631	3,903,919,192
12.00 Current account with related companies				
Bangladesh Steel Re-Rolling Mills Limited			2,375,947,710	362,970,206
Chittagong Power Company Limited			173,725,550	71,859,550
BSRM Wires Limited			84,194,983	66,492,947
BSRM Recycling Industries Limited			11,644,082	3,327,500
BSRM Logistics Limited			127,004,494	85,845,391
BSRM Steels Mills Limited			216,645,912	459,993,424
BSRM Ispat Limited			141,516,500	143,156,500
BSRM Metals Limited			150,000	-
H. Akbarali & Co.			17,420,043	-
			3,148,249,274	1,193,645,518
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		3,148,249,274	1,193,645,518
BSRM Iron & Steel Co. Limited			441,352,057	-
Less: Inter-company elimination			(441,352,057)	-
			3,148,249,274	1,193,645,518

	Note(s)	2013 Taka	2012 Taka
13.00 Advances, deposits and prepayments			
Advances	13.01	835,863,158	857,842,180
Deposits	13.02	15,437,714	15,091,714
Prepayments	13.03	5,011,080	1,437,969
		856,311,952	874,371,863
13.01 Advances			
Staff loan		788,802	903,956
Advance Income tax-corporate		363,889,618	244,211,397
Against expenses		118,173,911	74,253,117
Bank guarantee margin		3,841,463	2,920,898
Advance against L/C		51,701,094	30,024,076
LC Margin		292,752,872	494,258,153
Trade VAT account (Godown)		7,070	7,010
VAT chargeable account (Godown)		2,872,731	1,409,251
VAT current account		1,835,597	9,854,322
		835,863,158	857,842,180
13.02 Deposits			
Ansar/VDP		1,260,752	1,260,752
T & T		24,000	21,000
City Cell		15,000	15,000
Power Development Board		3,703,020	3,703,020
RanksTell		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	-
Others		692,000	365,000
		15,437,714	15,091,714
13.03 Prepayments			
BSTI License fees		3,750,600	-
Insurance		1,260,480	1,437,969
		5,011,080	1,437,969
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 against them are required at this stage.			
13.a Consolidated advances, deposits and prepayments			
BSRM Steels Limited	13.00	856,311,952	874,371,863
BSRM Iron & Steel Co. Limited		487,435,047	300,444,805
Less: Inter-company elimination		-	-
		1,343,746,999	1,174,816,668
14.00 Cash and cash equivalents			
Cash in hand	14.01	1,572,057	1,871,219
Cash at banks	14.02	300,311,626	674,554,029
Fixed deposit	14.05	438,699,130	412,076,197
		740,582,814	1,088,501,445
14.01 Cash In hand			
Head office		179,120	68,036
Factory office		1,000,000	1,500,000
Dhaka office		91,395	6,798
Sylhet office		1,676	23,979
Comilla office		65,000	65,000
Khulna office		200,000	150,000
Bogra office		34,823	37,406
Barishal office		43	20,000
		1,572,057	1,871,219

14.02 Cash at Banks				2013 Taka	2012 Taka
Name of the Banks	Branch	Account type	Notes		
Agrani Bank Limited	Laldighi East	Current		2,931,662	51,293,581
Agrani Bank Limited- Escrow	Laldighi East	Escrow		40,597	41,867
Agrani Bank Limited	Colonel Hat	Current		47,399	3,669
Agrani Bank Ltmited	Tomsom Bridge	Current		144,200	732,943
AB Bank Limited	Agrabad	Current		(28,625,854)	(13,038,168)
Al-Arafha Islami Bank	Agrabad	Current		3,047,101	16,862,068
Bank Alfalah Limited	Chittagong	Current		10,026,042	563,627
Bank Asia Limited	Agrabad	Current		325,164	3,627,483
BASIC Bank Limited	Dewanhat	Current		2,136,013	260,717
Commercial Bank of Ceylon	Agrabad	Current		(40,542)	8,254,652
Dhaka Bank Limited	Jubilee Road	Current		3,561,238	11,728
Dutch Bangla Bank	Jubilee Road	Current		26,925,216	7,656,665
Dutch-Bang Bank Ltd.	Agrabad	Current		4,820	2,197,278
Eastern Bank Limited	Agrabad	Current		1,818,394	352,031,409
Habib Bank Limited	Chittagong	Current		14,205,777	39,803,173
HSBC	Agrabad	Current		(7,354,660)	(2,463,270)
HSBC -STD A/c	Agrabad	STD		4,621	4,621
HSBC- USD Expoter's A/C	Agrabad	USD		3,153,407	2,112,007
HSBC	Kolkata,India.	Current		-	4
HSBC-MDA USA A/C	Agrabad	USD		394,941	14,246,458
IFIC Bank Limited	Agrabad	Current		90,743	16,752,060
Islami Bank Bangladesh Ltd.	Jubilee Road	Current		230,008,827	24,248,518
Jamuna Bank Limited	Khatungong	Current		2,323,656	4,187,101
Mercantile Bank Limited	Jubilee Road	Current		63,323	6,611,522
National Bank Limited	Jubilee Road	Current		14,776,447	10,926,423
NCC Bank Ltd.	Agrabad	Current		13,899,558	6,152,154
One Bank Limited	Agrabad	Current		29,360	33,974
Prime Bank	OR Nizam Road	Current		14,391,451	45,801,395
Primier Bank	Agrabad	Current		28,959	8,583
Shahjalal Islami Bank Limited	Jubilee Road	Current		233,224	9,508,909
Social Islami Bank Ltd.	Jubilee Road	Current		8,674	1,305,995
Sonali Bank	Cable Shilpa, Khulna	STD		2,125	1,404,144
Sonali Bank	Kalibari	Current		1,043,319	2,932,142
Southeast Bank Ltd.	Pahartali	Current		4,205,940	11,928,437
Standard Chartered Bank	Agrabad	Current		(27,208,801)	16,149,331
Standard Chartered Bank-Dha	Agrabad	Current		4,941	5,941
State Bank of India	Chittagong	Current		110,763	2,703
The City Bank Limited	VIP Road, Dhaka	Current		93,346	11,056,425
The City Bank Limited	Agrabad	Current		36,198	892,176
The Trust Bank Limited	CDA Avenue	Current		9,712,927	2,604,836
United Commercial Bank Ltd	Jubilee Road	Current		1,685,951	13,432,330
Uttara Bank Limited	Agrabad	Current		15,746	1,839,979
Sub total				298,302,210	671,987,590
14.03 HSBC Bank			14.04		
HSBC Bank	Agrabad	STD		438,884	433,052
HSBC Bank	Agrabad	EURO		28,324	28,422
HSBC Bank	Agrabad	GBP		759	759
HSBC Bank	Agrabad	USD		17,423	49,425
HSBC Bank	Agrabad	Dividend		1,524,026	2,054,781
Sub total				2,009,416	2,566,440
Grand Total				300,311,626	674,554,029

14.04 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.

14.05 Fixed Deposits

Name of the banks	Purpose	Rate of Interest	2013 Taka	2012 Taka
AB Bank Ltd.	LC Margin	9.50% ~ 11.75%	60,135,974	31,171,044
Al Arafah Islami Bank Limited	LC Margin	9% ~ 11%	21,522,899	-
Bank Al Falah Limited	LC Margin	11.50%	23,480,355	27,500,000
Bank Asia Limited	LC Margin	11.50%	18,921,567	17,000,000
The City Bank Limited	LC Margin	11.00%	13,870,704	36,921,550
Dutch Bangla Bank Limited	LC Margin	11.00%	10,440,975	30,600,000
Habib Bank Limited	Security	12.50%	10,200,000	-
Jamuna Bank Limited	BG & LC Margin	11.50%	10,795,000	11,895,000
Mercantile Bank Limited	LC Margin	11.25% ~ 12.5%	14,436,792	1,655,441
NCC Bank Limited	LC Margin	11% ~ 11.5%	32,990,472	-
Pubali Bank Limited	LC Margin	11.00%	10,710,000	35,851,461
Standard Charterd Bank	LC Margin	10.5% ~ 11%	168,142,246	154,806,701
Social Islami Bank Limited	LC Margin	11.00%	10,711,611	-
Trust Bank Limited	LC Margin	12.00%	16,181,278	18,540,000
Uttara Bank Limited	LC Margin	11.00%	16,159,257	16,135,000
International leasing	Security deposit	16.00%	-	30,000,000
			438,699,130	412,076,197

Notes**14.a Consolidated cash and cash equivalents**

BSRM Steels Limited	14.00	740,582,814	1,088,501,445
BSRM Iron & Steel Co. Limited		33,687,800	35,916,134
		774,270,614	1,124,417,579

15.00 Share capital

Authorized capital			
47,5000,000 Ordinary Shares of Tk. 10 each		4,750,000,000	4,750,000,000
2,5000,000 Preference Shares of Tk. 10 each		250,000,000	250,000,000
		5,000,000,000	5,000,000,000

Denomination of ordinary shares and preference shares of TK 100 each has been changed to Tk 10 each in terms of the resolution in the Extra ordinary General Meeting of BSRM Steels limited held on 14th November 2011.

Issued, Subscribed and Paid-up capital

14,5000,000 Ordinary Shares of Tk.10 each	1,450,000,000	1,450,000,000
10,4500,000 Ordinary Shares of Tk.10each fully paid-up for consideration other than cash	1,045,000,000	1,045,000,000
2,1750,000 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	-
	3,417,750,000	3,255,000,000

15.01 Classification of shares by holding

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 500	3,772	509,881	0.15
From 500 to 5,000	10,404	14,515,933	4.25
From 5,001 to 10,000	803	5,525,522	1.62
From 10,001 to 20,000	444	6,136,182	1.80
From 20,001 to 30,000	136	3,337,623	0.98
From 30,001 to 40,000	70	2,443,501	0.71
From 40,001 to 50,000	37	1,684,400	0.49
From 50,001 to 100,000	89	6,256,191	1.83
From 100,001 to 1,000,000	99	28,631,014	8.38
From 100,001 to above	21	272,734,753	79.80
	15,875	341,775,000	100.00

15.02 Composition of Shareholders at 31 December 2013

Name of shareholders	No. of Holders	No. of Shares	Holding (%)
Sponsor Shareholders	7	165,361,665	48.38
Foreign Shareholders	7	1,401,571	0.41
Other Shareholders	15,861	175,011,764	51.21
	15,875	341,775,000	100.00

	Note(s)	2013 Taka	2012 Taka
16.00 Long term borrowings			
Syndicated term loan	16.01	-	53,376,163
Term loan for BMRE	16.03	100,865,388	165,489,926
BD Finance Term Loan	16.04	216,802,336	-
IPDC Term Loan	16.05	107,382,845	-
		425,050,569	218,866,089

16.01 Syndicated Term loan

Due within one (1) year	21.07	53,665,283	593,312,263
Due more than one (1) year	16.00	-	53,376,163
		53,665,283	646,688,426

Lender-wise details of Syndicated term loan are as follows:

Syndicated Term Loan

AB Bank Ltd.	3,186,876	38,403,144
Agrani Bank Ltd.	2,529,125	30,476,983
Bank Al Falah Ltd.	2,115,327	25,490,552
Bank Asia Ltd.	3,191,266	38,456,043
BRAC Bank Ltd.	2,115,327	25,490,552
Commercial Bank of Ceylon	2,115,327	25,490,552
Dhaka Bank Ltd.	1,057,665	12,745,288
Eastern Bank Ltd.	3,191,118	38,454,267
IFIC Bank Ltd.	2,115,327	25,490,552
Mercantile Bank Ltd.	1,057,665	12,745,288
National Credit and Commerce Bank Ltd.	3,191,118	38,454,267
Prime Bank Ltd	2,653,223	31,972,410
Pubali Bank Ltd.	3,191,118	38,454,267
SABINCO Ltd.	3,679,610	44,340,791
Standard Bank Ltd.	2,115,327	25,490,552
The City Bank Ltd.	2,768,039	33,355,993
The Trust Bank Ltd.	2,760,802	33,268,781
United Commercial Bank Ltd.	6,382,238	76,908,560
Uttara Bank Ltd.	4,248,785	51,199,581
	53,665,283	646,688,426

16.02 Terms of syndicated loan**i) First syndicated term loan****Lenders**

The company has entered into a syndicated loan agreement on 30.06.2006 with Agrani Bank Limited, the lead arranger, IDLC Finance Limited, the co-arranger and 18 (Eighteen) other Banks and Financial Institutions.

Total loan facilities: Tk. 198.70 crores.

Interest rate

Interest rate is determined based on the 6 months T-bill rate plus 6%. In the year 2013 interest rate was 15.50% for January 2013, 15.50% for February 2012 to July 2013 and 15.50% for August 2013 to December 2013.

Disbursement

The first disbursement was made on 18.01.2007

Repayments

Above term loan will be re-paid by 66 monthly installments starting from August, 2008. Installments due within 31 December, 2013 were duly paid.

Securities

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

Purpose

The purpose of the loan is to set up a fully computer-controlled automatic steel re-rolling mill with a capacity of 375,000 Metric tons per year.

ii) **Second syndicated term loan**

Lenders

The company has entered into a second syndicated loan agreement on 26.11.2007 with Agrani Bank Ltd., the lead arranger, IDLC Finance Limited, the co-arranger and 10 (Ten) other Banks.

Total loan facilities: Tk. 50.50 crores.

Interest rate

Interest rate is determined based on the 6 months T-bill rate plus 6%. In the year 2013 interest rate was 15.50% for January 2013, 15.50% for February 2012 to July 2013 and 15.50% for August 2013 to December 2013.

Disbursement

The first disbursement was made on 06.03.2008.

Repayments

Above term loan will be re-paid by 66 monthly installments starting from August , 2008. Installments due within 31 December, 2013 were duly paid.

Securities

Registered Mortgage on project land including newly acquired 35.55 katha , building on first ranking parri passu basis and hypothecation of Machinery, furniture & Fixtures, equipment etc.

	Note(s)	2013 Taka	2012 Taka
16.03 Term loan for BMRE			
Due within one (1) year	21.07	67,214,272	79,440,333
Due more than one (1) year	16.00	100,865,388	165,489,926
		168,079,660	244,930,259

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 crores.

Interest rate

Interest rate is 12% per annum and will be calculated on half-yearly basis.

Disbursement

The first disbursement was made on 26.09.2010.

Repayments

Above term loan will be re-paid by 48 monthly installments starting from October, 2011. Installment due within 31 December, 2013 were dully paid.

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.

	Note(s)	2013 Taka	2012 Taka
16.04 BD Finance Term Loan			
Due within one (1) year	21.07	33,197,664	-
Due after more than one (1) year	16.00	216,802,336	-
		250,000,000	-

Terms of BD Finance term 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 crores.

Interest rate:

Interest rate is 17% per annum and will be 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.

Purpose: To meet working capital requirement.

	Note(s)	2013 Taka	2012 Taka
16.05 IPDC Term Loan			
Due within one (1) year	21.07	42,617,155	-
Due more than one (1) year	16.00	107,382,845	-
		150,000,000	-

Terms of IPDC Term 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 crores.

Interest rate: Interest rate is 15.5% 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 BSRMSL 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.

16.a Consolidated long term borrowings						
BSRM Steels Limited	16.00	425,050,569				218,866,089
BSRM Iron & Steel Co. Limited		286,752,492				758,195,219
Less: Inter-company elimination		-				-
		711,803,061				977,061,308
17.00 Defined benefit obligations - Gratuity						
Opening balance		17,621,521				-
Provision made during the period		9,075,440				17,621,521
		26,696,961				17,621,521
		(405,689)				-
		26,291,272				17,621,521
17.a Consolidated defined benefit obligations - Gratuity						
BSRM Steels Limited	17.00	26,291,272				17,621,521
BSRM Iron & Steel Co. Limited		10,491,909				5,931,119
Less: Inter-company elimination		-				-
		36,783,181				23,552,640
18.00 Current tax liability						
Opening balance		72,043,712				12,872,260
Add: Provided during the year		496,867,314				72,043,712
Less: Over Provision for Previous year		(59,377,509)				-
		437,489,805				72,043,712
		509,533,517				84,915,972
		(12,666,203)				(12,872,260)
		496,867,314				72,043,712
Adjusted during the year						
Closing balance as on 31 December						

Year wise income taxes assessment status is as follows:

Accounting Year	Assessment Year	Opening balance Taka	Provided during the year	Adjusted during the year	Balance Taka	Remarks
	Prior to 2010	-	-	-	-	Assessment completed
2010	2011-2012	-	110,043,425		110,043,425	Assessment completed
2011	2012-2013	110,043,425	12,872,260	(110,043,425)	12,872,260	Assessment completed
2012	2013-2014	12,872,260	72,043,712	(12,872,260)	72,043,712	Assessment completed
2013	2014-2015	72,043,712	437,489,805	(12,666,203)	496,867,314	Return due by 15th July 2014
		194,959,397	632,449,202	(135,581,888)	496,867,314	

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% 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.

	Note(s)	2013 Taka	2012 Taka
18.a Consolidated current tax liability			
BSRM Steels Limited	18.00	496,867,314	72,043,712
BSRM Iron & Steel Co. Limited		-	-
Less: Inter-company elimination		-	-
		496,867,314	72,043,712

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 financial position's liability method for gratuity obligation.

Opening balance	498,962,191	-
Provided during the year:		
Against temporary difference	187,965,255	359,435,062
Against revaluation surplus of PPE	-	139,527,129
Adjusted during the year against impact of Depreciation on revaluation surplus	(6,627,539)	-
Closing balance	680,299,907	498,962,191

Reconciliation of Deferred tax liabilities/(assets) are as follows-

	Carrying amount Taka	Tax base Taka	Taxable/(deductible) temporary difference Taka
a) As at 31 December 2013			
Property, plant and equipment	4,105,173,124	1,605,064,007	2,500,109,117
Provision for gratuity	(26,291,272)	-	(26,291,272)
Net taxable temporary difference			2,473,817,845
Applicable tax rate			27.5%
Deferred tax liability			680,299,907

19.a Consolidated deferred tax liability

BSRM Steels Limited	19.00	680,299,907	498,962,191
BSRM Iron & Steel Co. Limited		91,279,340	60,747,486
		771,579,247	559,709,677

20.00 Trade payable

BSRM Iron and Steel co. Limited		278,463,358	241,702,060
		278,463,358	241,702,060

This represents amounts payable against supply of raw materials.

20.a Consolidated trade payable

BSRM Steels Limited	20.00	278,463,358	241,702,060
BSRM Iron & Steel Co. Limited		-	-
Less: Inter-company elimination		(278,463,358)	(241,702,060)
		-	-

21.00 Short term borrowings

Short term borrowings	21.01	13,136,329,664	14,686,036,037
Long term borrowings-current portion	21.07	196,694,374	672,752,596
		13,333,024,039	15,358,788,633

	Note(s)	2013 Taka	2012 Taka
21.01 Short term borrowings			
Loan against Trust Receipt (LTR)	21.02	2,028,456,723	1,315,753,474
Time loan	21.03	1,120,713,120	13,364,211
Demand Loan	21.04	733,369,798	778,278,848
Loan against purchase order -Bank Al-Falah		-	60,962,795
Bank overdraft and cash credit	21.05	197,076,903	406,690,566
Factoring Loan-United Leasing Co. Limited		25,036,422	84,871,864
Inward Foreign Documentary Bills for Collection-IFDBC	21.06	9,031,676,700	12,026,114,279
		13,136,329,664	14,686,036,037
21.02 Loan against Trust Receipt (LATR)			
Al Arafah Islami Bank Limited		440,342,677	-
Bank Asia Limited		1,350,343	103,127,791
Dutch Bangla Bank Limited		-	171,715,508
IFIC Bank Limited		169,871,653	210,233,924
National Credit and Commerce Bank Limited		228,404,195	-
Premier Bank Limited		19,908,655	-
Pubali Bank Limited		447,213,190	340,959,895
Shajalal Islami Bank Limited		387,456,440	435,559,216
Trust Bank Limited		250,488,715	9,569,154
United Commercial Bank Limited		-	1,412,324
Uttara Bank Limited		12,904,975	43,175,662
Social Islami Bank Limited		70,515,878	-
		2,028,456,723	1,315,753,474
21.03 Time Loan			
AB Bank Limited		-	13,364,211
BRAC Bank Limited		623,946,705	-
Dutch Bangla Bank Limited		214,229,167	-
Commercial Bank of Ceylon Plc.		193,703,195	-
United Commercial Bank Limited		88,834,053	-
		1,120,713,120	13,364,211
21.04 Demand Loan			
Eastern Bank Limited		350,505,612	-
The City Bank Limited		-	579,126,830
Trust Bank Limited		25,568,783	50,053,056
Bank Asia Limited		260,050,026	30,974,891
IFIC Bank Limited		97,245,377	118,124,071
		733,369,798	778,278,848
21.05 Bank overdraft and cash credit			
BRAC Bank Limited		27,543,289	37,628,461
Dhaka Bank Limited		1,257,120	12,964,697
Dutch Bangla Bank Limited		80,308,184	30,352,015
Pubali Bank Limited		3,047,002	34,047,644
Uttara Bank Limited		8,871,225	50,802,995
National Credit and Commerce Bank Limited		35,259,447	240,894,754
Premier Bank Limited		7,872,498	-
National Credit and Commerce Bank Limited		32,918,138	-
		197,076,903	406,690,566

	Note(s)	2013 Taka	2012 Taka
21.06 Details of inward foreign documentary bills for collection (IFDBC)			
AB Bank Limited		920,036,413	467,974,451
Al Arafah Bank Limited		197,083,299	-
Bank Alfalah Limited		210,476,981	
Bank Asia Limited		239,635,083	208,136,102
BRAC Bank Limited		236,801,534	600,374,909
Commercial Bank of Ceylon Plc.		-	251,877,448
Dhaka Bank Limited		877,798,634	221,327,912
Dutch Bangla Bank Limited		216,031,576	360,278,488
Eastern Bank Limited		313,675,326	1,123,662,615
Habib Bank Limited		208,185,502	-
HSBC Limited		666,800,916	527,639,259
IFIC Bank Limited		-	460,100,662
Islami Bank Limited		920,587,334	768,956,141
Mercantile Bank Limited		472,021,437	1,022,438,917
National Bank Limited		199,322,126	275,119,482
National Credit and Commerce Bank Limited		692,386,872	1,391,220,128
Prime Bank Limited		-	588,976,571
Pubali Bank Limited		-	461,041,463
Shajalal Islami Bank Limited		671,557,211	567,322,791
Social Islami Bank Limited		200,650,124	-
Standard Chartered Bank Limited		438,241,194	1,113,590,210
The City Bank Limited		233,239,850	650,133,025
Trust Bank Limited		300,508,029	360,638,712
United Commercial Bank Limited		508,207,842	283,303,285
Uttara Bank Limited		308,429,417	322,001,708
		9,031,676,700	12,026,114,279
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, 2013 and consist of as follows:			
Syndicated term loan	16.01	53,665,283	593,312,263
Term loan for BMRE	16.03	67,214,272	79,440,333
BD Finance Term Loan	16.04	33,197,664	-
IPDC Term Loan	16.05	42,617,155	-
		196,694,374	672,752,596
21.a Consolidated short term borrowings			
BSRM Steels Limited	21.00	13,333,024,039	15,358,788,633
BSRM Iron & Steel Co. Limited		3,925,595,165	2,699,091,802
Less: Inter-company elimination		-	-
		17,258,619,203	18,057,880,435
22.00 Current account with related companies			
BSRM Iron & Steel Co. Limited		441,352,057	-
		441,352,057	-
22.a Consolidated current account with related companies			
BSRM Steels Limited	22.00	441,352,057	-
BSRM Iron & Steel Co. Limited		350,000	-
Less: Inter-company elimination		(441,352,057)	-
		350,000	-

	Note(s)	2013 Taka	2012 Taka
23.00 Liabilities for expenses			
Audit Fees		569,250	460,000
Printing and stationeries		1,163,769	10,626
Brokerage and commission		36,312,574	25,342,468
Bank Guarantee		15,961,554	15,961,554
C & F Bill Payable		435,314	959,526
Advertisement expense		81,103,193	12,633,814
Godown rent		121,250	19,000
Imprest cash settlement		276,226	154,758
Insurance Payable		94,119	705,634
Liability against supply of goods		8,153,418	3,273,264
Carrying expenses		144,550,583	73,904,097
Car rent		1,305,599	399,518
Gas bill payable		9,219,089	6,795,985
Pixel Studio		3,060	4,207
Salary & Allowances		14,735,911	12,232,055
Travelling Bill		308,133	145,370
Office Rent, Dhaka		70,539	-
Electrical supplies		12,960	12,960
Concord Ready Mix & Concrete Products Ltd		1,536,000	79,524
Electricity Charges		28,645	33,114
Generator rent		59,500	29,750
Consultancy fees		17,700	531,000
Fee/Agency Fee		758,886	-
Security expense		82,919	56,878
Domiciliary expenses		582,401	556,639
Utilities expenses		57,973	439,024
Store and spares		-	-
Inspection expense		14,305	30,141
Sales promotion expense		321,125	265,286
Others		90,643,405	82,588,848
		408,499,401	237,625,040
23.a Consolidated liabilities for expenses			
BSRM Steels Limited	23.00	408,499,401	237,625,040
BSRM Iron & Steel Co. Limited		51,508,777	183,842,525
Less: Inter-company elimination		-	-
		460,008,178	421,467,565
24.00 Provision for WPPF and Welfare Fund			
Opening balance		68,253,148	50,637,933
Add: Provided during the year		95,872,044	68,253,148
Less: Paid during the year		(68,253,148)	(50,637,932)
Closing balance		95,872,044	68,253,149
24.a Consolidated provision for WPPF and Welfare Fund			
BSRM Steels Limited	24.00	95,872,044	68,253,149
BSRM Iron & Steel Co. Limited		8,614,520	10,546,581
		104,486,564	78,799,730
25.00 Other liabilities			
Advance against sales		579,144,549	146,081,700
Income Tax deducted at source from salary		1,107,287	20,581
Security Deposit		12,131,184	7,786,648
Income Tax deducted at source-others		13,253,814	3,037,429
VAT deducted at source		3,940,636	973,684
Earnest/Retention Money		22,385,338	4,682,726
Liability against fractional bonus share		1,163,929	1,164,469
Dividend payable		2,938,898	1,458,955
Liability against share application money		7,601,814	7,601,814
Interest payable		130,410,027	25,975,994
Provision for bad debts		662,618	841,361
Provident fund		728,168	566,534
		775,468,260	200,191,895

Income Tax and VAT deducted at source above have subsequently been paid to the Govt. Exchequer.

		Note(s)	2013 Taka	2012 Taka
25.a Consolidated other liabilities				
BSRM Steels Limited	25.00		775,468,260	200,191,895
BSRM Iron & Steel Co. Limited			9,154,698	5,914,871
Less: Inter-company elimination			-	-
			784,622,958	206,106,766
26.00 Revenue				
Xtreme-500W			35,257,582,572	37,026,645,368
D-Bar Grade-60			5,337,068	15,954,105
D-Bar GR300			2,918,681	4,326,999
D-Bar GR 400			419,315,586	607,462,980
D-Bar Grade-75			155,277,483	139,985,033
Miss Rolls			388,619,544	459,090,172
			36,229,050,933	38,253,464,657
26.01 Break-up of Revenue				
Local sales			35,493,089,539	37,717,873,182
Export sales			735,961,394	535,591,475
			36,229,050,933	38,253,464,657
26.a Consolidated revenue				
BSRM Steels Limited	26.00		36,229,050,933	38,253,464,657
BSRM Iron & Steel Co. Limited			8,861,773,842	8,004,947,641
Less: Inter-company sales by subsidiary			(8,795,956,495)	(7,996,017,162)
			36,294,868,280	38,262,395,136
27.00 Cost of sales				
Cost of sales- own production	27.01		32,817,307,393	36,212,083,325
Cost of sales- finished goods procured	27.02		161,594,960	152,941,921
			32,978,902,353	36,365,025,246
27.01 Cost of sales-own production				
Opening stock of raw materials			3,797,786,784	2,319,539,974
Add: Purchase during the year			29,064,425,338	36,212,061,670
			32,862,212,122	38,531,601,644
Less: Closing stock of raw materials			519,919,793	3,797,786,784
Raw materials consumed			32,342,292,329	34,733,814,860
Add: Manufacturing expenses				
Salary and wages			104,179,484	95,938,386
Overtime			1,598,567	1,743,189
Casual wages			3,673,460	3,153,978
Factory overhead	27.04		224,264,735	180,272,335
Packaging cost			124,592,380	95,016,269
Power			317,826,082	260,845,353
Gas			117,831,463	103,979,278
Management fees			163,550,409	99,159,222
Fuel and Lubricants consumption			29,984,793	32,763,947
Furnace oil consumption			25,466,450	131,154,974
Mechanical store consumption			135,150,593	92,044,997
MS Roll consumption			46,329,747	25,723,200
Electrical store consumption			22,009,748	13,839,925
General store consumed			10,783,448	6,122,266
Warehouse rent			1,890,563	1,077,648
Depreciation	4.00		206,991,435	205,783,580
			1,536,123,358	1,348,618,547
Cost of Goods Manufactured			33,878,415,687	36,082,433,407
Add: Opening stock of Finished Goods			3,443,317,865	3,553,083,080
			37,321,733,552	39,635,516,487
Add: Stock adjustment			-	19,884,703
			37,321,733,552	39,655,401,190
Less: Closing stock of Finished Goods			(4,504,426,159)	(3,443,317,865)
Cost of sales - own production			32,817,307,393	36,212,083,325

		Note(s)	2013 Taka	2012 Taka
27.02 Cost of sales-finished goods procured and sold				
Opening stock of finished goods			15,067,236	41,280,970
Add: Finished goods purchased from outside			199,070,375	146,612,890
			214,137,611	187,893,860
Less: Stock adjustment			-	19,884,703
			214,137,611	168,009,157
Less: Closing stock of finished goods			52,542,652	15,067,236
Cost of sales-finished goods procured and sold			161,594,960	152,941,921
27.03 Quantitative movement of inventories				
Raw Materials			M. Ton	M. Ton
Opening stock			71,252	37,584
Add: Imported during the year			414,930	488,413
Add: Purchased from Sister concern			174,361	143,345
			660,543	669,342
Less: Consumed /Sold during the year			649,799	598,090
Closing stock			10,744	71,252
Finished Goods				
Opening stock			58,070	55,289
Add: Produced during the year			630,305	580,147
Add: Purchased from Sister Concern			3,023	1,978
Add: Stock adjustment			(5)	33
Stock available for sale			691,393	637,447
Less: Sold during the year				
From own production			599,542	577,275
From procured sources			2,393	2,102
			601,935	579,377
Closing stock			89,458	58,070
27.04 Factory overhead				
Ex-Gratia allowance			142,400	2,986,850
Bonus			3,932,341	3,397,913
Gratuity			7,167,219	8,045,424
Carrying charges -Raw materials			111,427,071	94,515,903
Computer expenses			5,400	19,050
Consulting Fees			425,662	1,290,264
Carrying charges -Finished goods			36,075,199	21,065,455
Finish goods- Bending charges			30,152,327	21,328,888
Conveyance expenses			8,576,661	5,622,830
Car Allowance			1,091,664	1,104,566
Motor Car Expenses			112,193	138,924
Travelling Expenses			962,122	2,446,390
Testing charges			448,565	55,117
Entertainment			3,180,682	2,866,239
Factory office expenses			100,676	111,525
Generator expenses			340,000	530,202
Guest house expenses			475,924	552,462
Guest house rent			1,272,617	1,525,944
Insurance expenses			3,802,764	4,104,138
Leave assistance			190,000	125,000
Medical expenses			620,020	90,816
Domiciliary Expenses			522,633	381,143
Paper and periodical			7,154	5,578
Postage and telegram			39,672	22,862
Electric expenses			2,126,519	244,954
Printing			-	4,130
Stationery			4,611	1,203
Repairs and maintenance			10,990,245	7,620,283
Uniform expenses			72,395	68,282
			224,264,735	180,272,335

	Note(s)	2013 Taka	2012 Taka
27.a Consolidated cost of sales			
BSRM Steels Limited	27.00	32,978,902,353	36,365,025,246
BSRM Iron & Steel Co. Limited		8,348,380,303	7,406,462,780
Less: Inter-company sales by subsidiary to BSRM Steels Limited		(8,795,956,495)	(7,996,017,162)
Less: Adjustment for unrealized profit on opening inventory		(66,427,404)	(55,039,886)
Add: Provision for unrealized profit on closing inventory		1,656,093	66,427,404
		32,466,554,850	35,786,858,382
28.00 Selling and distribution costs			
Advertisement		176,345,223	129,354,415
Brokerage and commission		133,825,963	100,755,900
Carriage on sales		230,009,222	143,349,651
Export charges		1,814,665	2,368,655
Electricity expenses-Depot		1,075,747	1,045,165
Entertainment		14,620,826	12,674,409
Internet expenses		17,197	198,890
Debtors written off		-	171,590
Loss on Goods in Transit		509,754	-
Provision for bad debts		-	841,361
Printing Charges		7,027,547	6,216,823
Sales promotion expenses		53,054,719	30,313,461
Promotional offer for dealers		62,917,535	80,432,623
Testing Charges		425,108	-
Warehouse rent		2,327,077	2,106,247
		683,970,583	509,829,190
28.a Consolidated selling and distribution cost			
BSRM Steels Limited	28.00	683,970,583	509,829,190
BSRM Iron & Steel Co. Limited		-	-
		683,970,583	509,829,190
29.00 Administrative costs			
Directors' remuneration	29.01	30,707,975	30,600,000
Salaries and allowances		114,297,267	83,378,174
Fees and renewals		3,608,865	5,977,658
Audit and other fees		973,450	549,700
Bonus		3,826,111	3,085,442
Gratuity payment		1,908,221	9,836,557
Consulting fee		-	3,546,919
Conveyance expenses		4,050,892	3,256,188
CSR expenses		3,046,660	-
Donation and subscriptions		11,508,807	9,077,284
Entertainment		7,434,110	3,998,327
Internet expenses		1,245,495	332,043
General expenses		1,121,754	1,523,946
Legal expenses		941,961	678,866
Land revenue		321,681	184,490
Motor car expenses		1,710,896	4,240,216
Motor cycle expenses		74,929	588,690
Motor car repair		1,135,279	1,209,195
Motor cycle repairs		96,276	492,880
Car allowance		4,131,844	2,992,275
Motor cycle allowance		998,756	-
Repair and maintenance		5,741,629	1,464,161
Generator expenses		1,238,209	1,722,342
Office & miscellaneous expenses		5,253,562	6,234,924
Office rent		6,252,372	5,820,732
Postage expenses		763,726	634,413
Printing		2,739,846	2,897,944
Stationery		4,051,003	2,648,270
Paper and periodicals		550,421	278,605
Telephone expenses		2,877,693	2,651,690

	Note(s)	2013 Taka	2012 Taka
Training expenses		1,777,577	1,074,695
Traveling expenses		10,955,923	10,290,157
Depreciation*	4.00	17,013,927	16,339,599
Amortization*	6.01	67,889	67,751
Electricity expenses		1,494,075	806,610
Domiciliary expenses		565,123	483,903
Maternity Scheme Benefit		345,188	482,856
Hospitalization scheme		455,034	454,934
Medical expenses		20,107	62,167
Health check-up scheme		500	1,000
Leave assistance		410,000	390,000
		255,715,032	220,355,603
*Previous year's figures have been re-arranged			

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	9,611,500	2,400,000	7,211,500
Mr. Aameir Alihussain-Managing Director	10,808,625	2,700,000	8,108,625
Mr. Zohair Taherali-Director	6,011,500	1,500,000	4,511,500
Mrs. Tehseen Zohair Taherali-Director	3,611,500	900,000	2,711,500
Mrs. Sabeen Aameir-Director	611,500	150,000	461,500
Mr. Mono Ranjan Dey- Independent Director	53,350	-	53,350
	30,707,975	7,650,000	23,057,975

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

29.a Consolidated administrative cost

BSRM Steels Limited	29.00	255,715,032	220,355,603
BSRM Iron & Steel Co. Limited		33,107,548	43,719,948
		288,822,580	264,075,551

30.00 Other operating income

Miscellaneous income	3,920,950	2,145,158
Gain/(loss) on sale of fixed assets	14,538	(14,415)
	3,935,488	2,130,743

30.a Consolidated other operating income

BSRM Steels Limited	30.00	3,935,488	2,130,743
BSRM Iron & Steel Co. Limited		1,229,622	-
		5,165,110	2,130,743

31.00 Finance costs

Interest on cash credit	33,887,932	20,701,942
Interest on LTR	293,552,549	326,763,578
Interest on demand and time loan	248,036,627	78,303,026
Interest on syndicated term loan	55,764,111	137,795,456
Interest on BMRE term loan	38,430,069	31,725,355
Bill collection charge	6,077,364	10,199,368
Bank charges	5,751,775	5,206,191
Bank guarantee commission	518,851	188,249
Interest income from loan to related companies	(48,913,072)	(321,788,764)
Arrangers' commission	2,790,715	2,581,138
	635,896,922	291,675,539

31.a Consolidated finance cost

BSRM Steels Limited	31.00	635,896,922	291,675,539
BSRM Iron & Steel Co. Limited		339,404,144	371,944,347
Less: Inter Company Finance Income		(130,410,027)	-
		844,891,039	663,619,886

	Note(s)	2013 Taka	2012 Taka
32.00 Finance income			
Interest on IPO deposit		6,869	5,056
Interest income from FDR		50,727,333	45,991,098
Interest on STD		21,717	4,621
Foreign currency exchange gain	33.00	177,914,493	446,024,745
Interest on trade debtors		10,268,941	4,327,616
		238,939,353	496,353,136
32.a Consolidated finance income			
BSRM Steels Limited	32.00	238,939,353	496,353,136
BSRM Iron & Steel Co. Limited		30,178,931	28,111,059
Less: Inter Company Finance Income		(130,410,027)	-
		138,708,257	524,464,195
33.00 Foreign currency exchange gain/(loss)			
Realized foreign currency transaction gain/ (loss)	33.01	184,510,982	145,160,132
Unrealized foreign currency translation gain/ (loss)	33.02	(6,596,489)	300,864,613
		177,914,493	446,024,745
33.01 Foreign currency transaction gain/ loss			
This represents net gain/(loss) on transaction in foreign currency during the year			
33.02 Foreign currency translation gain/loss			
This represents net gain/(loss) on translation of foreign currencies into Bangladeshi Taka at the rate prevailing on reporting date.			
34.00 Other Non Operating Income		-	-
34.a Consolidated Other Non Operating Income			
BSRM Steels Limited		-	
BSRM Iron & Steel Co. Limited		7,560,000	7,626,000
		7,560,000	7,626,000
35.00 Earnings per share (EPS)			
35.01 Basic EPS			
Net profit after tax		1,196,113,781	865,331,037
Number of ordinary shares at the year end		341,775,000	325,500,000
Weighted Average number of ordinary shares outstanding during the year		341,775,000	341,775,000
Basic EPS*		3.50	2.53
*EPS for the year 2012 has been restated based on the new weighted average number of ordinary shares in accordance with para 64 of BAS 33.			
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 2013 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 of shares during the year.			
35.a Consolidated earnings per share (CEPS)			
Net profit after tax		1,394,553,917	997,165,269
Weighted Average number of ordinary shares outstanding during the year*		341,775,000	341,775,000
Consolidated earnings per share (CEPS) as per share-attributable to equity holders of the parent		4.08	2.92

*Earnings per share (EPS) of comparative Financial Statements of previous year has been restated to comply with the requirements of BAS 33 - Earnings Per Share. 5% Stock dividend for the year 2012 was credited on 14th May 2013 which was approved by the Shareholders in 11th Annual General Meeting. The number of Ordinary shares have been raised to 341,775,000 due to the declaration of Stock dividend.

36.00 Related party transactions

During the period 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 trans-action	Outstanding as on 31.12.2013
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Material supply/Short term Loan/Sale of Rod	Market price	2,375,947,710
BSRM Wires Limited	Affiliated Company	Material supply/STL	Market price	84,194,983
BSRM Iron and Steel Co. Limited	Subsidiary	Inter Company Transactions	Market rate	(441,352,057)
BSRM Ispat Limited	Affiliated Company	Inter Company Transactions	Market rate	141,516,500
BSRM Steels Mills Limited	Associate	Inter Company Transactions	Market rate	216,645,912
BSRM Logistics Limited	Affiliated Company	Inter Company Transactions	Market rate	127,004,494
BSRM Recycling Industries Ltd.	Affiliated Company	Inter Company Transactions	Market rate	11,644,082
BSRM Metals Limited	Affiliated Company	Inter Company Transactions	Market rate	150,000
H. Akbarali & Co.	Affiliated Company	Inter Company Transactions	Market rate	17,420,043
Chittagong Power Company Ltd.	Affiliated Company	Inter Company Transactions	Market price	173,725,550

Figures in bracket at closing date represent payables.

37.00 The company has been maintaining a liaison office at Kolkata, India since 2007. No expenses were incurred during the year. In 2012, an amount of BDT 2,420,936 was incurred as office expense under difference heads of accounts.

38.00 Contingent liabilities

Contingent liabilities at the reporting date are as follows:

	Note(s)	2013 Taka	2012 Taka
38.01 Bank guarantee			
IFIC Bank Limited		23,389,555	23,464,163
HSBC		776,301	-
Trust Bank Limited		-	912,431
Al Arafah Islami Bank Ltd.		2,636,000	
Mercantile Bank Limited- Jubilee Road Branch		10,912,500	10,912,500
		37,714,356	35,289,094
38.02 L/C liabilities			
AB Bank		193,249,391	-
Agrani Bank Limited		-	2,998,000
Al Arafah Islami Bank Limited		232,824,701	332,927,000
Bank Asia Limited, Agrabad Branch		11,769,085	332,112,375
Bank Al Falah Limited, Agrabad Branch		-	453,172,000
HSBC Bank		-	8,536,468
Mercantile Bank Limited, Jubilee Road Branch.		128,113,563	283,386,427
IFIC Bank Limited		11,430,805	10,275,453
Commercial Bank of Ceylon		231,231,000	19,611,916
One Bank Limited		-	322,768,431
Pubali Bank Limited, Agrabad Branch		-	219,246,483
Shahjalal Islami Bank Limited, Jubilee Road Branch		236,698,789	298,582,000
State Bank of India		124,588,125	-
United Commercial Bank Limited, Jubilee Road Branch		209,370,800	901,000
Islami Bank Bangladesh Limited		1,697,335,848	277,031,500
Dutch Bangla Bank Limited, Jubilee Road Branch		-	234,060,000
National Credit & Commerce Bank Limited		220,277,861	-
Standard Chartered Bank		-	250,706,115
Uttara Bank Limited		-	21,154,000
Jamuna Bank Limited		11,631,390	236,377,000
		3,308,521,358	3,303,846,168
38.03 Minimum tax liability under section 16 CCC of ITO,1984	18.01	278,127,327	278,127,327
38.04 Capital expenditure commitment			
There is no unprovided committed expenditure as at 31 December 2013			

39.00 Production capacity

Installed Capacity (In M. Ton) yearly

Production (In M. Ton)

Capacity utilized (%)

The abovementioned production capacity represents the normal production capacity of BSRM Steels Ltd. (i.e. Parent Company) only.

40.00 Employees

Number of employees whose salary was below Tk. 3,000

Number of employees whose salary was above Tk. 3,000

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

41.00 Even after the reporting period

The Board of Directors in their meeting held on 25 February, 2014 recommended 15 % cash dividend for the year 2013.

42.00 Financial risk management

International Financial Reporting Standard IFRS 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 management has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyze the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the group's activities. This note presents information about the group's exposure to each of the following risks, the group's objectives, policies and processes for measuring and managing risk, and the group's management of capital. The company has exposure to the following risks from its use of financial instruments.

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

42.01 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 from distributors, institutional and export customers etc.

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:

Trade receivable-Local custome

Other Receivables

Advance, deposit and prepayments

Bank balances

b) Ageing of receivables

Dues within 3 months

Dues over 3 months but less than 6 months

Dues over 6 months

c) Impairment losses

Total impairment loss at the reporting date

	2013 Taka	2012 Taka
Installed Capacity (In M. Ton) yearly	600,000	550,000
Production (In M. Ton)	630,305	580,147
Capacity utilized (%)	105	105
The abovementioned production capacity represents the normal production capacity of BSRM Steels Ltd. (i.e. Parent Company) only.		
Number of employees whose salary was below Tk. 3,000	-	-
Number of employees whose salary was above Tk. 3,000	573	523
	573	523

d) Credit exposure by credit rating

Trade receivable

Other receivables

Advance, deposit and prepayments

Cash and bank balances

Cash in hand

Cash at bank

Agrani Bank Limited

AB Bank Limited

AI - Arafa Islami Bank Limited

Bank Asia Limited

BRAC Bank Limited

Bank Alfalah Limited

Basic Bank Limited

Commercial Bank of Ceylon

Dhaka Bank Limited

Dutch Bangla Bank Limited

Eastern Bank Limited

Habib Bank Limited

HSBC Bank

IFIC Bank Limited

Islami Bank Bangladesh Limited

International Leasing

Jumana Bank Limited

Mercantile Bank Limited

National Bank Limited

National Credit and Commerce Bank Limited

One Bank Limited, Agrabad Branch

Primier Bank

Prime Bank Limited

Pubali Bank Limited

Shajalal Islami Bank Limited

Social Islami Bank Limited

Sonali Bank Limited

Southeast Bank Limited

Standard Chartered Bank

State Bank of India

The City Bank Limited

The Trust Bank Limited

United Commercial Bank Limited

Uttara Bank Limited

42.02 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity (cash and cash equivalents) 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 group's reputation. Typically, the group ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks (Note 18) to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

In extreme stressed conditions, the group may get support from the subsidiary and associate company in the form of inter-company loan.

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount As on 31 December 2013 Taka	Maturity period (estimated)	Nominal Interest rate	Contractual cash flows Taka	Within 6 months or less Taka	Within 6-12 months Taka
Expenses and other liabilities	1,183,967,661	Mar-14	N/A	1,183,967,661	1,183,967,661	-
Short term bank loan	13,136,329,664	Jun-14	12%~17%	13,136,329,664	12,668,361,281	467,968,383
Current portion of long term loan	196,694,374	Dec-14	12%~16%	196,694,374	98,347,187	98,347,187
Contribution to WPPF & WF	95,872,044	Mar-14	N/A	95,872,044	95,872,044	

42.03 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial instruments

a) Currency risk

The group is exposed to currency risk on certain purchase such as import of raw material. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of rawmaterials from abroad.

i) Exposure to currency risk

Foreign currency monetary assets and liabilities

Assets

Trade receivables
Cash at bank

Liabilities

Bank borrowing

Net exposure

The following significant exchange rates are applied at the balance sheet date:

Exchange rate of US Dollar

	2013 (BDT equivalent)	2012 (BDT equivalent)
	Nil	Nil
	3,594,854	16,437,071
	<u>3,594,854</u>	<u>16,437,071</u>
	9,031,676,700	12,026,114,279
	<u>9,028,081,846</u>	<u>12,009,677,207</u>
	<u>78.25</u>	<u>79.80</u>

(ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening or weakening of the Taka, as indicated below, against the USD at 30 June would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2013, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

Sensitivity for foreign currency expend	Strengthening profit/(loss) (Taka)	Weakening profit/(loss) (Taka)
At 31 December 2013 USD (3 percent)	115,374,848	(115,374,848)

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Short term bank borrowings are, however, not significantly affected by fluctuations in interest rates. The group has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

(i) Profile

As at 31 December, the interest rate risk profile of the group's interest bearing financial instruments was:

Type of instruments

Fixed rate instrument

Financial asset
Financial liability

Variable rate instrument

Financial asset
Financial liability

**Carrying amount (BDT)
(2013)**

438,699,130
13,758,074,608

Nil
Nil

(ii) Cash flow sensitivity analysis for variable rate instruments

There being no variable rate instruments, sensitivity analysis has not presented.

42.04 Accounting classification and fair value

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	Carrying amount (Taka)	Fair value (Taka)
Assets carried at fair value through profit and loss	Nil	Nil
Held to maturity assets		
FDR with banks	438,699,130	438,699,130
Receivables and other assets		
Accounts and other receivable	4,853,157,259	4,853,157,259
Security deposit	15,437,714	15,437,714
Current account with associate	3,589,601,331	3,589,601,331
Cash and bank balances	740,582,814	740,582,814
Available for sale financial assets	Nil	Nil
Liabilities carried at fair value through profit and loss	Nil	Nil
Liabilities carried at amortized cost		
Accounts and other payables	278,463,358	278,463,358
Short term bank borrowing	13,136,329,664	*N/A
Current portion of long term borrowing	196,694,374	*N/A
Contribution to WPPF & WF	95,872,044	*N/A

* Determination of fair value is not required as per the requirements of IFRS/BFRS 7 : Financial Instruments: Disclosures (ref: Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

AUDITORS' REPORT & FINANCIALS 2013 OF SUBSIDIARY

BSRM Iron & Steel Co. Ltd.
As at and for the year ended 31st December 2013

DIRECTORS' REPORT

Dear Shareholders

We have passed another operational year of **BSRM Iron & Steel Co. Ltd.** engaged in the manufacturing of Billets. Year 2013 was the fourth year of operation since commencement of business.

Your Directors are pleased to present their report and audited financial statements for the year ended 31st December 2013 before you for your review, approval and adoption.

Review of Operation

In the year 2013, the company's production increased by 21.34% while sales also increased by 21.11%. In 2013, your company produced 168,325.78 MT Billet.

Sales were limited 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

Amount in Crore Taka		
Particulars	2013	2012
Sales	886.18	800.49
Gross Profit	51.34	59.85
Profit before Interest, Taxes & WPP&WF	48.91	56.23
Less: Interest & WPPF	31.78	35.44
Less: Income Tax	3.05	6.07
Net Profit	14.07	14.73
EPS	1.28	1.34
Net Assets Value	215.91	201.84
Net Assets Value Per Share	19.63	18.35

Directors

In accordance with the provision of the Article of Association of the company Mr. Zohair Taherali and Mr. Aameir Alihussain, 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. Zohair Taherali and Mr. Aameir Alihussain offer themselves for re- appointment.

Dividend

Directors didn't recommend any dividend for the year ended December 31, 2013 considering further investment and / or complete the running projects of the company from retained earnings.

Auditors

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

Outlook for 2014

Management of your company will continue its efforts to achieving 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 thanks all shareholders for placing their trust on us and thanks are also due to our regulatory bodies, employees and bankers for their support in operating our business.

By order of the board



Alihussain Akberali FCA

Chairman

12 February 2014

INDEPENDENT AUDITOR'S 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. namely, Statement of financial position as at December 31, 2013 and the related Statement of comprehensive income for the year ended December 31, 2013. Statement of Changes in Shareholders' Equity, Cash flow statement and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

Scope:

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

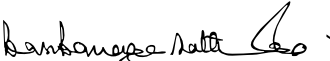
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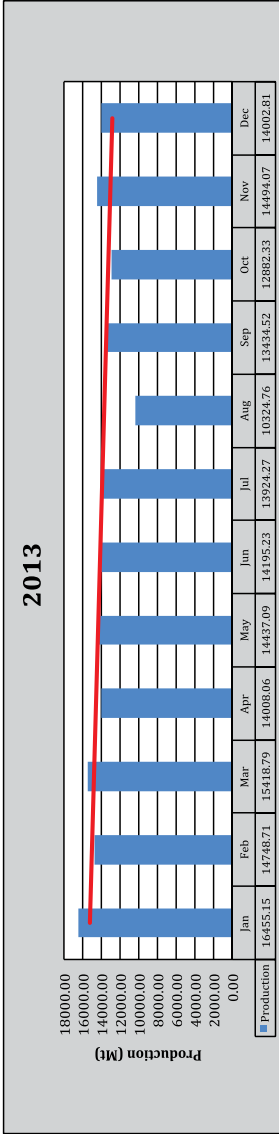
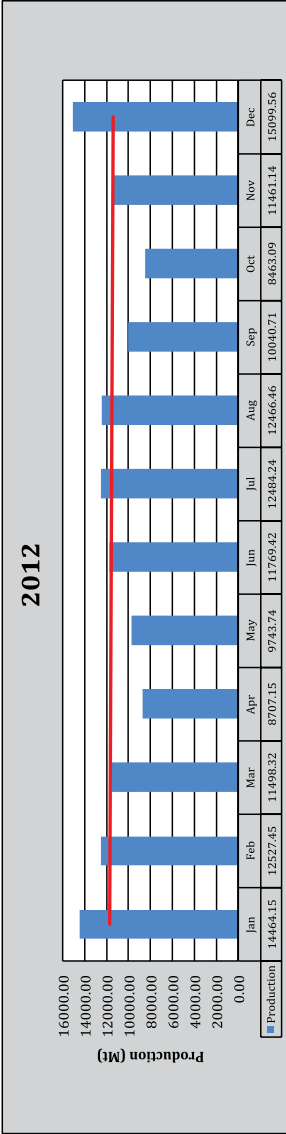
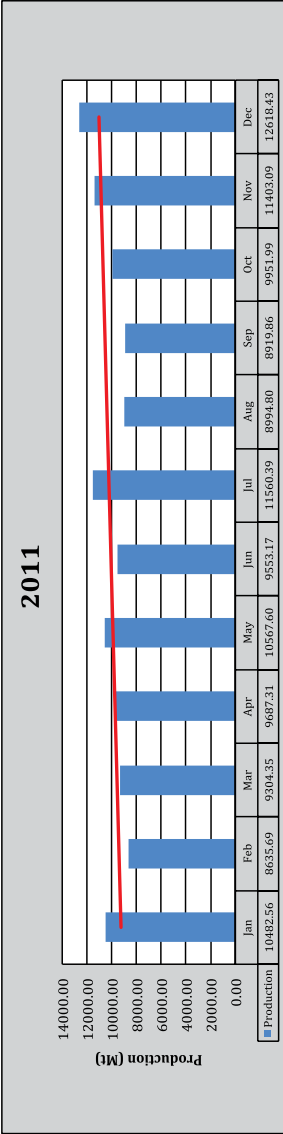
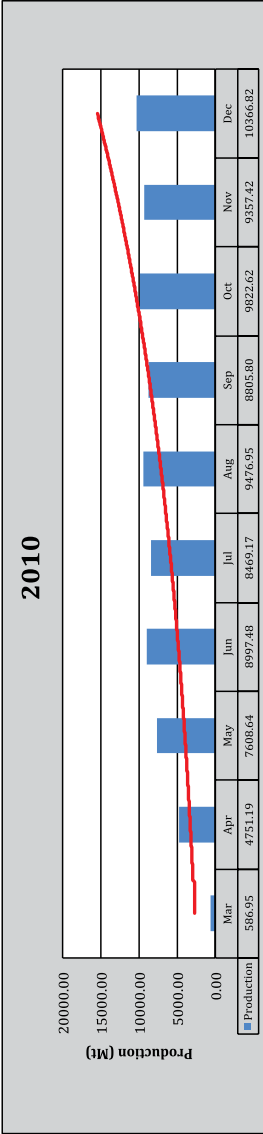
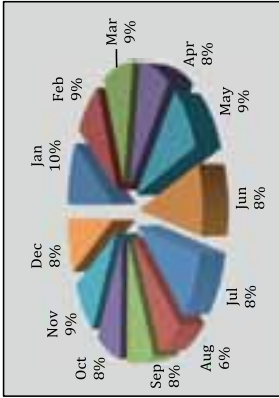
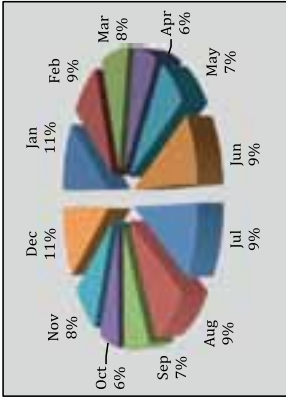
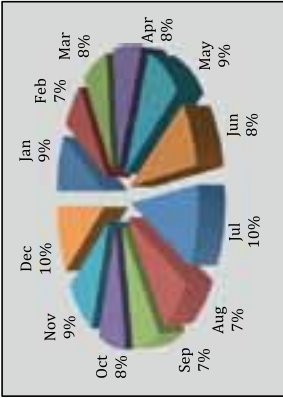
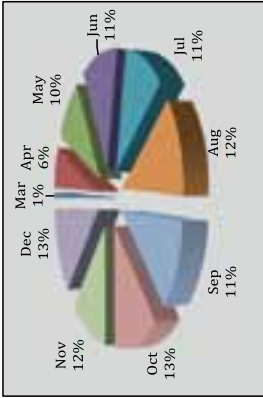
In our opinion, the financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), including Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Company's affairs as at December 31, 2013 and the results of its financial performance, its cash flows statements and Statement of Changes in Shareholders' Equity for the year then ended.

Report on other legal and regulatory requirements:

In our opinion, the Financial Statements comply with the applicable sections of the Companies Act, 1994 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 comprehensive income dealt with by this report are in agreement from our examination of those books.


(Basu Banerjee Nath & Co.)
Chartered Accountants



BSRM Iron & Steel Co. Ltd.
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	Notes	2013 Taka	2012 Taka
Assets:			
Non-current assets:			
Property, Plant and Equipment	04	3,622,686,384	3,544,723,474
Less:Accumulated Depreciation		576,335,602	397,659,984
		3,046,350,782	3,147,063,490
Capital work in progress	05	54,672,397	9,840,280
Total non-current assets		3,101,023,179	3,156,903,770
Current assets:			
Inventories	06	2,200,038,730	2,007,482,704
Trade Receivables	07	279,277,730	241,885,806
Due from Affiliated Companies	08	441,352,057	-
Advance, Deposits & Prepayments	09	487,435,047	300,444,805
Cash and Cash Equivalents	10	33,687,800	35,916,134
Total current assets		3,441,791,364	2,585,729,449
Total assets		6,542,814,543	5,742,633,219
Equity:			
Share Capital	11	1,100,000,000	1,100,000,000
Retained Earnings		534,871,849	394,167,823
Revaluation Reserve	12	524,195,793	524,195,793
Total equity attributable to equity holders of the company		2,159,067,642	2,018,363,616
Liabilities:			
Non-current liabilities			
Long term loan	13	286,752,492	758,195,219
Retirement Benefit Obligations- Gratuity		10,491,909	5,931,119
Deferred Tax	25	91,279,340	60,747,486
Total non-current liabilities		388,523,741	824,873,824
Current liabilities:			
Short term liabilities	14	3,925,595,165	2,699,091,802
Liabilities for Expenses	15	51,508,777	177,911,406
Due to Affiliated Companies	16	350,000	-
Other Liabilities	17	9,154,698	11,845,990
Provision for WPPF & WWF	23	8,614,520	10,546,581
Total current liabilities		3,995,223,160	2,899,395,779
Total liabilities		4,383,746,901	3,724,269,603
Total equity and liabilities		6,542,814,543	5,742,633,219
Net Asset Value (NAV) Per Share		19.63	18.35

Note: The annexed notes 01 to 28 form an integral part of these financial statements.

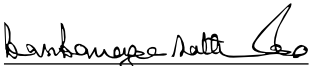

MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY

Signed in terms of our annexed report of even date.

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, February 12, 2014


BASU BANERJEE NATH & CO.
(CHARTERED ACCOUNTANTS)

BSRM Iron & Steel Co. Ltd.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

	Notes	2013 Taka	2012 Taka
Revenue		8,861,773,842	8,004,947,641
Cost of goods sold	18	(8,348,380,303)	(7,406,462,780)
Gross Profit		513,393,539	598,484,861
General & Administrative Cost	19	(33,107,548)	(43,719,948)
		480,285,991	554,764,913
Other Income	20	1,229,622	-
Net Operating Profit		481,515,613	554,764,913
Financial Expenses	21	(339,404,144)	(371,944,347)
Financial Income	22	30,178,931	28,111,059
		(309,225,213)	(343,833,288)
Net Profit beforeTax, WPPF and WWF		172,290,400	210,931,625
Contribution to Workers Profit Participation Fund (WPPF) & Workers Welfare Fund	23	(8,614,520)	(10,546,581)
		163,675,880	200,385,044
Non Operating Income	24	7,560,000	7,626,000
Net Profit Before Tax		171,235,880	208,011,044
Income Tax Expenses:			
Deferred Tax	25	(30,531,854)	(60,747,486)
Net Profit after Tax for the year		140,704,026	147,263,558
Other Comprehensive Income:			
Revaluation of Property, Plant & Equipment	12	-	524,195,793
Net profit after tax transferred to statement of shareholders equity		140,704,026	671,459,351
Earnings Per Share (EPS)	26	1.28	1.34

Note: The annexed notes 1 to 28 form an integral part of these financial statements.

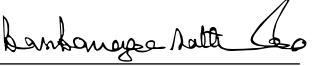

MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY

Signed in terms of our annexed report of even date.

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, February 12, 2014


BASU BANERJEE NATH & CO.
(CHARTERED ACCOUNTANTS)

BSRM Iron & Steel Co. Ltd.
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

Particulars	Share Capital	Retained Earnings	Revaluation Reserve	Total
	Tk.	Tk.	Tk.	Tk.
Balance as on January 01, 2012	1,100,000,000	246,904,265	-	1,346,904,265
Net Profit/(Loss) after tax for the year	-	147,263,558	-	147,263,558
Revaluation Reserve	-	-	524,195,793	524,195,793
Balance as on December 31, 2012	1,100,000,000	394,167,823	524,195,793	2,018,363,616
Balance as on January 01, 2013	1,100,000,000	394,167,823	524,195,793	2,018,363,616
Net Profit/(Loss) after tax for the year	-	140,704,026	-	140,704,026
Balance as on December 31, 2013	1,100,000,000	534,871,849	524,195,793	2,159,067,642

BSRM Iron & Steel Co. Ltd.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2013

	2013 Taka	2012 Taka
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash collection from customers	8,863,350,471	10,421,440,773
Cash payment for cost and expenses	(9,497,840,859)	(8,851,922,675)
Net cash provided by / (Used in) Operating Activities	(634,490,388)	1,569,518,098
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Property, Plant & Equipment	(78,810,796)	(223,042,019)
Disposal of Property, Plant & Equipment	494,331	-
Capital work in progress	(44,832,117)	(9,840,280)
Net cash provided by / (Used in) Investing Activities	(123,148,582)	(232,882,299)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Affiliated Company's Transaction	350,000	(786,441,091)
Received of Short Term Loan	1,226,503,363	21,221,353
Repayment of Term Loan	(471,442,727)	(554,512,525)
Net cash provided by / (Used in) Financing Activities	755,410,636	(1,319,732,263)
 Net Cash Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	 (2,228,334)	 16,903,536
 Cash and Cash Equivalents at the Beginning of the Year	 35,916,134	 35,466,578
Cash and Cash Equivalents at the End of the Year	33,687,800	35,916,134
	(2,228,334)	449,556
 Net Operating Cash Flow per Share	 (5.77)	 14.27

BSRM Iron & Steel Co. Ltd.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013.

1.00 Legal form of Enterprise

The company was incorporated as a private Limited Company on 13th April, 2005, vide certificate 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.

1.01 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 1st June, 2010.

2.00 Basis of Preparation

2.01 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 Flow
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

2.02 Statement of compliance

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

2.03 Basis of measurement

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

2.04 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.

2.05 Reporting period

The financial statements of the company cover one year from 1st January to 31st December and is followed consistently.

3.00 Significant Accounting Policies

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

3.01 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 comprehensive income by being absorbed in the respective date of income & expenditure.

3.02 Property, Plant & Equipment

3.02.01 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 from 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 transfer of land in this area have been considered.

As per valuation report the net revaluation gain stood TK. 524,195,793 (Note No 12.00). This Revaluaton gain has been recognized in these Financial Statements.

3.02.02 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 comprehensive income as expenses.

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 & Equipment, depreciation is recognized in The Statement of 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 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.

<u>Name of the Assets</u>	<u>Rates (%)</u>
Plant & Machinery	7.50-20%
Motor Vehicles	20%
Furniture & Fixture	10%
Office Equipment	10%
Factory Building	5%
Roads & Pavements	5%
IT Equipment	20%

Depreciation methods, useful lives and residual value are re-assessed at the reporting date.

3.02.04 Capital work in progress

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

3.03 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.

3.04 Trade receivables

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

3.05 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.

3.06 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.

3.07 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.

3.08 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 1st July, 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.

3.09 Earnings per Share**Basic Earnings:**

This represents profit for the year 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-26 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.

3.10 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.

3.11 Finance income and expense

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

3.12 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.

3.13 Income tax expenses**Current tax:**

The company in terms of decision of the board of directors in its meeting held on 7th March 2012 filed a Writ petition on 06 August 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% 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.

3.14 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 2012 have been rearranged wherever considered necessary to ensure comparability with the current year and amounts in the financial statements have been rounded off to the nearest taka.

3.15 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.

3.16 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, bank balances & FDR.

Trade receivables

Trade debtors are recognised at fair value.

Advance from customers

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

Trade creditors and other liabilities

Trade creditors 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.

4.00 Property, Plant and Equipment:

At Revalued Model:

Assets Category	Revaluation			Depreciation		
	Opening balance as on January 01, 2013	Addition	Adjust / Disposal	Revaluation adjustment for gain on revaluation	Closing balance as on December 31, 2013	Charged during the year
	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
Land & Land Development	740,780,065	652,551	-	-	741,432,616	-
Plant & Machinery	2,183,576,457	24,061,765	-	-	2,207,638,222	144,446,532
Motor Vehicles	38,204,889	-	757,386	-	37,447,503	4,888,814
Factory Building	548,534,959	18,969,837	-	-	567,504,796	25,132,872
Roads & Pavement	-	32,992,243	-	-	32,992,243	793,594
Furniture & Fixture	10,257,851	536,669	-	-	10,794,520	858,765
Office Equipment	18,114,376	823,800	-	-	18,938,176	2,157,317
IT Equipment	5,254,877	773,931	90,500	-	5,938,308	751,278
						24,345
BALANCE AS AT DECEMBER 31,2012	2,346,660,068	673,867,613	-	524,195,793	3,544,723,474	163,504,809
						-
						397,659,984
						3,147,063,490

At Cost Model:

Assets Category	Cost			Depreciation		
	Opening balance as on January 01, 2013	Addition	Adjust / Disposal	Revaluation adjustment for gain on revaluation	Closing balance as on December 31, 2013	Charged during the year
	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
Land & Land Development	216,584,272	652,551	-	-	217,236,823	-
Plant & Machinery	2,183,576,457	24,061,765	-	-	2,207,638,222	144,446,532
Motor Vehicles	38,204,889	-	757,386	-	37,447,503	4,888,814
Factory Building	548,534,959	18,969,837	-	-	567,504,796	25,132,872
Roads & Pavement	-	32,992,243	-	-	32,992,243	793,594
Furniture & Fixture	10,257,851	536,669	-	-	10,794,520	858,765
Office Equipment	18,114,376	823,800	-	-	18,938,176	2,157,317
IT Equipment	5,254,877	773,931	90,500	-	5,938,308	751,278
						24,345
BALANCE AS AT DECEMBER 31,2012	2,346,660,068	673,867,613	-	-	3,020,527,681	163,504,809
						-
						397,659,984
						2,622,867,697

Depreciation allocated to:	2013	2012
	TAKA	TAKA
	170,372,998	152,887,215
	8,656,174	10,617,594
	179,029,172	163,504,809

5.00 Capital Work in Progress:
Civil Construction
Scrap Cleaning Machine

6.00 Inventories:
Raw Materials (Note No.18.00)
Finished Goods (Note No.18.00)
Consumable Stores Stock (Note No.6.03)

6.01 Raw Materials (In Quantity):
Opening Stock of Raw Materials
Add: Purchase/Import during the year:
Local Purchase
Import- Scrap
Import- Sponge Iron
Raw Material Available for Manufacture
Less: Sale of Raw Material
Less: Closing Stock of Raw Materials
Consumption

6.02 Finished Goods (In Quantity):
Opening Stock of Finished Goods
Add: Manufactured
Goods Available for Sales
Less: Sales
Closing Stock of Finished Goods

6.03 Consumable Store Stock:
Mechanical Store
Electrical Store
General Store
Fuel & Lubricants Store
Ferro silicon
Consumable Store(others)

7.00 Trade Receivables:
BSRM Steels Limited.
Others

8.00 Due From Affiliated Companies:
BSRM Steels Limited.

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

9.00 Advance, Deposits & Prepayments:
For Expenses (Note No.9.01)
Security Deposit (Note No.9.02)
Guarantee Margin (Note No.9.03)
Advance against LC
Staff Loan
LC Margin
Advance Income Tax
VAT Current Account
Advance For Scrap

2013 Taka	2012 Taka
6,819,848	9,840,280
47,852,549	-
54,672,397	9,840,280
1,810,865,772	1,691,324,272
144,382,360	95,379,864
244,790,598	220,778,568
2,200,038,730	2,007,482,704
MT	MT
42,818.34	11,362.39
88,411.76	101,183.65
78,273.66	56,621.80
25,170.65	19,797.57
234,674.41	188,965.41
93.52	120.31
52,607.08	42,818.34
181,973.81	146,026.76
1,777.86	999.15
168,325.78	138,725.42
170,103.64	139,724.57
167,066.14	137,946.71
3,037.50	1,777.86
49,326,865	23,746,144
18,047,093	12,903,655
17,098,069	14,161,525
10,405,090	8,676,416
-	7,151,756
149,913,481	154,139,072
244,790,598	220,778,568
278,463,358	241,702,059
814,372	183,747
279,277,730	241,885,806
441,352,057	-
441,352,057	-
180,049,564	77,450,993
24,378,453	23,918,541
1,305,378	10,373,808
55,721,076	16,658,438
1,264,022	643,893
108,841,734	82,915,209
115,667,844	42,154,456
206,976	142,814
-	46,186,653
487,435,047	300,444,805

9.01 Advance for Expenses:

Bangladesh Power Development Board (12KM Power Line Construction)
Construction & Engineering works
Vortex Investments Ltd.(Investor)
Land Purchases
Insurance expenses
Receivable against interest
Fuel, Oil & Lubricants
Local Purchases
Clearing & Forwarding expenses
Others

**2013
Taka****2012
Taka**

45,380,204	45,380,204
2,079,116	25,831,430
-	616,950
305,000	305,000
1,322,566	1,950,948
129,657,859	1,967,516
908,346	664,520
14,745	393,000
211,414	101,751
170,314	239,674
180,049,564	77,450,993

9.02 Security Deposits:

Power Development Board,Ctg(33kv)
T & T Department Chittagong
Kolkata Office,Howrah(IRS 25,000)
Chittagong Mohanagar Package(Guest House Rent)
Sharif Alam(Guest House Rent)
Bakhrabad Gas Systems Ltd.
Brothers Prokaushali Workshop(Gas Cylinder)
Premier LP GAS Ltd.(Gas Cylinder)
Zilla Commandant Anser & VDP
Bangladesh Oxygen Corporation Limited
Power Development Board,(Barawlia)
Mohammadia Trading.(Gas Cylinder)
Nurul Alam (Guest House)
Continental Traders (BD) Limited- Damarage
Linde Bangladesh Limited
Hanjin Shipping (BD) Limited- Damarage
CMA CGM BD Shipping Ltd.-Damarage
Mearsk Bangladesh Ltd.- Damarage
Bangladesh Railway(33KV Electric Line Expansion)
Birds Bangladesh Agencies Ltd

18,600,000	18,600,000
2,000	2,000
37,750	37,750
60,000	60,000
48,000	48,000
1,347,588	1,347,588
400,000	400,000
46,000	46,000
270,511	270,511
448,000	448,000
1,800,000	1,800,000
250,800	151,800
14,000	14,000
-	40,000
120,000	120,000
-	532,892
140,000	-
651,036	-
140,000	-
2,768	-
24,378,453	23,918,541

9.03 Guarantee Margin:

BG # 13/09 (Trust)
BG # 03/10 (AAIBL)
BG # 77515 (UCBL)
BG # 28/12 (MBL)
BG # 30/12 (MBL)
BG # 32/12 (MBL)
BG # 34/12 (MBL)
Bakhrabad Gas System Ltd.

460,303	460,303
26,275	26,275
-	9,068,430
122,000	122,000
104,000	104,000
40,000	40,000
72,000	72,000
480,800	480,800
1,305,378	10,373,808

10.00 Cash & Cash Equivalents:

Cash in Hand	(No. 10.01)
Cash at Bank	(No. 10.02)
FDR Account	(No. 10.03)

1,455,627	380,344
1,051,104	1,189,937
31,181,069	34,345,853
33,687,800	35,916,134

10.01 Cash in Hand:

Head Office
Factory Office
Imprest Cash (Alamgir- Medical assistant)
Imprest Cash (Nizamuddin- Baro Aulia)
Imprest Cash (Tanvir Ahmed- Purchase Officer)

37,916	135,142
1,300,000	233,174
-	5,000
107,711	7,028
10,000	-
1,455,627	380,344

10.02 Cash at Bank:

Agrani Bank Limited (Laldighi corporate Branch, Chittagong.)
City Bank Limited (Agrabad Branch, Chittagong.)
Trust Bank Limited (O.R.Nizam Road,Branch, Chittagong.)
United Commercial Bank Limited (UCBL) (Jubilee Road Branch, Chittagong.)
Islami Bank Bangladesh Limited (Jubilee Road Branch, Chittagong.)
Sonali Bank Limited (Kalibari Branch.)
Hongkong Shanghai Banking Corporation Limited (Chittagong Branch.)
Mutual Trust Bank Limited (Chittagong Branch.)
United Commercial Bank Limited (ESCROW A/C) (Jubilee Road Branch, Chittagong)
Dhaka Bank Limited (Jubilee Road Branch, Chittagong.)
Habib Bank Limited (Chittagong Branch.)
Janata Bank Limited (Laldighi Br. Ctg.)
Al-Arafah Islami Bank Limited (Agrabad Branch, Chittagong.)
Standard Bank Limited (Agrabad Branch, Chittagong.)
Shahjalal Islami Bank Limited (Jubilee Road Branch, Chittagong.)
Prime Bank Limited (O.R.Nizam Road,Branch, Chittagong.)
Meghna Bank Limited (Principal Branch,Dhaka.)
Mercantile Bank Limited (Jubilee Road Branch, Chittagong.)
Social Islami Bank Limited (Jubilee Road Branch, Chittagong.)
Dutch Bangla Bank Ltd. (Jubilee Road Branch, Chittagong.)
National Bank Limited (Jubilee Road Branch, Chittagong.)
Dhaka Bank Limited (Jubilee Road Branch, Chittagong.)
Jamuna Bank Limited (Khatunganj Branch, Chittagong.)
BANK AL-FALAH Limited (Agrabad Branch, Chittagong.)
Eastern Bank Limited (Agrabad Branch, Chittagong.)
State Bank Of India Limited (Agrabad Branch, Chittagong.)
IFIC Bank Limited (Agrabad Branch, Chittagong.)
National Credit & Commerce Bank Limited (Agrabad Branch, Chittagong.)
Bank Asia (Agrabad Branch, Chittagong.)
Sonali Bank Limited (Laldighi Br. Ctg.)

**2013
Taka****2012
Taka**

267,261	(54,099)
265,129	67,520
1,080	249
125	2,738
24,410	1,938
95,046	24,383
(1,878,677)	(1,347,595)
989	4,987
10,445	17,810
20,693	166
(445,000)	1,625,379
94,225	4,075
273,407	114,552
41,040	2,981
74,661	7,266
(851,143)	62,442
34,047	-
7,047	-
4,795	86,072
-	(2,701,880)
234,807	4,077
-	9,216
20,823	-
26,698	37,681
969,722	2,507,586
15,365	28,743
32,756	622,898
1,689,596	19,949
13,825	32,871
7,932	7,932
1,051,104	1,189,937

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.

10.03 FDR Account:

FDR NO.	OPENING BALANCE	DURING THE YEAR	NET INTER- EST	ENCASHMENT	2013 Taka	2012 Taka	Maturity Date
UCBL(41300024131)	36,669	-	4,607	-	41,276	36,669	02.12.2014
UCBL(41300024584)	18,755	-	3,119	-	21,874	18,755	29.03.2014
UCBL(41200003451)	34,290,429	-	3,317,919	6,490,429	31,117,919	34,290,429	14.06.2014
Total	34,345,853	-	3,325,645	6,490,429	31,181,069	34,345,853	

11.00 Share Capital:

Authorised Capital:

300,000,000 Ordinary shares of Tk.10.00 each

Issued, Subscribed & Paid up Capital:

2013 Taka	2012 Taka
3,000,000,000	3,000,000,000
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:

Shareholders	No.of Shares held	2013 (Taka)	2012 (Taka)
Mr. Alihussain Akberali FCA	1,258,250	12,582,500	12,582,500
Mr.Aameir Alihussain	59,250	592,500	592,500
Mr. Zohair Taherali	247,090	2,470,900	2,470,900
Mrs.Tehseen Zohair Taherali	25,500	255,000	255,000
Mrs.Bilkis Alihussain	44,910	449,100	449,100
H.Akberali & Co. Ltd	3,649,050	36,490,500	36,490,500
VORTEX investments Ltd	215,950	2,159,500	2,159,500
BSRM Steels Limited	104,500,000	1,045,000,000	1,045,000,000
	110,000,000	1,100,000,000	1,100,000,000

12.00 Revaluation Reserve:

Location of the lands	Area in Decimals	Mutated at Decimals	Per Decimal Price	Book Value Tk.	Revalued Amount Tk.	Gain on Revaluation as at 31.12.2013	Gain on Revaluation as at 31.12.2012
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	384,264,559
ii) Baroawilia in Sitakunda Police Station.	36	36	1,000,000	2,102,550	35,500,000	33,397,450	33,397,450
iii) West Gomdandi, Boalkhali Chittagong.	747	697	175,000	15,360,716	121,894,500	106,533,784	106,533,784
Total:	1,004	954		186,323,707	710,519,500	524,195,793	524,195,793

13.00 Non-current Portion of Long Term Loan:

Syndicate Term Loan(Note NO.13.02)

Lease Liability(DBL)

IPDC Term Loan A/C

ULC Term Loan A/C

Meghna Bank Term Loan

2013 Taka	2012 Taka
210,345,581	564,237,063
11,587,075	139,451,531
-	32,462,136
1,830,140	22,044,489
62,989,696	-
286,752,492	758,195,219
344,216,930	295,656,942
30,994,166	53,499,201
20,214,343	17,313,670
127,548,599	108,366,492
522,974,038	474,836,305

13.01 Current Portion of Long Term Loan:

Syndicate Term Loan(Note NO.13.02)

IPDC Term Loan A/C

ULC Term Loan A/C

Lease Liability(DBL)

13.02 Syndicate Term Loan:

Due within one year

Due after more than one year

Lender wise details of syndication term loan are as follows :

Bangladesh Development Bank Limited (Former BSRS)
Bank Asia Limited
City Bank Limited
Eastern Bank Limited
Industrial & Infrastructure Development Finance Company (IIDFC) Limited
Janata Bank Limited
Mutual Trust Bank Limited
One Bank Limited
Rupali Bank Limited
Sonali Bank Limited
Standard Bank Limited
Trust Bank Limited
United Commercial Bank Limited
Dhaka Bank Limited

2013 Taka	2012 Taka
344,216,930	295,656,942
210,345,581	564,237,063
554,562,511	859,894,005
24,670,067	38,253,236
19,907,341	30,868,186
39,804,267	61,720,223
39,811,072	61,730,774
21,541,290	33,401,776
59,676,143	92,527,778
39,782,926	61,687,132
32,997,682	51,165,979
39,754,868	61,637,187
77,449,347	120,092,426
59,722,024	92,604,559
19,907,341	30,868,186
59,664,826	92,521,135
19,873,317	30,815,428
554,562,511	859,894,005

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.

14.00 Short Term Liabilities:

Loan Against Trust Receipt(LTR) (Note No. 14.01)
Inland Foreign Documentary Bills for collection (IFDBC) (Note No. 14.02)
Cash Credit (C.C) & Overdraft (Note No. 14.03)
Time Loan (Note No. 14.04)
Demand Loan (Note No. 14.05)
Current Portion of Long Term Loan (Note No. 13.01)

2013 Taka	2012 Taka
762,499,319	519,442,986
800,508,292	773,335,901
131,203,036	258,399,431
291,075,411	32,535,600
1,417,335,069	640,541,579
522,974,038	474,836,305
3,925,595,165	2,699,091,802
16,854,700	4,113,041
34,945,470	-
-	6,897,760
-	21,464,978
211,323,960	5,839,907
65,390,802	-
8,298,253	-
81,626,893	23,083,963
-	287,634,835
-	19,694,561
707,685	-
93,065,198	150,713,941
19,960,333	-
230,326,025	-
762,499,319	519,442,986

14.01 Loan Against Trust Receipt(LTR)

IFIC Bank Limited.
Trust Bank Ltd.
Al-Arafah Bank Limited.
United Commercial Bank Limited.
Shahjalal Islami Bank Limited.
Mercantile Bank Limited.
Dutch Bangla Bank Ltd.
One Bank Limited.
City Bank Limited.
Eastern Bank Limited.
Social Islami Bank Limited.
Prime Bank Limited
Bank Asia Limited
National Credit & Commerce Bank Limited

14.02 Inland Foreign Documentary Bills for Collection (IFDBC):

	2013 Taka	2012 Taka
IFIC Bank Limited.	32,472,406	-
Dhaka Bank Limited.	30,936,940	-
Habib Bank Limited.	29,090,593	-
National Credit & Commerce Bank Limited	32,491,356	-
Trust Bank Limited.	79,878,417	-
Jamuna Bank Limited.	47,828,154	-
Standard Bank Limited.	13,206,842	-
Islami Bank Limited.	167,228,312	81,638,322
Mercantile Bank Limited.	168,505,296	39,205,285
National Bank Limited.	-	17,646,914
UCBL Bank Limited.	-	70,814,880
Prime Bank Limited.	65,179,990	37,194,779
One Bank Limited.	30,820,247	65,429,591
AB Bank Limited.	6,980,924	47,154,143
Eastern Bank Limited.	79,655,794	135,054,694
Shahajalal Islami Bank Limited	15,085,151	63,642,603
Dutch Bangla Bank Ltd.	1,147,870	22,552,323
City Bank Limited	-	193,002,367
	800,508,292	773,335,901

14.03 Cash Credit (CC) & Overdraft:

Mercantile Bank Limited	-	16,775,748
Mutual Trust Bank Limited. (SOD)	21,213,949	197,263,359
Janata Bank Limited.(CC HYPO)	20,819,834	33,673,598
Dutch Bangla Bank Ltd.	3,382,199	-
AB Bank Limited.	19,576,356	190,048
City Bank Limited.(CC HYPO)	13,797,376	47,560
One Bank Limited.	21,225,003	10,449,118
Dhaka Bank Limited	7,714,643	-
Standard Bank Limited	23,473,676	-
	131,203,036	258,399,431

14.04 Time Loan:

AB Bank Limited.	60,728,730	-
One Bank Limited.	101,390,694	-
Dutch Bangla Bank Ltd.	128,955,987	32,535,600
	291,075,411	32,535,600

14.05 Demand Loan:

Bank Asia Limited.	61,202,496	-
Mercantile Bank Limited	285,275,025	78,400,140
Bank Al Falah Limited	356,033,496	130,813,133
Islami Bank Limited.	302,650,163	431,328,306
City Bank Limited.	412,173,889	-
	1,417,335,069	640,541,579

15.00 Liabilities for Expenses:

For expenses	(Note No.15.01)	13,104,774	81,149,851
Liabilities for Scrap Purchase	(Note No.15.02)	37,019,751	58,061,555
Liabilities for L/C		1,384,252	38,700,000
		51,508,777	177,911,406

15.01 For Expenses:

Salary & Allowances	1,730,118	2,679,611
Bonus	298,157	-
Godown Rent	199,500	57,000
Audit Fee	50,000	50,000
C & F Expenses	660,997	1,289,221
Carrying Expenses	1,904,547	6,531,677
Insurance Expenses	218,241	12,486
Local Purchase	4,172,506	4,132,625
Electricity Expenses	1,375,071	1,414,911
Telephone Expenses	-	736
Domicillary Expenses	217,852	115,528
Casual wages	891,793	612,195
Tiffin Allowance F.O.	179,350	181,850
Mill O/T F.O.	507,952	-
Power	-	62,675,752
Maternity Benefit Scheme	-	68,362
Leave Salary	456,677	173,770
Production Incentive	-	740,747
Medical Expenses	-	19,140
Others	242,013	394,240
	13,104,774	81,149,851

15.02 Liabilities for Scrap Purchase :

F.B. Steel	-	5,958,158
Feroz Enterprise	-	476,649
J.N. Enterprise	385,308	856,074
Pioneer Trading	5,195,599	-
M. Rahaman & Brothers	27,659	-
Monsur & Brothers	1,177,890	8,499,016
Muradpur iron mart	-	13,348,948
KYRC Coil Industries Ltd.	1,349,066	-
S.M.Enterprise	-	682,217
T.N. Brothers	3,520,668	-
China National Electrical Engineering Company Ltd.	498,850	-
M. Hossen	1,513,558	-
Shapla Enterprise	-	1,004,765
Bismillah Enterprise	-	4,168,028
Kamal Iron Mart	912,082	-
New Soudia Loha Bitan	365,168	3,037,866
Nizam Enterprise	13,771,689	8,455,381
Rahamina Steel	-	5,356,343
S.S.Enterprise	2,716,724	2,437,254
Pacific Traders	5,585,490	3,780,856
	37,019,751	58,061,555

16.00 Due To Affiliated Companies:

BSRM Wires Ltd.	350,000	-
	350,000	-

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

17.00 Other Liabilities:

Retention Money	3,700,874	8,272,727
Staff Income Tax	464,279	699,581
TAX deduction at source	1,697,476	554,206
VAT Deduction at Source	583,593	506,591
Provident Fund	321,972	235,980
Advance against Sales	2,386,504	1,576,905
	9,154,698	11,845,990

NOTE: VAT & TAX deduction at source have been deposited to Govt. Exchequer subsequently.

18.00 Cost of Goods Sold:

Opening Stock of Raw Materials
Add: Purchase during the year (Note No. 18.01)

Raw material available for consumption

Less: Sales of Scrap
Less: Closing Stock of Raw Materials

Raw Material Consumed**Add: Production/Manufacturing Overhead**

Salaries & Allowances
Casual Wages
Factory Overhead (Note No. 18.02)
Power Consumed
Fuel & Lubricants Consumed
Mechanical store
Electrical store
General Store
Godown Rent
Consumable Store Consumed (Note No. 18.03)
Depreciation (Note No. 04)

Cost of Goods Manufactured

Add: Opening Stock of Finished Goods

Goods available for Sale

Less: Closing Stock of Finished Goods

Cost of Goods Sold**18.01 Raw Materials Purchase:**

Local Scrap
Import-Shredded Scrap
Import-Sponge Iron

18.02 Factory Overhead:

Factory Office Expenses
Repairs & Maintenance
Wasa
Printing Exp.
Generator Expenses
Medical Expenses
Postage & Telegram
Electric Expenses
Travelling
Conveyance
Entertainment.
Guest House Rent
Carrying Charge
Computer Exp.
Paper & Periodical
Miscellaneous Expenses
Fire Insurance
Insurance (Others)
Guest House Expenses

18.03 Consumable Store Consumed:

Lining Materials
Tundish consumable store
Consumable Store Consumed
Ferro Silicon
Ferro Manganese
Silico Manganese
Welding Gas Consumed

2013 Taka	2012 Taka
1,691,324,272	454,409,525
6,803,669,491	7,229,426,598
8,494,993,763	7,683,836,123
4,912,838	7,395,155
1,810,865,772	1,691,324,272
1,815,778,610	1,698,719,427
6,679,215,153	5,985,116,696
116,349,305	110,540,398
18,382,773	14,350,125
113,133,012	79,437,135
711,573,901	582,707,438
24,004,184	23,382,638
19,198,143	19,744,453
15,772,443	13,641,483
7,217,920	4,090,644
5,738,820	4,648,940
516,424,147	463,137,419
170,372,998	152,887,215
1,718,167,646	1,468,567,888
8,397,382,799	7,453,684,584
95,379,864	48,158,060
8,492,762,663	7,501,842,644
144,382,360	95,379,864
8,348,380,303	7,406,462,780
3,010,235,807	3,964,844,299
2,881,355,432	2,421,006,713
912,078,252	843,575,586
6,803,669,491	7,229,426,598
193,675	273,971
8,676,276	7,696,365
-	2,939
81,367	383,294
299,313	984,502
1,246,930	444,670
17,344	16,259
7,217,139	5,285,716
1,635,348	-
7,685,864	4,927,715
6,010,059	3,550,395
1,122,116	1,692,746
74,008,085	48,213,158
15,600	49,138
9,514	6,270
-	304,880
2,366,682	1,934,602
19,132	16,604
2,528,568	3,653,911
113,133,012	79,437,135
57,627,326	49,863,710
21,530,085	20,196,510
192,459,703	163,670,814
34,368,838	33,571,459
14,845,739	10,941,867
187,124,411	176,964,754
8,468,045	7,928,305
516,424,147	463,137,419

19.00 General & Administrative Cost:

Directors Remuneration (Note No. 19.01)
Depreciation (Note No. 04)
Consulting Fees
Motor Car Expenses
Travelling Expenses
Salaries
Office Rent
Advertisement Expenses
Office Expenses
Professional Fees
Conveyance Expenses
Stationery
Postage & Telegram
Mobile & Telephone Expenses
Audit Fee
Entertainment Expenses
Legal Expenses
Training Expenses
Fees & Renewals
Computer Expenses
Electricity Expenses[H.O.]
Subscription
Medical Expenses
Donation Expenses

2013 Taka	2012 Taka
12,000,000	12,000,000
8,656,174	10,617,594
1,669,872	5,056,647
12,919	4,574,370
613,751	3,864,230
4,780,404	2,242,035
1,644,876	1,644,876
17,250	69,852
15,821	129,483
313,500	80,653
159,201	26,520
21,954	51,497
7,581	34,611
568,368	614,394
65,950	62,500
630,182	661,436
195,035	432,190
331,987	57,600
846,477	983,950
3,400	8,122
370,139	316,840
101,000	160,000
6,707	30,548
75,000	-
33,107,548	43,719,948

19.01 Directors Remuneration:

Name	Designation	Basic Salary Per Month	2013 (Taka)	2012 (Taka)
Mr. Alihussain Akberali FCA	Managing Director	300,000	3,600,000	3,600,000
Mr. Zohair Taherali	Director	300,000	3,600,000	3,600,000
Mrs.Tehseen Zohair Taherali	Director	200,000	2,400,000	2,400,000
Mr.Aameir Ali Hussain	Director	200,000	2,400,000	2,400,000
		1,000,000	12,000,000	12,000,000

20.00 Other Income:

Miscellaneous Income
Profit on sale of Property, Plant & Equipment

21.00 Financial Expenses:

Bank Charges
Interest on Loan Against Trust Receipts
Interest on Term Loan
Interest on Cash Credit & Overdraft
Interest (Income)/ Expenses on Sister Concern

22.00 Financial Income:

Interest on FDR (Gross)
Foreign Currency Gain (Note No-22.01)

22.01 Foreign Currency Gain/ (Loss) :

Foreign Currency Gain/ (Loss) Transaction
Foreign Currency Gain/ (Loss) Translation

23.00 Provision For WPPF & WWF:

Opening balance as on January 01, 2013
Provided during the year

Paid during the year

Closing Balance as on December 31, 2013

24.00 Non Operating Income:

Truck/Trailor Rent Received
Miscellaneous Income

25.00 Deferred Tax:

Opening balance as on January 01, 2013
Add/ (Less): Provided/ (adjusted) for the year
Closing Balance as on December 31, 2013

26.00 Earnings Per Share (EPS):

The computation of EPS is given below:

a) Profit attributable to the Ordinary Shareholders (Net Profit After Tax)
b) No. of Shares Outstanding for the year (1,100,000,000/10)

	2013 Taka	2012 Taka
	1,011,628	-
	217,994	-
	1,229,622	-
	3,725,399	3,033,405
	293,303,254	142,139,195
	149,310,750	173,539,679
	22,722,600	17,897,152
	(129,657,859)	35,334,916
	339,404,144	371,944,347
	8,348,232	4,877,717
	21,830,699	23,233,342
	30,178,931	28,111,059
	22,803,544	4,279,668
	(972,845)	18,953,674
	21,830,699	23,233,342
	10,546,581	7,479,019
	8,614,520	10,546,581
	19,161,101	18,025,600
	(10,546,581)	(7,479,019)
	8,614,520	10,546,581
	7,560,000	7,560,000
	-	66,000
	7,560,000	7,626,000
	60,747,486	-
	30,531,854	60,747,486
	91,279,340	60,747,486
	140,704,026	147,263,558
	110,000,000	110,000,000
	1.28	1.34

27.00 Capacity Utilization:**27.01 Production Capacity:**

Installed Capacity (In M.Ton) yearly
Actual Production (In M.Ton)
% of capacity utilization

	2013 MT	2012 MT
	170,000.00	170,000.00
	168,325.78	138,725.42
	99%	82%

28.00 Number of Employees:

Number of employees whose salary was below Tk. 3,000
Number of employees whose salary was above Tk. 3,000
Total No. of Employee

	2013 Persons	2012 Persons
	-	-
	308	308
	308	308

SHAREHOLDERS' INFORMATION

Annual General Meeting (AGM)

No. of AGM : 12th AGM

Date : April 24, 2014

Venue : Institution of Engineers of Bangladesh, Chittagong Center, S. S. Khaled Road, Chittagong.

Time : 11.00 AM

Financial Calendar

Financial Year: 01st January to 31st December.

During the year 2013 operational results of the company were announced on:

- 4 May 2013 : First Quarter report
- 23 July 2013 : Half Yearly report
- 28 October 2013 : Third Quarter report
- 25 February 2014 : Annual financial result

RECORD DATE

The record date will be on March 9, 2014.

DIVIDEND DATE

A final dividend @ 15% cash has been recommended on 25 February 2014 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/= (Taka Ten)

Closing price of per share

Closing Price of per share of your company as at 30th December 2013 was about 6.87 times higher i.e. Taka 68.70 than Face value per share.

DIVIDEND

Year	Rate of Dividend	Form of Dividend
2013	15%	Cash (Recommended)
2012	10% and 5%	Cash and Stock respectively
2011	15%	Cash
2010	20 %	Stock (Bonus)
2009	15%	Stock (Bonus)

EPS

Year	Taka	Growth %
2013	3.50	38.34
2012	2.53	2.85
2011	2.46	(12.77)
2010	2.82	67.86
2009	1.68	130.27

MARKET CAPITALIZATION

Year	Taka in million
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

Weaver birds are capable of building the most complex form of nests, some of which lasts for 100 years. Built from leaves, palm fronds, grasses and reeds, the nests reflect a quality of architecture that is among the most brilliant ones found in nature. Its genius in the safety of the nest makes it a masterpiece of a creation.

Tsunami buoys are anchored buoys placed across the coast out at sea that can detect sudden changes in undersea water pressure. The data can be used to detect tsunami in the event of an earthquake, giving early warning for people to evacuate from the areas the tsunami will hit.



EVENTS AND IMAGES



The 11th Annual General Meeting of BSRM Steels Ltd. held on 30th April, 2013 at Chittagong Club Ltd.



A view of shareholders attended in 11th Annual General Meeting



Mr. Alihussain Akberali, Chairman of BSRM Group addressing to shareholders attended in 11th Annual General Meeting



Mr. Abul Mal Abdul Muhit, Honorable Finance Minister of Bangladesh handing over the 13th ICAB National Award for Best Presented Annual Report(Third Position) to Mr. Aameir Alihussain, Managing Director of BSRM Group. The Competition organized by Institute of Chartered Accountants of Bangladesh and the event held on 21st December, 2013.



Mr. Kazi Anwar Ahmed, Head of Dhaka Corporate Office receiving "Best Brand Award Bangladesh-2013" under steel category from Mr. M. Rafiqul Islam, General Secretary, IBA Alumni Association at a spectacular function in Pan Pacific Sonargaon Hotel, Dhaka on November 09, 2013.

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 share-holders'	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 tax laws and accounting methods can results temporary difference in the amount of Income Tax payable or asset by a company for the foreseeable future
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 multiple by Ordinary number of Shares



Mr. Tapan Sen Gupta, Executive Director, BSRM Group receiving "Divisional Environment Award 2013" on companies behalf on World Environment Day 2013. This event was organized by Department of Environment (DOE), Chittagong on 5th June and staged at Muslim Institute Hall, Chittagong.



Prof. Jamilur Reza Chowdhury presided over the BSRM-Daily Star Round Table discussion held on 17th Aug, 2013. Eighteen members of building code steering committee were present and discussed on "The Bangladesh National Building Code 2nd Edition.-Its relevance and contribution to building safety".



A Group Photo from the Vision & Value Ceremony held on 22nd February, 2014 at Hotel Peninsula Chittagong



Mr. Shitangshu Kumar Sur Chowdhury, Deputy Governor of Bangladesh Bank and Mr. Alihussain Akberali, Chairman of BSRM group were seen with the top executives of the participating banks and financial institutions in the Financial Closing Ceremony of BSRM Steel Mills Limited.



Mr. Alihussain Akberali, Chairman Of BSRM Group graced the seminar on "The Concept of Durable concrete" as chief guest. This program was held on May 29th, 2013 at The Institute of Engineers' Bangladesh, Chittagong Center

BSRM OFFICE MAP

Notes

