

FOR THE NATION WITH THE NATION

Annual Report 2018–2019
BSRM Steels Limited





ANNUAL REPORT 2018-19

BSRM STEELS LIMITED

PREFACE

For the Nation, with the Nation

Every nation has a story. That story begins with imagination, the seed of an idea – to build a nation. A seed that is nurtured and grown, through determination and hard work, until one day, a nation arises in its full glory.

Intertwined with the story of a nation, is our story. For the foundations of a modern, safer nation are forged in steel - BSRM steel. We are, were and continue to be for the nation, with the nation. And every year that story continues taking the nation – and BSRM – to new horizons.

Letter of Transmittal

Date: November 24, 2019

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

Annual Report for the year ended 30th June, 2019

Dear Sir (s)

We are pleased to enclose herewith a copy of the Annual Report of **BSRM Steels Limited** together with the Audited Financial Statements, Auditors' Report thereon and Report of the Board of Directors for the year ended June 30, 2019 for your information and records.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Shekhar', with a long, sweeping horizontal stroke extending to the right.

Shekhar Ranjan Kar FCA

General Manager (F & A) and Company Secretary

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**Building
the nation
since 1952**

Sixty-seven years ago, in 1952, Bangladesh Steel Re-rolling Mills (BSRM) began its journey as the first steel re-rolling mill in then East Bengal. Through continuous creativity, innovation and diligent hard work, we became the country's no. 1 steel expert, committed to building a better and safer nation.

From establishing the country's largest billet making plant, to introducing the first ever steel that was truly of international quality, we continued to strive to help the people of this nation through many different social initiatives. From the smallest homes to the largest national mega structures, our journey with the nation has continued onwards and upwards, catering to its needs as it grows greater, safer and more sustainable for all the years to come.



OUR 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.

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

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

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

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

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

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

CODE OF CONDUCT

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

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



**A safer
nation is a
better nation**

BSRM is one of the largest names in steel manufacturing in Bangladesh, and the first to make their steel a brand instead of just a product. Their core philosophy rests on the three pillars of strength, safety and sustainability. As the first steel re-rolling mill in Bangladesh, BSRM always had one objective – to build a safer nation. Today, BSRM is no longer just a steel rebar manufacturing company, but a partner in the development of Bangladesh, with continual improvements and products to keep the people safer than ever before. BSRM is committed to ensuring the safety of not just individuals, but the safety of the people as whole as we progress together on the road to a better, safer nation.



BSRM Group's Milestones...

1952

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

1984

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

1987

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

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.

2006

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

2008

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

2009

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. on January 18 2009.

2010

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

2012

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

2013

A syndicated term loan of USD 40 million and BDT 5,908 million, raised by a consortium of 25 banks and financial institutions, for BSRM Steel Mills Limited. It was the largest ever syndicated loan facility arranged for a private company in Bangladesh.

2014

Oracle e-BS -12 went LIVE on 1ST March 2014. Oracle Financials, Costing, Purchasing, Manufacturing, EAM, Inventory & order management are now integrated on a single platform which ensure the accuracy, accountability and reliability of the Group.

2015

1. Enhanced capacity of BSRM Steels Limited from 600,000 MT to 700,000 MT per annum.
2. Announced a new product namely "BSRM Maxima"
3. Increased capacity of Bangladesh Steel Re-Rolling Mills from 120,000 MT to 450,000 MT per annum which is the first and largest merchant mill in Bangladesh.
4. Listing of Bangladesh Steel Re-Rolling Mills Limited with the stock exchanges (DSE & CSE).

2016-17

1. BSRM Steel Mills Limited, the largest billet making plant in the country started commercial production in June 2016.
2. EPOXY coated bars -CENTURA & Ultima are introduced in the market.
3. For first time sales of BSRM has crossed **ONE MILLION M. Ton**

2017-18

1. Start to set -up of a state-of-the-art Galvanized Iron (GI) wire and Low Relaxation Pre-stressed Concrete (LRPC) wire manufacturing plant.
2. Business Intelligence (BI) Analytics Tool for BSRM Group went live in May 2018.

2018-19

Second melting unit of BSRM Steels Limited has successfully announced its commercial production on April 16, 2019 with a capacity of 430,000 MT billets per annum.

A hand holding a white chess king piece against a background of other chess pieces.

● Titans of Steel in Bangladesh

On the unending journey towards a better future, BSRM resolved that the nation's structures should be built with steel from the country itself. 11 years ago, we created a new type of reinforcing steel – the Xtreme 500W - and embarked on a bold endeavor to change the civil construction landscape of the nation. That was just the beginning. With new specialized variants – MAXIMA, the best steel for large construction projects, ULTIMA – the first earthquake resistant steel and CENTURA – corrosion-resistant steel, it is due to our continuous innovation that today we are known as the titans of steel.

Awards & Recognitions

QUALITY EXCELLENCE AWARD



National Productivity and Quality Excellence Award 2017

NATIONAL EXPORT AWARD



National Export Award
2016-17, 2015-16 and 2013-14

BEST BRAND AWARD



Best Brand of Bangladesh in Steel Category
for 2011, 2013, 2014, 2015, 2016 & 2017

PRESIDENT'S AWARD



President's Award for Industrial Development 2014

HIGHEST TAX PAYER AWARD



Tax Card for "1st Highest Tax Payer" in engineering category for the tax period 2016-2017

Awards & Recognitions

ICSB NATIONAL AWARD



ICSB National Award, Gold 2015

ICAB NATIONAL AWARD



16th ICAB National Award for
Best Presented Annual Report 2015

ICSB NATIONAL AWARD



Certificate of ICSB National Award 2015

SAFA AWARD



Certificate of Merit from SAFA 2015

ICAB NATIONAL AWARD



ICAB National Awards for Best Presented Annual Report 2012, 2013 & 2015

Awards & Recognitions

ENVIRONMENT AWARD



Divisional Environment Award 2013

CONSUMER AWARD



Best Electricity Consumer Award 2015

CSR AWARD



5th Standard Chartered-Financial Express
CSR Award 2014

EXCELLENCE AWARD



Mercantile Bank Excellence Award 2015

BEST ENTERPRISE AWARD



Best Enterprise of the year 2010

JBCCI AWARD



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



Serving the People

For over 67 years, BSRM has provided superior, trusted and reliable steel products to build both national mega structures and homes for the people. BSRM is trusted and relied upon by the people everywhere not just for steel, but for its service beyond steel - in building not just foundations and walls, but hearts and minds, cities and communities and ultimately, the nation itself. From bringing light to people's homes to providing safe drinking water, from vocational training to making roads safer for everyone using them, from planting trees to reducing emissions and recycling to protect the environment, BSRM continues to serve the people in building a better, safer nation for today and for the future.



Performance at a Glance for 2018-19

Tk.
61,060
Million

Revenue

Tk.
5,052
Million

Gross profit

Tk.
2,338
Million

Profit before Tax

Tk.
3,369
Million

Operating Profit

Tk.
1,728
Million

Net Profit after Tax

Tk.
4.60

Earnings per Share

Tk.
55.58

NAV per share

Tk.
(12.43)

NOCF per share

Key Financial Highlights

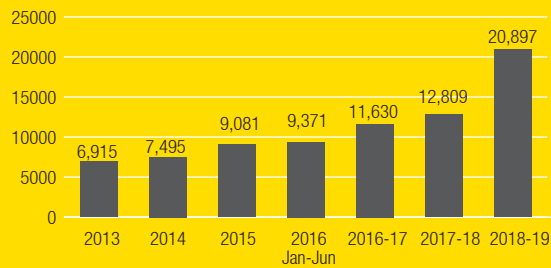
Taka in Million

	2018- 2019	2017- 2018	2016- 2017*	Jan'16- June'16	2015	2014	2013
Assets Employed							
Non-current Assets	26,793.86	13,995.01	12,104.11	9,608.70	9,676.30	8,539.82	8,559.49
Net Current Assets	5,126.14	1,886.17	1,953.94	2,207.59	840.35	155.53	-512.60
Total Assets Employed	31,920.00	15,881.18	14,058.05	11,816.28	10,516.64	8,695.35	8,046.89
Financed by							
Share Capital	3,759.53	3,417.75	3,417.75	3,417.75	3,417.75	3,417.75	3,417.75
Revaluation Reserve	7,940.93	2,613.85	2,602.00	2,123.84	2,131.59	2,137.03	2,153.63
Non Controlling Interest	-	-	107.08	-	-	-	-
Retained Earnings	9,196.76	6,777.30	5,503.47	3,829.60	3,531.28	1,940.31	1,343.87
Shareholders' Equity	20,897.22	12,808.90	11,630.30	9,371.19	9,080.62	7,495.09	6,915.25
Long Term borrowings	9,067.95	1,777.56	1,117.90	1,547.13	548.39	431.90	425.05
Retirement benefit obligations - Gratuity	164.44	136.97	98.76	57.37	55.88	39.02	26.29
Deferred Tax Liabilities	1,790.40	1,157.75	1,211.09	840.59	831.76	729.34	680.30
Total Capital Employed	31,920.00	15,881.18	14,058.05	11,816.28	10,516.64	8,695.35	8,046.89
Operational Results							
Revenue	61,060.15	48,289.93	37,996.41	17,265.18	32,316.10	38,535.94	36,229.05
Gross Profit	5,051.91	4,879.17	4,557.30	3,114.69	4,368.65	2,807.32	3,250.15
Profit from Operations	3,369.05	3,180.65	3,273.59	2,379.86	3,257.93	1,892.83	2,314.40
Profit before Interest, Taxes & Depreciation Allowances	3,993.81	3,644.34	3,746.02	2,509.49	3,500.74	2,119.63	2,538.47
Profit before Tax	2,338.26	2,308.53	2,360.49	2,114.92	2,593.95	1,510.68	2,318.92
Profit after Tax	1,728.13	1,800.80	1,705.41	1,313.32	2,081.88	1,086.21	1,693.47
Ratios							
Gross Profit ratio - %	8.27%	10.10%	11.99%	18.04%	13.52%	7.28%	8.97%
Net Profit ratio - %	2.83%	3.73%	4.49%	7.61%	6.44%	2.82%	4.67%
EBITDA margin to Sales - %	6.54%	7.55%	9.86%	14.53%	10.83%	5.50%	7.01%
Return on Shareholders Equity - %	8.27%	14.06%	14.66%	14.01%	22.93%	14.49%	24.49%
Return on Capital Employed - %	5.41%	11.34%	12.13%	11.11%	19.80%	12.49%	21.05%
Current Ratio - Times	1.16	1.07	1.08	1.13	1.06	1.01	0.97
Quick / Acid test ratio	0.71	0.58	0.70	0.80	0.57	0.40	0.61
Inventory turnover ratio - Times	4.07	3.34	4.23	3.12	4.69	3.42	6.37
Total Assets turnover ratio - Times	0.93	1.06	1.17	0.60	1.31	1.42	1.52
Earnings per Share (EPS) - Taka	4.60	4.79	4.98	3.84	6.09	3.18	4.95
Price/Earnings (P/E) ratio - Times	12.68	14.64	18.25	24.46	15.81	27.59	13.87
Price/Equity ratio - Times	5.83	7.01	9.09	9.40	9.63	8.77	6.87
Dividend per share (DPS) - Taka	2.50	2.00	2.00	1.50	3.00	1.50	1.50
Dividend Payout ratio	0.54	0.42	0.40	0.39	0.49	0.47	0.30
Dividend Cover ratio	1.84	2.40	2.40	2.56	2.03	2.12	3.30
Net Assets Value (NAV) per share - Taka	55.58	37.48	34.03	27.42	26.57	21.93	20.23
Net Operating Cash Flow per share - Taka	(12.43)	2.20	1.07	9.05	16.87	(8.76)	13.45
Debt Equity ratio - Times	1.57	1.73	1.93	1.72	1.48	2.36	1.99
Interest coverage ratio	2.76	3.14	5.94	17.75	5.37	6.32	5.83
Market price per share at 30 June/ 31 December - Taka	58.30	70.10	90.90	94.00	96.30	87.70	68.70
Market Capitalization at 30 June/31 December	21,918	23,958	31,067	32,127	32,913	29,974	23,480
Contribution to National Exchequer	4,708	4,954	2,936	2,149	2,009	2,949	2,454
Average Number of Employees	1255	974	624	596	578	553	573

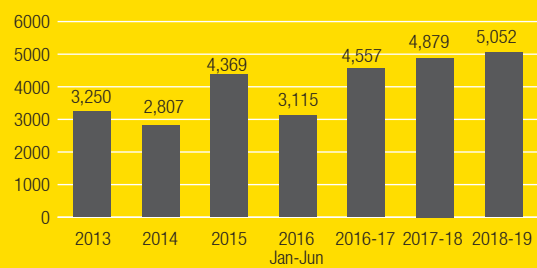
*Information of 2016-2017 shows consolidated financial data.

Key Performance Indicators

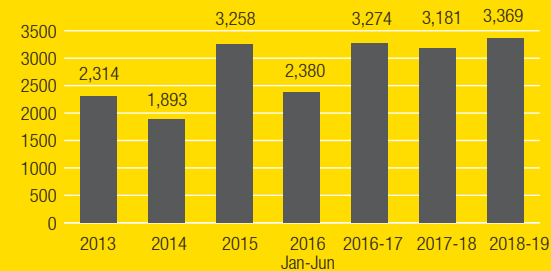
Shareholders' Equity (Taka in Million)



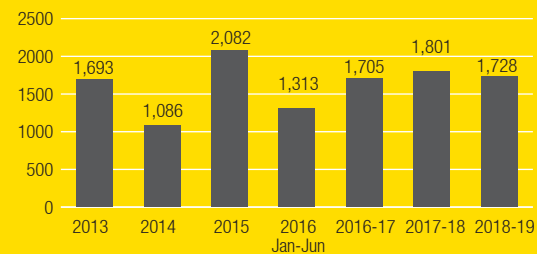
Gross Profit (Taka in Million)



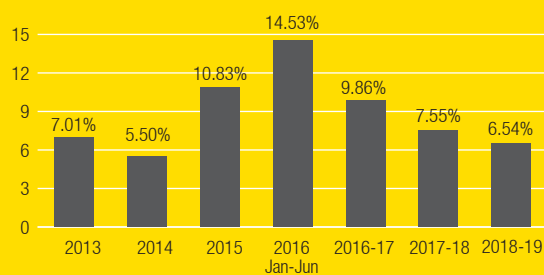
Operating Profit (Taka in Million)



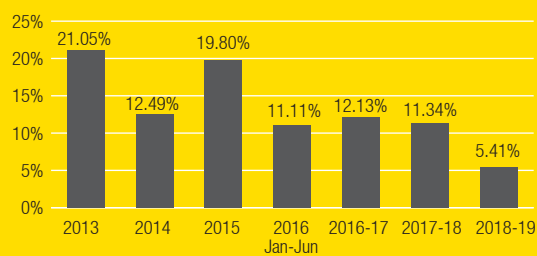
Net Profit after Tax (Taka in Million)



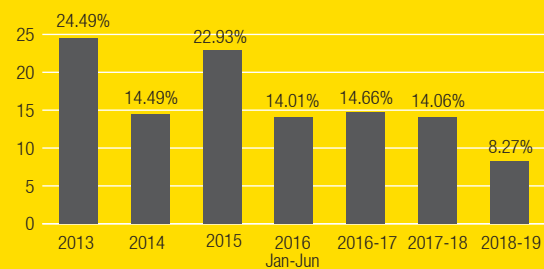
EBITDA to Sales (%)



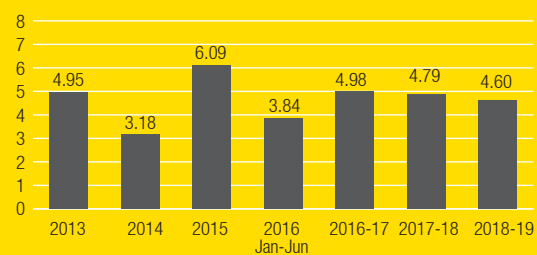
Return on Capital Employed (%)



Return on Shareholders' Equity (%)

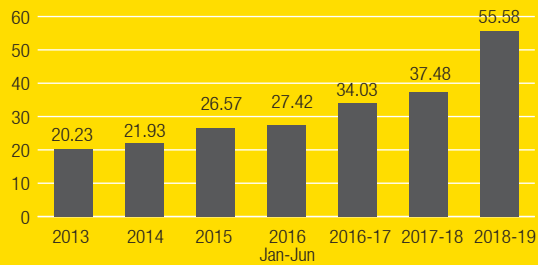


Earnings per Share (Taka)

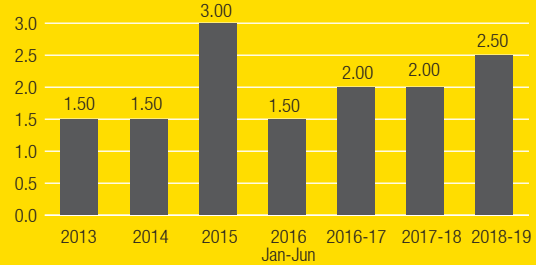


Key Performance Indicators

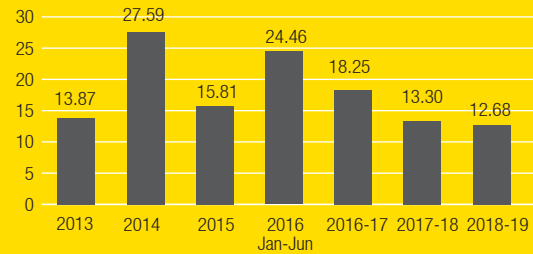
Net Assets Value (Taka)



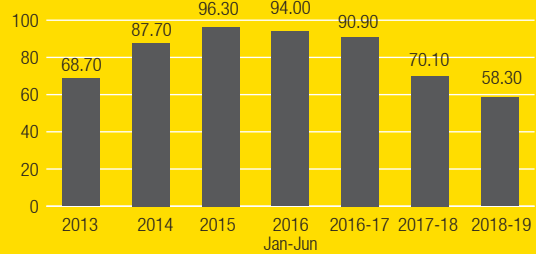
Dividend per Share (Taka)



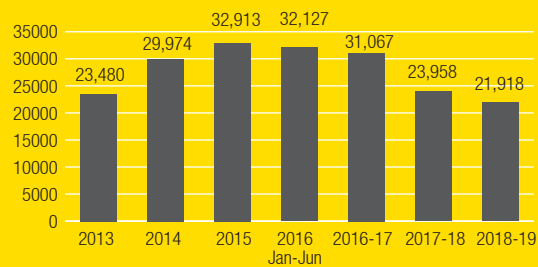
Price Earnings Ratio (Times)



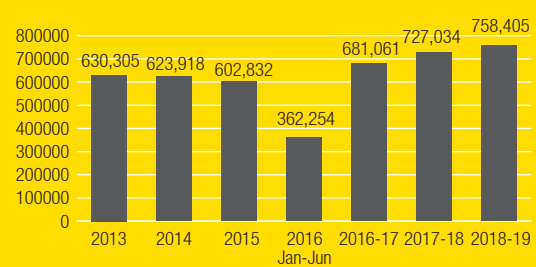
Market price per share (Taka)



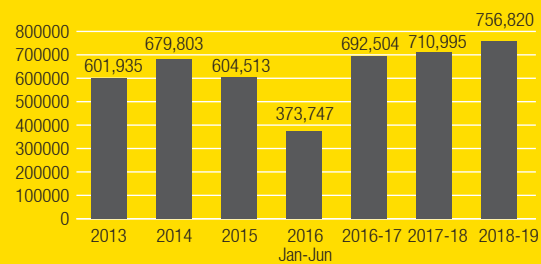
Market Capitalization (Taka in Million)



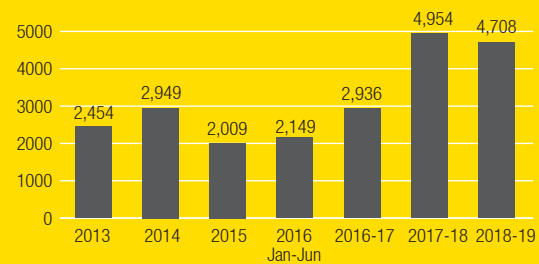
Production Qty. (MT)



Sales Qty (MT)



Contribution to National Exchequer (Taka in Million)



Value Added Statement

Value Added:

Revenue
Other Income

Less : Paid to suppliers for materials and services

Distributed as follows:

EMPLOYEES

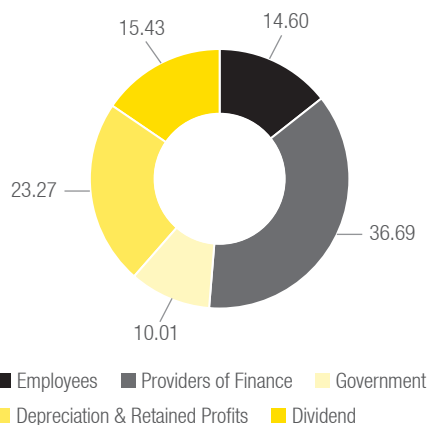
Wages, salaries, bonus, commissions, pensions and other benefits
Providers of Finance
Government
Dividend

RETAINED FOR REINVESTMENT & FUTURE GROWTH

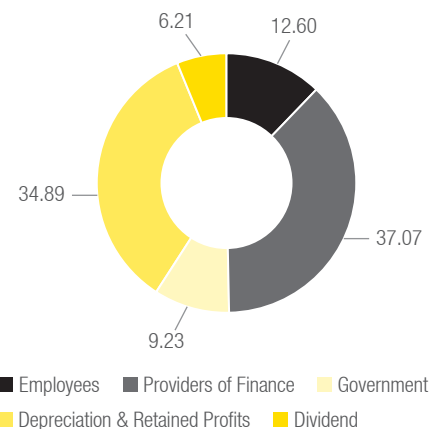
Depreciation & Amortization
Retained Profit

Jul'18-Jun'19 TK	%	Jul'17-Jun'18 TK	%
61,060,152,014		48,289,925,736	
1,030,229,787		1,042,183,669	
62,090,381,801		49,332,109,405	
55,997,206,551		43,830,816,517	
6,093,175,250	100	5,501,292,888	100
889,802,800	14.60	693,342,687	12.60
2,235,414,696	36.69	2,039,113,061	37.07
610,133,284	10.01	507,736,873	9.23
939,881,250	15.43	341,775,000	6.21
4,675,232,030	76.73	3,581,967,621	65.11
629,695,647	10.33	463,696,775	8.43
788,247,573	12.94	1,455,628,492	26.46
1,417,943,220	23.27	1,919,325,267	34.89
6,093,175,250	100	5,501,292,888	100

2018-19 (%)



2017-18 (%)



ECONOMIC VALUE ADDED (EVA)

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

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	
2018-19	2017-18
2,526,789,731	2,385,485,894
32,259,210,134	15,680,081,913
10.00%	10.00%
3,225,921,013	1,568,008,191
(699,131,283)	817,477,702

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

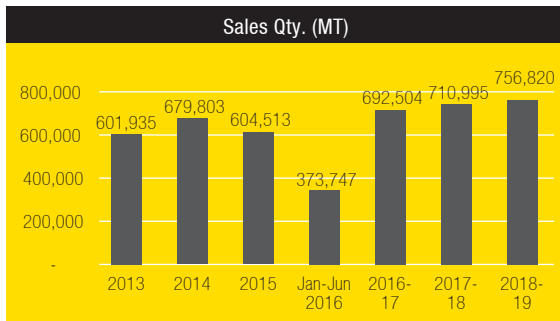
Products & Markets

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

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

Market performance

BSRM is the market leader in the national steel industry. Net sales for 2018-19 were 756,820 MT with value in Taka 61,060.15 (in million). The Chart shows sales growth of BSRM Steels Limited for the last seven years.



Product-wise performance

A. Xtreme500W

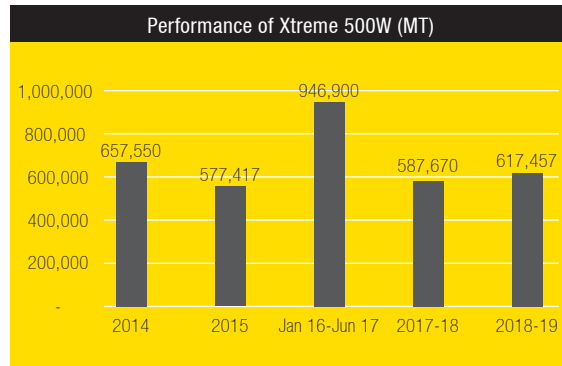
Why Xtreme500W....

According to European Steel Code EN 10002, **Elongation at Maximum Force (EMF)** test is mandatory to measure the ductility of steel.

Bangladesh Standard BDS:ISO:6935-2 of 2009 also requires EMF in Steel. **Fatigue tests** are conducted with the object of determining the number of cyclic loadings a steel can endure, within a stress range. BSRM Steels products were subjected to 5 million cyclic load reversals which was tested in UK. At present in Bangladesh BSRM is the only company to ensure **EMF** and **Fatigue Testing** steel.

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

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



Unique Feature of Xtreme 500W

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 Xtreme 500W was tested for weldability by a global electrode manufacturer, in Bangladesh, Linde. They have published a brochure to promote the unique welding features of Xtreme 500W, 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 Xtreme 500W was used:

As the premier reinforcing steel bar and only EMF tested ductile rod of the country, Xtreme 500W has put its indelible stamp on the infrastructure projects of the country. It has emerged as the rebar of choice among international contractors in high value projects where the reliability and quality of construction materials are of paramount importance. BSRM is proud to be associated with some of the largest and most visible projects of the country. These are:

- Padma Multipurpose Bridge
- Padma Bridge Rail Link Project
- Maghbazar Mouchak Flyover
- Bhoirab Railway Bridge
- Bhoirab Asugonj Power Plant
- Double line project of Chittagong Railway.
- The pride of Dhaka, the 9.6 kilometer Gulistan-Jatrabari fly-over (Mayor Mohammad Hanif Flyover)
- Saidabad Water Treatment Plant Phase-II
- Hatirjheel Integrated Development Project
- Zillur Rahman Flyover (Mirpur-Airport & Banani)
- Dhaka Elevated Express way project
- Payra thermal power plant
- Lebukhali Bridge
- Roopur Nuclear Power Plant
- Rampal Coal Power plant
- Metro Rail Project
- Bus Rapid Transit Project

B. Other Products

In 2016 it rolled out new Grade reinforcing steel conforming to the U.S. standard ASTM 706 Grade 80. The Grade 80 reinforcement can replace the old ASTM A-615 Grade 60 steel specified in all Government Agency design specifications. The new Grade 80 will be more economical as it will require 20% less steel in construction. It will be safer as well as the new Grade 80 has much higher elongation than the older Grade 60. The higher strength steel further provides 'congestion relief' in Bridge piers which ensures better concrete compaction, thus making it ever safer. The new Grade 80 is usage is prescribed in the ACI Code of 2014 and the BNBC 2015. The new Grade 80 is available under the Brand name **Maxima**.

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

C. New Products & Services:

a) Xtreme B500DWR:

In pursuit to our continuous quest for research and innovation, we brought another product "XTREME B500DWR" which fully conforms to BDS ISO 6935-2:2016. Grade B500DWR also Conforms B500C of BS 4449:2005 and Fe 500S of IS 1786:2008 – British Standard and Indian Standard respectively.

The new Grade B500DWR has a minimum Tensile Strength to Yield Strength (T/Y) Ratio: 1.25

The product complies with the provisions of the Bangladesh National Building Code (BNBC).

FEATURES OF XTREME B500DWR:

- Increases ductility and safety

- Reduces the chance of sudden collapse of the structure
- High strength steel
- Ensures the highest Elongation at Maximum Force (EMF)
- Suitable for all seismic zones of Bangladesh as per BNBC (Bangladesh National Building Code)

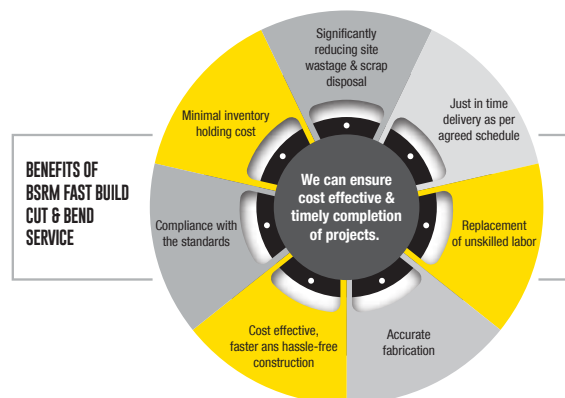
B) BSRM Fast Build

In 2019, BSRM introduced its new Service Center, BSRM Fast Build, to provide customized rebar solutions for all construction related needs. Under this value adding service center, BSRM offers BBS (Bar Bending Schedule) Development, Cut & Bend, and stirrups.

BSRM Fast Build strongly follows the Bangladesh National Building Code and ACI to deliver all these customized rebar solutions. The main purpose of this service is to provide simplified rebar solutions by ensuring compliance with regulations, safe & cost effectiveness.

The Benefits of BSRM Fast Build Service Center:

- Customized length of the rebar & bend them at required angles/hooks/bending diameter in accordance with the project's blueprint.
- "Just in time" as per agreed schedule
- Capable of managing inventories better by reducing material wastage and production costs
- Apart from ensuring aesthetically superior clean and strong bars, which are made available right at the site



BSRM Fast Build Cut & Bend production process involves fully automated world class European machines at BSRM's state of the art factory.

Stirrup is another vital offering from BSRM Fast Build. It is a closed loop of reinforcement bar that is used to hold the main reinforcement bars together in an RCC structure. The Rings/Stirrups are manufactured through automatic & sophisticated machines, using strictest quality control to ensure consistency, quality & accurate dimensions. They are compliant with the Bangladesh National Building Code (BNBC) and ACI.

The country's growing infrastructure regarding new Bridges, Flyovers, and Rail Roads will provide ample scope for this new addition to the BSRM Product and Service line



●
**Building
a Sustainable
Nation**

Gaseous fumes from steel production contain large amounts of extremely harmful suspended solid particles. To tackle this problem, BSRM has implemented Japanese Air Pollution Control (APC) technology that captures the fumes and filters out the solid particles, releasing only clean air with zero dust into the atmosphere. Furthermore, by investing in superior European Water Treatment plant (WTP) in their plants, BSRM is now using recycled processed water with zero water wastage.

Notice of the 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of shareholders of **BSRM Steels Limited** will be held on **Thursday, December 19, 2019 at 9:30 AM** at Shoronika Community Centre, 13 Love Lane, Chattogram to transact the following business and to adopt necessary resolutions:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2019 together with the Directors' Report and the Auditors' Report on those Financial Statements.
2. To re-elect the Director(s) of the Company.
3. To declare and approve Dividend for the year ended June 30, 2019.
4. To appoint Auditors and fix their remuneration.
5. To appoint Professional Accountant to certify on compliance status of Corporate Governance code as per BSEC notification BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3rd June, 2018.
6. To approve the Inter Company loan/ business transactions for the year ended 30th June, 2019 & issue of Corporate Guarantee as per Notification No- SEC/CMMRRCD/2006-159/Admin/02-10, dated: September 10, 2006.

Chattogram
November 07, 2019

By order of the Board



Shekhar Ranjan Kar FCA
General Manager (F&A) and Company Secretary

Notes:

- Shareholders whose name appears in the share register of the company or in the Depository Register as on the **“Record Date”** i.e. **October 27, 2019** are entitled to attend the Annual General Meeting (AGM) and receive the dividend.
- A shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies in his/her stead and forms of proxy must be lodged at the Company's Share Office, Ali Mansion, 1207/1099 Sadarghat Road, Chattogram not later than 48 hours before the AGM.
- Shareholders are requested to update their **12 digit ETIN** information through their respective Depository Participant (DP) before the AGM date.
- The Annual Report 2018-19 and Proxy Form are available at the Company's Website **www.bsrm.com**.
- Annual Report will also be sent to the individual email address of the shareholder's mentioned in their respective BO account.

Corporate & 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. 375.95 Crore

BORAD OF DIRECTORS

Mr. Alihussain Akberali FCA, **Chairman**

Mr. Aameir Alihussain, **Managing Director**

Mr. Zohair Taherali, **Director**

Mrs. Tehseen Zohair Taherali, **Director**

Mr. Gobinda Chandra Paul FCA, **Independent Director**

COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA

AUDIT COMMITTEE

Mr. Gobinda Chandra Paul FCA, **Chairman**

Mr. Aameir Alihussain, **Member**

Mr. Zohair Taherali, **Member**

Mr. Shekhar Ranjan Kar FCA, **Secretary**

NOMINATION & REMUNERATION COMMITTEE (NRC)

Mr. Gobinda Chandra Paul FCA, **Chairman**

Mr. Aameir Alihussain, **Member**

Mr. Zohair Taherali, **Member**

Mr. Shekhar Ranjan Kar FCA, **Secretary**

MANAGEMENT COMMITTEE

Mr. Tapan Sengupta, Deputy Managing Director

Mr. Kazi Anwar Ahmed, GM Corporate Affairs & Dhaka

Corporate Office

Mr. Sunil Kumar Das, General Manager India Office

Mr. Shekhar Ranjan Kar FCA, GM Finance & Accounts and

Company Secretary

Mr. Jamil Ahmed, General Manager Human Resources

Mr. Mohammad Imtiaz Uddin Chowdhury, DGM Sales & Marketing

Mr. Sanjoy Kumar Ghosh, Senior Manager Supply Chain Management

AUDITOR

A. Qasem & Co.

Chartered Accountants

Faruk Mahal (3rd Floor) 93, Agrabad C/A, Chattogram.

LOCATIONS

ROLLING PLANT:

4, Fouzderhat Industrial Estate Chattogram,

Tel: +88(031) 2770192-3

MELTING PLANT 1:

202-205, Nasirabad Industrial Estate, Baizid Bostami Road,

Chattogram.

Tel: +88-031-2581361-3

MELTING PLANT 2:

Khilmurari, Zorawarjonj, Mirsarai, Chattogram.

Phn - 01959-904160

CORPORATE OFFICE

Ali Mansion 1207/1099, Sadarghat Road

Chattogram, Bangladesh.

Tel: +880 31 2854901-10

Email: mail@bsrm.com

Web: www.bsrm.com

Corporate & Contact Information

DHAKA CORPORATE OFFICE

Nasir Uddin Tower, 4th Floor
Bir Uttam Samsul Alam Road
104/1 Kakrail, Dhaka-1000.
Tel: 88 02 8300591-595,
Fax: 88 02 8300590
Email: dhaka@bsrm.com

UTTARA OFFICE

H-14, Road-6, Sector: 1,
Uttara Model Town, Dhaka.
Tel: 02-8957027, 8958029
Fax # 02-8956496

REGIONAL OFFICES:

Sylhet

Jhormar Par Road Kumar Para, Sylhet.
Tel: 0821-721239, 01714080514
Email: sylhet@bsrm.com

Bogra

Tin Matha Rail Gate (near to North Bengal Petrol Pump),
Puran Bogra, Bogra.
Tel: 051-60792, 01711-795148
E-mail: bogra@bsrm.com

Comilla

Chandrima Super Market,
Airport Road (Near to EPZ Main Gate), Comilla.
Tel: 081-71988, 01714-080544
E-mail: comilla@bsrm.com

Khulna

Naushin Tower (3rd Floor)
11, KDA Avenue, Khulna
Tel: +88-041-733753
E-mail: khulna@bsrm.com

Barishal

Shohid Mukhtojoddha ADC Kazi Azizul Islam Sarak,
(30 go-down road), South Alekanda, Barishal.
Tel: 0431-2177518; 01755-545910

Narayangonj

Jungal, Barpara, Bandar, Narayangonj.
Tel: 044-76001557; 01730-313123

Rajshahi

235/2 Alupatti Ghoramara;
Boalia; Rajshahi.
Tel: 01755-538353, 01730-087537

Rangpur

House # 71/01, Road #2,
Islambag, RK Road
Rangpur.Tel: 01711-795148, 01730-784821

Benapole

50 Kagojpukur Benapole Port, Sharsa,
Jessore.Tel: 01730-703045

Mirsharai

Sonaphar, Zorargonj, Mirsarai, Chattogram.

Mymensingh

Dag No 109, Mouja-Chorkhai, Jamtali, Charkhai Sadar,
Mymensingh.

Cox's Bazar

S.K Tower, 2nd floor, Taraboinarchora Khurushkul Road,
Cox's Bazar.

Gazipur

Bagdad Tanzania Tower
3rd Floor, Tangail Road,
Chandona Chowrasta, Gazipur
Mobile: 01714105052, 01755545711

Narshingdi

Ripon Tower (1st Floor)
House # 492, Titas Gas Office Road,
Chinishpur, Narsingdi.
Mobile: 01713108206

Board of Directors

Standing from left:

Mr. Zohair Taherali & Mrs. Tehseen Zohair Taherali

Sitting from left:

Mr. Gobinda Chandra Paul FCA, Mr. Alihussain Akberali FCA & Mr. Aameir Alihussain



Board of Directors

Mr. Alihussain Akberali FCA Chairman

Mr. Alihussain Akberali, FCA is a Company Director since 1980. He was born in 1949 as 3rd son of Late Akberali Alibhai Africawala the pioneers of the steel industry in Bangladesh.

Mr. Alihussain Akberali is an experienced industrialist and an entrepreneur who is always eager to harness any unexploited opportunity in the industry. He was recognized as CIP (Commercially Important Person) in the large scale industry category for a number of times. He is a Qualified Chartered Accountant and a fellow member of the Institute of Chartered Accountants of Bangladesh.

Mr. Alihussain and his family were recognized by National Board of Revenue (NBR) as 'Kar Bahadur' in 2016-2017 for paying highest tax to the national exchequer.

He has been actively participating in various social activities like Rotary Club, Ma O Shishu Hospital, Chirayata Shanti Society, Patient Welfare Committee of Chittagong Medical College and Hospital etc. He is the founder of a School at Nasirabad, Chattogram which imparts free education to more than 570 underprivileged students.

Mr. Aameir Alihussain Managing Director

Mr. Aameir Alihussain, the only son of Mr. Alihussain Akberali FCA and Mrs. Bilkis Alihussain was born in 1975. He completed his graduation in Economics from McGill University, Canada and received MBA from renowned LUMS University. He has joined the family business in 2001 with an aim to set high industry standards for the performance of the Company. He is actively in supporting the operation of the Company as Managing Director. He has introduced modern management practices in the Company and continuously instilling a team spirit in the industry. He was recognized as CIP (Commercially Important Person) in the large scale industry category.

He has also been recognized as CIP (Commercially Important Person) for the year 2017 under the 'Product Export & Trade' category.

Mr. Aameir was recognized as the highest taxpayer in Chattogram District for the year 2014-15 and 2015-16 by the National Board of Revenue (NBR).

In addition to his corporate activities, he is also involved in various social activities.

Mr. Zohair Taherali Director

Mr. Zohair Taherali was born in 1963. He is the son of late Taherali Alibhai Africawala who was a founding Director of BSRM.

He is a commerce graduate and joined the Company in 1988. He has been playing an important role for the Company's growth. As the Director of Finance, he is undertaking the responsibility for the management of Financial and Administrative aspects of the Company. He is also a member of the Audit Committee of the Company.

Mr Zohair Taherali and his family were recognized by National Board of Revenue (NBR) as 'Kar Bahadur' in 2016-2017 for paying highest tax in national exchequer.

Board of Directors

Mrs. Tehseen Zohair Taherali Director

Mrs. Tehseen Zohair Taherali was born in 1970. She completed her Bachelor of Arts and Bachelor of English Language Teaching from Chattogram Bangladesh. She was recognized as highest tax payer in 2015-2016 under women entrepreneur category in Chattogram.

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

Mr. Gobinda Chandra Paul FCA Independent Director

The Independent Director of BSRM Steels Limited was born in 1951. He possesses more than 3 decades of experience in internal & external audit and assurance, developing internal control, Tax and VAT matters. He is a qualified Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). Currently, he is a Managing Partner of the reputed Chartered Accountancy firm -Basu Banerjee Nath & Co. He is also the Chairman of the Audit Committee and Nomination & Remuneration 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	Mr. Gobinda Chandra Paul FCA
Bangladesh Steel Re-Rolling Mills Limited	Chairman	Managing Director	Director	---	---
BSRM Wires Limited	Managing Director	Director	Chairman	Director	---
BSRM Recycling Industries Limited	Managing Director	Director	Chairman	Director	---
Chittagong Power Company Ltd.	Chairman & Managing Director	Director	Director	---	---
Bangladesh Steels Limited	Director	Managing Director	Chairman	Director	---
East Bengal Trading & Industrial Corporation Limited	Director	Managing Director	Chairman	Director	---
BSRM Ispat Limited	Director	Managing Director	Chairman	Director	---
BSRM Steel Mills Limited	Chairman	Managing Director	Director	Director	---
BSRM Logistics Limited	Chairman	Director	Managing Director	---	---
BSRM Real Estates Limited	Chairman	Managing Director	Director	Director	---
BSRM Metals Limited	Chairman	Managing Director	Director	Director	---
H. Akberali & Co. Limited	Chairman & Managing Director	Director	Director	Director	---
Karnafully Engineering Works Limited	Chairman	Director	Managing Director	Director	---
Section Steel Industries Limited	Managing Director	Chairman	---	---	---
Arco Industries Limited	Director	Director	Managing Director	Director	---
BSRM (Hong Kong) Limited	---	Director	Director	---	---

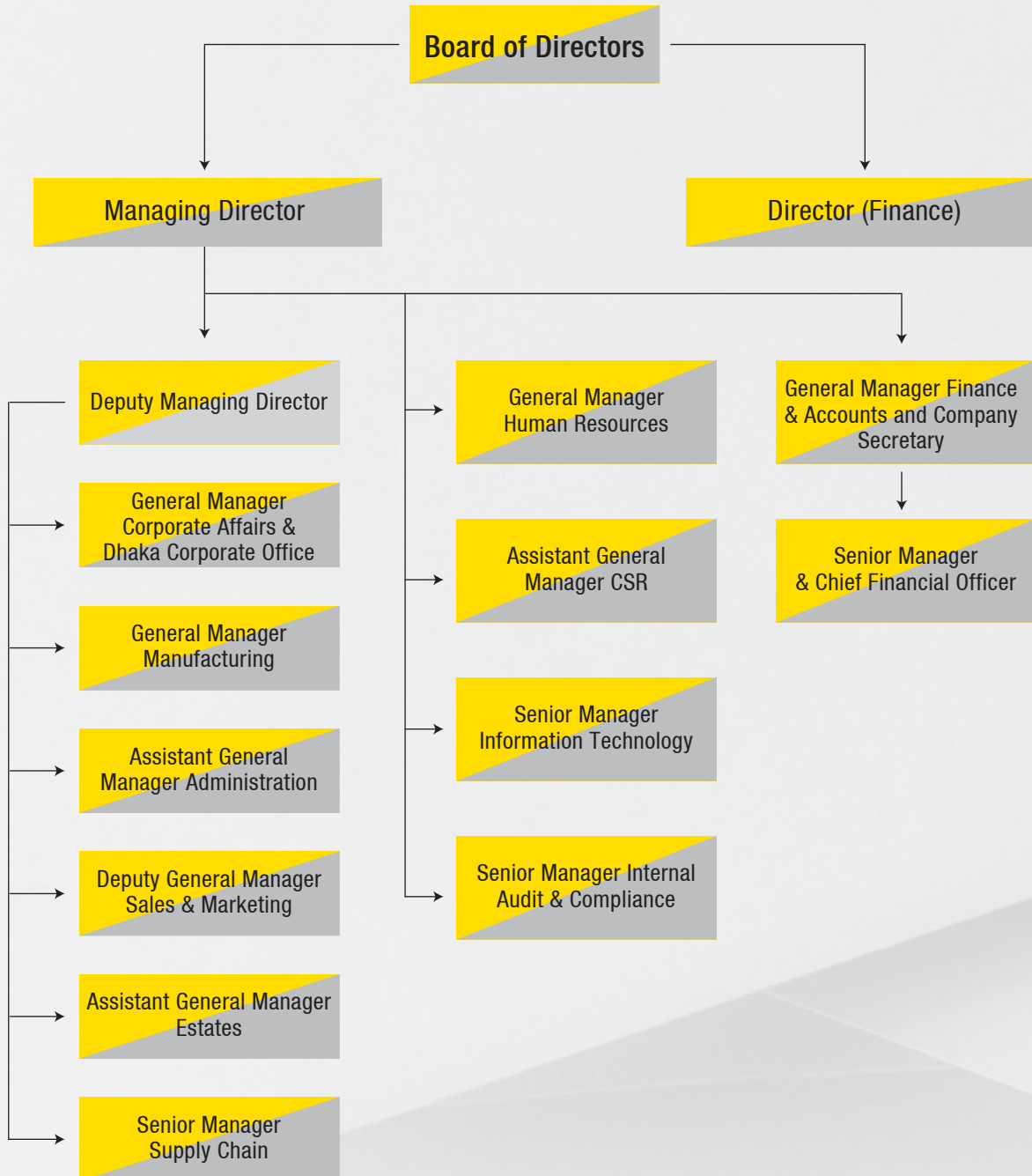
Key Management

• Tapan Sengupta, Deputy Managing Director
• Hasan Zafar Chowdhury, Chief Strategic Project Officer
• Shekhar Ranjan Kar FCA, General Manager Finance & Accounts and Company Secretary
• Kazi Anwar Ahmed, General Manager Corporate Affairs & Dhaka Corporate Office
• Sunil Kumar Das, General Manager India Office
• Jamil Ahmed, General Manager Human Resources
• Md. Azizul Haque, General Manager Manufacturing
• Bipin Sharma, General Manager QMCI & Risk Management
• Mohinder Singh Hanspal, General Manager Rolling
• Bharat Tank, General Manager Recycling & Melting
• A. F. M. Mizanur Rahman, General Manager Plant Operation BSRM Steels Limited-Rolling
• Jasim Uddin Ahmed, General Manager Business Projects
• Mohammad Imtiaz Uddin Chowdhury, Deputy General Manager Sales & Marketing
• Mohammed Reazul Kabir FCA, Assistant General Manager & Chief Financial Officer
• Ruhi Murshid Ahmed, Assistant General Manager CSR
• A. K. M. Saifuddin Khan, Assistant General Manager Administration
• Md. Bazal Ahmed, Assistant General Manager Estates
• Mohammad Monir Hossain, Assistant General Manager Corporate Strategy & Projects
• Md. Hafazatur Rahman, Assistant General Manager Plant Operation BSRM Steels Limited –Melting 2
• Md. Moklesur Rahman Akhtar FCMA, Senior Manager & Chief Financial Officer
• Muhammad Ashiqur Rahman FCA, Senior Manager Finance & Accounts
• Md. Zahir Uddin, Senior Manager Plant Operation-BSRM Steels Limited –Melting 1
• Mohammed Tamim Wahid Al-Helal, Senior Manager Information Technology
• Sanjoy Kumar Ghosh, Senior Manager Supply Chain Management
• Murtaza Zoher Bengali, Senior Manager Internal Audit & Compliance

ADVISERS

• Moize Hussain, Adviser
• M. Firoze, Adviser Marketing & Product Development
• Tapan K. Poddar FCA, FCMA, Financial Consultant

Corporate Structure



Mr. Alihussain Akberali FCA Chairman



Message from the Chairman

Assalamualikum

My Dear Shareholders, Members of the Board, Distinguished Guests, Ladies & Gentlemen

It is a great honour and privilege for me to address all of you on behalf of the Board of Directors and I am delighted to welcome all the shareholders to the 17th Annual General Meeting of your Company. Your presence in this important meeting is a testimony of your strong support and faith in us and this inspires us to achieve newer milestones of success.

Financial Performance:

I take this opportunity to share the Company's performance in the fiscal year 2018-19 by presenting the following operational and financial results of the company:

Particulars	Unit	July'18 to June'19	July'17 to June'18
Production	M. ton	758,405	727,034
Sales	M. ton	756,820	710,995
Capacity utilization	%	108%	104%
Revenue	BDT Million	61,060	48,290
Gross Profit	BDT Million	5,052	4,879
Net Profit after Tax	BDT Million	1,728	1,801
Final Dividend Declared		25% Cash	10% Stock & 10% Cash

All the indicators mentioned above shows that the Company is progressing and doing well. We hope it will perform even better in the years to come.

Bangladesh Economy:

The steel industry plays a fundamental role in not only driving economic growth, but also other complementary industries such as transportation, energy, heavy engineering and construction. The economic growth of Bangladesh remains strong in FY 2018-19. Bangladesh's economy grew 8% in the fiscal year 2018-2019 with industry growth @ 11%. Considering the government's lofty goals of achieving double digit growth in the economy, measures being adopted to better facilitate the ease of doing business and initiating several infrastructure mega projects, establishment of economic zones and incentives for foreign investment, the macroeconomic factors to stimulate growth look bright. Given all these measure with a growing capacity of producers and technological enhancement of operations currently being undertaken, the steel industry in Bangladesh looks to be strong in the next fiscal years.

Sustainability:

At BSRM Steels Limited, as usual, we will remain vigilant in controlling our costs to protect profitability while investing in attractive opportunities for profitable growth. We are also focused on creating a more sustainable business that our shareholders are proud to own, on the back of reinforcing our status as a sustainable consumption proxy in a country that is poised to achieve a multi-decade economic growth that is among the highest not just in Asia but in the world. We are taking care of our people, products, operations and communities that actively support our growth, improve employee engagement, address our major risks and compliance requirements and those are important to our shareholders, customers and suppliers. We offer competitive price for our products for sustainability and growth of the Company. Our new billet producing plant under this Company has started its journey with a capacity of 4,30,000 M.Ton. We have completed this project within our target time. Government needs to support private sector-led investment and a more efficient allocation of resources, aided by sound microeconomic management and financial stability.

Social Welfare:

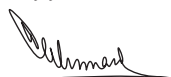
The group has a separate wing to follow up and coordinate CSR related activities. CSR programs or projects are usually continuous in nature with focus areas: education, health, water, livelihood and conservation of nature. Amongst other projects, we did the following CSR activities/ programs in the financial year 2018-2019:

- School Children milk program (SCMP), Gaibandha.
- BSRM Tree Plantation (BTP), Bangladesh.
- Genius Scholarship Program, Bangladesh.
- BSRM Uttaran Water Project, Satkhira, Sylhet, Barisal, Mongla, Fulchar, Gaibandah, Kurigram.
- Keep Smiling, Cleft lip / Palate Kids – Sylhet.

As a vibrant institution operating in a dynamic environment, our Company is changing every day. Embracing change is never an easy process and we deeply appreciate the commitment evident at every level.

I am also grateful for the support and insight of my fellow Board members and the dedication of the executive team and ever energetic staffs, work force and security staffs. Furthermore, willing engagement from key stakeholders, particularly all levels of government and industry bodies, is especially valuable. We also sincerely thank our shareholders, bankers, suppliers, customers for their continued support and their confidence in our ability to execute our strategy for long-term value creation. I look forward to their continued support and co-operation. I thank you all for attending today's Annual General Meeting of the Company.

Sincerely yours,



Alihussain Akberali FCA
Chairman

চেয়ারম্যান-এর বার্তা

আমার প্রিয় শেয়ারহোল্ডারগণ, বোর্ডের সদস্যগণ, বিশিষ্ট অতিথিবৃন্দ, এবং উপস্থিত সকলকে আসসালামু আলাইকুম।

পরিচালনা পর্ষদের পক্ষ থেকে আপনাদের সবার সামনে বক্তব্য রাখতে পেরে আমি অত্যন্ত সম্মানিত বোধ করছি এবং ১৭তম বার্ষিক সাধারণ সভায় সকল শেয়ারহোল্ডারকে স্বাগত জানাতে পেরে আমি আনন্দিত। এই গুরুত্বপূর্ণ সভায় আপনাদের উপস্থিতি, আমাদের প্রতি আপনাদের দৃঢ় সমর্থন এবং বিশ্বাসের সাক্ষ্য দেয় এবং এটি আমাদের সাফল্যের নতুন মাইলফলক অর্জনের চেষ্টায় অনুপ্রাণিত করে।

আর্থিক মূল্যায়ন:

আমি এই সুযোগটিকে কাজে লাগিয়ে আপনাদের সামনে নিম্নবর্ণিত অপারেশনাল এবং আর্থিক ফলাফল উপস্থাপন করতে চাই যেন আপনারা ২০১৮-১৯ অর্থবছরের জন্য কোম্পানির আর্থিক মূল্যায়ন করতে পারেন:

বিবরণ	ইউনিট	জুলাই'১৮ থেকে জুন'১৯	জুলাই'১৭ থেকে জুন'১৮
উৎপাদন	মেট্রিক টন	৭৫৮,৪০৫	৭২৭,০৩৪
বিক্রয়	মেট্রিক টন	৭৫৬,৮২০	৭১০,৯৯৫
ব্যবহৃত উৎপাদন ক্ষমতা	%	১০৮%	১০৪%
আয়	টাকা-মিলিয়নে	৬১,০৬০	৪৮,২৯০
মোট মুনাফা	টাকা-মিলিয়নে	৫,০৫২	৪,৮৭৯
কর বাদ মুনাফা	টাকা-মিলিয়নে	১,৭২৮	১,৮০১
ঘোষিত লভ্যাংশ		২৫% নগদ	১০% স্টক এবং ১০% নগদ

উল্লিখিত সমস্ত সূচক দেখায় যে কোম্পানি উন্নতি করছে এবং ভাল করছে। আমরা আশা করি এটি আগামী বছরগুলিতে আরও ভাল করবে।

বাংলাদেশের অর্থনীতি

ইস্পাত শিল্প কেবলমাত্র অর্থনৈতিক প্রবৃদ্ধিতে নয়, অন্যান্য পরিপূরক শিল্প যেমন পরিবহণ, জ্বালানী, ভারী প্রকৌশল ও নির্মাণের ক্ষেত্রেও গুরুত্বপূর্ণ ভূমিকা পালন করে। ২০১৮-১৯ অর্থবছরেও বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধি শক্তিশালী রয়েছে। ২০১৮-২০১৯ অর্থবছরে বাংলাদেশের অর্থনৈতিক প্রবৃদ্ধি ৮.০০% এবং শিল্পের প্রবৃদ্ধি ১১%। সরকারের অর্থনীতিতে দুই অঙ্কের প্রবৃদ্ধি অর্জনের লক্ষ্য বিবেচনা করে, ব্যবসার প্রক্রিয়া সহজতর করার ব্যবস্থা গ্রহণ এবং বিভিন্ন বৃহৎ কাঠামোগত প্রকল্পের সূচনা, অর্থনৈতিক অঞ্চল প্রতিষ্ঠা এবং বৈদেশিক বিনিয়োগের জন্য উৎসাহ বৃদ্ধির মত সামষ্টিক অর্থনৈতিক উপাদানগুলো প্রবৃদ্ধির উজ্জ্বল চিত্র তুলে ধরে। এই সমস্ত ব্যবস্থার সাথে নির্মাতাদের ক্রমবর্ধমান উৎপাদন ক্ষমতা এবং বর্তমানে পরিচালিত অপারেশনগুলোর প্রযুক্তিগত বর্ধন যোগ করলে, আগামী অর্থবছরে বাংলাদেশের ইস্পাত শিল্প আরও শক্তিশালী হবে বলে আশা করা যায়।

সাস্টেইনেবিলিটি:

বিএসআরএম স্টিলস লিমিটেড-এ আমরা যথারীতি সক্রিয়ভাবে ব্যয় নিয়ন্ত্রণ এবং আকর্ষণীয় প্রকল্পে বিনিয়োগের মাধ্যমে লাভজনক প্রবৃদ্ধি নিশ্চিত করার লক্ষ্যে কাজ করে যাচ্ছি। বিশ্ব অর্থনীতিতে আগামী কয়েক দশক ধরে যে দেশগুলো সর্বাধিক প্রবৃদ্ধি লাভ করবে তাদের একটিতে আমরা টেকসই ব্যবহারের প্রতিনিধি হিসেবে আমাদের অবস্থান আরও জোরদার করেছি এবং ব্যবসার আরও টেকসই একটি প্ল্যাটফর্ম তৈরি করায় মনোনিবেশ করেছি, যার মালিক হিসেবে আমাদের শেয়ারহোল্ডাররা গর্বিত হবেন। আমরা আমাদের জনশক্তি, পণ্য, অপারেশন ও আমাদের বিকাশে সক্রিয়ভাবে সমর্থনকারী সম্প্রদায়গুলির যত্ন নিচ্ছি, কর্মচারীদের কাজের মনোনিবেশ বাড়িচ্ছি, এবং আমাদের মুখ্য ঝুঁকি হ্রাসে বিধিমালা মেনে চলছি যা আমাদের শেয়ারহোল্ডার, গ্রাহক এবং সরবরাহকারীদের জন্য গুরুত্বপূর্ণ। আমরা আমাদের কোম্পানির ধারাবাহিক উন্নয়নের জন্য পণ্যের দাম বরাবরই প্রতিযোগিতামূলক রাখি। এই কোম্পানির অধীনে আমাদের নতুন বিলেট প্ল্যান্ট ৪৩০,০০০ মেট্রিক টন ক্ষমতা নিয়ে যাত্রা শুরু করেছে। আমরা এই প্রকল্পটি নির্ধারিত সময়ের মধ্যে সম্পন্ন করেছি। আমরা সরকারকে, ব্যষ্টিক অর্থনীতির যথাযথ ব্যবস্থাপনা এবং আর্থিক স্থিতিশীলতার সহায়তায়, বেসরকারী খাতের নেতৃত্বাধীন বিনিয়োগকে সমর্থন এবং সম্পদের আরও কার্যকর বরাদ্দ নিশ্চিত করার জন্য অনুরোধ করছি।

সমাজ কল্যাণ:

সিএসআর সম্পর্কিত কার্যক্রম অনুসরণ এবং সমন্বয় করার জন্য গ্রুপের একটি পৃথক শাখা রয়েছে। সিএসআর প্রোগ্রাম বা প্রকল্পগুলি সাধারণত ধারাবাহিক হয় এবং শিক্ষা, স্বাস্থ্য, জল, জীবিকা এবং প্রকৃতির সংরক্ষণ সম্পর্কিত বিষয়ে করা হয়। ২০১৮-১৯ অর্থবছরে অন্যান্য প্রকল্পের সাথে আমরা নিম্নলিখিত সিএসআর কার্যক্রম / প্রোগ্রামগুলি করেছি:

- স্কুল শিশুদের জন্য দুধ কর্মসূচি (এসসিএমপি), গাইবান্ধা।
- বিএসআরএম ট্রি প্ল্যান্টেশন (বিটিপি), বাংলাদেশ।
- জিনিয়াস স্কলারশিপ প্রোগ্রাম, বাংলাদেশ।
- বিএসআরএম উত্তরণ জল প্রকল্প, সাতক্ষীরা, সিলেট, বরিশাল, মংলা, ফুলচর, গাইবান্ধা, কুড়িগ্রাম।
- কিপ স্মাইলিং, ঠোঁট কাটা / তালু কাটা শিশু - সিলেট।

আমরা একটি প্রগতিশীল পরিবেশে, একটি প্রাণবন্ত প্রতিষ্ঠান হিসেবে কাজ করে যাচ্ছি বলে, আমাদের কোম্পানি প্রতিনিয়তই পরিবর্তিত হচ্ছে। এই পরিবর্তনের সাথে তাল মিলিয়ে চলা যে একটি কঠিন প্রক্রিয়া তা আমরা জানি ফলে প্রতিটি স্তর থেকে আমরা এর জন্য যে সমর্থন পাচ্ছি তা আমাদের কাছে অনেক মূল্যবান।

আমি বোর্ডের সকল সদস্যের সমর্থন ও পরামর্শ, নির্বাহী দলের নিষ্ঠা, কর্মচারী ও সুদক্ষ কর্মীদের নিরলসতার জন্য অত্যন্ত কৃতজ্ঞ। তদুপরি, প্রধান স্টেকহোল্ডারদের, বিশেষত সরকারী ও শিল্প সংস্থাগুলির সকল স্তরের সহযোগিতা বিশেষভাবে মূল্যবান। আমরা আমাদের শেয়ারহোল্ডার, ব্যাংকার, সরবরাহকারীগণ, গ্রাহকদের তাদের অব্যাহত সহায়তার জন্য এবং আমাদের দীর্ঘমেয়াদী মূল্য তৈরির কৌশলটি কার্যকর করার ক্ষমতায় বিশ্বাসের জন্য আন্তরিকভাবে ধন্যবাদ জানাই। ভবিষ্যতেও আমি তাদের অব্যাহত সমর্থন এবং সহযোগিতা প্রত্যাশা করছি। আজকের বার্ষিক সাধারণ সভায় অংশ নেওয়ার জন্য আপনাদের সবাইকে অসংখ্য ধন্যবাদ জানাচ্ছি।

আন্তরিকভাবে আপনাদের,



আলীহোসাইন আকবরআলি এফসিএ
চেয়ারম্যান

Mr. Aameir Alihussain Managing Director



Managing Director's Round Up

Dear Fellow Shareholders, Ladies and Gentlemen:

I am delighted to welcome you all to the 17th Annual General Meeting of the Company. We have posted our annual report in web site www.bsrm.com for your review.

To begin with, I would like to recap the performance highlights of 2018-19. The performance of BSRM Steels Limited has been quite satisfactory. I am pleased to report that the Company has made Tk. 1.728 Billion profit this year. Sales stood Tk. 61,060 million and EPS stood Tk. 4.60. We sold 756,820 M. Ton of our products against our budgeted sales of 750,000 M. Ton.

I would like to draw the attention of all our fellow shareholders that this performance in 2018-19 was profoundly impressive considering the present economy of Bangladesh.

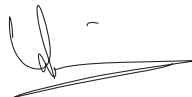
Moreover, fiscal year 2018-2019 was an important milestone for BSRM Steels Limited as the new billet producing plant under your company started its journey. From now, we shall have no external dependency for billets, which will help us to mitigate the risk of volatility of raw material procurement from the international market. We are also beginning the revamping phase of our rolling unit and it will help to increase our MS rod productivity further.

Bangladesh has the unique advantage of being home to a young and aspirational population. This has led to high growth which would drive sustained demand for industries such as steel. Further new economic zones will also create huge demand of steel and other construction materials. Our company is well positioned to capitalize on the opportunities and deliver strong results.

In terms of economic performance, this year Bangladesh was in top position amongst its global peers and the future promises significant growth. During this year, there were several structural reforms implemented in the country including enactment of Value added Tax and Supplementary Duty Act 2012 amongst others. These structural initiatives are important for enhancing the country's future competitiveness. The World Bank, global bilateral institution, expects that Bangladesh will grow at an average of 8.00% a year over the fiscal years of 2019-2020. A number of medium and large scale infrastructure projects are in progress to reach this goal. Responding to this, we are going to increase our sales centers to put our footprint all over Bangladesh.

The trust and confidence of our stakeholders, our valued shareholders, has been the vital fuel in our innovative and continuous journey of steady growth and improvement. I feel proud to thank each one of you, customers, employees, partners, shareholders, suppliers, lenders, regulators, BSEC, DSE, CSE and community at large for continued support.

Thanking you,



Aameir Alihussain
Managing Director

ব্যবস্থাপনা
পরিচালকের
পক্ষ থেকে

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আপনাদের সবাইকে আমাদের কোম্পানির ১৭তম বার্ষিক সাধারণ সভায় স্বাগত জানাতে পেরে আমি আনন্দিত। আমরা আমাদের বার্ষিক প্রতিবেদন www.bsrm.com এই ওয়েব সাইটে পোস্ট করেছি যেন আপনারা তা পর্যালোচনা করতে পারেন।

শুরুতেই বলতে চাই, ২০১৮-১৯ অর্থবছরে, বিএসআরএম স্টিলস লিমিটেড-এর কার্যক্রম অত্যন্ত সন্তোষজনক ছিলো। আমি আনন্দের সঙ্গে জানাচ্ছি যে, এই অর্থবছরে কোম্পানি সর্বমোট ১.৭২৮ বিলিয়ন টাকা মুনাফা করেছে। সর্বমোট বিক্রয় হয়েছে ৬১,০৬০ মিলিয়ন টাকার ও ইপিএস দাঁড়িয়েছে ৪.৬০ টাকায়। আমরা সর্বমোট ৭৫৬,৮২০ মেট্রিক টন পণ্য বিক্রয় করেছি যেখানে আমাদের লক্ষ্যমাত্রা ছিলো ৭৫০,০০০ মেট্রিক টনের।

আমি আমাদের শেয়ারহোল্ডারদের দৃষ্টি আকর্ষণ করে বলতে চাই যে, বাংলাদেশের বর্তমান অর্থনৈতিক অবস্থায়, ২০১৮-১৯ সালের ফলাফল সন্তোষজনক ছিলো।

তদুপরি, বিএসআরএম স্টিলস লিমিটেডের জন্য ২০১৮-২০১৯ অর্থবছর একটি গুরুত্বপূর্ণ মাইলফলক ছিল কারণ আপনাদের কোম্পানির অধীনে নতুন বিল্ট উৎপাদনকারী প্ল্যান্ট যাত্রা শুরু করেছে। এখন থেকে বিল্ট উৎপাদনের জন্য আমাদের আর বাইরের কারও কাছে নির্ভরশীল হতে হবে না, ফলে আন্তর্জাতিক বাজার থেকে কাঁচামাল ক্রয় সম্পর্কিত ঝুঁকি কমে যাবে। একইসাথে এমএস রড-এর উৎপাদন বৃদ্ধির লক্ষ্যে আমরা আমাদের রোলিং ইউনিটকে চেলে সাজাচ্ছি।

বাংলাদেশ বিদ্যমান তরুণ এবং উচ্চাকাঙ্ক্ষী মানুষের জন্য একটি অনন্য সুযোগ। কারণ এদের প্রভাবে প্রবৃদ্ধি বাড়ছে যা ইম্পাতসহ বহু শিল্পের চাহিদা বাড়িয়ে চলেছে। এছাড়াও নতুন অর্থনৈতিক অঞ্চলের সৃষ্টি ইম্পাত ও অন্যান্য নির্মাণ সামগ্রির ব্যাপক চাহিদা সৃষ্টি করবে। এই সুযোগগুলোকে কাজে লাগিয়ে আরও এগিয়ে যেতে আমাদের কোম্পানি পুরোপুরিভাবে প্রস্তুত।

অর্থনৈতিক অর্জনের দিক থেকে, এই বছর বাংলাদেশ বিশ্বব্যাপী তার সমকক্ষদের মধ্যে শীর্ষ অবস্থানে ছিল এবং ভবিষ্যতে উল্লেখযোগ্য প্রবৃদ্ধির প্রত্যাশা করা হচ্ছে। এ বছর দেশে বেশ কয়েকটি কাঠামোগত সংস্কার বাস্তবায়ন করা হয়েছে যার মধ্যে মূল্য সংযোজন কর এবং সম্পূরক শুল্ক আইন ২০১২ অন্যতম। ভবিষ্যতে দেশের প্রতিযোগিতায় টিকে থাকা নিশ্চিত করতে এই কাঠামোগত উদ্যোগগুলো প্রয়োজন। বৈশ্বিক অর্থনৈতিক প্রতিষ্ঠান, বিশ্বব্যাংক, আশা করে যে, ২০১৯-২০২০ অর্থবছরে বাংলাদেশের গড়ে ৮.০০% হারে প্রবৃদ্ধি হবে। এই লক্ষ্যে পৌঁছানোর জন্য বেশ কয়েকটি মাঝারি ও বৃহৎ আকারের অবকাঠামোগত প্রকল্প চলছে। ফলশ্রুতিতে, আমরা সারা বাংলাদেশ জুড়ে আমাদের পদচিহ্ন রাখার জন্য বিক্রয়কেন্দ্রের সংখ্যা বৃদ্ধি করছি।

আমাদের স্টেকহোল্ডারদের এবং মূল্যবান শেয়ারহোল্ডারদের আস্থা ও বিশ্বাস, প্রবৃদ্ধি ও উন্নতির লক্ষ্যে আমাদের বিরামহীন যাত্রার জ্বালানী হিসেবে কাজ করে। আমি আমাদের গ্রাহক, কর্মকর্তা-কর্মচারী, অংশীদার, শেয়ারহোল্ডার, সরবরাহকারী, ঋণদানকারী, নিয়ন্ত্রক, ডিএসই, সিএসই, বিএসইসি এবং সমাজের সকলকে তাদের অব্যাহত সহযোগিতার জন্য বিনীতভাবে ধন্যবাদ জানাই।

ধন্যবাদ,



আমীর আলীহোসাইন
ব্যবস্থাপনা পরিচালক



Setting Standards for the Nation

BSRM has invested in the most innovative and latest European technology of Quenched Turbo Bar or QTB, in short. The QTB thermal processing ensures not only uniform high strength but high ductility as well. The unique QTB processing of steel ensures exquisite control of all the production equipment and processes, which is assured in BSRM by using the most advanced, state-of-the-art automation. This results in the most uniform metallurgical properties of the steel with the precise desired mechanical properties.

In addition, BSRM ensures that all its steel products conform to the very demanding Cyclic Load reversal testing regimen of international steel standards.



Directors' Report

Dear Shareholders

Assalamualikum.

Your Directors take pleasure in presenting audited financial Report on the business and operations of your Company for the year ended June 30, 2019. I am glad to welcome you all at the 17th Annual General Meeting (AGM) of BSRM Steels Limited. This report has been prepared in compliance with the Companies Act 1994 and Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018.

Review of 2018-19: Industry out Look and Possible future development:

According to the International Monetary Fund ('IMF'), global economic growth is expected to decline to 3.3% in 2019. But improved momentum for emerging market and developing economies is projected to continue up to 2020. The outlook for South Asia remains broadly positive.

Output growth of Bangladesh accelerated to 7.9 percent in FY 2018-19 from 7.3 percent in FY 2017-18, supported by strong private consumption. In the past few years, inflation has been relatively stable within the 5-6 percent range. Growth is expected to remain strong at around 8.0 percent in FY 2019-20, led by private consumption and investment. Inflation is expected to remain below 6.0 percent. Despite robust economic growth, non-performing loans remain high, particularly in the state-owned commercial banks. Financial sector regulation and supervision need to be further strengthened to improve the health of the banking sector, and the role of the state-owned banks needs to be reassessed. To provide alternative sources of long-term investment financing, improving the business environment and developing a well-functioning domestic capital market is a medium-term priority. Large projects, increasing urbanization, rising living standards and stronger purchasing power have all driven growth in the steel industry. We are continuously supplying our products to all mega projects as under taken by the government.

Operational and Financial Performance:

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

Operational Performance:

Particulars	July'18 to June'19	July'17 to June'18	July'16 to June'17	Jan'16 to Jun'16 (6 months)	2015	2014	2013
Installed Capacity (M. Ton)	700,000	700,000	700,000	700,000	700,000	600,000	600,000
Production (M. Ton)	758,405	727,034	681,061	362,254	602,832	623,918	630,305
Capacity Utilization (%)	108.34	103.90	97.30	103.50	99.50	104.00	105.00
Sales (M. Ton)	756,820	710,995	692,504	373,747	604,513	679,803	601,935

We have set up our plant using state-of-the-art technologies and churn out world-class products. We are working on continuous improvement in our process and management efficiency. As a result, the production efficiency of the mill is very impressive during last couple of years and again we produced more than its installed capacity.

Financial Performance:

Amount in BDT in million

Particulars	July'18 to June'19	July'17 to June'18	July'16 to June'17*	Jan'16 to Jun'16 (6 months)	2015	2014	2013
Sales	61,060.15	48,289.93	37,996.41	17,265.18	32,316.10	38,535.94	36,229.05
Gross Profit	5,051.91	4,879.17	4,557.30	3,114.69	4,368.65	2,807.32	3,250.15
Profit before interest, taxes, WPP & WWF	3,369.05	3,180.65	3,273.60	2,379.86	3,257.93	1,892.83	2,314.39
Less: Interest & WPP & WWF	(1,328.76)	(1,120.19)	(417.23)	(246.38)	(739.29)	(378.95)	(492.82)
Add/(Less): Profit on Bargain Purchase	-	10.2	-	-	-	-	-
Add/(Less): Share of profit/(loss) of associate	297.97	237.88	(225.87)	(18.56)	75.31	(3.2)	497.36
Less: Tax expenses	(610.13)	(507.74)	(655.07)	(801.61)	(512.07)	(424.47)	(625.46)
Net Profit	1,728.13	1,800.80	1,705.41	1,313.32	2,081.88	1,086.21	1,693.47
EPS (Tk.)	4.60	4.79	4.98	3.84	6.09	3.18	4.95

*Information of 2016-2017 shows consolidated financial data.

Revenue from sale of products was higher as compared to the previous year, primarily due to increase volumes. The company has taken good initiative to control Selling & Distribution expense, financial expense and administration expense. Net profit has decreased due to deferred income tax.

Other Financial Performance:

Amount in BDT in million

Particulars	July'18 to June'19	July'17 to June'18	July'16 to June'17	Jan'16 to Jun'16 (6 months)	2015	2014	2013
Paid Up Capital	3,759.53	3,417.75	3,417.75	3,417.75	3,417.75	3,417.75	3,417.75
Shareholders' Equity	20,897.22	12,808.90	11,630.30	9,371.20	9,080.62	7,495.09	6,915.25
Current Liabilities	33,888.18	29,799.38	23,549.73	16,992.84	14,213.79	18,445.30	15,858.17
Non-current Liabilities	11,022.78	3,072.28	2,427.75	2,445.09	1,436.02	1,200.26	1,131.64
Addition to fixed assets & CWIP	5,871.94	2,320.56	1,163.89	83.78	758.16	227.39	296.23
Operating cash flow	(4671.88)	752.33	364.43	3,093.49	5,766.33	(2,995.28)	4,595.39

*Information of 2016-2017 shows consolidated financial data.

The Net Asset Value per share (NAV) of the Company has been increasing consistently which is a very positive sign of growth and prosperity of the Company. In this year the NAV per share Tk. 55.58 which was Tk. 37.48 in previous year. Debt equity ratio has been increased to 61:39 from 67:33 of previous year 2017-2018 and EBITA also has been increased to Tk. 3,939 Million from Tk. 3,644 Million of previous year 2017-2018. Overall financial position of the company is impressive in the income year 2018-2019. During this year all lands of the company have been revalued as per guidance of BSEC and recorded in the books of account of the company as of June 30, 2019.

Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin:**Cost of Goods Sold:**

Amount in BDT in million

Particulars	2018-19	2017-18	Change (%)
Cost of goods sold	56,008	43,411	29

During the year under review, cost of inventories was higher as compared to the previous year due to high rate of MS scrap, Ferro Alloys and other items in international market. High cost of raw material, other alloys and increment of other costs and expenses lead to increase cost of goods sold compared to last year.

Gross Profit Margin

Amount in BDT in million

Particulars	2018-19	2017-18	Change (%)
Gross Profit	5,052	4,879	3.54

The gross profit for year 2018-2019 increased by BDT 172.75 million compared to the last year 2017-2018. During the year 2018-19 Gross Profit Margin was 8.27% which was 10.10% in 2017-18. Percentage of Gross profit margin has decreased as the company had to purchase raw materials M S Billets at higher prices.

Net Profit Margin

Amount in BDT in million

Particulars	2018-19	2017-18	Change (%)
Net Profit	1,728	1,800	(4.04)

Net profit has stood Tk. 1,728.13 Million which was Tk 1,800.77 Million in 2017-18. During the year 2018-19 Net Profit Margin was 2.83% which was 3.73% in 2017-18. Net profit margin has decreased due to high price of raw materials and income tax expense.

Explanation on Significant Deviation between quarterly and annual financial performance:

Particulars	July'18- June'19	Apr'19- Jun'19	Jan'19- Mar'19	Oct'18- Dec'18	July'18 Sept'18
Production (In M. Ton)	758,405	189,774	198,577	200,997	169,058
Sales (BDT in Million)	756,820	172,231	230,860	180,618	173,111
Revenue (BDT in Million)	61,060	15,071	17,280	14,576	14,133
Cost of Sales (BDT in Million)	(56,008)	(13,471)	(16,137)	(13,447)	(12,953)
Gross Profit (BDT in Million)	5,052	1,600	1,143	1,129	1,180
Profit Before Tax (BDT in Million)	2,338	790	496	443	609
Tax Expense (BDT in Million)	(610)	(231)	(116)	(114)	(149)
Profit after Tax (BDT in Million)	1,728	559	380	330	459
EPS (BD Tk.)	4.60	1.49	1.01	0.88	1.22

The sales and profitability of steel industry depends on seasons in Bangladesh and raw material price in international market. Some of the months are the peak season for steel industry. The profitability of that period is always high. Sales of third quarter is high because it was peak period of sales. The price of raw material is high in the second and third quarter. For that reason, EPS is less in those two quarters. EPS in fourth quarter is high due to average decrease in Raw material price.

Operation of Associate Company: BSRM Steel Mills Limited

The Company has invested Tk. 1,000,000,000 in shares of BSRM Steel Mills Limited and holding 25.35% of equity. This associate started its production in June, 2016. Equipped with the world's largest induction furnace, the plant is capable to produce 862,500 M. Ton prime quality billets. The new plant supply us quality billet to produce our product. Some key financial information of this plant is appended below:

Description	Unit	2018-19	2017-18	2016-17	2015-16
Production Qty	MT	913,241	860,543	588,536	121,871
Capacity utilization	%	105.94	99.83	68.28	27.95
Net Profit/(Loss) after Tax	MLN Taka	1,175.31	938.27	(890.93)	(87.47)
EPS	Taka	2.98	2.38	(2.26)	(0.22)
NAV	Taka	34.57	15.63	13.25	15.51

Segment wise or product wise performance:

For management purposes, the company is organized into business units based on its products and has two reportable segments, as follows:

- The M.S Rod segment which produces different graded Rod and sell the same to several dealers, end users, other corporate users, EPZ based companies and India.
- The M.S Billets segment which produces different graded Billets and transfer the same to produce M.S Rod.

Segment information is included in note 3.14 of the Audited Financial Statements.

BSRM Xtreme500W was the first high strength steel in Grade 500 introduced in Bangladesh construction market in 2008. BSRM Xtreme500W rapidly gained market share and is the undisputed market leader in this category. Besides Xtreme500W, the company also manufactures Grade 420D steel to meet the requirements of certain Govt. projects in the power sector. The company has decided to brand the Grade 420D as '**Ultima**'. The Company rolled out new Grade reinforcing steel conforming to the U.S. standard ASTM 706 Grade 80 in the 2016 which is more economical as it will require 20% less steel in construction. The new Grade 80 is marketed under the Brand name '**Maxima**'.

Detailed product wise performances are as follows:

Products	Production (M. Ton)		Sales (M. Ton)	
	2018-19	2017-18	2018-19	2017-18
Xtreme500W	623,076	599,614	617,457	587,670
Others M. S Rod	135,329	127,420	139,363	123,325
M. S Billet	291,991	162,199	233,108	147,676

Risks & Concerns:

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

A summary of the significant risks and the way of managing risks adopted by our company is included in Annexure-1 and Note-43 of the Financial Statements.

Management Discussion & Analysis:

Board of Directors periodically assesses operational & financial performance. A detailed report on discussion is included in Annexure-D.

Certification by the CEO & the CFO:

Declaration or certificate by the CEO & the CFO to the board as required under condition no. 3(3) is included in Annexure-A

Credit Rating:

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

Long Term	Short Term
AA+	ST-2

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

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

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

Board of Directors:

i. Composition and size of the Board:

On 30th June 2019, there were 5 members on the Board, The Board comprises Chairman, Managing Director, two directors and one independent director.

ii. Board Meeting and attendance:

The Board met 7 times during the period from July 01, 2018 to June 30, 2019. 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	7	5
Mr. Aameir Alihussain	Managing Director	7	6
Mr. Zohair Taherali	Director	7	6
Mrs. Tehseen Zohair Taherali	Director	7	5
Mr. Gobinda Chandra Paul FCA	Independent Director	7	6

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

iii. Details of Directors being appointed and re-appointed:

Mr. Aameir Alihussain and Mr. Zohair Taherali will retire by rotation at the conclusion of 17th Annual General Meeting as per section 97 & 98 of the Articles of Association of the Company and being eligible Mr. Aameir Alihussain and Mr. Zohair Taherali, offer them-selves for re-appointment.

iv. A brief resume of the directors and their expertise and names of Companies in which Directors holds the directorship and membership have been disclosed in Board of Directors segment.

Internal Control system:

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

Extra-ordinary gain or loss:

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

Related Party Transactions:

All transactions with related parties have been made on a commercial basis. Details of the related party transactions have been disclosed under note 10 and 20 of the financial statements as per IFRS/BFRS.

Utilization of IPO proceeds and Financial Result after IPO:

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

Remuneration of Directors including Independent Director:

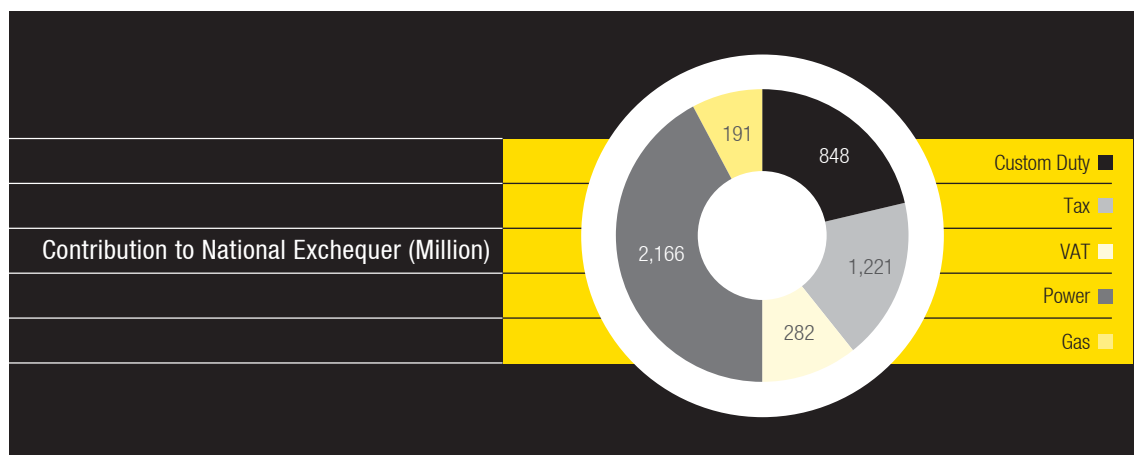
Directors were remunerated as per the decision of the Board and a detailed report of the Directors' Remuneration is included in Annexure-3 and Note 29.01 of Financial Statements.

Dividend:

The Board of Directors has recommended 25% cash dividend per share for the year ended June 30, 2019. The dividend on equity shares, if approved would be paid to those members whose name appears on the register of members as on record date.

Contribution to National Exchequer:

Being a responsible corporate entity, BSRM is paying and facilitating collection of Government's revenue. In 2018-2019, BSRM Steels Limited collected and contributed Tk.4,708 million to the government exchequer as Income Tax, VAT and Duties along with utility bill which is appended below:

**Corporate Social Responsibilities:**

BSRM's commitment to connect business decisions to ethical, social and environmental concerns remains to be one of the strongest foundations of the Company. During 2018-19, your company has been contributing to the welfare of the community, research & development and for protection of environment. Details of CSR have been described in the chapter of Corporate Social Responsibilities in page 83 of this Annual Report.

Award and Recognition:

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

1. National Productivity and Quality Excellence Award-2017
2. National Export Trophy – (BSRM Steels Ltd.) for 2013-14, 2014-15, 2016-17
3. Certificate of admiration from Ministry of Expatriates Welfare and Overseas Employment of Government Republic of Bangladesh at 4th National Development Fair 2018.

4. President's Award for Industrial Development 2014 in the category of Large Scale Industry.
5. Prestigious award for "Excellence in Supply Chain Relationship Management & Logistic Management" from Bangladesh Supply Chain Management Society.
6. ICAB National Awards for Best Presented Annual Reports for the year 2012, 2013, 2015 & Certificate of Merit for the year 2014, 2015.
7. Certificate of Merit from South Asian Federation of Accountants (SAFA) in 2012, 2013 & 2015 – (BSRM Steels Ltd.)
8. ICSB National Gold Award for best Corporate Governance Excellence 2015 – (BSRM Ltd.)
9. Awarded Tax Card from NBR for highest tax payment in 2016 – 2017 (BSRM Steels Ltd.)
10. Best Brand of Bangladesh in Steel Category in 2011, 2013, 2014, 2015, 2016 & 2017 – (BSRM Group)
11. Best Enterprise of the year 2010 - (BSRM Group)
12. D & B Corporate Awards 2010 & 2012 – (BSRM Steels Ltd)
13. Pride of Chittagong (Chattagramer Ahonkar) 2012. (Mr. Alihussain Akberali FCA)
14. Divisional Environment Award 2013 – (BISCO Ltd.)
15. 5th Standard Chartered-Financial Express CSR Award – (BSRM Group)
16. Japan Bangladesh Chamber of Commerce & Industry (JBCCI) Awards in 2014. – (BSRM Ltd.)
17. ICSB National Award (Silver Award) for Corporate Governance Excellence 2014. – (BSRM Steels Ltd)
18. Best Electricity Consumer (Industry) award for the year 2015 (BSRM Ltd.)
19. Mercantile Bank Awards (Industry & Commerce) for the year 2015. (BSRM Group).

Information Technology

Standing on the age of digitization and technological advancement, engagement to customers and stakeholders requires greater emphasis on mastering Information Technology. BSRM has implemented a strong and up-to-date IT set up, that continuously ensures required information to be extracted from E-business solution at any point of time to mitigate risks and develop financial performance. Our IT team has developed customer-friendly windows that allow them to order, complain, query through an automated system within the shortest possible time. Details of Information technology are set out in the Chapter 'Sustainable Growth' in Page No. 88 in this report.

Human Resource Management

As one of the visions of BSRM is "Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization", BSRM takes pride in developing a successful, dynamic and competent set of human assets. As we believe our visions and values are only achievable through the placement of the right person at the right place, we have effectively established a sound Human Resource saga that consists of mind-blowing stories of equal opportunity, continuous learning and development, relentless industry relation and molding skilled workforce. Details of Human Resource are set out in the Chapter 'Sustainable Growth' in Page No. 87 in this report.

Code of Conduct:

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

Auditors:

Present auditor M/S A. Qasem & Co., Chartered Accountants (A member firm of Ernst & Young Global), Faruk Mahal (3rd Floor), Plot# 93, Agrabad C/A will retire in 17th AGM and being eligible to conduct audit for the year 2019-20 and they have conveyed their willingness to accept for re-appointment for the said periods. The Board has recommended as the statutory Auditor for the year ended on June 30, 2020 subject to the approval of shareholders in the next Annual General Meeting.

Professional Accountant for Compliance of Corporate Governance:

Pursuant to the BSEC's directive, Board has recommended Mr. Sidhartha Barua FCA, Managing Partner of M/s M.A. Mallik & Co., Chartered Accountants, Aziz Chamber (2nd Floor), 6 Jubilee Road, Chattogram to appoint as a Professional Accountant to issue Certificate on Compliance of Corporate Governance Code enacted by Bangladesh Securities and Exchange Commission for the year ended on June 30, 2020 subject to approval of the shareholders in the next Annual General Meeting

Reporting and Compliance of Corporate Governance:

Status of compliance with the requirements / conditions of Bangladesh Securities and Exchange Commission (BSEC) Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 on corporate governance has been included in the Report in Annexure-C.

Subsequent Events:

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

Directors' Responsibilities Statements:


Pursuant to the BSEC notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 the Directors confirm that:

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

Acknowledgements:

The Board of Directors and the management would like to thank all the employees, shareholders, suppliers, customers, dealers, bankers, business partners for their consistent support and encouragement to the company. Board also take this opportunity to thank BSEC, DSE, CSE, NBR, BIDA, RJSC and other government bodies for their continues support and cooperation in 2018-2019 and look forward to the same in 2019-2020.

Allah Hafiz,



Aameir Alihussain
Managing Director

পরিচালকবৃন্দের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম।

আপনাদের কোম্পানির পরিচালকবৃন্দ, গত ৩০ জুন ২০১৯-এ শেষ হওয়া বছরের ব্যবসায়িক কার্যক্রমের নিরীক্ষিত আর্থিক প্রতিবেদন আপনাদের সামনে তুলে ধরতে পেরে অত্যন্ত আনন্দিত। বিএসআরএম স্টিলস লিমিটেড-এর ১৭তম বার্ষিক সাধারণ সভায় (এজিএম) আমি আপনাদের সবাইকে স্বাগত জানাচ্ছি। এই প্রতিবেদনটি বাংলাদেশ কোম্পানি আইন ১৯৯৪ ও বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন কর্তৃক ০৩ জুন ২০১৮ তারিখে জারিকৃত নোটিশ নং বিএসইসি/সিএমআরআরসিডি-২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ মোতাবেক প্রস্তুতকৃত।

২০১৮-১৯ সালের পর্যালোচনা: শিল্পখাতের বিদ্যমান পরিস্থিতি ও ভবিষ্যতের সম্ভাব্য উন্নয়ন:

আন্তর্জাতিক মুদ্রা তহবিল (আইএমএফ) -এর মতে, ২০১৯ সালে বৈশ্বিক অর্থনৈতিক প্রবৃদ্ধির হার আরও হ্রাস পেয়ে ৩.৩%-এ নেমে আসবে। তবে উদীয়মান বাজার এবং উন্নয়নশীল অর্থনীতির উর্ধ্বমুখী গতি ২০২০ সালেও অব্যাহত থাকবে বলে ধারণা করা হচ্ছে। সামগ্রিকভাবে, দক্ষিণ এশিয়ার প্রতি দৃষ্টিভঙ্গি এখনও ইতিবাচক।

শক্তিশালী অভ্যন্তরীণ চাহিদার প্রভাবে বাংলাদেশের উৎপাদন প্রবৃদ্ধি, ২০১৭-১৮ অর্থবছরের ৭.৩% থেকে ২০১৮-১৯ অর্থবছরে ৭.৯ শতাংশে উঠে এসেছে। বিগত কয়েক বছর ধরে মুদ্রাস্ফীতি তুলনামূলকভাবে ৫-৬ শতাংশের মধ্যে স্থিতিশীল ছিল। বেসরকারী খরচ ও বিনিয়োগের প্রভাবে ২০১৯-২০ অর্থবছরে প্রবৃদ্ধি বেড়ে প্রায় ৮.০ শতাংশে থাকবে বলে আশা করা হচ্ছে। মুদ্রাস্ফীতি ৬.০ শতাংশের নিচে থাকবে বলে ধারণা করা হচ্ছে। শক্তিশালী অর্থনৈতিক প্রবৃদ্ধি সত্ত্বেও, বিশেষত রপ্তায়ত্ত্ব বাণিজ্যিক ব্যাংকগুলিতে, খেলাপি ঋণের পরিমাণ বেড়ে চলেছে। ব্যাংকিং খাতের উন্নতির জন্য আর্থিক খাতের নিয়ন্ত্রণ ও তদারকি আরও জোরদার করা এবং রপ্তায়ত্ত্ব ব্যাংকগুলির ভূমিকা পুনরায় যাচাই করা উচিত। দীর্ঘমেয়াদী বিনিয়োগ অর্থায়নের বিকল্প উৎস সরবরাহ করতে ব্যবসার পরিবেশের উন্নতি এবং কার্যকরী দেশীয় পুঁজি বাজারের সৃষ্টি একটি মধ্যমেয়াদী লক্ষ্য। বড় বড় প্রকল্প, ক্রমবর্ধমান নগরায়ন, জীবনযাত্রার মান এবং ক্রয়ক্ষমতার উন্নয়নের ফলে ইস্পাত শিল্পের প্রবৃদ্ধি বেড়ে চলেছে। সরকার প্রত্যেক চলমান মেগা প্রকল্পে আমাদের পণ্য সর্বদা সরবরাহ করছি।

উৎপাদন এবং আর্থিক পর্যালোচনা:

কোম্পানির সার্বিক অবস্থা আরো ভালো করে বোঝানোর জন্য নিম্নে কিছু উৎপাদন ও আর্থিক উপাত্ত উপস্থাপন করা হলো:

উৎপাদন পর্যালোচনা:

বিবরণ	জুলাই'১৮ থেকে জুন'১৯	জুলাই'১৭ থেকে জুন'১৮	জুলাই'১৬ থেকে জুন'১৭*	জানুয়ারি'১৬ থেকে জুন'১৬ (৬ মাস)	২০১৫	২০১৪	২০১৩
স্থাপিত উৎপাদনক্ষমতা (মেট্রিক টন)	৭০০,০০০	৭০০,০০০	৭০০,০০০	৭০০,০০০	৭০০,০০০	৬০০,০০০	৬০০,০০০
উৎপাদন (মেট্রিক টন)	৭৫৮,৪০৫	৭২৭,০৩৪	৬৮১,০৬১	৩৬২,২৫৪	৬০২,৮৩২	৬২৩,৯১৮	৬৩০,৩০৫
ব্যবহৃত উৎপাদন ক্ষমতা (%)	১০৮.৩৪	১০৩.৯০	৯৭.৩০	১০৩.৫০	৯৯.৫০	১০৪.০০	১০৫.০০
বিক্রয় (মেট্রিক টন)	৭৫৬,৮২০	৭১০,৯৯৫	৬৯২,৫০৪	৩৭৩,৭৪৭	৬০৪,৫১৩	৬৭৯,৮০৩	৬০১,৯৩৫

আমাদের প্ল্যান্ট এমন করে তৈরি করা হয়েছে যেন আমরা অত্যাধুনিক প্রযুক্তি ব্যবহার করে বিশ্বমানের পণ্য উৎপাদন করতে পারি। আমরা আমাদের প্রক্রিয়া এবং পরিচালনার দক্ষতা বৃদ্ধিতে ধারাবাহিকভাবে কাজ করছি। ফলে, গত কয়েক বছর ধরে মিলের উৎপাদনের দক্ষতা প্রত্যাশা ছাড়িয়ে গেছে এবং আমরা আবারও স্থাপিত উৎপাদনক্ষমতার চেয়ে বেশি উৎপাদন করতে সক্ষম হয়েছি।

আর্থিক পর্যালোচনা:

মিলিয়ন টাকায়

বিবরণ	জুলাই'১৮ থেকে জুন'১৯	জুলাই'১৭ থেকে জুন'১৮	জুলাই'১৬ থেকে জুন'১৭*	জানুয়ারি'১৬ থেকে জুন'১৬ (৬ মাস)	২০১৫	২০১৪	২০১৩
বিক্রয়	৬১,০৬০.১৫	৪৮,২৮৯.৯০	৩৭,৯৯৬.৪১	১৭,২৬৫.১৮	৩২,৩১৬.১০	৩৮,৫০৫.৯৪	৩৬,২২৯.০৫
মোট মুনাফা	৫,০৫১.৯১	৪,৮৭৯.১৭	৪,৫৫৭.৩০	৩,১১৪.৬৯	৪,৩৬৮.৬৫	২,৮০৭.৩২	৩,২৫০.১৫
সুদ, কর, ডব্লিউপিপি ও ডব্লিউ ডব্লিউএফ পূর্ববর্তী লাভ	৩,৩৬৯.০৫	৩,১৮০.৬৫	৩,২৭৩.৬০	২,৩৭৯.৮৬	৩,২৫৭.৯৩	১,৮৯২.৮৩	২,৩১৪.৩৯
বাদ: সুদ ও ডব্লিউপিপি ও ডব্লিউএফ	(১,৩২৮.৭৬)	(১,১২০.১৯)	(৪১৭.২৩)	(২৪৬.৩৮)	(৭৩৯.২৯)	(৩৭৮.৯৫)	(৪৯২.৮২)
যোগ/(বাদ): বারগেইন পারচেজ-এ মুনাফা	-	১০.২	-	-	-	-	-
যোগ/(বাদ): সহযোগী কোম্পানির লাভ/ক্ষতি-এর অংশ	২৯৭.৯৭	২৩৭.৮৮	(২২৫.৮৭)	(১৮.৫৬)	৭৫.৩১	(৩.২)	৪৯৭.৩৬
বাদ: কর	(৬১০.১৩)	(৫০৭.৭৪)	(৬৫৫.০৭)	(৮০১.৬১)	(৫১২.০৭)	(৪২৪.৪৭)	(৬২৫.৪৬)
নিট মুনাফা	১,৭২৮.১৩	১,৮০০.৮০	১,৭০৫.৪১	১,৩১৩.৩২	২,০৮১.৮৮	১,০৮৬.২১	১,৬৯০.৪৭
ইপিএস (টাকায়)	৪.৬০	৪.৭৯	৪.৯৮	৩.৮৪	৬.০৯	৩.১৮	৪.৯৫

* ২০১৬-২০১৭ সালের তথ্য সমন্বিত আর্থিক উপাত্ত দেখায়।

মূলত ভলিউম বৃদ্ধির কারণে গত বছরের তুলনায় এ বছর পণ্য বিক্রয় থেকে আয় বেশি হয়েছে। কোম্পানি বিক্রয় ও বিতরণ ব্যয়, আর্থিক ব্যয় ও প্রশাসনিক ব্যয় নিয়ন্ত্রণ করতে পর্যাপ্ত উদ্যোগ নিয়েছে। বিলম্বিত করে পরিশোধিত বৃদ্ধির কারণে নিট মুনাফা হ্রাস পেয়েছে।

অন্যান্য আর্থিক পর্যালোচনা:

মিলিয়ন টাকায়

বিবরণ	জুলাই'১৮ থেকে জুন'১৯	জুলাই'১৭ থেকে জুন'১৮	জুলাই'১৬ থেকে জুন'১৭*	জানুয়ারি'১৬ থেকে জুন'১৬ (৬ মাস)	২০১৫	২০১৪	২০১৩
পরিশোধিত মূলধন	৩,৭৫৯.৫৩	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,৪১৭.৭৫	৩,৪১৭.৭৫
শেয়ারহোল্ডারবৃন্দের ইকুইটি	২০,৮৯৭.২২	১২,৮০৮.৯০	১১,৬৩০.৩০	৯,৩৭১.২০	৯,০৮০.৬২	৭,৪৯৫.০৯	৬,৯১৫.২৫
চলতি দায়	৩৩,৮৮৮.১৮	২৯,৭৯৯.৩৮	২৩,৫৪৯.৭৩	১৬,৯৯২.৮৪	১৪,২১৩.৭৯	১৮,৪৪৫.০০	১৫,৮৫৮.১৭
দীর্ঘমেয়াদি দায়সমূহ	১১,০২২.৭৮	৩,০৭২.২৮	২,৪২৭.৭৫	২,৪৪৫.০৯	১,৪৩৬.০২	১,২০০.২৬	১,১৩১.৬৪
স্থায়ী সম্পদ ও সি ডাব্লিউ আইপি-তে সংযোজন	৫,৮৭১.৯৪	২,৩২০.৫৬	১,১৬০.৮৯	৮৩.৭৮	৭৫৮.১৬	২২৭.৩৯	২৯৬.২৩
পরিচালন নগদ প্রবাহ	(৪৬৭১.৮৮)	৭৫২.৩৩	৩৬৪.৪৩	৩,০৯৩.৪৯	৫,৭৬৬.০৩	(২,৯৯৫.২৮)	৪,৫৯৫.৩৯

* ২০১৬-২০১৭ সালের তথ্য সমন্বিত আর্থিক উপাত্ত দেখায়।

কোম্পানির শেয়ার প্রতি সম্পদ (এনএভি) ধারাবাহিকভাবে বৃদ্ধি পাচ্ছে যা কোম্পানির প্রবৃদ্ধি এবং সমৃদ্ধির ইতিবাচক লক্ষণ। এ বছর শেয়ার প্রতি এনএভি ৩৭.৪৮ টাকা থেকে বেড়ে ৫৫.৫৮ টাকা হয়েছে। গত ২০১৭-২০১৮ বছরের তুলনায় ঋণ বিনিয়োগ অনুপাত ৬৭:৩৩ থেকে বেড়ে ৬১:৩৯ হয়েছে এবং একইসাথে ইবিটিএ ৩,৬৪৪ মিলিয়ন থেকে বেড়ে ৩,৯৯৩ মিলিয়নে দাঁড়িয়েছে। ২০১৮-২০১৯ অর্থবছরে কোম্পানির সামগ্রিক আর্থিক অবস্থান আরো শক্ত হয়েছে। বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা মোতাবেক এবছর কোম্পানির সমস্ত জমির পূর্ণমূল্যায়ন করা হয়েছে এবং ৩০ শে জুন, ২০১৯ তারিখের হিসেবে লিপিবদ্ধ হয়েছে।

বিক্রিত পণ্যের খরচ, মোট মুনাফা এবং নিট মুনাফার মার্জিন নিয়ে পর্যালোচনা:

বিক্রিত পণ্যের খরচ:

মিলিয়ন টাকায়

বিবরণ	২০১৮-১৯	২০১৭-১৮	পরিবর্তন (%)
বিক্রিত পণ্যের খরচ	৫৬,০০৮	৪৩,৪১১	২৯

পর্যালোচনাধীন বছরে এমএস স্ক্রাপ, ফেরো অ্যালয় ও অন্যান্য উপকরণগুলোর ক্রয় মূল্য বৃদ্ধি পাওয়ায় উপকরণগুলো ব্যবহার করার ব্যয় বেড়েছে। কোম্পানির কাঁচামাল তৈরির খরচ এবং অন্যান্য উপকরণেরও ব্যয় বৃদ্ধি পাওয়ায় বিক্রিত পণ্যের খরচ বেড়েছে।

মোট মুনাফার হার:

মিলিয়ন টাকায়

বিবরণ	২০১৮-১৯	২০১৭-১৮	পরিবর্তন (%)
মোট মুনাফা	৫,০৫২	৪,৮৭৯	৩.৫৪

২০১৮-২০১৯ সালে মোট মুনাফা গত ২০১৭-২০১৮-এর চেয়ে ১৭২.৭৫ মিলিয়ন টাকা বেশি হয়েছে। ২০১৮-১৯ সালে মোট মুনাফার মার্জিন ছিল ৮.২৭% যা ২০১৭-১৮ সালে ১০.১০% ছিল। কাঁচামালের দাম বেশি হওয়ায় কোম্পানির মোট মুনাফার মার্জিন হ্রাস পেয়েছে।

নিট মুনাফার হার:

মিলিয়ন টাকায়

বিবরণ	২০১৮-১৯	২০১৭-১৮	পরিবর্তন (%)
নিট মুনাফা	১,৭২৮	১,৮০০	(৪.০৪)

নিট মুনাফা দাঁড়িয়েছে ১,৭২৮.১৩ মিলিয়ন যা ২০১৭-১৮ সালে ১,৮০০.৭৭ মিলিয়ন টাকা ছিল। ২০১৮-১৯ সালে নিট মুনাফার মার্জিন ছিল ২.৮৩% যা ২০১৭-১৮ সালে ৩.৭৩% ছিল। কাঁচামাল বিলেটের দাম বাড়ায় এবং আয়কর ব্যয় বেশি হওয়ায় কোম্পানির নিট মুনাফার মার্জিন হ্রাস পেয়েছে।

ত্রৈমাসিক এবং বার্ষিক আর্থিক ফলাফলের মধ্যকার উল্লেখযোগ্য বিচ্যুতি সম্পর্কে ব্যাখ্যা:

বিবরণ	জুলাই'১৮- জুন'১৯	এপ্রিল'১৯- জুন'১৯	জানুয়ারি'১৯- মার্চ'১৯	অক্টোবর'১৮- ডিসেম্বর'১৮	জুলাই'১৮- সেপ্টেম্বর'১৮
উৎপাদন (মেট্রিক টন)	৭৫৮,৪০৫	১৮৯,৭৭৪	১৯৮,৫৭৭	২০০,৯৯৭	১৬৯,০৫৮
বিক্রয় (মিলিয়ন টাকায়)	৭৫৬,৮২০	১৭২,২৩১	২৩০,৮৬০	১৮০,৬১৮	১৭৩,১১১
আয় (মিলিয়ন টাকায়)	৬১,০৬০	১৫,০৭১	১৭,২৮০	১৪,৫৭৬	১৪,১৩৩
বিক্রিত পণ্যের খরচ (মিলিয়ন টাকায়)	(৫৬,০০৮)	(১৩,৪৭১)	(১৬,১৩৭)	(১৩,৪৪৭)	(১২,৯৫৩)
মোট মুনাফা (মিলিয়ন টাকায়)	৫,০৫২	১,৬০০	১,১৪৩	১,১২৯	১,১৮০
কর পূর্ববর্তী লাভ (মিলিয়ন টাকায়)	২,৩৩৮	৭৯০	৪৯৬	৪৪৩	৬০৯
কর ব্যয় (মিলিয়ন টাকায়)	(৬১০)	(২৩১)	(১১৬)	(১১৪)	(১৪৯)
কর বাদ মুনাফা (মিলিয়ন টাকায়)	১,৭২৮	৫৫৯	৩৮০	৩৩০	৪৫৯
ইপিএস (টাকায়)	৪.৬০	১.৪৯	১.০১	০.৮৮	১.২২

ইস্পাত শিল্পের লাভজনকতা বাংলাদেশের ঋতু এবং আন্তর্জাতিক বাজারে কাঁচামালের দামের উপর নির্ভর করে। কিছু মাস ইস্পাত শিল্পের জন্য অত্যন্ত লাভজনক। তৃতীয় ত্রৈমাসিকে বিক্রয় বেশি হওয়ার কারণে এটিতে ঐ মাসগুলো রয়েছে। দ্বিতীয় ও তৃতীয় প্রান্তিকে কাঁচামালের দাম বেশি ছিল। যার ফলে, এ দুই প্রান্তিকে ইপিএস কম ছিল। কাঁচামালের দাম হ্রাস পাওয়ায় চতুর্থ প্রান্তিকে ইপিএস বেড়েছে।

সহযোগী কোম্পানির কার্য বিবরণী: বিএসআরএম স্টিল মিলস লিমিটেড

বিএসআরএম স্টিল মিলস লিমিটেডের শেয়ারের জন্য কোম্পানি ১,০০০,০০০,০০০ টাকা বিনিয়োগ করেছে এবং এর ২৫.৩৫% শেয়ারের ধারক। উক্ত সহযোগী প্রতিষ্ঠান তাদের উৎপাদন শুরু করেছিলো ২০১৬ সালের জুন মাসে। বিশ্বের সবচেয়ে বড় ইনডাকশন ফার্নেস সম্বলিত এই প্ল্যান্ট সর্বোৎকৃষ্ট মানের ৮৬২,৫০০ মেট্রিক টন বিলেট উৎপাদন করতে সক্ষম। নতুন এই প্ল্যান্ট আমাদের পণ্য উৎপাদনের জন্য মানসম্পন্ন বিলেট সরবরাহ করে। এই প্ল্যান্টের কিছু গুরুত্বপূর্ণ আর্থিক তথ্যাবলী নিম্নে উল্লেখ করা হলো:

বিবরণ	ইউনিট	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৫-১৬
উৎপাদন পরিমাণ	মেট্রিক টন	৯১৩,২৪১	৮৬০,৫৪৩	৫৮৮,৫৩৬	১২১,৮৭১
ব্যবহৃত উৎপাদনক্ষমতা	%	১০৫.৯৪	৯৯.৮৩	৬৮.২৮	২৭.৯৫
কর বাদ নিট মুনাফা/(ক্ষতি)	মিলিয়ন টাকায়	১,১৭৫.৩১	৯৩৮.২৭	(৮৯০.৯৩)	(৮৭.৪৭)
ইপিএস	টাকা	২.৯৮	২.৩৮	(২.২৬)	(০.২২)
এনএডি	টাকা	৩৪.৫৭	১৫.৬৩	১৩.২৫	১৫.৫১

বিভাগ বা পণ্য ভিত্তিক পর্যালোচনা:

সুষ্ঠু ব্যবস্থাপনার উদ্দেশ্যে কোম্পানিকে পণ্যভিত্তিক বিভাগে বিভক্ত করা হয়েছে যার মধ্যে দুটি প্রতিবেদনযোগ্য, যেগুলো হলো:

- এম.এস রড বিভাগ যেখানে বিভিন্ন গ্রেড এর রড উৎপাদন করা হয় এবং ডিলার, ভোক্তা, কর্পোরেট ক্রেতাদের কাছে বিক্রয় করা হয় এবং ইপিজেডভিত্তিক কোম্পানি ও ভারতে রপ্তানী করা হয়।
- এম.এস বিলেট বিভাগ যেখানে বিভিন্ন গ্রেড এর বিলেট উৎপাদন করা হয় এবং সেগুলো এম.এস. রড উৎপাদনের জন্য সরবরাহ করা হয়।

উপরের প্রতিবেদনযোগ্য বিভাগগুলি গঠনের জন্য কোনো অপারেটিং বিভাগকে একত্রিত করা হয়নি। বিভাগভিত্তিক তথ্য অডিটকৃত আর্থিক প্রতিবেদনের নোট ৩.১৪-এ লিপিবদ্ধ আছে।

২০০৮ সালে বাংলাদেশের নির্মাণশিল্পের বাজারে সর্বপ্রথম ৫০০ গ্রেড এর উচ্চমানবাহার শক্তি সম্পন্ন ইস্পাত হিসেবে বিএসআরএম এক্সট্রিম ৫০০ডব্লিউ এর আবির্ভাব হয়। খুব অল্প সময়ের মধ্যে বিএসআরএম এক্সট্রিম ৫০০ডব্লিউ এর মার্কেট শেয়ার বাড়তে থাকে এবং এটি এই শ্রেণীতে অবিসংবাদিতভাবে বাজারের সর্বোচ্চ বিক্রিত ইস্পাতে পরিণত হয়েছে। এক্সট্রিম ৫০০ডব্লিউ ছাড়াও কোম্পানি বাংলাদেশ সরকারের পাওয়ার সেক্টরের বিভিন্ন প্রকল্পের চাহিদা মেটাতে ৪২০ডি গ্রেড এর ইস্পাত উৎপাদন করে থাকে। কোম্পানি এই ৪২০ডি গ্রেড-এর ইস্পাতের নাম দিয়েছে ‘আর্লিটমা’। ২০১৬ সালে কোম্পানি ইউএস স্ট্যান্ডার্ড এসটিএম ৭০৬ অনুযায়ী নতুন ৮০ গ্রেড এর রিইনফোর্সিং স্টিল এর উৎপাদন শুরু করেছে যার দ্বারা নির্মাণে ২০% কম স্টিল প্রয়োজন হয়, ফলে আর্থিক সাশ্রয় হয়। এই নতুন ৮০ গ্রেড এর ইস্পাত ‘ম্যাক্সিমা’ নামে বাজারজাত করা হচ্ছে।

পণ্য অনুযায়ী কার্যক্রমের বিবরণ নিম্নরূপ:

পণ্য	উৎপাদন (মেট্রিক টন)		বিক্রয় (মেট্রিক টন)	
	২০১৮-১৯	২০১৭-১৮	২০১৮-১৯	২০১৭-১৮
এক্সট্রিম ৫০০ডব্লিউ	৬২৩,০৭৬	৫৯৯,৬১৪	৬১৭,৪৫৭	৫৮৭,৬৭০
অন্যান্য এম.এস.রড	১৩৫,৩২৯	১২৭,৪২০	১৩৯,৩৬৩	১২৩,৩২৫
এম.এস. বিলেট	২৯১,৯৯১	১৬২,১৯৯	২৩৩,১০৮	১৪৭,৬৭৬

ঝুঁকি ও উদ্বেগসমূহ:

ঝুঁকি নিরূপণ ও প্রশমন কার্যক্রম যেকোনো ব্যবসার অবিচ্ছেদ্য অংশ। পরিচালনা পর্ষদ নিয়মিতভাবে আমাদের লাভজনকতা এবং টেকসই প্রবৃদ্ধি অর্জনের পথে যেসব ঝুঁকি এবং হুমকি আসতে পারে সেগুলো নির্ণয়, পর্যবেক্ষণ ও মূল্যায়ন করে থাকেন। আমাদের ঝুঁকি ব্যবস্থাপনার ক্ষমতা, শক্তিশালী পরিচালন কাঠামো, তথ্য ব্যবস্থা এবং চ্যালেঞ্জ মোকাবেলায় বাজার, অর্থনৈতিক পরিস্থিতি এবং বলিষ্ঠ নীতিসমূহের নিয়মিত বিশ্লেষণ দ্বারা সমর্থিত।

উল্লেখযোগ্য ঝুঁকিসমূহ এবং সেগুলো প্রশমনের বিষয়ে কোম্পানি নির্ধারিত পদ্ধতিসমূহ আর্থিক প্রতিবেদনের অ্যানেক্সার-১ এবং নেটি-৪৩-এ বর্ণিত আছে।

ব্যবস্থাপনা আলোচনা ও বিশ্লেষণ:

পরিচালনা পর্ষদ নিয়মিতভাবে কার্যক্রম ও আর্থিক বিবরণের বিষয়ে বিশদ আলোচনা করেন। এ বিষয়ে বিস্তারিত প্রতিবেদন অ্যানেক্সার-ডি-তে সংযুক্ত করা হলো।

সিইও ও সিএফও কর্তৃক প্রত্যয়ন:

প্রধান নিবাহী কর্মকর্তা ও প্রধান অর্থ কর্মকর্তা দ্বারা পরিচালনা পর্ষদকে প্রদত্ত ৩(৩) শর্ত অনুযায়ী অবশ্যক ঘোষণা বা প্রত্যয়ন অ্যানেক্সার-এ-তে সংযুক্ত করা হলো।

ক্রেডিট রেটিং:

ক্রেডিট রেটিং ইনফরমেশন এন্ড সার্ভিসেস লিমিটেড (সিআরআইএসএল) কর্তৃক কোম্পানির মূল্যায়ন নিম্নরূপ:

দীর্ঘমেয়াদি	স্বল্প মেয়াদি
AA+	ST-2

"AA+" রেটিংকৃত কোম্পানিগুলো উন্নত পর্যায়ের অন্তর্ভুক্ত এবং অধিক নিরাপত্তা ও উন্নত ঋণ ব্যবস্থাপনার নিশ্চয়তা দেয়। এই স্তরের রেটিং-এর অর্থ হলো কোম্পানির ক্রেডিট প্রোফাইল সন্তোষজনক এবং উল্লেখযোগ্য কোন সমস্যা নেই। ঝুঁকির হার সামান্য এবং অর্থনৈতিক পরিস্থিতির কারণে কখনও কখনও তার সামান্য হ্রাস-বৃদ্ধি ঘটতে পারে।

"ST-2" সঠিক সময়ে ঋণ পরিশোধের নিশ্চয়তা নির্দেশ করে। তারল্য উৎপাদকসমূহ শক্তিশালী এবং উন্নত মৌলিক প্রতিরক্ষা উৎপাদক দ্বারা সমর্থিত। ঝুঁকির উপাদান খুবই সামান্য।

ক্রেডিট রেটিং কোম্পানির মূল্যায়নে আমাদের কোম্পানি “স্থিতিশীল পরিস্থিতির” কোম্পানির মধ্যে অন্তর্ভুক্ত।

পরিচালনা পর্ষদ:

১. পর্ষদের গঠন ও আকার:

৩০ জুন ২০১৯ এ পর্ষদের সদস্য সংখ্যা ছিলো ৫ জন, পর্ষদ-এ ছিলেন চেয়ারম্যান, ব্যবস্থাপনা পরিচালক, দুই জন পরিচালক এবং একজন স্বতন্ত্র পরিচালক।

২. পর্ষদের সভা ও উপস্থিতি:

১ জুলাই ২০১৮ থেকে ৩০ জুন ২০১৯-এর মধ্যে পরিচালনা পর্ষদের মোট ৭টি সভা অনুষ্ঠিত হয়। সভায় পরিচালকবৃন্দের উপস্থিতির বিবরণ নিম্নে দেয়া হলো।

পর্ষদ সদস্যের নাম	পদবী	বছরে অনুষ্ঠিত মিটিং সংখ্যা	সভায় উপস্থিতির সংখ্যা
জনাব আলীহোসাইন আকবরআলী এফসিএ	চেয়ারম্যান	৭	৫
জনাব আমির আলীহোসাইন	ব্যবস্থাপনা পরিচালক	৭	৬
জনাব জোহাইর তাহেরআলী	পরিচালক	৭	৬
মিসেস তেহসিন জোহাইর তাহেরআলী	পরিচালক	৭	৫
বাবু গোবিন্দ চন্দ্র পাল এফসিএ	স্বতন্ত্র পরিচালক	৭	৬

সভায় অনুপস্থিত সদস্যগণ ছুটিতে ছিলেন অথবা দেশের বাইরে ছিলেন।

৩. ব্যবস্থাপনা পরিচালক এবং পরিচালকদের নিয়োগ এবং পুনঃনিয়োগের বিস্তারিত বিবরণ:

ক) কোম্পানি গঠনতন্ত্রের অনুচ্ছেদ ৯৭ ও ৯৮ অনুসারে জনাব আলীহোসাইন আকবরআলী এফসিএ এবং জনাব জোহাইর তাহেরআলী ১৭তম বার্ষিক সাধারণ সভার শেষে পর্যায়ক্রমিকভাবে পদত্যাগ করবেন এবং যোগ্যতার ভিত্তিতে পুনঃনিয়োগের জন্য নিজেদেরকে মনোনীত করবেন।

৪. পরিচালনা পর্ষদ অংশে পরিচালকদের বৃত্তান্ত এবং তারা যে সমস্ত কোম্পানির পরিচালক বা সদস্য হিসেবে নিয়োজিত আছেন সেগুলোর নাম লিপিবদ্ধ আছে।

অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা:

পরিচালনা পর্ষদ নিশ্চিত করছেন যে এই গ্রুপে একটি কার্যকর অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা রয়েছে যা কোম্পানির সম্পদের সুরক্ষা করে এবং প্রতারণা, ত্রুটি এবং অন্যান্য অনিয়ম হ্রাস করে এবং সনাক্ত করে। অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার উন্নতির জন্য কোম্পানি স্ট্যান্ডার্ড অপারেটিং পদ্ধতি (এসওপি) গ্রহণ করেছে। যুক্তিসঙ্গত সময়সীমার মধ্যে সঠিক তথ্য ও উপাত্ত তৈরি করতে আমরা ইতিমধ্যে সর্বাধুনিক এন্টারপ্রাইজ রিসোর্স প্ল্যানিং (ইআরপি) চালু করেছি। অভ্যন্তরীণ নিয়ন্ত্রণ ও স্বচ্ছতা নিশ্চিত করার লক্ষ্যে কোম্পানি একটি আলাদা অভ্যন্তরীণ অডিট বিভাগ সৃষ্টি করেছে। অন্যদিকে, অডিট কমিটি নিয়মিত ভাবে অভ্যন্তরীণ অডিট বিভাগের প্রতিবেদন পর্যালোচনা করে এবং সংশোধনমূলক ব্যবস্থা গ্রহণ করে।

অপ্রত্যাশিত/আশাতীত লাভ বা ক্ষতি

এ বছর কোন আশাতীত লাভ বা ক্ষতি হয়নি।

সংশ্লিষ্ট পক্ষের লেনদেনসমূহ:

সংশ্লিষ্ট পক্ষের সাথে করা সকল লেনদেনসমূহ বাণিজ্যিক ভিত্তিতে করা হয়েছে। আইএফআরএস/বিএফআরএস অনুযায়ী আর্থিক বিবরণীর নোট ১০ ও ২০-এ সংশ্লিষ্ট পক্ষের লেনদেনসমূহের বিস্তারিত তথ্য প্রকাশিত হয়েছে।

আইপিও বিক্রয়লব্ধ অর্থের ব্যবহার এবং আইপিও পরবর্তী আর্থিক ফলাফল:

২০০৯ সাল থেকে কোম্পানির অব্যবহৃত কোনো আইপিও তহবিল নেই, কোম্পানি স্থিতিশীল আর্থিক ফলাফল ধরে রেখেছে।

স্বতন্ত্র পরিচালকসহ পরিচালকবৃন্দের পারিষ্রমিক:

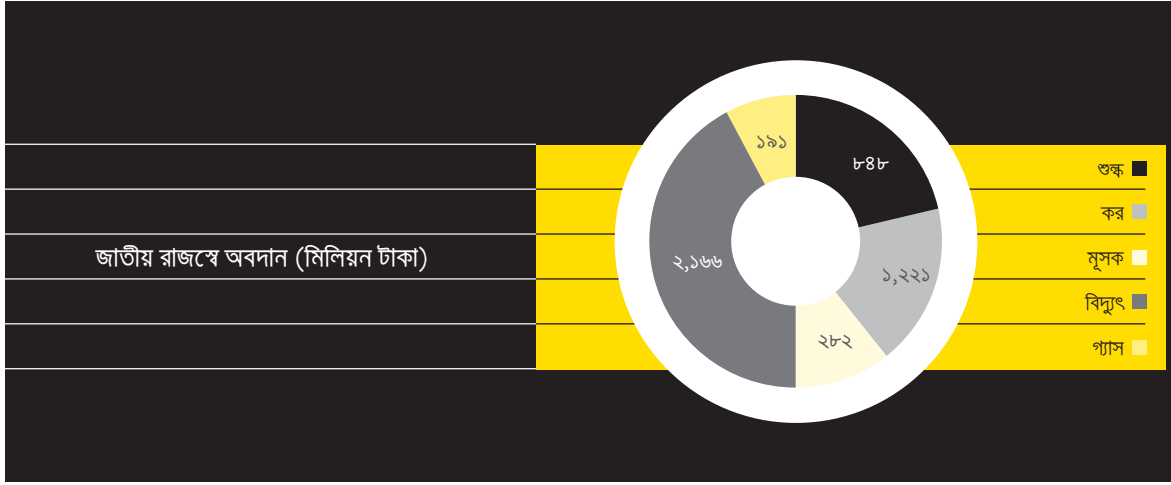
বোর্ডের সিদ্ধান্ত অনুযায়ী পরিচালকদের বেতন দেওয়া হয়েছে এবং পরিচালকদের বেতনের বিস্তারিত প্রতিবেদন আর্থিক বিবরণীর নোট ২৯.০১ ও অ্যানেক্সার-৩-এ সংযুক্ত করা হয়েছে।

লভ্যাংশ:

পরিচালক পর্ষদ ৩০ জুন, ২০১৯-এ শেষ হওয়া বছরের জন্য শেয়ার প্রতি ২৫% নগদ লভ্যাংশ প্রদানের পরামর্শ দিয়েছেন। ঐ তারিখে যেসব সদস্যের নাম সদস্য নিবন্ধনপত্রে তালিকাভুক্ত রয়েছে, অনুমোদন সাপেক্ষে তাদেরকে সমহারে লভ্যাংশ প্রদান করা হবে।

জাতীয় রাজস্ব অবদান:

দায়িত্বশীল কর্পোরেট প্রতিষ্ঠান হিসাবে বিএসআরএম সরকারী রাজস্ব প্রদান এবং সংগ্রহের ব্যবস্থা সহজ করতে সহায়তা করে আসছে। ২০১৮-২০১৯ সালে, বিএসআরএম স্টিলস লিমিটেড ৪,৭০৮ মিলিয়ন টাকা যোগান দিয়ে সরকারি রাজস্ব যেমন আয়কর, মূসক এবং গুরুত্বপূর্ণ অন্যান্য ইউটিলিটি বিল প্রদান করেছে, যা নিম্নে উল্লেখ করা হলো:



কর্পোরেট সামাজিক দায়িত্ব:

ব্যবসায়িক সিদ্ধান্তের সাথে নৈতিক, সামাজিক এবং পরিবেশগত উন্নয়নমূলক চিন্তার সমন্বয় করার প্রতিশ্রুতি বিএসআরএম-এর অন্যতম শক্তিশালী ভিত্তি। ২০১৮-১৯ সালব্যাপী আপনাদের কোম্পানি সমাজের কল্যাণে, গবেষণা এবং উন্নয়নে এবং পরিবেশ রক্ষায় কাজ করেছে। সিএসআর সংক্রান্ত কাজের বিবরণ বার্ষিক প্রতিবেদনের ৮৩ পৃষ্ঠায় কর্পোরেট সামাজিক দায়িত্বসমূহ অধ্যায়-এ বর্ণিত হয়েছে।

পুরস্কার এবং স্বীকৃতি:

আমরা আনন্দের সাথে আপনাদের জানাচ্ছি যে, আমরা গত কয়েক বছরে বেশ কিছু সম্মানজনক পুরস্কার অর্জন করেছি। তাদের মধ্যে কয়েকটি নিচে উল্লেখ করা হলো:

- ১। ন্যাশনাল প্রোডাক্টভিটি এন্ড কোয়ালিটি এক্সিলেন্স এওয়ার্ড-২০১৭
- ২। ২০১৩-১৪, ২০১৫-১৬, ২০১৬-১৭ সালে জাতীয় রপ্তানি ট্রফি অর্জন (বিএসআরএম স্টিলস লি.)
- ৩। ২০১৮ সালে অনুষ্ঠিত ৪র্থ জাতীয় উন্নয়ন মেলায় গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের প্রবাসী কল্যাণ ও বৈদেশিক কর্মসংস্থান মন্ত্রণালয়ের কাছ থেকে প্রশংসাপত্র লাভ।
- ৪। ২০১৪ সালে শিল্পোন্নয়নে বিশেষ অবদান রাখায় ভারি শিল্প বিভাগে রাষ্ট্রপতি পুরস্কার অর্জন- (বিএসআরএম স্টিলস লিমিটেড)
- ৫। বাংলাদেশ সাপ্লাই চেইন ম্যানেজমেন্ট সোসাইটির পক্ষ থেকে সম্মানজনক “এক্সিলেন্স ইন সাপ্লাই চেইন রিলেশনশিপ ম্যানেজমেন্ট অ্যান্ড লজিস্টিক ম্যানেজমেন্ট” পুরস্কার অর্জন
- ৬। প্রদর্শিত সেরা বার্ষিক প্রতিবেদন হিসেবে ২০১২, ২০১৩ ও ২০১৫ সালে আইসিএবি জাতীয় পুরস্কার এবং ২০১৪ ও ২০১৫ সালে মেধাসনদ অর্জন
- ৭। ২০১২, ২০১৩ ও ২০১৫ সালে সাউথ এশিয়ান অ্যাকাউন্টেন্টস ফেডারেশন (সাফা)-এর মেধাসনদ অর্জন (বিএসআরএম স্টিলস লি.)
- ৮। ২০১৫ সালে সেরা কর্পোরেট গভর্ন্যান্স এক্সিলেন্স-এর জন্য আইসিএসবি ন্যাশনাল গোল্ড অ্যাওয়ার্ড অর্জন
- ৯। ২০১৬-১৭ সালে সর্বোচ্চ করদাতা হিসেবে জাতীয় রাজস্ব বোর্ড-এর ট্যাক্স কার্ড অর্জন (বিএসআরএম স্টিলস লি.)
- ১০। স্টিল ক্যাটাগরিতে ২০১১, ২০১৩, ২০১৪, ২০১৫, ২০১৬, এবং ২০১৭ সালের সেরা ব্র্যান্ড হিসেবে পুরস্কৃত (বিএসআরএম গ্রুপ)
- ১১। ২০১০ সালের বেস্ট এন্টারপ্রাইজ অব দ্য ইয়ার (বিএসআরএম গ্রুপ)
- ১২। ডি অ্যান্ড বি কর্পোরেট অ্যাওয়ার্ড ২০১০ ও ২০১২ (বিএসআরএম স্টিলস লি.)

১৩। ২০১২ সালে আলীহোসেন আকবরআলী এফসিএ ‘প্রাইড অফ চিটাগাং (চট্টগ্রামের অহংকার)’ উপাধিতে ভূষিত।

১৪। বিভাগীয় পরিবেশ পুরস্কার ২০১৩ (বিসকো লি.)

১৫। ৫ম স্ট্যান্ডার্ড চার্টার্ড-ফাইন্যান্সিয়াল এক্সপ্রেস সিএসআর পুরস্কার (বিএসআরএম গ্রুপ)

১৬। ২০১৪ সালে জাপান-বাংলাদেশ চেম্বার অব কমার্স এন্ড ইন্ডাস্ট্রি (জেবিসিসিআই) পুরস্কার (বিএসআরএম লি.)

১৭। ২০১৪ সালে সেরা কর্পোরেট গভর্ন্যান্স এক্সিলেন্স-এর জন্য আইসিএসবি ন্যাশনাল সিলভার অ্যাওয়ার্ড অর্জন (বিএসআরএম স্টিলস লি.)

১৮। ২০১৫ সালে সর্বোচ্চ বিদ্যুৎ ভোক্তা (শিল্পখাত) পুরস্কার (বিএসআরএম লি.)

১৯। ২০১৫ সালে মার্কেটাইল ব্যাংক পুরস্কার (শিল্প ও বাণিজ্য) অর্জন (বিএসআরএম গ্রুপ)

তথ্য প্রযুক্তি:

গুরু থেকেই বিএসআরএম স্টিলস লিমিটেড একটি গ্রাহকমুখী কোম্পানি। গ্রাহকের চাহিদা ও সন্তুষ্টি মাথায় রেখে সেলস ও সাপোর্ট কর্মীদের সহযোগিতায় আপনাদের কোম্পানি তথ্য-প্রযুক্তি সংক্রান্ত বেশ কিছু পদক্ষেপ নিয়েছে। গ্রাহকের অভিযোগ গ্রহণ ও অনুসন্ধানে দ্রুততার সাথে এবং শ্রদ্ধাসহকারে সাড়া দিতে আমরা স্বয়ংক্রিয় পদ্ধতি চালু করেছি। ব্যবসায়িক ঝুঁকি প্রশমন, কার্যক্ষমতা বৃদ্ধি ও স্টেকহোল্ডারদের প্রয়োজনীয় তথ্য সরবরাহ করতে আমরা নিয়মিত আমাদের ইআরপি সিস্টেম আপডেট করি। এই প্রতিবেদনের ‘টেকসই প্রবৃদ্ধি’ অধ্যায়ের ৮৮ পৃষ্ঠায় তথ্য-প্রযুক্তি সংক্রান্ত কাজের বিস্তারিত বিবরণ লিপিবদ্ধ রয়েছে।

মানবসম্পদ ব্যবস্থাপনা:

কোম্পানির দ্বারা সৃহিত ও বাস্তবায়িত মানবসম্পদ ব্যবস্থাপনা নীতির কার্যকারিতার ফলে কোম্পানিতে একটি বৈচিত্র্যপূর্ণ ও কর্মদক্ষ জনশক্তি গড়ে উঠেছে যার নেতৃত্বের ধারাবাহিকতা সুপরিচালিত এবং যার ক্ষয়ের হার নগণ্য। বিএসআরএম গ্রুপের দর্শন হলো ‘মেধার প্রতিপালন ও প্রতিষ্ঠানের ভবিষ্যৎ নেতৃত্ব গঠনে গুরুত্ব দেওয়ার মাধ্যমে পছন্দের চাকরিদাতা প্রতিষ্ঠানে পরিণত হওয়া’। প্রতিবেদনের ৮৭ পৃষ্ঠায় ‘টেকসই প্রবৃদ্ধি’ অধ্যায়ে মানবসম্পদের বিস্তারিত বিবরণ লিপিবদ্ধ রয়েছে।

আচরণ বিধি:

কোম্পানি পরিচালনা পর্ষদের জন্য নির্দিষ্ট আচরণবিধি প্রণয়ন করেছে। সকল পরিচালক এই আচরণ বিধির অনুকূলে স্বাক্ষর করেছেন।

অডিটরবৃন্দ

বর্তমান অডিটর মেসার্স এ. কাশেম অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, (আর্নেস্ট অ্যান্ড ইয়ং গ্লোবাল-এর একটি সদস্য প্রতিষ্ঠান), ফারুক মহল (৪র্থ তলা), প্লট# ৯৩, আখ্য়াবাদ বা/এ, ১৭তম এজিএম-এ অবসরে যাবেন এবং উপযুক্ততার ভিত্তিতে ২০১৯-২০ বছরের অডিট পরিচালনার জন্য পুনঃনিয়োগের ইচ্ছা ব্যক্ত করেছেন। পরিচালনা পর্ষদ আগামী ৩০ জুন ২০২০ পর্যন্ত তাঁদের সংবিধিবদ্ধ অডিটর হিসেবে নিয়োগের সুপারিশ করেছেন, যা আগামী বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের জন্য অপেক্ষমান।

কর্পোরেট গভর্ন্যান্স-এর কমপ্লায়েন্স-এর জন্য পেশাদার অ্যাকাউন্ট্যান্ট:

বিএসইসির নির্দেশনা অনুযায়ী পর্ষদ জনাব সিদ্ধার্থ বড়ুয়া, এফসিএ, ম্যানেজিং পার্টনার মেসার্স এম.এ. মল্লিক এন্ড কো., চার্টার্ড অ্যাকাউন্ট্যান্টস, আজিজ চেম্বার (৩য় তলা), ৬ জুবিলি রোড, চট্টগ্রাম-কে আগামী ৩০ জুন ২০২০ সালে শেষ হওয়া বছরের জন্য বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের কর্পোরেট গভর্ন্যান্স কোড-এর সাথে কমপ্লায়েন্স-এর সনদ প্রদানকারী পেশাদার অ্যাকাউন্ট্যান্ট হিসেবে নিয়োগের সুপারিশ করেছেন, যা আগামী বার্ষিক সাধারণ সভায় অনুমোদনের জন্য অপেক্ষমান।

প্রতিবেদন ও কর্পোরেট গভর্ন্যান্স-এর কমপ্লায়েন্স:

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের ০৩ জুন ২০১৮-তে কর্পোরেট গভর্ন্যান্স-এর ওপর জারিকৃত নোটিশ নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ এর চাহিদা/নির্দেশনা অনুযায়ী কমপ্লায়েন্সের পরিস্থিতি এই প্রতিবেদনের অ্যানেক্সার-সি তে যুক্ত করা হয়েছে।

পরবর্তী কার্যক্রম

ফাইন্যান্সিয়াল পজিশন-এর পর থেকে এই প্রতিবেদনের তারিখ পর্যন্ত এমন কোন উল্লেখযোগ্য কার্যক্রম নেই যার ফলে এই প্রতিবেদনের আর্থিক বিবরণীর ব্যবহারকারীদের উপযুক্ত মূল্যায়ন করার ক্ষমতা প্রভাবিত হবে।

পরিচালকের দায়িত্বসমূহের বিবৃতি:

বিএসইসি'র ৩ জুন ২০১৮ তারিখে জারিকৃত নোটিশ নং বিএসইসি/সিএমআরআরসিডি-২০০৬-১৫৮/২০৭/অ্যাডমিন/৮০ অনুযায়ী পরিচালকবৃন্দ নিশ্চিত করেন যে,

ক) বিএসআরএম স্টিলস লিমিটেড-এর পরিচালনাপর্ষদ দ্বারা প্রস্তুতকৃত আর্থিক বিবরণী এর কাজকর্ম, নগদ প্রবাহ এবং ইকুইটির পরিবর্তনের ফলাফল নিরপেক্ষভাবে উপস্থাপন করে।

খ) কোম্পানির বুক অব অ্যাকাউন্ট যথাযথভাবে সংরক্ষণ করা হয়েছে।

গ) এই আর্থিক প্রতিবেদনের সকল অংশে উপযুক্ত অ্যাকাউন্টিং নীতিমালা সঠিকভাবে প্রয়োগ করা হয়েছে এবং হিসাব সংক্রান্ত অনুমান যৌক্তিক ও বিচক্ষণ সিদ্ধান্তের মাধ্যমে গ্রহণ করা হয়েছে।

ঘ) এই আর্থিক প্রতিবেদন প্রস্তুতে বাংলাদেশে প্রযোজ্য ইন্টারন্যাশনাল অ্যাকাউন্টিং স্ট্যান্ডার্ড (আইএএস)/বাংলাদেশ অ্যাকাউন্টিং স্ট্যান্ডার্ড (বিএএস)/ইন্টারন্যাশনাল ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড (আইএফআরএস)/ বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস)-এর নীতিমালা অনুসরণ করা হয়েছে এবং এই নীতিমালার সাথে সাংঘর্ষিক বিষয়সমূহ যথাযথভাবে প্রকাশ করা হয়েছে।

ঙ) অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুষমভাবে প্রস্তুত করার পাশাপাশি কার্যকরভাবে বাস্তবায়ন ও পর্যবেক্ষণ করা হয়েছে।

চ) কোম্পানির পরিচালনা এবং ক্রমাগত এগিয়ে যাওয়ার সক্ষমতা নিয়ে বিন্দুমাত্র সন্দেহ নেই এবং একটি চলমান প্রতিষ্ঠানের ভিত্তিতেই বার্ষিক হিসাব তৈরি করা হয়েছে।

ছ) গত ছয় বছরের মুখ্য কার্যক্রম ও আর্থিক উপাত্ত অ্যানেক্সার-৪ এ প্রকাশ করা হয়েছে।

জ) শেয়ারহোল্ডিং-এর বিন্যাস অ্যানেক্সার-৫ এ প্রকাশ করা হয়েছে।

ঝ) বিএসইসি নির্দেশিত কর্পোরেট গভর্ন্যান্স প্রতিবেদন, রেগুলেটরি কমপ্লায়েন্স রিপোর্ট অংশে প্রকাশিত।

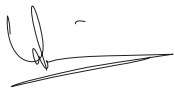
ঞ) পরিচালকবৃন্দের প্রোফাইল এবং অন্যান্য প্রতিষ্ঠানের সাথে তাদের সম্পৃক্ততা পরিচালনা পর্ষদ অংশে প্রকাশ করা হয়েছে।

ট) অন্তঃবর্তীকালীন ডিভিডেন্ড হিসেবে কোনো বোনাস শেয়ার বা স্টক ডিভিডেন্ড-এর ঘোষণা দেওয়া হয়নি।

কৃতজ্ঞতা স্বীকার:

পরিচালনা পরিষদ ও কর্তৃপক্ষের পক্ষ থেকে সকল কর্মকর্তা, শেয়ারহোল্ডার, সরবরাহকারী, ক্রেতা, ডিলার, ব্যাংকার এবং ব্যবসায়িক অংশীদারকে তাদের নিরবচ্ছিন্ন সমর্থন আর উৎসাহের জন্য জানাই আন্তরিক ধন্যবাদ। ২০১৮-১৯ সালে অবিরত সমর্থন আর সহযোগিতার জন্য কৃতজ্ঞতা জানাই বিএসইসি, ডিএসই, সিএসই, এনবিআর, বিডা, আরজেএসসি-সহ অন্যান্য নিয়ন্ত্রক সংস্থার প্রতি। আশা করছি ২০১৯-২০ সালেও এই সমর্থন আর সহযোগিতার ধারা অব্যাহত থাকবে।

আল্লাহ্ হাফিজ,



আমীর আলীহোসাইন
ব্যবস্থাপনা পরিচালক

BSRM Steels Limited Declaration by CEO and CFO

Dated: September 16, 2019

The Board of Directors
BSRM Steels Limited
Ali Mansion, 1207/1099
Sadarghat Road, Chattogram.

Subject: Declaration on Financial Statements for the year ended on 30th June 2019.

Dear Sir (s),

Pursuant to the condition No. 1(5) (xxvi) imposed vide the commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 under section 2CC of the Securities and Exchange Ordinance 1969, we do hereby declare that:

1. The Financial Statements of BSRM Steels Limited for the year ended on 30th June 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the company has been taken proper and adequate care in installing a system of Internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no materials uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on June 30, 2019 and that 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 statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Aameir Alihussain
Managing Director & CEO



Md. Moklesur Rahman Akhtar FCMA
Senior Manager & Chief Financial Officer

Certificate on Compliance with Conditions of Corporate Governance Code

M.A.MALLIK & Co. CHARTERED ACCOUNTANTS

Head Office :

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

Branch Office :

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

Date:.....

[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of BSRM Steels Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **BSRM Steels Limited** for the year ended on **30th June, 2019**. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 3rd June, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the company is highly satisfactory.

Place: Chattogram
Dated: September 30, 2019




(Shidhartha Barua FCA)
Managing Partner
M.A. Mallik & Co.
Chartered Accountants

Corporate Governance Compliance Report

Status of compliance with the condition imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report Under Condition No-9)

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	BOARD OF DIRECTORS			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following: -			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		
1(2)(b)	For the purpose of this clause 'Independent directors' means a director-			
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
1(2)(b)(viii)	Who shall not be an independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFi);	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM).	√		
1(2)(d)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) tenure only.	√		
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirement and corporate laws and can make meaningful contribution to the business.	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company			N/A
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1(5)(i)	An industry outlook and possible future developments in the industry	√		
1(5)(ii)	The segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that 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	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or 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;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xxiv)(a)	A brief resume of the director	√		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure- A and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure- B and Annexure- C.	√		
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			N/A
3	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS)			
3(1)	Appointment	√		
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	BOARD OF DIRECTORS' COMMITTEE			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee.	√		
5	AUDIT COMMITTEE			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board 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;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee.			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	√		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
	The Audit Committee shall:-			
5(5)(a)	oversee the financial reporting process;	√		
5(5)(b)	monitor choice of accounting policies and principles;	√		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	oversee hiring and performance of external auditors;	√		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	review the adequacy of internal audit function;	√		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	review statement of all related party transactions submitted by the management;	√		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	NOMINATION AND REMUNERATION COMMITTEE (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	√		
	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	EXTERNAL OR STATUTORY AUDITORS			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	financial information systems design and implementation;	√		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	broker-dealer services;	√		
7(1)(v)	actuarial services;	√		
7(1)(vi)	internal audit services or special audit services;	√		
7(1)(vii)	any service that the Audit Committee determines;	√		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	MAINTAINING A WEBSITE BY THE COMPANY			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		

Management Discussion and Analysis

BSRM Steels Limited is the country's largest 500 steel bars branded as "Xtreme500W" brand. The Company has anchored this position based on its market-leading capacities, world-class manufacturing assets, high production utilization levels, optimized cost structures, vibrant sales and distribution network, superior post-sales support and robust customer engagement programs. The overall Company's position has been reflected in the Financial Statements which has prepared following all International Financial Reporting Standards and International Accounting Standards. The company's position and future planning, methods of financial statement preparation has been summarized below:

Preparation of Financial Statements:

The financial statements have been prepared on a going concern basis following accrual basis of accounting in accordance with the applicable International Accounting Standards and International Financial reporting Standards.

Accounting Policies and Estimates and changes in that Policies and Estimates for preparation of Financial Statements:

Accounting Policies and Estimates and changes in that Policies and Estimates for preparation of Financial Statements are disclosed in Note no. 3 of the statement of financial position and on page 110 of Annual Report for the fiscal year 2018-2019.

Comparative Analysis on Financial performance and position of the Company:

FINANCIAL PERFORMANCE AND POSITION:

BSRM Steels Limited					Taka in Million	
Operational Results:	July'18- June'19	July'17- June'18	July'16- June'17*	Jan'16- June'16	2015	2014
Revenue	61,060	48,289	37,996	17,265	32,316	38,535
Gross Profit	5,052	4,879	4,557	3,114	4,368	2,807
Profit after Tax	1,728	1,800	1,705	1,313	2,081	1,086
EPS (Tk)	4.60	4.79	4.98	3.84	6.09	3.18
Net Assets Value (NAV) (Tk)	55.58	37.48	34.03	27.42	26.57	21.93
Net Operating Cash Flow (Tk)	(12.43)	2.20	1.07	9.05	16.87	(8.76)

*Information of 2016-2017 shows consolidated financial data.

The following operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company at the end of the Financial Year 2018-19. During the year under review, the Company recorded a profit after tax of 1,728 Million against previous year's net profit of 1,800 Million. The decrease is primarily on account of deferred tax expenses over previous year. The basic earnings per share for the Financial Year 2018-19 was Tk. 4.60 per share against Tk. 4.79 per share in the previous year. The analysis of major items of the financial statements is given below:

Revenue:

Particulars	Taka in Million		
	2018-19	2017-18	Change (%)
Revenue	61,060	48,289	27

During the year under review, sale of products was higher as compared to the previous year due to increased volume of sales.

Cost of Goods Sold:

			Taka in Million
Particulars	2018-19	2017-18	Change (%)
Cost of goods sold	56,008	43,411	29

During the year under review, purchase price of raw materials was higher as compared to the previous year and out of 29% changes, raw materials cost represents 26%. Other cost like salary, depreciation, consumption of stores and spares etc had no significant impact on profit.

Other Expenses:

			Taka in Million
Particulars	2018-19	2017-18	Change (%)
Selling and Distribution Expenses	1,227	1,304	(6)
Administrative Expenses	472	409	15
Net Finance Cost	1,221	1,012	21
Income tax expenses	610	508	20
Total	3,531	3,233	09

The Company's operating expenses (Selling, distribution, marketing, administrative, net Finance Cost and Income Tax expenses) increased to BDT 3,531 mn in 2019 from BDT 3,233 mn in 2018 which represents 9% increment.

Analysis of Balance Sheet

Shareholders' fund: Shareholders' fund increased to BDT 20,897 mn in 2019 from BDT 12,808 mn in 2018 and represents 63% addition.

Non-current assets:

Fixed assets additions: During the year 2019, the total additions to the fixed assets, including second melting unit at Mirsarai, was BDT 5,871.94 mn. The major additions to the fixed assets were land, building, purchase of plant and machinery etc.

Capital work-in-progress: The capitalization of second melting unit at Mirsarai has been completed in this year 2018-2019. The remaining Capital work-in-progress includes construction work for factory building, plant and machinery.

Current assets:

Inventory: Inventory comprises finished goods of BDT 6,336 mn, raw materials of BDT 6,590 mn, stores and consumables spares of BDT 2,064 mn. The Company has a policy of maintaining adequate inventory to ensure uninterrupted operations.

Trade and other receivables: These largely comprise of trade receivables where in average receivables cycle is maintained at 35 days.

Cash and bank balance: Cash and bank balances include cash in hand of BDT 5.65 mn, balances in bank account of BDT 507.53 mn and fixed deposits receipt of BDT 401.57 mn. Liquid balances of cash and bank are necessary for the smooth functioning of the business.

Equity and liabilities Capital and reserves: The equity capital comprised 375,952,500 equity shares of BDT 10 each. The market value of the share is BDT 58.30 is (as on 30 June 2019, DSE) resulting market capitalization of BDT 21.92 bn.

Non-current borrowings: Non-current borrowings include BDT 5,557 mn in 2019 for new melting unit plant at Mirsarai.

Current borrowings: Current borrowings includes current portion of long term loan of BDT 424 mn for new melting unit plant at Mirsarai.

Current Liabilities: Current liabilities stood BDT 33,888 mn in 2018-19 from BDT 29,799 mn in 2017-2018.

Analysis of Cash Flows:

Cash flow from operating activities: The Company has decided to provide extended credit facilities to new

government projects resulting which trade receivables has increased by BDT 3,671 mn at the end of June 2019. Purchase and suppliers payments have also increased by BDT 1,566 mn during the year 2018-19. Resulted net operating cash flow per share reduced to BDT (12.43) in 2018-2019 from BDT 2.90 in 2017-18.

Cash flow from investing activities: Net cash used in investing activities increased to BDT 6,098 mn in 2018-19 from BDT 1,914 mn in 2017-18 due to high outflow of cash for acquisition of Property, Plant and equipment.

Cash flow from financing activities: Net cash used in financing activities increased to BDT 11,161 mn in 2018-2019 from BDT 1,612 mn in 2017-18 due to new loan taken for second melting unit at Mirsarai and less cash dividend (i.e. @ 10%) paid in 2018-2019 for the year 2018 against 20% in 2017-2019 for the year 2017.

Financial Performance of Peer Industry:

Bangladesh Steel Re-Rolling Mills Limited (BSRM)					Taka in Million	
Operational Results:	July'18-June'19	July'17-June'18	Jul'16-June'17	Jan'16-June'16	2015	2014
Revenue	44,409	33,238	23,457	9,713	7,801	8,049
Gross Profit	4,992	4828	3,215	1,362	458	188
Profit after Tax	1,860	2778	756	588	827	109
EPS (Tk)	7.88	12.95	3.88	3.02	4.78	0.07
Net Assets Value (NAV) (Tk)	63.70	63.70	55.75	52.84	55.28	54.10
Net Operating Cash Flow (Tk)	2.81	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)

GPH Ispat Limited (GPH)					Taka in Million	
Operational Results:	2018-19*	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue	8,852	9,814	7,839	5,743	5,988	4,687
Gross Profit	1,508	1,603	1,373	960	901	867
Profit after Tax	564	644	571	289	292	269
EPS	1.57	1.97	1.83	2.65	2.34	2.35
Net Assets Value (NAV)	16.92	16.89	16.15	15.45	16.40	16.25
Net Operating Cash Flow	1.51	1.12	3.83	0.41	4.67	2.77

*Information of 2018-2019 shows Nine months financial data.

Appollo Ispat Complex Limited					Taka in Million	
Operational Results:	2018-19*	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue	1,588	3,864	5,714	5,306	5,137	4,947
Gross Profit	342	716	1,110	1,194	1,140	995
Profit after Tax	(74)	21	479	753	508	374
EPS	(0.18)	0.05	1.35	2.34	1.77	1.84
Net Assets Value (NAV)	19.42	20.19	22.15	23.38	24.37	31.37
Net Operating Cash Flow	1.82	0.82	0.33	3.65	2.13	(0.71)

*Information of 2018-2019 shows Nine months financial data.

Global and Local Economic Scenario:

According to the International Monetary Fund ('IMF'), global economic growth is expected to further decline to 3.3% in 2019. But improved momentum for emerging market and developing economies is projected to continue into 2020. The outlook for South Asia remains broadly positive. The steel industry plays a fundamental role is not only driving economic growth, but also other complementary industries such as transportation, energy, heavy engineering and construction. The economic growth of Bangladesh remains strong in FY 2018-19. Bangladesh's economy grew 8.00% in the fiscal year 2018-2019 with industry growth @ 11%. Considering that the government's lofty goals of achieving double digital growth in the economy, measures being taken to better facilitate the ease of doing business, and several mega projects, economic processing zones, and incentives for foreign investment, the macroeconomic factors to stimulate growth in this sector look bright.

Risk and mitigation:

Though the economy in Bangladesh is growing very fast and it creates an opportunity for steel industries, there are also

some risks. Global warming and green house effects, makes Bangladesh cyclone prone area. Moreover, energy crisis, port congestion, poor infrastructure etc creates obstacles for prospect of steel industry. However, now some positive steps have been taken by the Government. LNG supply, Rooppur N. Plants will hopefully reduce energy crisis. Construction of deep sea ports has started. Number of roads and bridges have been constructed. Government is going to set up some Exclusive Economic zones. Industry favorable policies and rules have been enacted. We have set up a separate department to identify and assess the internal potential risks and to find a way out how to mitigate those risks. The enterprise risk management policy has been enforced. A dedicated team is regularly monitoring the Enterprise Risk and take corrective measures.

Future planning:

BSRM Steels Limited is planning to sell 7.75 lac M. Ton M.S Rod in 2019-2020. Our production target of Rolling Plant is 7.5 lac M. Ton and Melting Plant 6.50 lac M. Ton. We hope we shall achieve our projected target.



Aameir Alihussain
Managing Director

Risk Factors and Concerns

1. Business Risks

a) Risks associated with sourcing of Raw Materials

Against our production capacity of 7,00,000 mt MS Rod, we have our two billet manufacturing plant having capacity of 6,50,000 MT. On the other hand BSRM Steel Mills Limited, an associate company of BSRM Steels Limited can meet rest of the required billets for the company. So group is self-sufficient for its basic raw materials of billet.

b) Risks associated with Power Supply

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

For ensuring uninterrupted power supply BSRM Group has made a deal with PGCB and installed a substation for tapping power from the 230 KV national grids. Moreover, now more than 10,000 MW power can be produced in Bangladesh. The government is also planning for setting up some big power stations. There is another regular risk of having an adequate and regular supply of gas. The Company is also aware of such risks and its mitigation through the alternative supply of fuel.

2. Market Risks

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

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

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

Interest Rates

Interest rate risk refers to the risk that increases cost of capital which will have an adverse impact on consolidated net financial income.

The business of BSRM Steels Limited requires huge working capital. Although the company closely monitors and manages requirement of capital investment, the actual capital requirement may deviate from the projected one due to factors beyond its control, thus potentially affecting the borrowing costs. Interest rate on working capital and term loan has increased during last six months of this year which also impact the net income of the company.

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

Foreign Exchange Fluctuations

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

We are hugely involved with Foreign Trade i.e. Import & Export and thus we are also exposed to Foreign Currency Risks. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains and losses in our income statement as incurred. We also maintain foreign currency account in which export collection is directly deposited and we can meet foreign currency payment requirements. In the year 2017-18 company has not been affected due to Foreign Currency fluctuation. Further, as a mitigation plan we plan to purchase USD in advance based on the market situation.

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 timely supply of quality product.

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

3. Technology Related Risks

Highly automated and competitive types of machinery are available with the Company for the manufacture of various steel products. The Company has so far been one of the pioneers in Bangladesh in setting up mills with State of the Art European Technology for further processing of the input materials. The Company also implemented Oracle e-Business Suite to integrate the operation of basic functions namely, Finance and Accounts, Sales and Marketing, Supply Chain, Inventory, Maintenance, and Manufacturing. Business Intelligence (BI) Analytics Tool for BSRM Group went go live in May 2018 which help senior management and Board members to have information from one central place.

4. Environmental Risks

BSRM is proud to be ZERO in factory emissions and effects on environment. To reduce pollution in our plants and protect human and nature alike, BSRM Has undertaken environment friendly initiatives which are as follows:

i. BSRM Cleans 31,584,000 Cubic Meters of air every day. We are using Japanese air pollution control technology for this purpose.

ii. BSRM Recycles 373,700 Cubic Meters of water every day. We have invested in technologically superior European Water Treatment Plant in its steel plants which has helped BSRM to recycle every drop of used water and achieve zero water wastage.

iii. BSRM plants 10,000 trees in its factories. We have under taken a plan for reforestation effort in collaboration with partner organizations, conducts tree plantation programs around main steel plants.

We firmly believe that-ZERO can save life.

Enterprise Risk Management and Control Environment

Enterprise Risk Management framework

The Enterprise Risk Management framework (ERM framework) refers to a set of components that provide the foundation for designing, implementing, monitoring, reviewing and continually improving risk management throughout BSRM Group of Companies. The ERM framework for the Group has been developed keeping in mind the needs of internal and external stakeholders. The BSRM Group's ERM framework is based on the 'Risk Management - Principles and Guidelines' developed by the International Organization for Standardization (ISO 31000:2009 - Risk Management Principles and Guidelines).

In addition, several good practices recommended by the Committee of Sponsoring Organizations (COSO) for ERM have also been incorporated to further the BSRM Group's endeavor to build world class ERM framework and processes.

BSRM Enterprise Risk Management ("ERM") Framework provides guidance to implement a consistent, efficient, and economical approach to identify, evaluate and respond to key risks that may impact business objectives.

BSRM's enterprise risk management framework is directed to enable management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value.

- Promoting risk awareness throughout the BSRM Ltd as well as BSRM Group of Companies.
- Defining risk appetite
- Identifying and managing multiple and cross-enterprise risks
- Identifying risk management team with clearly defined roles and responsibilities
- Formalizing risk response decisions
- Reducing operational surprises and losses
- Formalising a process for identifying opportunities arising out of risk situations
- Improving deployment or more efficient use of capital and resources

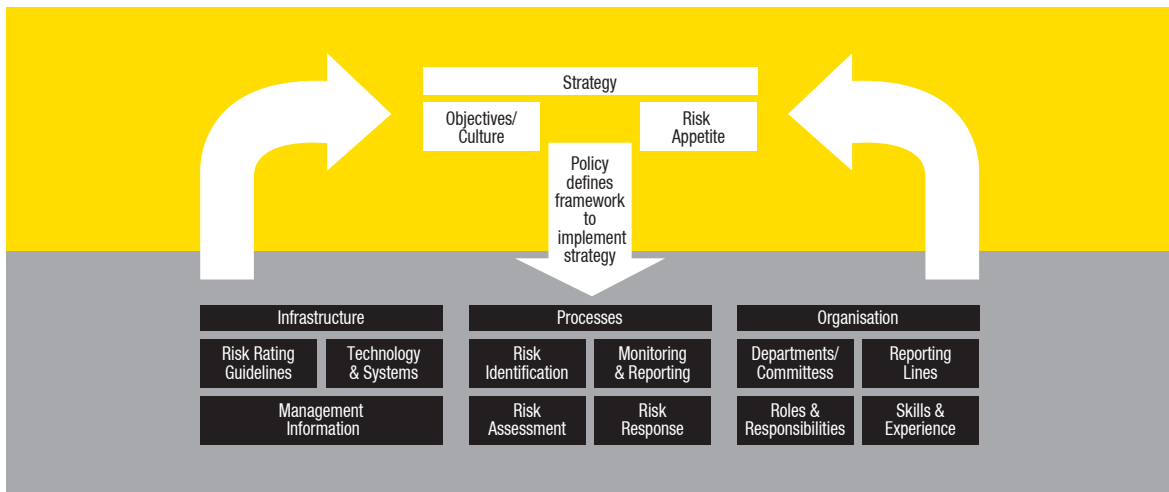
ERM will help BSRM Ltd in managing risks in a proactive manner towards achieving its business objectives, performance & profitability targets and prevent loss of resources. BSRM's ERM is directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the entity's reputation and its consequences.

Key principles of ERM Framework

The guiding principles of BSRM's Risk Management Framework are as follows:

- Risk Management should be a continuous process.
- Risk Management principles should be kept in mind during the strategy and objective setting processes as well as the day-to-day activities and decision-making
- Risks should be understood and prioritized based on the event frequency and impact to one or more objectives
- The same metrics used to measure objectives e.g., revenue, customer satisfaction metrics, are to be preferably leveraged during risk management activities
- Risk response strategies are to be evaluated for those risks deemed to be high or medium priority
- Key risk management information (e.g., key events, results of risk assessments, risk responses) is to be documented in a timely and structured manner
- Policies, procedures and practices should be in synchronisation with risks
- A portfolio view of risks is to be reviewed by the Board, Audit Committee, Management Team and Chief Risk Officer on a regular basis

BSRM's Risk Management Framework comprises of:



Risk Management Methodology of BSRM:

Risk

Simply stated risk is the possibility that an event will occur and adversely affect the achievement of objectives. Risks can be thought of as threats, uncertainty or lost opportunity.

Risk Management as a process

The process of Risk Management deals with how the organization

- Identifies risks that affect achievement of goals & objectives
- Measures the significance of each identified risk
- Determines the most appropriate business response to each risk
- Evaluates and reports on how well the chosen responses are being implemented

Risk Management Guidelines

The ERM guidelines provide supporting information to assist Management in the execution of the ERM processes.

ERM process is the systematic application of management policies, procedures and practices to the activity of communicating, consulting and establishing the context for ERM in BSRM Group of Companies. The ERM process comprising of risk identification & assessment, risk treatment and risk monitoring applies across the organizational lifecycle.

Against the given background, the key process constituents of ERM are:



Disclosure of Risk Reporting:

We are following the below process for risk reporting in BSRM Group of Companies:

Documentation	Description	Monitored by
Risk Register and Profile	Record identified Risks and detailed description of risk which needs to be prioritized	Designated Risk Manager of each BU will monitor it.
Risk response and mitigation	Detailed current risk response and details of Management actions with timelines	Designated Mitigation owner and Risk Manager will monitor it.
Risk Report at Business unit and corporate level	A report/ form of communication intended to inform particular stakeholders by providing information regarding the current state of key risks and its management. It is represented by a "Heat Map" where key risks are plotted and is supported by the detailed risk profiles	Risk Managers, Chief Risk Officer and Risk Steering Committee will monitor it.
Risk report at group level	Executive Summary Report with the selected top risks and responses at group level	Chief Risk Officer will monitor it.

Remuneration Paid to Directors in July 2018–June 2019

ANNEXURE-3

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

Name	Position	Attendance Fees	Remuneration	Total Paid
Mr. Alihussain Akberali FCA	Chairman	17,250	40,500,000	40,517,250
Mr. Aameir Alihussain	Managing Director	23,000	36,000,000	36,023,000
Mr. Zohair Taherali	Director	17,250	11,400,000	11,417,250
Mrs. Tehseen Zohair Taherali	Director	17,250	6,600,000	6,617,250
Mr. Gobinda Chandra Paul FCA	Independent Director	230,000	-	230,000
Total Taka		304,750	94,500,000	94,804,750

Key Operating and Financial Data of Preceding 6 Years

ANNEXURE -4

Particular	Unit	July'18 to June'19	July'17 to June'18	July'16 to June'17*	Jan'16 to June'16	2015	2014	2013
Operations and Market:								
Production (Qty)	MT	758,405	727,034	681,064	362,254	602,832	623,918	630,305
Production Growth	%	4.31%	6.75%	(6.13%)	20.18%	(3.38%)	(1.01%)	8.65%
Sales (Qty)	MT	756,820	710,995	692,504	373,747	604,513	679,803	601,935
Sales Growth (Qty)	%	6.45%	2.67%	(14.71%)	23.65%	(11.08%)	12.94%	3.90%
Financial Results:								
Turnover	MLN TK	61,060	48,290	37,996	17,265	32,316	38,536	36,229
Gross Profit	MLN TK	5,052	4,879	4,557	3,115	4,369	2,807	3,250
Gross Profit %	%	8.27%	10.10%	11.99%	18.04%	13.52%	7.28%	8.97%
Earnings before interest, WPP & WWF and Tax	MLN TK	3,369	3,644	3,746	2,380	3,258	1,893	2,314
	%	5.52%	7.55%	9.86%	13.78%	10.08%	4.91%	6.39%
Net Profit after tax	MLN TK	1,728	1,801	1,705	1,313	2,082	1,086	1,693
	%	2.83%	3.73%	4.49%	7.61%	6.44%	2.82%	4.68%
Earnings Per Share (EPS)**	TK	4.60	4.79	4.98	3.84	6.09	3.18	4.95
Financial Position:								
Current Ratio (Times)		1.15	1.06	1.08	1.13	1.06	1.01	0.97
Net Asset Value	MLN TK	20,897	12,809	11,630	9,371	9,081	7,495	6,915
Net Asset Value Per Share	TK	55.58	37.48	34.03	27.42	26.57	21.93	20.23
Net operating Cash Flow Per Share**	TK	(12.43)	2.20	1.07	9.05	16.87	(8.76)	13.44
Paid -up Capital (In Crore)	TK	375.952	341.775	341.775	341.775	341.775	341.775	341.775

*Information of Financial Results & Financial Position of 2016-2017 shows consolidated financial data.

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

Pattern of Shareholding as on June 30 2019

ANNEXURE-5

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

Name	Relation	No. of Shares Held
Bangladesh Steel Re-Rolling Mills Limited	Associated Company	117,253,590
H. Akberali & Co. Limited	Associated Company	84,551,081
Total		201,804,671

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

Name	Relation/Designation	No. of Shares Held
Mr. Alihussain Akberali FCA	Chairman	38,486,794
Mr. Aameir Alihussain	Managing Director	7,519,050
Mr. Zohair Taherali (Nominated Director of Bangladesh Steel Re-Rolling Mills Limited)	Director	117,253,590
Mrs. Tehseen Zohair Taherali (Nominated Director of H. Akberali & Co. Limited)	Director	84,551,081
Mr. Gobinda Chandra Paul FCA	Independent Director	Nil
Mrs. Sabeen Aameir	Wife of Mr. Aameir Alihussain	7,969
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali	1,285,099
Mr. Shekhar Ranjan Kar FCA	General Manager Finance & Accounts and Company Secretary	30,006
Mr. Moklesur Rahman Akhtar FCMA	Senior Manager & Chief Financial Officer	Nil
Mr. Murtaza Zoher Bengali	Senior Manager Internal Audit & Compliance	Nil

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

Name	Designation	No. of Shares Held
Mr. M. Firoze	Adviser Marketing & Product Development	Nil
Mr. A.F.M Mizanur Rahman	General Manager Plant Operation	Nil
Mr. Jasim Uddin Ahmed	General Manager Business Projects	4,697
Mr. Md. Azizul Haque	General Manager Manufacturing	Nil
Mr. Mohammed Reazul Kabir FCA	Assistant General Manager Finance & Accounts	2,051

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

Name	Relation	No. of Shares Held
Mr. Alihussain Akberali FCA	Chairman	38,486,794
Bangladesh Steel Re-Rolling Mills Ltd.	Affiliated Company	117,253,590
H. Akberali & Co. Limited	Affiliated Company	84,551,081



Growing Together

Growth and development is a journey that has no destination. And with every success, our nation has larger dreams – and BSRM is helping bring those dreams to life. In fact, BSRM procures around 1.6 million tonnes of raw material annually, handling around 14,000 MT of inbound and outbound raw materials and finished goods daily; with market capitalization of 38,655 million taka (as of 30th June 2019). The Group assets are worth 126795 million taka (as of 30th June 2018) and BSRM contributed Taka 17,365 million to the National Exchequer in 2018-2019.

Corporate Social Responsibilities

BSRM GROUP CSR VISION

Integrate social responsibility at every step of BSRM Group core business decisions and processes.

BSRM GROUP CSR PRINCIPLES

To engage in activities and use group resources in a set of strategically planned efforts consistent with BSRM aspiration to take metals production technology and process to the next level.

CSR principles are the fundamental guidelines creating the framework within which BSRM group operates businesses. Use available resources embracing social, economic, and environmental considerations for the interest of all stakeholders, for present and future generations. Operate in a transparent manner, conforming to ethical code of conducts for best business practices ensuring sustainability.

BSRM GROUP CSR PLAN

Continue to evolve as a responsible business house fulfilling legal and ethical issues of doing business within a set of values that guide BSRM business processes ranging from procuring materials from genuine suppliers to serving social causes. Retain and uphold BSRM "SIMPLE ACHIEVEMENTS" made since 1952:

- S** - Stands Tall as One of the Leading Business Houses in Steel Industry
- I** - Innovative & Efficient Business Operations
- M** - Makes Huge Investments in Protecting Environment, Preserving the Planet
- P** - Produces Best Quality Steel Products, Contributing in Building 'Safer Nation'
- L** - Largest Tax Payer in the Steel Sector
- E** - Employer of Choice

2018-2019 BSRM CSR PHILANTHROPIC INITIATIVES

CSR programmes/projects are usually of continuous in nature, focus areas: education, health, water, livelihood, conservation of nature. Existing programmes are scaled up and replicated, as felt deemed, new initiatives have been taken during the current fiscal year.

School Children Milk programme (SCMP), Gaibandha

November 2018



A unique project has been initiated, BSRM brainchild, to reach kids of meager income families, who come to school without having breakfast in the remote area of Bangladesh. Hunger and malnutrition leads to poor performance in school, worse health outcomes, and without doubt, lowers productivity throughout adult life.

BSRM has partnered with Gana Unnayan Kendra (GUK), a reputed NGO in Gaibandha who has agreed to become a sponsor partner of the Joint Venture and implement the project.

SCMP is a sustainable venture having long-term benefits. Starting as a pilot project if becomes successful, the scope and area will be scaled up, in the same district and beyond.



Initially the farm will start with 15 cows to produce and supply fresh milk to school children, will contribute in augmenting lives of 368 kids of two schools, generate employment at the farm and bring revenue which will be used to expand the programme to cover additional schools under this scheme.

The project is almost ready, will be inaugurated in November 2019, it is located in a flood prone area, many children will be benefitted from this intervention.



BSRM Tree Plantation (BTP) Bangladesh

October, 2018



This project brings all lands/spaces owned by BSRM group under BTP that are not used by the manufacturing plants, and or various offices, for plantation and cultivation. BTP is a sustainable project, will (a) create employment, (b) generate revenue which will be used to (c) support BSRM CSR philanthropic programmes.



BSRM Khulna BTP

BSRM employees are the implementing partners. Admin wings of BSRM Plants, Sales Offices, Warehouses are managing the plantation and distribution location wise. Scope of the programme is to grow trees, organic fruits, vegetables, fish and live-stocks. BSRM employees will have the privilege to purchase at fair price. With the growing volume of produces, we plan to sell in the market, gradually it will become a mega project.



BSRM Jungal - Narayangonj BTP



Genius Scholarship Program, Bangladesh

April, 2019

A unique project has been initiated, BSRM brainchild, to reach kids of meager income families, who come to school without having breakfast in the remote area of Bangladesh. Hunger and malnutrition leads to poor performance in school, worse health outcomes, and without doubt, lowers productivity throughout adult life.

BSRM has partnered with Gana Unnayan Kendra (GUK), a reputed NGO in Gaibandha who has agreed to become a sponsor partner of the Joint Venture and implement the project.

SCMP is a sustainable venture having long-term benefits. Starting as a pilot project if becomes successful, the scope and area will be scaled up, in the same district and beyond.



BSRM Uttaran Water Project Shatkhira

April 2019



Often we question ourselves whose is responsible for fetching safe drinking water of a family in our country – is it the children, women or the government? Support from any quarter impacts lives of many, BSRM CSR desk has taken a number of small initiatives for supplying fresh drinking water in Sylhet, Barisal, Mongla, Fulchar, Gaibandah, Kurigram. These programmes save time for children to study, women to engage in income generating work, reduce suffering from water generated diseases, lower family medical expenses



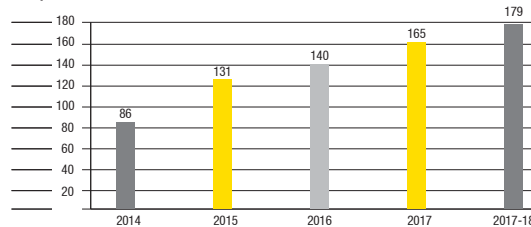
BSRM and its NGO partner Uttaran have agreed to set up another water project - a submersible pipeline water supply plant in Khanpur, Tala, Shatkhira. The capacity of the water reservoir will be 50,000 litre, 500 HHs or 3,700 family members will be benefitted, expected to complete by December 2019.



BSRM Employee Education Programme (BEEP) January 2014

BSRM non-management employees wanting to provide good education to their children are supported under BEEP. The programme is operated by BSRM Human Resource/Admin Departments at all BSRM operation sites in Bangladesh.

Beep Students



Contribution to the project has increased as the number of kids getting support under BEEP has increased over the years.



BSRM Employees: Mr. Julel with children



Mr. Dulal Mia with son

BEEP supports Qarz-e-Hasana (BEEP-QH) - A loan fund designed for employees who are in financial crisis but need to pursue higher education for themselves or their children as well.



Success in Silver

BSRM steel isn't just renowned throughout the nation, but in the world as well. In fact, BSRM Steels Limited has been awarded the prestigious National Export Trophy (Silver) for the financial year 2016-2017 from Export Promotion Bureau (EPB) under Ministry of Commerce, given by the Honorable Prime Minister Sheikh Hasina herself on September 01, 2019.



Sustainable Growth

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

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

Green Environment....

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

The Company has also commissioned Air Pollution Control (APC) system in melting factory 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 Mirsarai. It will have marvelous positive impact on the environment.

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

Human Resources Function....

We are on a journey to build a safer nation. To make this drive meaningful we always desire to have the best people in our team. Our people are our asset. We truly believe that our employees are integral to our success. We can only be consistent with our values; Sustainable Growth, Quality, Reliability, Trust, Leadership, Social Responsibility and Customer Satisfaction if we foster the right people at the right time, work as a team, develop talents, enhance leadership capabilities and maximize the potential of our human capital.

We at BSRM, always welcome candidates from different disciplines with adequate experience to join us. Our Talent Acquisition team works hard to search for talent for a role on basis of the required competencies. We are an equal opportunity employer where every candidate is judged by their self-ability to perform certain job. Our unbiased approach made us an Employer of Choice. We aspire to

align our people with our vision and values and make them a key factor for success in business transformation and change process.

Here at BSRM, we believe people join us for a career, not for a job. Our KPI based performance management system helps people to be accountable for their roles and find out their weak areas to develop. It helps us to identify the high performer for a bigger role within the group. Talent Management team strives to maintain a performance based culture, identifying critical positions, finding out the possible successors and helping them develop to future leadership.

In order to nurture talent, we at BSRM, believe that institutionalizing a learning culture positively helps safety, sustainability, quality and productivity of the organization. Our Learning and Development activities are systematic, organized, and ensure that individual training needs are well defined, understood, and catered to. Frequent trainings, local and abroad, are provided to confirm adequate development opportunities for all our people. Pre evaluation and post assessment translate to the training effectiveness and utilization.

A large number of skilled workforces are working with us to produce the best quality of steel for our customers. We are committed to give our people a safe and compliant workplace. Our Industrial Relation team works closely with our Plant Human Resources to make sure that our people have a place to talk and they must feel their concerns are attended. We pay attention to give a work life balance and engagement to our people. Employee Engagement programs are rolled out to not only engage

employees but also develop employee ethics through positive motivation and promote a work environment that is characterized by fair treatment of staff, open communication, personal accountability, trust and mutual respect.

Our HR policies are formulated to give the best to our people, and also at the same time guarantee the control and utilization of resources. Our HR Operations team is responsible for policy administration and timely review of HR policies. Our people deserve the best of us, and hence we focus on our Benefit Policy to ensure that our talent receives benefits and allowances such as Festival Bonus, Provident Fund, Gratuity, Car Scheme, Children Education Scheme, Employee Education Scheme, Employee Children Achievement Award for distinct academic result, Domiciliary Scheme, Executive Health Check-up Scheme, Hospitalization Scheme, Maternity Benefit Scheme, Wedding Gifts, WPPF, Pilgrimage Leave etc.

True motivation comes from achievement, personal development, job satisfaction and recognition and our team ensures that it is not about financial attachment but emotional attachment is developed because when people are financially invested, they want return. When people are emotionally invested, they want to contribute. We have successfully maintained a low employee turnover over the years by engaging our employees and making sure they have a sense of ownership towards our organization.

We work together, and we achieve together.

Information Technology....

When it comes to empowering IT, BSRM has always been the pioneer in Bangladesh Manufacturing industry. While our ERP support is working relentlessly to accurately reflect our production and financial info in oracle eBS, our development team remains ever vigilant to ensure the best service possible to our beloved customers.

To double down on uninterrupted service, we have implemented an offline delivery system which guarantees seamless delivery even during unforeseen circumstances (Network downtime, Server crash etc.). Our new 'Disaster Recovery Site' works as a safeguard against critical system failures. But most importantly, thanks to a website overhaul; customers are now free to submit purchase order on BSRM Website without any prior registration requirement.

By making numerous enhancement, adjustments and developments for departments all across the group; IT has become a staple of BSRM today. And thanks to the continuous support from senior management; will hopefully continue to thrive and prosper over the coming years.

Regulatory Compliance Report

Corporate Governance Report

We take pride in doing the right things the right way – and are committed to the highest standards and practices of corporate governance, professionalism as well as business integrity, accountability, transparency and ethics in our quest and commitment at all levels to the continuous enhancement of stakeholders value as evident that we have awarded several times by ICSB for the best practices of corporate governance in our organization. Good Governance is the cornerstone of sustainability and creation of long term value – both inherently underlying the structures and work processes of BSRM Steels Limited in its history of being a pioneer in the industries, we operate in and in turn one of the best steel industry in Bangladesh. Corporate Government refers to the structures and processes for the direction and control of companies. Sound corporate governance is a fundamental part of the culture of the company and ensures longterm success. Corporate governance concerns the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies. The Board of Directors of BSRM Steels Limited is firmly committed to upholding principles of sound corporate governance. The main objective of corporate governance is creation of lasting value for stakeholders. Transparency in business transaction and disclosure of information to regulatory bodies as part of its legal obligations constitute sound corporate governance. Good corporate governance also means conformity to sound ethical principles and a code of conduct in business dealings.

Board of Directors

Board of Directors is the representative and trustee of the shareholders of the company. The Board of directors of BSRM Steels Limited comprises of five members including Chairman, Managing Director and the board also has one independent director in compliance with the corporate Governance Guidelines of BSEC. The Directors possess a wide range of experience, expertise and specialized skills

to assist in decision-making and leading the Company for the benefit of its shareholders. Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest.

Selection and appointment of new Directors

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

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

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

Retirement and re-election of Directors

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

Qualification of Board members

The Board of Directors of BSRM Steels Limited consists of members who possess a wide variety of knowledge and experience in different arena of corporate world. This ensures that together, they formulate the right policy for the development of the business. Two of the Directors in the Board are Chartered Accountants with elevated experience across key positions of finance and accounts, and who normally provides guidance in matters applicable to accounting and auditing-related issues to ensure compliance and reliable financial reporting. Respective qualification of Directors is appended in Directors' profile on page no 29 of this annual report.

The Role of the Board

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

Audit Committee

BSRM Steels Limited has an Audit Committee as a sub-committee of the Board of Directors. This committee is assisting the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. This committee is responsible to the Board of Directors and its duties and responsibilities

are clearly set forth in writing. Audit Committee is reconstituted as per the guidelines of BSEC.

Audit Committee holds regular meetings on the following major issues:

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

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

Nomination and Remuneration Committee (NRC)

BSRM Steels Limited has formed a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board of Directors. This committee will assist the Board of Directors in formulation of the nomination criteria or policy to determine qualifications, experiences, remuneration and independence of directors and top level of executives. The NRC is comprising of three members including one Independent Director. A separate report of the NRC committee is included in the annual report.

Chairman of the Board and Managing Director

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

Directors' report to Shareholders

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

Chief Financial Officer, Company Secretary and Head of Internal Audit & Compliance

Company has appointed qualified Professional Accountants designated as Chief Financial Officer, Company Secretary and HIAC. The CFO & Company Secretary regularly advise and assist the Board on financial strategy and compliance issues of the regulatory bodies. Chief Financial Officer, Company Secretary and HIAC attend Board Meetings as per Corporate Governance notification of the BSEC. Company's internal audit department is headed by a Head of Internal Audit & Compliance having professional expertise and long experiences in the field of internal audit. Board of Directors clearly defined respective roles, responsibilities and duties of the CFO, Company Secretary and Head of Internal Audit & Compliance.

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.

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. The 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/s M.A. Mallick & Co., Chartered Accountants is included in the annual report.

Report of the Audit Committee for the period from July 2018 to June 2019

The Audit Committee of **BSRM Steels limited** is pleased to submit the following report on the activities of year 2018-019:

According to the Notification on Corporate Governance of Bangladesh Securities & Exchange Commission (BSEC) dated June 03, 2018 the board has established Audit Committee as a sub-committee of the Board.

The Committee:

The present committee members, nominated by the Board are as follows:

Mr. Gobinda Chandra Paul FCA	Chairman
Mr. Aameir Alihussain	Member
Mr. Zohair Taherali	Member
Mr. Shekhar Ranjan Kar FCA	Secretary

Terms of References: The terms of reference of the Audit Committee have been determined by the Board as per BSEC notification. The Committee is responsible to the Board of Directors and reports on its activities regularly. The Committee assist the Board in its general oversight of financial reporting, internal controls and functions relating to internal audit as well as ensures compliance with the Corporate Governance Code of BSEC.

Role of Audit Committee:

Role of Audit Committee of BSRM Steels Limited are appended below:

- (a) Oversee the financial reporting process.
- (b) Monitor choice of accounting policies and principles.
- (c) Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.
- (d) Oversee hiring and performance of external auditors.
- (e) Hold meeting with the external or statutory auditors for review of the annual Financial Statements before submission to the Board for approval or adoption.
- (f) Review along with the management, the quarterly and half yearly & annual Financial Statements before submission to the Board for approval.
- (g) Review the adequacy of internal audit function.
- (h) Review the Management's Discussion and Analysis before disclosing in the Annual Report.
- (i) Review statement of all related party transactions submitted by the management.
- (j) Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.
- (k) Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.

Activities of the Audit Committee for the year under report:

The members of Audit Committee met four times during this reporting period. The Committee carried out the following activities among others:

- Reviewed the quarterly, half yearly and yearly Financial Statements of the company and recommended to the board for adoption and circulation.
- Reviewed the land valuation report as certified by ACNABIN, Chartered Accountants, its, valuation process, accounting treatment and disclosure as per BSEC Notification dated August 18, 2013.
- Reviewed the internal audit process and effectiveness of internal audit,
- Reviewed the findings of inter audit team and its corrective actions
- Assessed the findings of external auditors and compliance of IAS/ IFRS for preparation of Financial Statements.
- Reviewed the adequate internal control system of the company are in place.
- Reviewed the compliance requirements of BSEC guidelines, notification and other laws.

Re-Appointment of Auditors:

The audit committee has recommended the board to re-appoint existing external auditor of the Company- A. Qasem & Co Chartered Accountants, Faruk Mahal (3rd Floor), Plot# 93, Agrabad C/A, Chattogram the member firm of Ernst & Young (EY) in Bangladesh for the position of statutory auditor for the year 2019-2020.

Audit Committee expressed their sincere thanks to all members of Board, team of internal audit, team of accounts & finance and management of the company for their support.

On behalf of the Audit Committee



Gobinda Chandra Paul FCA

Chairman

Date:- September 16, 2019

Report of the Nomination and Remuneration Committee (NRC) for the period from July 2018 to June 2019

The Nomination and Remuneration Committee (NRC) of BSRM Steels limited is pleased to submit the following report on the activities for the year 2018-19:

Formation of NRC:

The Nomination and Remuneration Committee (NRC) of BSRM Steels Limited is being formulated in compliance with Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Date: June 03, 2018 on Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC) to assist the Board broadly in formulation of policy on nomination and remuneration mainly for Directors and top level executives of the Company. This is a sub- committee of the Board.

The Nomination and Remuneration Committee (NRC) of BSRM Steels Limited is comprised of the following members:

Mr. Gobinda Chandra Paul FCA	Chairman
Mr. Aameir Alihussain	Member
Mr. Zohair Taherali	Member
Mr. Shekhar Ranjan Kar FCA	Secretary

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive.

Role of the NRC:

- NRC Shall be independent and responsible or accountable to the Board and to the shareholders;
- To oversee, among others, the following matters and make report with recommendation to the Board:

(i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the

remuneration of the directors, top level executive, considering the following:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background.

(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

(iv) formulating the criteria for evaluation of performance of independent director(s) and the Board;

(v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

(vi) developing, recommending and reviewing annually the company's human resources and training policies;

Meeting of NRC:

During this reporting period the Committee met in June 20, 2019. The NRC of BSRM Steels Limited carried out the following activities during the year 2018-2019:

Members have elaborately discussed about the Nomination and Remuneration Policy of the Company specially on new Organizational Restructuring exercise which was supported by Deloitte and other following activities:

1. Launching of competency framework project.
2. Finalization of organization structure.
3. Developed strategy to handle manpower turnover.
4. Introduction of new attendance policy.

Members of NRC have also observed the following activities of the Company:

- a) Appointment and Retirement policy of Director, Top Level Executives and Senior Management including Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC).
- b) Term/ Tenure of Independent Director.
- c) Evaluation of performance of Director and top level executives.
- d) Remuneration policy for Directors and top level Executive.

The Committee reviewed the following activities of the Company:

- a) Organization Structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement.
- b) Pay structure for each job level based on education, experience, and competency.
- c) A target based on-line Performance Management System to evaluate performance of employees. Yearly Increment, Promotion of individual, etc.



Gobinda Chandra Paul FCA

Independent Director and Chairman of NRC

Dated: September 16, 2019

d) Employee Benefit Policy to attract the job seekers and retain internal talents.

e) Succession planning of the company to have our future leaders ready according to the requirements.

f) Ensuring extensive training and development plan for the individual or group of people.

g) A transparent recruitment and selection policy where competent candidates get hired.

h) Practicing a clear career path system for employees which reflect in Organization Structure.

Appreciation:

The NRC expresses their sincere thanks to the members of the board and the management for their support, guidance and co-operation while carried out the responsibilities.



For the Nation of Tomorrow

Growth and development is a journey that has no destination. And with every success, our nation has larger dreams – and BSRM is helping bring those dreams to life. The first Metro Rail, Bus Rapid Transit and Elevated Expressway in Bangladesh are all being built with BSRM Steel, as well as the prestigious Padma Bridge and the Rooppur Nuclear Power plant – the dreams of today that will soon become the reality of tomorrow.



Certificate of Membership of BAPLC



**“MY HOME IS
AS GREAT AS THE
PADMA BRIDGE TO ME”**

We understand what your home is to you. That's why at BSRM, we forge steel for building homes and national mega structures with the same expertise.

COUNTRY'S NO. 1 STEEL EXPERT



AUDITORS' REPORT & FINANCIALS 2018-19

**Auditors' Report & Audited
Financial Statements of BSRM Steels Limited
for the year ended June 30, 2019**

Independent Auditor's Report To the Shareholders of BSRM Steels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BSRM Steels Limited (the Company), which comprise the statement of financial position as at 30 June, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for 2018-19. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.



Key Audit Matter	How our audit addressed the key audit matter
<p>The impact of the initial application of IFRS 15 on the appropriateness of revenue recognition and related disclosures - See note # 3.12 & #26 to the financial statements.</p> <p>Revenue of BDT 61.060 billion is recognized in the income statement of BSRM Steels Limited for the year ended June 30, 2019. This material item is subject to considerable inherent risk due to the complexity of the systems necessary for properly recording and identifying revenue and the high number of transactions from multiple region from which revenue is being recognized. Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<p>In light of the fact that the high degree of complexity, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> ▶ We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of IFRS 15 - Revenue from Contracts with Customers. ▶ We identified and tested controls related to revenue recognition and our audit procedure focused on assessing the invoicing and measurement systems up to entries in the general ledger. Examining customer invoices and receipts of payment on a sample basis. ▶ We assessed that the contractual positions and revenue for the year were presented and disclosed in the financial statements.
Key Audit Matter	How our audit addressed the key audit matter
<p>Accuracy and completeness of disclosure of related party transactions - See note #10, #20& #38 to the financial statements.</p> <p>We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the financial statements as a key audit matter due to the high volume of business transactions with related parties during the year ended 30 June 2019.</p>	<p>Our procedures in relation to the accuracy and completeness of disclosure of related parties' transactions included:</p> <ul style="list-style-type: none"> ▶ Obtaining an understanding of the Company's processes and procedures in respect of identifying related parties; approval and recording of related party transactions including how management determines all transactions/ balances with related parties are determined at arm's length and entered into in the normal course of business and further fully disclosed in the financial statement. ▶ We tested, on a sample basis, related party transactions with the underlying contracts and other documents and for appropriate authorization and approval for such transactions. ▶ We read minutes of shareholder meetings, board meetings and minutes of meetings of those charged with governance in connection with transaction with related parties effected during the year. ▶ Evaluating the completeness of the disclosures through review of statutory information, books and records and other documents obtained during the course of our audit.



Other information included in the Company's 2018-19 Annual Report

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company and the Group or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Based on the information read and reviewed, we have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a



material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) 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 these books;
- iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) The expenditure incurred was for the purposes of the company's business.



A. Qasem & Co.
Chartered Accountants

Place: Chattogram

Date : September 16, 2019.



BSRM STEELS LIMITED**Statement of Financial Position
As at June 30, 2019**

	Notes	As at 30 June	
		2019	2018
		Taka	Taka
ASSETS:			
Non-Current Assets:			
Property, plant & equipment	4	23,142,546,283	9,563,331,957
Intangible Assets	5	48,503,285	27,629,844
Capital work-in-progress	6	145,804,831	2,841,135,643
Investment in associates	7	3,457,009,041	1,562,913,138
Total Non-Current Assets		26,793,863,440	13,995,010,582
Current Assets:			
Inventories	8	14,990,097,612	14,451,900,658
Trade & Other Receivables	9	10,131,693,870	6,460,423,147
Due from related companies	10	8,505,954,818	6,970,340,553
Advances, deposits and prepayments	11	3,976,716,412	2,954,281,030
Short Term Investments	12	495,102,221	323,908,621
Cash and cash equivalents	13	914,756,422	524,690,721
Total Current Assets		39,014,321,356	31,685,544,730
Total Assets		65,808,184,796	45,680,555,312
EQUITY:			
Share Capital	14.02	3,759,525,000	3,417,750,000
Revaluation Reserve		7,940,930,965	2,613,852,170
Retained Earnings		9,196,763,654	6,777,298,362
Total Equity		20,897,219,619	12,808,900,532
LIABILITIES:			
Non-Current Liabilities:			
Long term loans	15.03	9,067,948,647	1,777,555,668
Defined benefit obligations-Gratuity	16	164,439,863	136,970,002
Deferred tax liabilities	17	1,790,395,047	1,157,754,016
Total Non-Current Liabilities		11,022,783,557	3,072,279,686
Current Liabilities:			
Trade payable	18	3,361,610,352	5,767,311,018
Short term loan	19	20,457,420,060	19,295,024,003
Current portion of Long term loans	15.02	2,294,041,868	1,093,625,713
Due to related companies	20	4,924,790,194	1,540,077,748
Liabilities for expenses	21	1,011,064,184	461,123,854
Provision for income tax	22	732,845,493	957,113,965
Provision for WPPF and Welfare Fund	23	107,383,636	109,253,966
Other liabilities	24	293,182,726	289,494,523
Contract liabilities	25	705,843,107	286,350,304
Total Current Liabilities		33,888,181,620	29,799,375,094
Total Liabilities		44,910,965,177	32,871,654,780
Total Equity & Liabilities		65,808,184,796	45,680,555,312

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



 Managing Director


 Director


 Company Secretary

Signed as per our separate report of same date.

 Place: Chattogram
 Date : September 16, 2019.


A. Qasem & Co.
 Chartered Accountants

BSRM STEELS LIMITED

Statement of Profit or Loss & Other Comprehensive Income For the year ended June 30, 2019

	Notes	For the year ended 30 June	
		2019	2018
		Taka	Taka
Revenue from contracts with customer	26	61,060,152,014	48,289,925,736
Cost of goods sold	27	(56,008,238,101)	(43,410,757,954)
Gross profit for the year		5,051,913,913	4,879,167,782
Selling and Distribution Expenses	28	(1,227,104,692)	(1,304,112,525)
Administrative Expenses	29	(471,951,597)	(409,221,690)
		3,352,857,624	3,165,833,567
Other Operating Income	30	16,195,350	14,814,291
Net Operating profit for the year		3,369,052,974	3,180,647,858
Finance Costs	31	(2,235,414,696)	(2,039,113,061)
Finance Income	32	1,014,034,437	1,027,369,378
Net Profit Before Tax and WPPF and Welfare Fund		2,147,672,716	2,168,904,175
Contribution to WPPF and Welfare Fund		(107,383,636)	(108,445,209)
		2,040,289,080	2,060,458,966
Profit on Bargain Purchase	33	-	10,196,786
Share of profit of associates (Net of tax)	34	297,973,028	237,876,679
Net Profit before Tax		2,338,262,107	2,308,532,431
Income tax expenses/benefits:			
Current Tax		(478,712,202)	(552,700,219)
Deferred tax	17	(131,421,082)	44,963,346
Net Profit after Tax		1,728,128,823	1,800,795,558
Other comprehensive income not to be reclassified to profit or loss			
Actuarial (loss)/gain on defined benefit plans	16	-	(3,392,066)
Gain on revaluation of land (net of tax)		5,340,715,313	-
Share of revaluation reserve of Associate (net of tax)		1,356,704,445	-
Total comprehensive income for the year, net of tax		8,425,548,581	1,797,403,492
Total comprehensive income attributable to:			
Owners of the company		8,425,548,581	1,797,403,492
		8,425,548,581	1,797,403,492
Earnings per share (EPS)	35	4.60	4.79

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


Managing Director


Director


Company Secretary

Signed as per our separate report of same date.

Place: Chattogram
Date : September 16, 2019.




A. Qasem & Co.
Chartered Accountants

BSRM STEELS LIMITED

Statement of Changes in Equity
For the year ended June 30, 2019

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Equity
Balance as at July 01, 2017	3,417,750,000	2,104,010,606	4,820,530,247	10,342,290,853
Acquisition of BISCO		524,195,793	652,888,151	1,177,083,944
Net profit after tax for the year ended 30 June, 2018		-	1,800,795,558	1,800,795,558
Transfer against difference in depreciation between cost and revalued amount		(14,354,229)	19,138,972	4,784,743
Actuarial (loss)/gain on defined benefit plans		-	(3,392,066)	(3,392,066)
Final dividend paid		-	(512,662,500)	(512,662,500)
Balance as at June 30, 2018	3,417,750,000	2,613,852,170	6,777,298,362	12,808,900,532
Balance as at July 01, 2018	3,417,750,000	2,613,852,170	6,777,298,362	12,808,900,532
Land Revaluation	-	5,340,715,313	-	5,340,715,313
Bonus Share Issued	341,775,000	-	-	341,775,000
Share of revaluation reserve of Associate	-	-	1,356,704,445	1,356,704,445
Net profit after tax for the year ended 30 June, 2019	-	-	1,728,128,823	1,728,128,823
Transfer against difference in depreciation between cost and revalued amount	-	(13,636,518)	18,182,024	4,545,506
Final dividend paid	-	-	(683,550,000)	(683,550,000)
Balance as at June 30, 2019	3,759,525,000	7,940,930,965	9,196,763,654	20,897,219,619



BSRM STEELS LIMITED

Statement of Cash Flows For the year ended June 30, 2019

	2019	2018
	Taka	Taka
a. Cash flows from operating activities		
Receipts from customers against sales	57,824,569,444	47,363,113,218
Cash Paid to Suppliers, Operating and Other Expenses	(60,572,087,318)	(44,914,462,789)
Payment of interest-Net	(1,221,380,259)	(1,011,743,683)
Income Tax Paid	(702,980,674)	(684,574,633)
Net cash (used in)/generated by operating activities	(4,671,878,807)	752,332,113
b. Cash flows from investing activities		
Acquisition of property, plant and equipment	(8,609,432,909)	(395,231,794)
Addition of Capital work-in-progress	2,695,330,813	(1,762,957,118)
Addition of Intangible Assets	(25,816,576)	-
Proceeds from sale of property, plant and equipment	12,528,408	13,240,109
Increase in short term investments	(171,193,600)	230,955,438
Net cash (used in)/generated by investing activities	(6,098,583,865)	(1,913,993,365)
c. Cash flows from financing activities		
Dividend paid	(341,775,000)	(512,662,500)
Receipt/(Re-payment) of long term loan	8,490,809,134	1,198,041,650
Receipts/(Re-payment) of Short term loan	1,162,396,057	(1,577,390,041)
Loan received from /(paid to) affiliated companies and others	1,849,098,181	2,611,217,873
Decrease in Non-controlling interest	-	(106,755,000)
Net cash provided by /(used in) financing activities	11,160,528,372	1,612,451,982
d. Net increase in cash and cash equivalent (a+b+c)	390,065,700	450,790,729
e. Opening cash and cash equivalents	524,690,721	73,899,991
f. Closing cash and cash equivalent (d+e)	914,756,422	524,690,721



BSRM STEELS LIMITED
Notes to the Financial Statements
As at and for the year ended at 30 June 2019

1.00 Corporate Information

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

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

The Honourable High Court Division of Supreme Court of Bangladesh has approved the amalgamation of BSRM Iron & Steel Co. Ltd. ("BISCO") with BSRM Steels Limited ("BSRM") on 03 August, 2017 and after receiving the approval from The Honourable High Court Division of Supreme Court of Bangladesh and order from the Registrar of Joint Stock Companies and Firms, the Board of Directors of BSRM Steels Limited has taken decision to effect the amalgamation from 01 October, 2017 and accordingly as per the provision of section 228 & 229 of the Companies Act 1994 by transferring all assets and liabilities of BSRM Iron & Steel Co. Ltd. to BSRM Steels Limited.

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

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

The financial statements have been prepared in accordance with the (International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations in Bangladesh. Cash flows from operating activities are prepared under direct method as prescribed by the Securities and Exchange Rules 1987.

On 14 December 2017, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this recent adoption will not have any impact on the financial statements of the Company going forward.

A number of new standards and amendments to standards are effective for annual periods beginning on or after 01 January 2018 and earlier application is permitted.

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 IAS 1 – "Presentation of Financial Statements". The financial statements comprise of:

- a) A statement of financial position as at 30 June 2019
- b) A statement of profit or loss and other comprehensive income for the year ended 30 June 2019
- c) A statement of changes in equity for the year ended 30 June 2019
- d) A statement of cash flows for the year ended 30 June 2019
- e) Notes, comprising a summary of significant accounting policies and explanatory information.



2.03 Other Regulatory Compliances

The company is also required to comply with the following major laws and regulations along with the Companies Act 1994:

- A. The Income Tax Ordinance, 1984
- B. The Income Tax Rules, 1984
- C. The Value Added Tax Act, 1991
- D. The Value Added Tax Rules, 1991
- E. The Securities and Exchange Ordinance, 1969
- F. The Securities and Exchange Rules, 1987
- G. Securities and Exchange Commission Act, 1993
- H. The Customs Act, 1969
- I. Bangladesh Labour Law, 2006

2.04 Authorization for Issue

These financial statements for the year ended June 30, 2019 have been authorized for issue by the Board of Directors on 16th September, 2019.

2.05 Basis of Measurement

These 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 presented in Bangladesh Taka (BDT) which is the company's functional currency. All financial information presented in BD Taka has been rounded off to the nearest Taka except when otherwise indicated.

2.07 Going Concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

2.08 Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRSs 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. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In the process of applying entities accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Property, plant and equipment	Note: 4.00
Intangible asset	Note: 5.00
Inventories	Note: 8.00
Trade and other receivables	Note: 9.00
Defined benefit obligations-Gratuity	Note: 16.00
Deferred tax liabilities	Note: 17.00
Liabilities for expenses	Note: 21.00
Provision for income tax	Note: 22.00
Contingent liabilities	Note: 40.00



2.09 Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The company's investment in associates is accounted for in the Financial Statements using the Equity Method. Under the equity method, the investment in an associate is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition which is classified as non-current assets in the statement of financial position. The investor's share of investee's profit or loss is recognized in the investor's profit or loss.

The statement of profit or loss reflects the company's share of the results of operations of the associate. In addition, when there has been a change recognised directly in the equity of the associate, the company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company.

2.10 Comparative Information

The financial statements provides Comparative information in respects of the previous period for all amount reported in the current period's financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statement.

2.11 Consistency of presentation

Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the year ended 30 June 2019 are consistent with those policies and methods applied in preparing the financial statements for the year ended 30 June 2018.

3.00 SIGNIFICANT ACCOUNTING POLICIES**3.01 Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Ø Expected to be realised or intended to sold or consumed in the normal operating cycle
- Ø Held primarily for the purpose of trading
- Ø Expected to be realised within twelve months after the reporting period

Or

- Ø Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- Ø It is expected to be settled in the normal operating cycle
- Ø It is held primarily for the purpose of trading
- Ø It is due to be settled within twelve months after the reporting period

Or

- Ø There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



3.02 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

Property, plant and equipment under revaluation model Note 4

3.03 Property, Plant and Equipment

Items of property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

The cost of an item of property, plant and equipment comprises:

- Ø Its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates)
- Ø Any cost directly attributable to the acquisition of the assets.
- Ø The cost of self-constructed/installed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The cost of replacing or upgrading part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss.



Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in statement of profit or loss and other comprehensive income on straight line method over the estimated useful lives of property, plant and equipment. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Asset Category	Useful Lives
Plant & Machinery	7-25 year
Motor Vehicle	6-15 year
Furniture and Fixtures	5 year
Office Equipment	5 year
Factory buildings	20 year
Roads and Pavements	20 year
IT Equipment	5 year

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

3.04 Revaluation of Property, Plant and Equipment

Lands of the company were revalued by ACNABIN, Chartered Accountants with assistance from Pacific Surveyors Ltd., BDBL Bhaban (Level-13), 12 Karwan Bazar Commercial Area, Dhaka as at 07 August 2019. These assets were revalued using the 'fair market price at its locations and condition'. As per revaluation report, the revaluation surplus stood at BDT 5,607,062,337. This revaluation has been recognized in the books of the company in June 30, 2019.

Further disclosure relating to revaluation of land is provided in Annexure-I

§ Property, plant and equipment (Revaluation model) Note 4.00

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

3.05 Intangible Asset

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.



Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

A summary of the intangible assets is, as follows:

	Trade Mark	Oracle eBS Software
Useful lives	Finite (20 years)	Finite (10 years)
Amortisation method used	Amortised on a straight line basis	Amortised on a straight line basis
Internally generated or acquired	Acquired	Acquired

3.06 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.07 Inventories

Inventories are measured at the lower of cost and net realizable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- § Raw materials: purchase cost on a weighted average basis
- § Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.08 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Recognition and measurement

The company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the date at which the company become a party to the contractual provisions of the instruments.



Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held to maturity, loans and receivables and available-for-sale financial assets.

A financial asset is classified as at fair value through profit or loss if it is held for trading which is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. These assets are initially recognised at fair value plus any transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale and are not classified in any other categories of financial assets. Generally, available-for-sale financial assets are recognized initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value other than impairment losses are recognized in other comprehensive income.

ii) Financial liabilities

Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value plus transaction costs that are directly attributable to the issue of the financial liability.

An entity shall recognise a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Loans and borrowings, derivatives and payables are recognised as liabilities when the entity becomes a party to the contract and, as a consequence, has a legal obligation to pay cash.

After initial recognition, an entity shall measure all financial liabilities at amortised cost using the effective interest method except for financial liabilities at fair value through profit or loss, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition, financial guarantee contracts and commitments to provide a loan at a below-market interest rate.

Financial liabilities that are designated as hedged items are subject to the hedge accounting.

3.09 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

3.10 Provisions, Contingent liability and Contingent assets

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.



If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liability is a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation cannot be measured with sufficient reliability.

An amount of Tk. 23,053,915.27 was claimed by Customs, Excise and VAT authority, Bondor Circle, Narayanganj vide nothi no. 04/VAT/Warehouse (02)/ Bondor circle/2012/207 dated 03 November, 2014 for trade VAT on sale of 115,269 MT finished goods. The company filed a writ petition no.10833 of 2014 before the Honourable High Court Division of the Supreme Court of Bangladesh and the court stayed the claim. In view of above, no provision for this claim has been made in the financial statements.

3.11 Employee Benefits

The company maintain both defined contribution plan and defined benefit plan for its eligible permanent employees.

Defined Contribution plan

Defined contribution plan is a post employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognised by the National Board of Revenue (NBR), under the First Schedule, Part B of Income Tax Ordinance 1984. The Company recognises contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

Defined benefit plan

The company maintains an unfunded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity benefit shall be payable on the basis of company service and the last drawn basic salary of the employee as per the following table at the end of retirement, death in service or leaving employment:

Service length	Benefit
Less than 5 years of service	Nil
Equal to or more than 5 years of service	Two months' last drawn basic salary for each year of service.

Workers profit participation and welfare funds

The company also recognised a provision for workers profit participation and welfare funds @ 5% of net profit before tax as per Bangladesh labour law 2006.

3.12 Revenue

The company has applied IFRS 15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer. The company recognizes revenue when it satisfies a performance obligation by transferring control over goods to a customer.

The company is in the business of providing M.S. Billet and M.S. Rod. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT). Gross turnover comprises local sales of M.S. Rod, M.S. Billet, export of M.S. Rod and includes VAT paid to the Government of Bangladesh.



The company's typical performance obligations include the following

Performance Obligation	When performance obligation is satisfied	When payment is typically due	How standalone selling price is typically estimated
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Revenue from contracts with customers:

Bangladesh	Point in time at factory gate	The customer can pay the transaction price equal to the cash selling price in advance or allowed a credit period of 30 to 60 days.	As per management approved prices.
India	Point in time at factory gate	The customer can pay the transaction price equal to the cash selling price in advance or allowed a credit period of 30 to 60 days.	As per management approved prices.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for local sales, the Company considers the effects of variable consideration payable to the customer.

The Company has variable considerations included in the contracts with customers which are netted off against the revenue to determine the transaction price. The variable considerations are pre-determined. The effect of variable considerations on revenue is only from contracts with local customers.

3.13 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Fund by the weighted average number of ordinary shares outstanding during the year.

3.14 Segment information

For management purposes, the company is organised into business units based on its products and has two reportable segments, as follows:

§ The M.S Rod segment which produces different graded Rod and sell the same to several dealers, end users, other corporate users and some deemed export to EPZ based companies.

§ The M.S Billets segment which produces different graded Billets and transfer the same to produce M.S Rod.

No operating segments have been aggregated to form the above reportable operating segments.



The Company Secretary and General Manager Finance and Accounts is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss. Also, the company's financing (including finance costs and finance income) and income taxes are managed on aggregate and are not allocated to operating segments.

Assets and Liabilities of the company are maintained aggregate due to that, those are not provided to the Chief Operating Decision Maker and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended	M.S. Rod	M.S. Billets	Total Segments	Adjustments	Total
30 June 2019					
Amount in Millions					
Revenue					
External customers	47,348	13,712	61,060		61,060
Inter-segment		2,491	2,491	(2,491)	-
Total Revenue	47,348	16,203	63,551	(2,491)	61,060
Income/(Expenses)					
Cost of inventories recognised as an expense	(43,268)	(14,535)	(57,803)	2,303	(55,500)
Employee benefits expenses	(606)	(252)	(858)		(858)
Depreciation and amortisation	(55)		(55)		(55)
Selling and distribution cost	(1,072)		(1,072)		(1,072)
Administrative costs	(223)		(223)		(223)
Share of profit of an associate	-		-	298	298
Segment Profit	2,124	1,416	3,540	(1,202)	2,338
Reconciliation of profit	2019	2018			
Segment profit	3,540	3,194			
Inter-segment sales	(188)	(29)			
Other operating income	16	14			
Finance Costs	(2,235)	(2,039)			
Finance Income	1,014	1,027			
Contribution to WPPF and welfare fund	(107)	(108)			
Profit on bargain purchase	-	10			
Share of profit of an associate	298	238			
Profit before tax	2,338	2,308			
Geographic Information	2019	2018			
Revenue from external customers					
Country of Domicile	60,865,639,026	48,160,129,934			
Foreign Countries	194,512,988	129,795,803			
Total	61,060,152,014	48,289,925,737			

The revenue information above is based on the locations of the customers.

Revenue from one customer amounted to BDT. 12,927,719,447 arising from sales in the M.S Billets segment which is 21.7% of total sales.

Non-current assets information has not presented in the financial statements and is not available according to the geographical area.



3.15 Capital management

For the purpose of the Company's capital management, capital includes issued capital. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company has financial covenants to maintain the gearing ratio 70:30 or better. The Company includes within net debt, interest bearing loans and borrowings less cash and cash equivalents.

	<u>2019</u>	<u>2018</u>
Interest bearing loan	11,361,990,515	2,871,181,381
Short term loan	20,457,420,060	19,295,924,003
Less: Cash and Cash equivalents	(914,756,422)	(524,690,721)
Net Debt	30,904,654,153	21,642,414,663
Equity	20,897,219,619	12,808,900,532
Total Capital	20,897,219,619	12,808,900,532
Capital and net debt	51,801,873,772	34,451,315,195
Gearing Ratio	59.66%	62.82%

3.16 Event 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.

3.17 Standards issued but not yet effective

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.



4.00 PROPERTY, PLANT & EQUIPMENT : At Revaluation Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT	TOTAL
Balance as on 01 July, 2017	2,546,483,538	4,211,356,683	97,940,692	1,781,770,540	47,619,228	70,112,248	16,927,566	40,666,071	8,812,876,566
Acquisition during the year (BISCO)	741,432,616	2,419,975,471	65,709,488	577,330,856	11,861,818	22,298,005	40,898,689	8,116,158	3,887,623,101
Additions during the year	96,940,323	186,495,603	17,524,015	38,242,465	16,330,654	30,327,127	239,358	9,132,249	395,231,794
Disposals	-	(17,075,566)	(14,854,975)	-	(614,768)	(675,665)	-	(178,000)	(33,398,974)
Balance as on 30 June, 2018	3,384,856,477	6,800,752,191	166,319,220	2,397,343,861	75,196,932	122,061,715	58,065,612	57,736,478	13,062,332,487
Balance as on 01 July, 2018	3,384,856,477	6,800,752,191	166,319,220	2,397,343,861	75,196,932	122,061,715	58,065,612	57,736,478	13,062,332,487
Additions during the year	531,152,149	4,441,661,673	26,739,041	3,137,107,214	17,185,043	15,203,987	431,611,328	8,772,473	8,609,432,909
Revaluation during the year	5,607,062,337	-	-	-	-	-	-	-	5,607,062,337
Disposals	(198,771)	(16,193,322)	(23,377,682)	-	(136,825)	(170,500)	-	(2,081,600)	(42,158,700)
Balance as on 30 June, 2019	9,522,872,193	11,226,220,542	169,680,579	5,534,451,075	92,245,150	137,095,202	489,676,941	64,427,351	27,236,669,033
DEPRECIATION									
Balance as on 01 July, 2017	-	1,329,223,855	54,073,842	365,873,490	31,575,266	41,636,006	5,174,832	22,000,639	1,849,557,930
Opening Balance of BISCO	-	953,201,343	37,651,016	171,222,700	10,163,511	18,995,146	12,545,317	6,184,978	1,209,964,011
Charge during the year	-	310,450,754	19,760,281	91,130,539	10,177,530	15,620,610	2,415,657	10,082,082	459,637,454
Disposals	-	(6,474,376)	(12,454,341)	-	(551,427)	(541,122)	-	(137,598)	(20,158,864)
Balance as on 30 June, 2018	-	2,586,401,576	99,030,798	628,226,729	51,364,880	75,710,640	20,135,806	38,130,101	3,499,000,530
Balance as on 01 July, 2018	-	2,586,401,576	99,030,798	628,226,729	51,364,880	75,710,640	20,135,806	38,130,101	3,499,000,530
Charge during the year	-	429,012,627	19,564,586	136,789,609	7,562,983	17,018,890	8,325,505	6,480,311	624,752,512
Disposals	-	(8,396,854)	(18,952,403)	-	(131,744)	(130,383)	-	(2,018,908)	(29,630,293)
Balance as on 30 June, 2019	-	3,007,017,349	99,642,980	765,016,339	58,796,120	92,599,147	28,459,311	42,591,504	4,094,122,749
CARRYING AMOUNT									
As At 30.06.2018	3,384,856,477	4,214,350,615	67,288,422	1,769,117,132	23,832,052	46,351,075	37,929,806	19,606,377	9,563,331,957
As At 30.06.2019	9,522,872,193	8,219,203,193	70,037,599	4,769,434,737	33,449,030	44,496,054	461,217,630	21,835,847	23,142,546,283

Allocation of Depreciation:	Note	30-06-2019
Cost of sales	27.04	574,831,699
Selling & distribution expenses	28	26,207,986
Administrative expenses	29	23,712,827
		624,752,512



4.01 PROPERTY, PLANT & EQUIPMENT : At Cost Model

Particulars	Land and Land Development	Plant & Machinery	Motor Vehicles	Factory Building	Furniture & Fixtures	Office Equipment	Roads and Pavements	Computer and IT equipment	TOTAL
COST									
Balance as on 01 July, 2017	724,835,728	4,211,356,683	97,940,692	1,425,460,528	47,619,228	70,112,248	16,927,566	40,666,071	6,634,918,744
Acquisition during the year	217,236,823	2,419,975,471	65,709,488	577,330,856	11,861,818	22,298,005	40,898,689	8,116,158	3,363,427,307
Additions during the year	96,940,323	186,495,603	17,524,015	38,242,465	16,330,654	30,327,127	259,358	9,132,249	395,231,794
Disposals	-	(17,075,566)	(14,854,975)	-	(614,768)	(675,665)	-	(178,000)	(33,398,974)
Balance as on 30 June, 2018	1,039,012,874	6,800,752,191	166,319,220	2,041,033,849	75,196,932	122,061,715	58,065,612	57,736,478	10,360,178,870
Balance as on 01 July, 2018	1,039,012,874	6,800,752,191	166,319,220	2,041,033,849	75,196,932	122,061,715	58,065,612	57,736,478	10,360,178,870
Additions during the year	531,152,149	4,441,661,673	26,739,041	3,137,107,214	17,185,043	15,203,987	431,611,328	8,772,473	8,609,432,909
Disposals	(198,771)	(16,193,322)	(23,377,682)	-	(136,825)	(170,500)	-	(2,081,600)	(42,158,700)
Balance as on 30 June, 2019	1,569,966,253	11,226,220,542	169,680,579	5,178,141,063	92,245,150	137,095,202	489,676,941	64,427,351	18,927,453,079
DEPRECIATION									
Balance as on 01 July, 2017	-	1,329,223,855	54,073,842	386,047,209	31,575,266	41,636,006	5,174,832	22,000,639	1,869,731,648
Opening Balance of BISCO	-	953,201,343	37,651,016	171,222,700	10,163,511	18,995,146	12,545,317	6,184,978	1,209,964,011
Charge during the year	-	310,450,754	19,760,281	71,991,567	10,177,530	15,620,610	2,415,657	10,082,082	440,498,481
Disposals	-	(6,474,376)	(12,454,341)	-	(551,427)	(541,122)	-	(137,598)	(20,158,864)
Balance as on 30 June, 2018	-	2,586,401,576	99,030,798	629,261,476	51,364,880	75,710,640	20,135,806	38,130,101	3,500,035,276
Balance as on 01 July, 2018	-	2,586,401,576	99,030,798	629,261,476	51,364,880	75,710,640	20,135,806	38,130,101	3,500,035,276
Charge during the year	-	429,012,627	19,564,586	118,607,586	7,562,983	17,018,890	8,323,505	6,480,311	606,570,488
Disposals	-	(8,396,854)	(18,952,403)	-	(131,744)	(130,383)	-	(2,018,908)	(29,630,293)
Balance as on 30 June, 2019	-	3,007,017,349	99,642,981	747,869,061	58,796,119	92,599,147	28,459,311	42,591,504	4,076,975,473
CARRYING AMOUNT									
As At 30.06.2018	1,039,012,874	4,214,350,614	67,288,421	1,411,772,373	23,832,052	46,351,075	37,929,806	19,606,377	6,860,143,593
As At 30.06.2019	1,569,966,253	8,219,203,193	70,037,598	4,430,272,002	33,449,031	44,496,054	461,217,630	21,835,846	14,850,477,607



5.00 Intangible asset

Computer Software (Oracle ERP)
Trade Mark

5.01
5.02

30 June 2019	30 June 2018
Taka	Taka
48,416,546	27,536,840
86,739	93,004
48,503,285	27,629,844

5.01 Computer Software**Cost**

Opening balance
Add: Acquisition of BISCO
Less: Adjustments
Additions during the year
Closing balance

43,117,355	33,581,355
-	9,536,000
(202,800)	-
25,816,576	-
68,731,131	43,117,355

Amortisation

Opening balance
Add: Opening Balance of BISCO
Less: Adjustments
Add: Charged during the year
Closing balance
Net Book Value

15,580,516	8,825,593
-	2,701,867
(202,800)	-
4,936,870	4,053,056
20,314,585	15,580,516
48,416,546	27,536,840

5.02 Trade Mark**Cost**

Opening balance
Add: Addition during the year
Closing balance

125,300	125,300
-	-
125,300	125,300

Amortisation

Opening balance
Add: Charged during the year
Closing balance
Net Book Value

32,296	26,031
6,265	6,265
38,561	32,296
86,739	93,004

6.00 Capital work-in-progress

Opening balance
Add: Additions during the year
Less: Capitalized during the year

6.01

2,841,135,643	882,398,624
5,505,043,353	2,223,693,744
8,346,178,996	3,106,092,367
(8,200,374,166)	(264,956,724)
145,804,831	2,841,135,643

6.01 Details of Capital work-in-progress

Particulars	Opening Balance	Additions	Capitalized during the year	Closing Balance
Civil Construction	2,433,321,324	1,439,017,669	(3,852,864,326)	19,474,667
Plant & Machinery	394,314,748	4,050,788,550	(4,318,773,135)	126,330,163
Motor Vehicle	-	2,920,129	(2,920,129)	-
Software	13,499,571	12,317,005	(25,816,576)	-
	2,841,135,643	5,505,043,353	(8,200,374,166)	145,804,831

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



7.00 Investment in associates:

BSRM Steel Mills Limited (BSML)

7.01

30 June 2019	30 June 2018
Taka	Taka
3,457,009,041	1,562,913,138
3,457,009,041	1,562,913,138

The Company has a 25.35% interest in BSRM Steel Mills Limited, which has set up an automatic steel melting plant for manufacturing M.S. Billets of different quality and sell the same to steel rolling mills. BSRM Steel Mills Limited (BSML), was incorporated as a private limited company and was subsequently converted to a Public Limited Company on 12 November 2013. The Company's interest in BSRM Steel Mills Limited is accounted for using the equity method in the financial statements.

Paid up Capital of BSML is BDT 394.43 Crore divided into 39.44 Crore Ordinary Shares of Tk. 10 each. BSRM Steels Limited has acquired 100,000,000 nos. of Ordinary Shares of Tk. 10 each of BSML i.e. 25.35% in 2015. BSML commenced commercial production on 16 June 2016.

7.01 Movement of Investment in Associate

Opening balance	1,562,913,138	1,325,036,459
Addition during the year		
Investment in associate	-	-
Share of profit / (loss) of equity accounted Investee (associates)	297,973,028	237,876,679
Share of revaluation reserve of Associate	1,596,122,876	-
Adjusted / disposal during the year	1,894,095,904	237,876,679
Cash dividend received	-	-
Closing balance	3,457,009,041	1,562,913,138

7.02 Movement of Shareholding in Associate

	No. of shares	
Opening balance	100,000,000	100,000,000
Number of shares acquired	-	-
Number of bonus share received	-	-
Closing balance	100,000,000	100,000,000
Total number of shares in associates	394,435,400	394,435,400
Percentage of shares of associates by BSRM Steels Limited	25.35%	25.35%

7.03 Summary of financial information of equity accounted investee

Ownership	25.35%	25.35%
Non-current assets	24,538,627,142	18,796,286,699
Current assets	21,096,466,389	21,288,220,141
Total assets	45,635,093,531	40,084,506,840
Share capital	3,944,354,000	3,944,354,000
Retained Earnings	1,470,739,725	(72,550,981)
Revaluation reserve	8,220,573,719	2,292,879,671
Equity attributable to owners of the company	13,635,667,444	6,164,682,690
Non-current liabilities	3,488,642,506	4,535,123,950
Current liabilities	28,510,783,581	29,384,700,200
Total liabilities	31,999,426,087	33,919,824,150
Total Equity and Liabilities	45,635,093,531	40,084,506,840
Net Assets Value (NAV) per share	34.57	15.63
Revenue	53,407,280,472	45,888,262,116
Other income	402,934,139	375,067,914
Expenses	(52,634,903,508)	(45,325,060,201)
Profit for the year	1,175,311,103	938,269,829
Profit attributable to the owners of the company	1,175,311,103	938,269,829



		30 June 2019	30 June 2018
		Taka	Taka
8.00 Inventories:			
Raw materials	8.01	6,589,912,914	7,355,414,386
Finished goods	8.02	6,336,387,686	5,280,805,592
Store and Spares	8.03	2,043,787,824	1,798,608,261
Fuel and Lubricants		20,009,188	17,072,419
		14,990,097,612	14,451,900,658
8.01 Raw Materials			
Raw Materials-MS Scrap		4,238,125,832	3,074,906,084
Raw Materials-Billets		2,009,986,591	3,992,121,698
Raw Materials-Packing Materials		42,316,091	51,479,895
Raw Materials-Direct Consumables		299,484,401	236,906,709
		6,589,912,914	7,355,414,386
8.02 Finished Goods			
Finished Goods-Own production (Rod)		5,604,648,968	5,090,273,226
Finished Goods-Own production (Billets)		700,286,099	92,565,314
Finished Goods-Procured		31,360,460	97,967,052
Finished Goods-Others		92,160	-
		6,336,387,686	5,280,805,592
8.03 Stores and Spares			
Mechanical stores		1,178,079,100	918,137,995
M.S. Roll		38,761,041	21,961,672
Electrical stores		493,570,687	409,913,851
General stores		21,421,304	20,273,024
Civil stores		118,389,577	264,236,263
Others		193,566,115	164,085,456
		2,043,787,824	1,798,608,261
8.04 Quantitative movement of raw materials and finished goods (Melting Unit)			
Raw Materials			
Opening balance		89,103	50,803
Add: Purchase during the year		373,016	221,567
Available for consumption		462,119	272,370
Less: Consumed/Sold		(333,213)	(183,267)
Closing balance		128,906	89,103
Finished Goods			
Opening Balance		1,797	2,449
Add: Purchase during the year		291,991	162,199
Available for consumption		293,788	164,648
Less: Transfer to Rolling Mills		(45,931)	(15,175)
Less: Sales		(233,368)	(147,676)
Closing balance		14,489	1,797
8.05 Quantitative movement of raw materials and finished goods (Rolling Unit)			
Raw Materials			
Opening balance		78,388	57,528
Add: Purchased/imported during the year		692,150	753,870
Add: Transfer from Melting Shop		45,931	15,175
Available for consumption		816,469	826,573
Less: Consumed /Sold/returned during the year		(776,741)	(748,185)
Closing balance		39,728	78,388



		30 June 2019	30 June 2018
		Taka	Taka
Finished Goods			
Opening balance		91,605	72,483
Add: Produced during the year		758,405	727,034
Add: Purchased/imported during the year		7,416	6,384
Stock available for sale		857,426	805,901
Less: Sold during the year		(756,820)	(710,995)
Less: Move order for repair		(1,962)	(3,301)
Closing balance		98,644	91,605
9.00 Trade & Other Receivables			
Trade Receivables	9.01	9,690,140,135	5,779,898,258
Other Receivables	9.02	441,553,735	680,524,889
		10,131,693,870	6,460,423,147
9.01 Trade Receivables:			
Bangladesh Steel Re-Rolling Mills Limited		2,714,055,054	932,563,230
BSRM Logistics Limited		-	14,150
BSRM Steel Mills Limited		-	62,040
BSRM Recycling		15,449,900	17,172,160
Chittagong Power Company Limited		204,000	204,000
H. Akberali Co. Limited		133,000	-
Other customers		6,960,298,181	4,829,882,678
Net Trade Receivables		9,690,140,135	5,779,898,258
9.02 Other Receivables:			
Interest receivables		275,481,058	245,163,402
Accrued Interest from FDR		9,184,285	48,426,109
DEDO and Other Receivables		156,888,392	386,935,378
		441,553,735	680,524,889
9.03 Ageing of Trade receivables			
Due within 3 months		8,588,455,803	5,174,964,938
Due within 6 months		799,431,830	328,352,260
Above 6 months		302,252,502	276,581,060
		9,690,140,135	5,779,898,258
10.00 Due from related companies:			
Bangladesh Steel Re-Rolling Mills Limited		6,264,184,394	4,871,551,354
Chittagong Power Company Limited		686,012,869	622,851,469
BSRM Logistics Limited		236,888,854	194,947,734
BSRM Ispat Limited		-	547,296,225
BSRM Metals Limited		-	72,285,997
H. Akberali & Co. Limited		1,009,006,449	541,067,086
BSRM Recycling Industries Limited		-	61,351,294
BSRM Wires Limited		309,862,252	58,989,394
		8,505,954,818	6,970,340,553
These represent short term loans given to these related companies as and when required to meet funding requirement. All transactions were done through account payee cheque and interests were charged on all related companies balances.			
11.00 Advances, deposits and prepayments:			
Advances	11.01	3,886,354,295	2,904,859,098
Deposits	11.02	73,770,569	43,177,610
Prepayments	11.03	16,591,548	6,244,323
		3,976,716,412	2,954,281,030



	30 June 2019	30 June 2018
	Taka	Taka
11.01 Advance:		
Staff loan	3,499,999	1,442,545
Advance against salary	2,460,776	160,101
Advance Income tax	1,324,060,115	1,125,509,039
Advance against expenses	43,765,117	47,435,472
Bank guarantee margin	8,493,692	5,350,090
Advance against brokerage and commission	4,172,971	-
Advance against L/C	16,674,613	95,164,775
LC Margin	73,310,143	36,426,933
Advance against fixed asset	81,885,525	289,995,481
Trade VAT account (Godown)	14,328	21,717
VAT chargeable account (Godown)	9,374,610	13,745,768
VAT current account	1,230,060,298	331,232,453
Advance Tax (VAT)	67,685,573	-
Advance against land	79,096,692	29,688,816
Advance for house rent	2,160,762	2,061,758
Share money deposit to Chittagong Power Company Ltd.	500,000,000	500,000,000
Advance for purchase of spare parts and other materials	439,639,081	426,624,149
	3,886,354,295	2,904,859,098

11.02 Deposits:		
Bangladesh Ansar and VDP	2,211,663	1,531,263
Bangladesh Railway	140,000	140,000
Bangladesh Telecommunication Limited (BTCL)	26,000	26,000
Brothers Proukosoli Workshop	480,000	480,000
Chittagong WASA	200,000	200,000
Chittagong Club Limited	10,000	90,000
Chittagong Port Authority	4,100,300	-
City Cell	15,000	15,000
Cma Cgm Bangladesh Shipping Ltd	1,060,000	1,060,000
GBX Logistics Ltd	1,205,000	1,205,000
Linde Bangladesh Ltd	2,392,000	1,160,000
Maersk Bangladesh Limited	1,162,447	1,162,447
Power Development Board	24,710,120	24,710,120
Ranks Tel	10,000	10,000
Karnaphuli Gas Distribution Co. Limited	35,168,639	10,526,780
Central Depository Bangladesh Limited	500,000	500,000
BOC Bangladesh Limited	16,000	16,000
Others	363,400	345,000
	73,770,569	43,177,610

The directors consider that all the above advances and deposits are either adjustable or recoverable in cash or in kind and accordingly that no provision against them are required at this stage.

11.03 Prepayments		
BSTI License fees	-	1,725,245
Insurance	16,591,548	4,519,078
	16,591,548	6,244,323

12.00 Short Term Investment		
Investments in Fixed Deposit Receipts	495,102,221	323,908,621
	495,102,221	323,908,621

12.01



12.01 Investments in Fixed Deposit Receipts

<u>Name of banks</u>	<u>Purpose</u>	<u>Period</u>	<u>Rate of interest</u>	30 June 2019	30 June 2018
				Taka	Taka
Bank Asia Limited	LC Margin	1 year	6.25-8%	9,221,440	20,865,852
The City Bank Limited	LC Margin	6 months	3-5.5%	118,217,211	9,535,000
Habib Bank Limited	LC Margin	6 months	5%	2,005,842	1,898,248
NCC Bank Limited	LC Margin	6 months	7.50%	12,211,913	11,489,159
United Commercial Bank Limited	LC Margin	1 year	5.00%	82,422	78,873
Commercial Bank of Ceylon PLC	LC Margin	1 year	5.50%	20,000,000	15,000,000
Lanka Bangla Finance & Investment Ltd	Investment	1 year	9.75%	2,675,000	2,677,500
IDLC Finance Limited	Investment	1 year	6.50%	2,888,905	2,717,691
Dhaka Bank Limited	Investment	1 year	5.00%	15,594,115	9,277,154
Mercantile Bank Limited	BG & LC Margin	1 year	5-6.00%	5,966,490	3,288,597
Standard Chartered Bank	LC Margin	6 months - 1 year	3-5.00%	219,827,902	207,004,004
BD Finance & Investment Co Ltd.	Investment	1 year	9.50%	4,172,546	3,862,395
IFIC Bank Limited	LC Margin	6 months - 1 year	5.50%	2,830,025	305,932
IPDC of Bangladesh Limited	Investment	1 year	7.00%	4,878,246	4,496,508
Al Arafah Islami Bank Ltd	LC Margin	6 months	6.50%	14,911,000	5,359,000
Uttara Bank Ltd	LC Margin	6 months	6.00%	19,808,655	-
One Bank Limited	Investment	6 months	6.00%	3,477,185	3,256,708
Trust Bank Limited	LC Margin	6 months	7.00%	7,315,000	-
Pubali Bank Limited	LC Margin	6 months	6.00%	29,018,323	22,796,000
				495,102,221	323,908,621

13.00 Cash & Cash Equivalents:

Cash in Hand	13.01	5,655,253	6,661,241
Cash at Banks	13.02	507,531,526	139,066,577
Fixed Deposit Receipts	13.03	401,569,644	378,962,904
		914,756,422	524,690,721

13.01 Cash in Hand:

Head office	251,788	166,366
Bhatiary Shipyard	19,999	19,999
Factory office	1,550,000	1,250,000
Dhaka office	200,360	2,750,627
Sylhet office	100,000	100,000
Comilla office	65,000	65,000
Khulna office	150,000	72,161
Bogra office	114,660	146,235
Rangpur office	84,692	170,000
Barishal office	160,391	9,989
Mymensingh office	83,679	137,203
Jungal office	200,000	158,811
Noakhali office	50,000	50,000
Cox's Bazar office	20,000	20,000
Khulna warehouse office	217,873	98,651
Baroaula	744,499	250,913
BISCO Factory	1,100,000	1,100,000
Benapole Warehouse office	100,000	95,287
Gazipur	50,000	-
Steels-Mirusarai	392,313	-
	5,655,253	6,661,241



13.02 Cash at Banks:

					30 June 2019	30 June 2018
					Taka	Taka
Name of the Banks	Branches	Account Types	Currency			
Agrani Bank Limited	Laldighi East	Current Deposit	BDT	(341,399)	500,889	
Agrani Bank Limited-(BISCO)	Laldighi East	Current Deposit	BDT	-	165,675	
Al Arafat Islami Bank Limited	Agrabad	Current Deposit	BDT	2,411,675	4,048,192	
Al Arafat Islami Bank Limited- (BISCO)	Agrabad	Current Deposit	BDT	-	765	
Bank Asia Limited	Agrabad	Current Deposit	BDT	3,917,742	36,316	
Bank Asia Limited- (BISCO)	Agrabad	Current Deposit	BDT	-	48,026	
BASIC Bank Limited	Dewarhat	Current Deposit	BDT	48,447	1,741,834	
Commercial Bank of Ceylon PLC	Agrabad	Current Deposit	BDT	17,646	1,275,936	
Dhaka Bank Limited	Jubilee Road	Current Deposit	BDT	885,843	1,179,473	
Dutch Bangla Bank Limited	Jubilee Road	Current Deposit	BDT	10,129,491	4,803,653	
Dutch Bangla Bank Limited-(BISCO)	Jubilee Road	Current Deposit	BDT	-	125,213	
Eastern Bank Limited	Agrabad	Current Deposit	BDT	75,989,471	45,208,336	
Habib Bank Limited	laldighi	Current Deposit	BDT	1,120,596	1,889,818	
HSBC	Agrabad	Current Deposit	BDT	(26,714,261)	(37,439,575)	
IFIC Bank Limited	Agrabad	Current Deposit	BDT	35,116	33,953	
IFIC Bank Limited- (BISCO)	Agrabad	Current Deposit	BDT	-	25,001	
Islami Bank Bangladesh Limited	Jubilee Road	Current Deposit	BDT	27,459,540	35,827,526	
Islami Bank Bangladesh Limited- (BISCO)	Jubilee Road	Current Deposit	BDT	36,718	335,090	
Jamuna Bank Limited	Khatunganj	Current Deposit	BDT	98,271	51,953	
Jamuna Bank Limited- (BISCO)	Khatunganj	Current Deposit	BDT	-	68,650	
Janata Bank Limited	Laldighi East	Current Deposit	BDT	-	61,124	
Mutual Trust Bank Limited- (BISCO)	Dilkusha	Current Deposit	BDT	32,030	33,019	
Mercantile Bank Limited	Jubilee Road	Current Deposit	BDT	32,952	567	
National Bank Limited	Jubilee Road	Current Deposit	BDT	64,878	719,674	
National Bank Limited- (BISCO)	Jubilee Road	Current Deposit	BDT	-	17,413	
NCC Bank Limited- (BISCO)	Agrabad	Current Deposit	BDT	91,291	59,098	
NCC Bank Limited	Agrabad	Current Deposit	BDT	76,998	148,282	
One Bank Limited	Agrabad	Current Deposit	BDT	3,500,122	36,907,300	
Prime Bank Limited	O.R Nizam Road	Current Deposit	BDT	3,810,034	665,895	
Premier Bank Limited	Agrabad	Current Deposit	BDT	1,788	79,483	
Shahjalal Islami Bank Limited	Jubilee Road	Current Deposit	BDT	17,325	3,414,717	
Shahjalal Islami Bank Limited- (BISCO)	Jubilee Road	Current Deposit	BDT	-	5,270	
Social Islami Bank Limited	Jubilee Road	Current Deposit	BDT	2,930,255	7,847,783	
Sonali Bank Limited	Kalibari	Current Deposit	BDT	(7,706,378)	(1,835,827)	
South East Bank Limited	Pahartali	Current Deposit	BDT	472,409	6,715,566	
Standard Chartered Bank	Agrabad	Current Deposit	BDT	(26,859,590)	(47,699,590)	
State Bank of India	Chittagong	Current Deposit	BDT	35,277	53,899	
The City Bank Limited	Agrabad	Current Deposit	BDT	5,179,393	5,843,053	
The City Bank Limited	VIP Road	Current Deposit	BDT	2,357,370	3,352,867	
The City Bank Limited- (BISCO)	Agrabad	Current Deposit	BDT	-	133,869	
Trust Bank Limited- (BISCO)	CDA Avenue	Current Deposit	BDT	-	85,226	
Trust Bank Limited- (BISCO)	CDA Avenue	Current Deposit	BDT	63,976	9,713	
United Commercial Bank Limited	Jubilee Road	Current Deposit	BDT	7,236,776	5,658,212	
United Commercial Bank Limited- (BISCO)	Jubilee Road	Current Deposit	BDT	2,422	4,139	
Uttara Bank Limited	Agrabad	Current Deposit	BDT	38,277	201,255	
Meghna Bank Limited- (BISCO)	Gulshan	Current Deposit	BDT	-	238,311	
HSBC- Dividend	Agrabad	Current Deposit	BDT	1,511,192	3,375,491	
Meghna Bank Limited- (BISCO)	Gulshan	Current Deposit	BDT	-	6,090,415	
SBAC Bank Limited	Agrabad	Current Deposit	BDT	59,578	16,643	
Mutual Trust Bank Limited	CDA Avenue	Current Deposit	BDT	77,798	10,396,510	
NKB Bank Limited	Agrabad	Current Deposit	BDT	448,430	3,400,394	
EXIM Bank Limited	Jubilee Road	Current Deposit	BDT	3,445,650	1,429,623	
First Security Islami Bank Limited	Sadarghat	Current Deposit	BDT	3,211,788	9,712,442	
Standard Bank Limited	Agrabad	Current Deposit	BDT	54,254	70,514	
Rupali Bank Limited	Corporate Branch	Current Deposit	BDT	23,038	4,114,426	
Sonali Bank Limited	Laldighi	Current Deposit	BDT	8,139	11,437	
HSBC	Agrabad	Current Deposit	USD	33,642	1,152,447	
NCC Bank Limited	Agrabad	Current Deposit	USD	172,173,556	15,627,467	
Eastern Bank Limited	Agrabad	Eserow	USD	116,186,600	1,021,926	
Meghna Bank Limited	Agrabad	Current Deposit	BDT	48,111	-	
NCC Bank Limited	Barayarhat	Current Deposit	BDT	106,629	-	
Janata Bank Limited	Laldighi East	Current Deposit	BDT	7,594	-	
Modhumoti Bank Limited	Agrabad	Current Deposit	BDT	3,965	-	
The City Bank Limited	Agrabad	Current Deposit	USD	29,961,801	-	
AB Bank Limited	Agrabad	Current Deposit	USD	93,697,256	-	
				507,531,526	139,066,577	

All bank balances are reconciled with bank statements and negative balances shown in the bank book represent book overdraft.



13.03 Fixed Deposit Receipts:

Name of banks	Purpose	Period	Rate of interest	30 June 2019	30 June 2018
				Taka	Taka
AB Bank Ltd	L/C Margin	3 months	8%	1,000,000	-
Al-Arafah Islami Bank Ltd.	L/C Margin	3 months	5%	1,350,276	-
Bank Asia Limited	L/C Margin	3 months	5-5.25%	11,187,561	14,436,222
Dutch Bangla Bank Limited	L/C Margin	3 months	5.00%	65,626,095	36,360,810
Dhaka Bank Limited	L/C Margin	3 months	4.00%	61,433,343	25,960,637
IFIC Bank Limited	L/C Margin	3 months	5-6.50%	8,949,932	37,776,893
Jamuna Bank Limited	L/C Margin	3 months	8.0%	34,411,921	15,793,570
Mercantile Bank Limited	BG & L/C Margin	3 months	5.00%	53,662,779	26,517,111
NCC Bank Limited	L/C Margin	3 months	5.00%	49,743,711	33,402,660
National Bank Limited	L/C Margin	3 months	9.00%	5,805,083	14,050,000
Pubali Bank Limited	L/C Margin	3 months	7.00%	-	3,098,000
Shahjalal Islami Bank Ltd	L/C Margin	3 months	6.50%	13,636,823	-
Trust Bank Limited	L/C Margin	3 months	4.50-5.50%	19,002,400	50,249,421
The City Bank Limited	L/C Margin	3 months	3.50-4.50%	9,640,471	47,938,595
United Commercial Bank Ltd.	L/C Margin	3 months	4.75%	55,611,250	53,378,985
Uttara Bank Limited	L/C Margin	3 months	5.00%	10,508,000	20,000,000
				401,569,644	378,962,904

14.00 Share Capital:**14.01 Authorized capital:**

475,000,000 Ordinary shares @ Tk. 10 each	4,750,000,000	4,750,000,000
25,000,000 Preference Shares @ Tk. 10 each	250,000,000	250,000,000
	5,000,000,000	5,000,000,000

14.02 Issued, subscribed and paid-up capital:

145,000,000 Ordinary shares @ Tk. 10 each	1,450,000,000	1,450,000,000
104,500,000 Ordinary shares @ Tk. 10 each fully paid-up for consideration other than cash	1,045,000,000	1,045,000,000
21,750,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year 2009)	217,500,000	217,500,000
54,250,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2010)	542,500,000	542,500,000
16,275,000 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2012)	162,750,000	162,750,000
34,177,500 Ordinary shares @ Tk. 10 each fully paid up as Bonus Shares (For the year ended 2018)	341,775,000	-
	3,759,525,000	3,417,750,000

14.03 Classification of shares by holding:

Class by number of shares	No. of Holders	No. of Shares	Holding (%)
Less than 500	3,800	589,650	0.16%
From 501 to 5000	5,449	8,205,309	2.18%
From 5,001 to 10,000	523	3,599,114	0.96%
From 10,001 to 20,000	307	4,182,372	1.11%
From 20,001 to 30,000	95	2,359,676	0.63%
From 30,001 to 40,000	41	1,419,140	0.38%
From 40,001 to 50,000	35	1,569,525	0.42%
From 50,001 to 100,000	72	4,900,299	1.30%
From 100,001 to 1,000,000	97	29,133,504	7.75%
From 1,000,001 to above	32	319,993,911	85.12%
	10,451	375,952,500	100%

14.04 Shareholding Position:

Name of shareholders	30 June 2019		30 June 2018	
	Percentage of holdings	No. of Shares	Percentage of holdings	No. of Shares
Sponsor Shareholders	16.85%	63,351,172	16.85%	57,591,975
Foreign Shareholders	0.29%	1,092,628	0.28%	944,268
Other Shareholders (Related Parties)	53.68%	201,804,671	53.68%	183,458,793
Other Shareholders (General)	29.18%	109,704,029	29.19%	99,779,964
	100%	375,952,500	100%	341,775,000



		30 June 2019	30 June 2018
		Taka	Taka
15.00 Long term loans:			
Prime Bank Limited	15.04	66,636,551	82,970,890
Eastern Bank Limited- Syndicate term loan	15.05	5,980,445,672	1,055,164,280
IDLC Finance Limited	15.06	204,983,142	612,796,197
Jamuna Bank Limited	15.07	-	10,967,138
Meghna Bank Limited	15.08	-	6,742,866
Standard Chartered Bank	15.09	4,179,998,514	-
Redeemable Zero Coupon Bond	15.10	578,954,414	1,102,540,010
Midas Finance Limited		350,972,222	-
		11,361,990,515	2,871,181,381
15.01 Long term loans-Maturity analysis			
Due within one year-Current portion	15.02	2,294,041,868	1,093,625,713
Due after more than one year-Non-current portion	15.03	9,067,948,647	1,777,555,668
		11,361,990,515	2,871,181,381
15.02 Long term loans - Current portion			
Prime Bank Limited		24,094,548	26,554,811
IDLC Finance Limited		80,287,560	436,718,810
Jamuna Bank Limited		-	10,967,138
Eastern Bank Limited- Syndicate term loan		423,733,125	-
Standard Chartered Bank -Syndicate term loan		836,000,000	-
Meghna Bank Limited		-	6,742,866
Redeemable Zero Coupon Bond		578,954,414	612,642,088
Midas Finance Limited		350,972,222	-
		2,294,041,868	1,093,625,713
15.03 Long term loans - Non-current portion			
Prime Bank Limited		42,542,003	56,416,079
Eastern Bank Limited- Syndicate term loan		5,556,712,548	1,055,164,280
Standard Chartered Bank -Syndicate term loan		3,343,998,514	-
IDLC Finance Limited		124,695,582	176,077,387
Redeemable Zero Coupon Bond		-	489,897,922
		9,067,948,647	1,777,555,668



15.04 Terms of Prime Bank Limited**Total loan facilities: Tk. 15,845,433.24****Interest rate:**

Interest rate is 9.75% per annum.

Disbursement:

The full disbursement was made on May 29, 2017.

Repayments

The loan is repayable in equal monthly installment starting from June 25, 2017 and each month thereafter for 5 years.

Securities:

- i. Izarah agreement for Capital Machinery/Equipment and 01 (one) post-dated cheque covering total value of Izara facility and 6 (six) nos of post-dated cheque covering each installment for total value of Izarah.

Purpose:

To pay expenditures of construction work of storage shed, storage bed and floor development at Khulna warehouse.

15.05 Eastern Bank Limited- Syndicated term loan**Lenders:**

The company entered into a separate syndicated loan agreement for the BMRE on 03 April 2017 with Eastern Bank Limited, the lead arranger and 4 (four) other Banks and 2 (two) Financial Institutions.

Total loan facilities: Tk. 426.500 crore.**Total loan facilities: USD. 2.500 crore.****Interest rate:BDT**

Interest rate is 8.25%-8.5% per annum calculated on quarterly basis and variable depending on the situation of money

Interest rate:USD

Interest rate is 3 months LIBOR+ 3.75% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement was made on 19 June 2018.

Repayments:

This term loan is repayable in 20(twenty) equal quarterly installments commencing from the end of 15th month of the first draw down date.

Securities:

- i. Registered Mortgage over the project land measuring 9.6 acres and all civil construction thereon supported by registered General power of Attorney.
- ii. Fixed and floating charge over machinery, plant and equipment.
- iii. Lien on shares of BSRM Steels Limited(owned by directors / shareholders value of which will be 110% of equivalent fair value of the project land measuring 12.4 acres that can not be mortgaged due to regulatory restrictions.
- iv. Corporate guarantee of the sister concerns of H. Akberali & Co. Limited.
- v. Implementation guarantee from the Sponsors.
- vi. Demand promissory note from the company.

Purpose:

To import required plant and machinery for installation of Billet Manufacturing Unit and to meet up cost of land development, building and civil construction, fabrication works.



15.06 Terms of IDLC Finance Limited

Total loan facilities: Tk. 300,000,000

Interest rate:

Interest rate is 9.50% per annum.

Disbursement:

The full disbursement was made on July 24, 2017.

Repayments

The loan is repayable in equal monthly installment starting from August 24, 2017 and each month thereafter for 5 years.

Securities:

- i. Personal Guarantee
- ii. Post dated cheque covering the entire principal amount
- iii. Corporate guarantee of H. Akberali & Co. Ltd.

Purpose:

To meet expense for industrial land development for the under implementation melting mill, civil and electrical works and repair and maintenance of machinery.

15.07 Terms of Jamuna Bank Limited

Total loan facilities: Tk. 100,000,000

Interest rate:

Interest rate is 12.50% per annum.

Disbursement:

The full disbursement was made on January 01, 2018.

Repayments

The loan is repayable in equal monthly installment starting from January 01, 2018 and each month thereafter for 1 years.

Securities:

- i. Documents of title to goods.
- ii. Un-dated cheque for entire L/C limit.
- iii. Usual charge documents.
- iv. Personal Guarantee

Purpose:

To import capital machinery.

15.08 Terms of Meghna Bank Limited

Total loan facilities: Tk. 46,400,000

Interest rate:

Interest rate is 11.00% per annum.

Disbursement:

The full disbursement was made on October 01, 2017.

Repayments

Repayment to be made in 16 equal quarterly installments commencing from 15th month from the date of disbursement.

Securities:

- i. 10% of L/C margin
- ii. Hypothecation on machinery to be imported through bank.
- iii. Personal Guarantee of all directors of the Company backed by Board resolution
- iv. Corporate Guarantee of BSRM Steels Ltd.
- v. Usual charge documents.
- vi. Post dated cheque.

Purpose:

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



15.09 Standard Chartered Bank - Syndicated term loan**Lenders:**

The company entered into a separate syndicated loan agreement for Balance Sheet re-alignment through converting its short term loan into term loan on 21 March 2019 with Standard Chartered Bank, the lead arranger and 5 (five) other Banks.

Total loan facilities: Tk. 700.00 crore.

Interest rate :

Interest rate is 9.95%-11.50% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement of BDT 418 Crore was made on 09 April 2019.

Repayments:

Entire outstanding including the accrued interest thereon shall be repaid by 20 (twenty) equal quarterly installments starting from the immediate next quarter end of First Disbursement. Any short fall, if any must be repaid with the last installment

Securities:

- i 1st ranking pari passu charge on plant and machinery and all fixed assets of the company.
- ii Personal guarantee of all the directors of the company.
- iii Corporate Guarantee of 1. H. Akberali Co. Ltd and 2. BSRM Wires Limited.
- iv Other charge documents as per opinion of lenders common counsel and standard practice.

Purpose:

Balance sheet re-alignment through converting its short term loan into term loan amounting Tk. 700 crore under syndication finance being arranged by SCB.



15.10 Redeemable Zero Coupon Bond

	<u>2019</u>	<u>2018</u>
	<u>Taka</u>	<u>Taka</u>
Opening Balance	1,102,540,010	1,576,051,890
Add: Interest charged	89,056,448	139,130,142
Less: Interest payment	(91,705,840)	(137,879,446)
Less: Principal payment	(520,936,204)	(474,762,576)
Carrying amount	<u>578,954,414</u>	<u>1,102,540,010</u>

15.10.01 Details of the Zero coupon bond

The company obtained consent from Bangladesh securities and Exchange Commission (BSEC) vide consent letter reference: BSEC/CI/2015 dated on 28 Dec 2015 for issuing 2,450,592 nos. of redeemable zero coupon bond of TK. 1,000 each to institutional investors through private placement.

Tenure:

From 6th month and upto 4 years from the issue date (TBD).

Purpose:

Capital expenditure, refinance and equity investment in power project of the group under the name 'Chittagong Power Company Limited'.

Subscription and issue:

Total 2,450,568 nos. of bonds were subscribed on 25 April 2016 and 16 May 2016 for Taka 1,999,981,083 and were issued accordingly on those days.

Discount rate:

The discount rate is 9.5% per year and interest is payable half-yearly.

Listing:

Unlisted.

Transferability

Freely transferable subject to the terms and condition of term documents.

Redemption:

In equal instalment starting from the end of the 6th month from the issue date and each 6 month thereafter till expiry (4 years).

Securities:

Unsecured



	2019	2018			
	Taka	Taka			
16.00 Defined benefit obligations - Gratuity					
Balance as at 01 July, 2018	136,970,002	72,632,738			
Add: Liability acquired through acquisition of BISCO	-	28,983,310			
Add: Current service cost	-	35,748,860			
Add: Past service cost- Plan amendments	43,818,663	-			
Add: Interest cost	-	-			
Less: Payment made during the year	(16,348,802)	(3,786,972)			
Actuarial loss	-	3,392,066			
Closing plan liability as per actuary	164,439,863	136,970,002			
17.00 Deferred Tax Liabilities					
Opening balance	1,157,754,016	801,274,097			
Add: Acquisition of BISCO	-	406,228,008			
Provided during the year					
Investments in associates	59,594,607	76,640,674			
Taxable/(deductible) temporary difference of PPE and intangible asset (excluding land)	78,693,941	(115,663,863)			
Deferred tax on Revaluation Surplus (Land)	266,347,024	-			
Deferred tax on revalued portion of Associate	239,418,431	-			
Provision for Gratuity	(6,867,465)	(5,940,158)			
Total	637,186,538	(44,963,346)			
Adjusted during the year					
Impact of depreciation on revaluation surplus	(4,545,506)	(4,784,743)			
Total	(4,545,506)	(4,784,743)			
Closing Balance	1,790,395,047	1,157,754,016			
17.01 Reconciliation of deferred tax liabilities/ (assets)					
	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka		Taka	Taka
Property, plant and	13,668,090,636	9,053,841,338	25%	4,614,249,298	1,153,562,325
Provision for Gratuity	(164,439,863)	-	25%	(164,439,863)	(41,109,966)
Deferred tax Liability on Revaluation Surplus (Land)	9,522,872,192	1,569,966,252	3-4%	7,952,905,940	266,347,024
Deferred tax liability on investment in associates	1,860,886,165	1,000,000,000	20%	860,886,165	172,177,233
Deferred tax liability on Revalued portion of Associate	1,596,122,876	-	15%	1,596,122,876	239,418,431
Total deferred tax liabilities					1,790,395,047
18.00 Trade Payables					
BSRM Steel Re-Rolling Mills Limited				1,941,826	323,188
BSRM Logistics Limited				16,913,514	12,636,366
BSRM Wires Limited				-	44,622,409
BSRM Steel Mills Limited				3,266,714,210	5,657,949,387
BSRM Recycling Industries Limited				800,009	-
BSRM Ispat Limited				266,950	266,950
Others				74,973,852	51,512,719
				3,361,610,352	5,767,311,018



		2019	2018
		Taka	Taka
19.00	<u>Short Term Loans</u>		
	Loan against trust receipts (LATR)	233,185,527	117,603,089
	Time loans	2,508,422,988	2,484,059,755
	Demand loan	7,295,509,964	10,152,769,301
	Bank overdraft and cash credit	2,272,345,148	1,892,114,409
	Factoring Loan against sales invoice	22,952,689	19,975,377
	Liability for accepted bills for payment	8,125,003,744	4,628,502,072
		20,457,420,060	19,295,024,003
19.01	<u>Loan Against Trust Receipts (LATR)</u>		
	Bank Asia Limited	-	6,372,563
	Prime Bank Limited	188,015,147	70,071,765
	Pubali Bank Limited	33,721,328	16,367,476
	Shahjalal Islami Bank Limited	-	637,646
	Uttara Bank Limited	11,449,052	24,153,639
		233,185,527	117,603,089
19.02	<u>Time Loans</u>		
	Dhaka Bank Limited	101,649,171	-
	IPDC Limited	697,248,611	613,301,835
	Jamuna Bank Limited	735,705,556	1,036,300,302
	Midland Bank Limited	261,597,222	-
	Prime Bank Limited	333,125,507	173,444,837
	Shahjalal Islami Bank Limited	69,180,253	661,012,781
	The Trust Bank Limited	309,916,667	-
		2,508,422,988	2,484,059,755
19.03	<u>Demand Loans</u>		
	Bank Asia Limited	-	100,725,438
	BRAC Bank Limited	502,243,886	500,000,000
	Commercial Bank of Ceylon plc	1,009,111,111	902,439,167
	Eastern Bank Limited	1,427,100,000	1,697,800,000
	HSBC	120,000,000	615,297,198
	IFIC Bank Limited	-	150,950,000
	National Credit and Commerce Bank Limited	299,438,962	-
	National Finance Limited	-	302,800,000
	Standard Chartered Bank	1,397,221,376	2,304,549,310
	The City Bank Limited	1,029,217,546	1,024,013,889
	Trust Bank Limited	-	1,034,069,299
	Uttara Bank Limited	1,511,177,083	1,520,125,000
		7,295,509,964	10,152,769,301



	2019	2018
	Taka	Taka
19.04 Bank overdraft and Cash Credit		
AB Bank Limited- OD	369,303	(35,740,499)
AB Bank Limited- OD (BISCO)	-	(7,113)
Agrani Bank Limited-CC	157,754,371	-
Bank Al Falah Limited- OD	345,042,085	290,648,798
Basic Bank Limited- OD	306,144,161	419,111,351
BRAC Bank Limited- OD	50,650,190	19,087,097
BRAC Bank Limited- OD	(19,252)	(31,602)
Dhaka Bank Limited- OD	52,054,260	22,690,121
Dutch Bangla Bank Limited- OD	168,242,491	121,516,508
IFIC Bank Limited- OD (BISCO)	-	97,476,256
Janata Bank Limited-CC	47,932,452	-
Janata Bank Limited- OD (BISCO)	-	653,158
Mutual Trust Bank Limited- OD	-	30,596
National Credit and Commerce Bank Limited- CC	57,483,515	285,370,644
National Credit and Commerce Bank Limited- SOD	-	51,613,230
One Bank Limited- OD- (BISCO)	-	(140,744)
Premier Bank Limited- SOD	1,675,234	30,098,010
Premier Bank Limited- CC	19,544,298	221,482,257
Pubali Bank Limited- OD	86,260	(3,022,884)
Rupali Bank Limited-CC	890,498,532	-
Standard Bank Limited-CC	(3,969,826)	2,024,500
South Bangla Agriculture & Commerce Bank Limited- SOD	17,052,017	223,603,819
State Bank of India- CC	137,862,085	142,278,587
Uttara Bank Limited- CC	23,942,973	3,372,320
	2,272,345,148	1,892,114,409
19.05 Liability for accepted bills for payment (ABP)		
Agrani Bank Limited	-	477,630,546
Al-Arafah Islami Bank Limited	29,147,673	66,026,946
Bank Al-Falah Limited	5,400,397	60,69
Bank Asia Limited	640,908,086	40,6
BRAC Bank Limited	337,703,766	13,95,
Commercial Bank of Ceylon	171,145,265	26,469,770
City Bank Limited	1,423,737,788	127,759,565
Dhaka Bank Limited	1,084,830,113	256,191,291
Dutch Bangla Bank Limited	322,510,652	235,838,508
Eastern Bank Limited	546,807,336	653,264,487
HSBC	336,272,055	-
IFIC Bank Limited	-	410,118,114
Islami Bank Bangladesh Limited	65,098,556	63,929,338
Jamuna Bank Limited	241,476,885	45,770,739
Mercantile Bank Limited	147,688,213	247,596,508
National Bank Limited	71,993,585	237,971,105
NCC Bank Limited	197,502,491	242,957,241
One Bank Limited	26,646,930.88	-
Prime Bank Limited	956,467,139	151,561,569
Pubali Bank Limited	198,835,382	465,659,948
Rupali Bank Limited	332,857,108	-
Standard Chartered Bank	175,602,225	360,437,858
Trust Bank Limited	13,264,723	133,389,820
United Commercial Bank Limited	518,115,988	310,670,299
Uttara Bank Limited	280,991,387	-
	8,125,003,744	4,628,502,072
20.00 Due to related companies		
BSRM Steel Mills Limited	4,924,790,194	1,540,077,748
	4,924,790,194	1,540,077,748

These balances represent short term financial arrangement availed from related companies as and when required to meet working capital and interest were charged on outstanding balances. All transactions were made through account payee cheques.



	2019	2018
	Taka	Taka
21.00 Liabilities for expenses		
Advertisement expenses	69,946,485	101,561,232
Audit Fees	598,500	450,000
Brokerage and commission	-	25,048,040
C & F Bill and others	3,836,547	1,228,561
Carrying expenses	253,410,147	137,624,392
Consultancy fees	981,150	5,397,430
Domiciliary expenses	2,126,423	1,576,425
Gas bill payable	21,621,646	14,508,409
Liability against supply of goods/services	103,026,641	137,354,778
Liability against fixed asset	101,488,932	11,432,718
Liability for duty drawback	425,456,343	-
Others	3,240,061	6,732,015
Printing and Stationeries	1,871,564	3,857,211
Rent payables	512,962	172,113
Salary and Allowances	8,472,540	6,633,256
Sales promotion expenses	13,439,151	7,489,142
Travelling expenses	1,035,091	58,132
	1,011,064,184	461,123,854
22.00 Provision for income tax		
Opening balance	957,113,965	897,748,213
Add: Acquisition of BISCO	-	191,240,166
	957,113,965	1,088,988,379
Add: Provision during the year	478,712,202	552,700,219
Less: Adjusted with advance income tax paid at source	(702,980,674)	(684,574,633)
Closing Balance	732,845,493	957,113,965
23.00 Provision for WPPF and Welfare Fund		
Opening balance	109,253,966	130,308,597
Add: Provided during the year	107,383,636	108,445,209
Add: Acquisition of BISCO	-	808,757
Less: Paid during the year	(109,253,966)	(130,308,597)
Closing Balance	107,383,636	109,253,966
23.01 Provision made during the year for WPPF and Welfare Fund		
Profit before tax and WPPF and Welfare Fund	2,147,672,716	2,168,904,175
Cash dividend received from investment in associates	-	-
Profit applicable for WPPF and Welfare Fund	2,147,672,716	2,168,904,175
Contribution to WPPF and Welfare Fund at 5%	107,383,636	108,445,209



	2019	2018
	Taka	Taka
24.00 Other liabilities		
Security deposit	29,300,146	27,960,476
Income Tax Deducted at Source	87,405	-
VAT Deducted at source	5,208,224	-
Earnest/Retention money	100,102,126	63,789,438
Liability against fractional bonus share	1,163,929	1,163,929
Unclaimed dividend	17,966,793	17,386,033
Liability against share application money	7,581,814	7,581,814
Interest payable	127,896,570	168,321,364
Provision for doubtful debts	621,777	621,777
Provident fund	3,253,943	2,669,693
	293,182,726	289,494,523
25.00 Contract liabilities		
Advance against sales	705,843,107	286,350,304
Total contract liabilities	705,843,107	286,350,304



	2019	2018
	Taka	Taka
26.00 <u>Revenue from contracts with customers</u>		
Local sales	55,985,591,031	45,044,400,230
Export sales	5,074,560,982	3,245,525,505
	<u>61,060,152,014</u>	<u>48,289,925,736</u>

Total export sales for the period was USD 59,432,881.71 against export of 81,686.15 MT of goods.

26.01 Set out below is the disaggregation of BSRM Steels Limited's revenue from contracts with customers:

<u>Segments</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Type of goods		
Xtreme 500W	38,994,049,134	33,487,600,028
Ultima 420D	7,959,144,101	6,312,484,703
Maxima 500	395,229,026	320,465,585
M.S. Billet	12,642,666,064	7,476,861,305
Others	1,069,063,689	692,514,115
Total revenue from contracts with customers	<u>61,060,152,014</u>	<u>48,289,925,736</u>
Geographical Markets		
Bangladesh	60,865,639,026	48,160,129,934
India	194,512,988	129,795,802
Total revenue from contracts with customers	<u>61,060,152,014</u>	<u>48,289,925,736</u>
Timing of revenue recognition		
Goods transferred at a point in time	61,060,152,014	48,289,925,736
Services transferred over time	-	-
Total revenue from contracts with customers	<u>61,060,152,014</u>	<u>48,289,925,736</u>

26.02 Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 26.01

<u>Year ended</u> <u>30 June 2019</u>	<u>M.S. Rod</u>	<u>M.S. Billets</u>	<u>Total Segments</u>	<u>Adjustments</u>	<u>Total</u>
Revenue					
External customers	47,348	13,712	61,060		61,060
Internal customers		2,491	2,491	(2,491)	-
	<u>47,348</u>	<u>16,203</u>	<u>63,551</u>	<u>(2,491)</u>	<u>61,060</u>

26.03 <u>Contract balances</u>	<u>Notes</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Trade receivables	9	9,690,140,135	5,779,898,258
Contract assets		-	-
Contract liabilities	25	705,843,107	286,350,304

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days

Contract assets are initially recognised for revenue earned services as receipt of consideration is conditional on successful completion of service. Upon completion of service and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

Contract liabilities includes short-term advances received to deliver M.S. Rod to the customers.



26.04 Performance Obligations

Information about the BSRM Steels Limited's performance obligation is summarised below:

M.S. Rod

The performance obligation is satisfied upon delivery of the M.S. Rod to the customers and payment is generally due within 30 to 60 days of delivery.

The performance obligation to deliver M.S. Rod has two alternative payment options. The customer can pay the transaction price equal to the cash selling price in advance or allowed a credit period of 30 to 60 days.

M.S. Billet

The performance obligation is satisfied upon delivery of the M.S. Billet to the customers and payment is received from the customer immediately.

27.00 Cost of sales

Cost of sales-Billet	27.01	12,231,344,010	7,178,566,876
Cost of sales-MS Rod	27.02	43,361,915,165	35,951,648,362
Cost of sales- Finished goods procured from outside	27.03	414,978,926	280,542,716
		56,008,238,101	43,410,757,954

27.01 Cost of sales- Billet

Opening stock of scrap		3,074,906,084	1,563,619,640
Add: Purchase during the year		12,554,035,770	7,242,872,442
Less: Closing stock of scrap		(4,238,217,992)	(3,074,906,084)
Raw materials consumption-Scrap		11,390,723,862	5,731,585,998
Opening stock of Direct Consumable		144,465,091	167,320,706
Add: Purchase during the year		731,158,155	488,121,559
Less: Closing stock of Direct Consumable		(197,668,294)	(144,465,091)
Direct Consumable Consumption		677,954,952	510,977,175
Add: Factory overhead	27.04	3,074,125,382	1,639,581,208
Cost of Billet Manufactured		15,142,804,196	7,882,144,381
Add: Opening stock of Billet FG		92,565,314	106,723,422
Less: Closing stock of Billet FG		(700,942,958)	(92,565,314)
Transfer to Rolling Mills		(2,303,082,542)	(717,735,613)
Cost of sales -Billet		12,231,344,010	7,178,566,876

27.02 Cost of sales- MS Rod

Opening stock of raw materials-Billet		4,136,043,212	2,421,315,878
Add: Purchase during the year		37,826,534,906	36,972,004,861
Transfer from Melting Shop		2,303,082,542	717,735,613
Less: Closing stock of raw materials-Billet		(2,153,871,330)	(4,136,043,212)
Raw materials consumed-Billet		42,111,789,330	35,975,013,141
Add: Factory overhead	27.04	1,828,550,576	1,860,299,774
Cost of Goods Manufactured		43,940,339,906	37,835,312,915
Add: Opening stock of finished goods		5,090,273,226	3,206,608,673
Less: Move Order for Project/Repair		(64,045,554)	-
Less: Closing stock of finished goods		(5,604,652,413)	(5,090,273,226)
Cost of sales -own production		43,361,915,165	35,951,648,362

27.03 Cost of sales- finished goods procured from outside

Opening stock of finished goods		97,967,052	20,683,215
Add: Finished goods purchased from outside		463,348,130	379,734,289
		561,315,182	400,417,505
Less: Move Order for Project/Repair		(114,975,796)	(21,907,737)
Less: Closing stock of finished goods		(31,360,460)	(97,967,052)
Cost of sales- finished goods procured from outside		414,978,926	280,542,716



27.04 Factory Overheads:

	2019	2018
	Taka	Taka
Car allowance	5,401,671	4,023,900
Carrying charges-Finished goods	27,523,566	17,606,358
Carrying charges-Raw materials	379,947,038	345,478,518
Consulting fees	1,720,169	6,235,554
Conveyance expenses	15,918,535	14,447,127
Depreciation	574,831,699	407,341,310
Electrical store consumption	85,623,004	80,216,960
Entertainment	4,033,445	6,670,787
Fees and renewals	655,487	700,987
Fuel and Lubricants	99,368,306	126,927,759
Gas	190,664,074	177,040,112
General store consumed	11,734,027	8,222,884
Gratuity	28,132,396	21,577,562
Guest house expenses	4,536,126	1,325,452
Guest house rent	2,585,928	1,415,163
Insurance expenses	7,715,143	4,277,971
Management fees	25,358,593	109,055,533
Mechanical store consumption	285,841,695	232,217,229
Medical expenses	3,465,412	3,589,951
Motor car expenses	116,399	490
Other store consumption	425,681,043	198,864,107
Overtime	14,550,791	9,396,933
Paper and periodical	10,940	9,936
Postage and telegram	80,645	58,345
Power	2,147,892,571	1,321,835,629
Printing and stationery	6,716,622	8,870,375
Rental expenses	29,223,081	16,672,295
Repairs and Maintenance	34,779,744	35,636,330
Salaries and allowances	394,323,493	287,091,090
Testing charges	91,752	274,650
Travelling expenses	10,660,412	1,578,645
Utility expenses	11,386,078	13,136,043
Wages	72,106,075	38,084,999
	4,902,675,958	3,499,880,982



28.00 Selling and distribution expenses

	2019	2018
	Taka	Taka
Advertisement	226,363,831	371,019,358
Bad debts	15,233	248,292
Brokerage and commission	200,662,438	127,345,811
Car allowance	2,994,721	5,191,981
Carriage on sales	400,864,420	421,560,796
Conveyance expenses	4,396,667	4,078,444
Depreciation	4.00	23,703,252
Electricity expenses-Depot	4,509,858	4,274,418
Entertainment	44,451,946	21,933,969
Export charges	8,618,913	5,807,260
Fees and renewals	1,693,520	575,940
Generator rent & fuel	145,713	188,189
Gratuity expenses	4,824,014	10,610,255
Internet expenses	768,854	636,166
Medical expenses	465,441	897,894
Motor cycle allowance	4,963,622	3,557,438
Paper and periodicals	77,689	99,304
Printing charges	6,209,607	20,772,905
Repair and maintenance	1,413,114	1,390,123
Royalty expenses	28.01	88,072,562
Salaries and allowances	124,194,602	119,109,191
Sales promotion expenses	53,081,126	55,109,932
Stationery expenses	431,490	257,934
Testing charges	1,471,865	2,736,618
Travelling expenses	9,503,670	9,460,370
Warehouse rent	6,189,275	5,474,123
	1,227,104,692	1,304,112,525



2019	2018
Taka	Taka

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

29.00 **Administrative Expenses:**

Advertisement Expenses	1,359,780	1,231,414
Amortization of Intangible asset	4,943,135	4,059,321
Audit fees	1,714,252	738,550
Board Meeting expenses	304,750	255,875
Car allowance	6,129,793	4,056,821
Conveyance expenses	1,261,331	1,556,373
CSR expenses	30,362,585	27,947,263
Depreciation	4.00 23,712,827	28,592,892
Director's remuneration	29.01 94,500,000	82,500,000
Donation and subscriptions	449,800	168,187
Electricity expenses	2,368,416	1,980,498
Entertainment	6,364,915	6,418,294
Fees and renewals	10,429,640	9,877,187
Generator expenses	27,550	16,680
Gratuity expenses	10,862,253	3,561,043
Guest house rent	1,459,713	725,410
Insurance expenses	47,223	32,223
Internet expenses	1,397,000	1,487,934
Land revenue	792,088	679,495
Leave assistance	1,282,000	1,345,000
Legal expenses	1,365,672	1,012,825
Medical expenses	2,713,884	3,433,763
Motor car expenses	4,473,316	4,194,925
Motor cycle allowance	441,137	397,275
Office rent	13,965,784	10,928,534
Paper and Periodicals	1,310,042	720,537
Postage expenses	287,348	576,409
Printing expenses	1,019,141	1,070,092
Professional and consulting fee	12,397,949	13,784,915
Repair and maintenance	6,265,744	4,822,592
Salaries and allowances	208,478,179	173,022,666
Stationery expenses	4,255,850	1,203,189
Telephone expenses	6,170,168	5,673,186
Training expenses	3,098,231	2,707,992
Travelling expenses	5,940,103	8,242,332
	471,951,597	409,221,690



	2019	2018	
	Taka	Taka	
29.01 Details of Directors' remuneration paid during the period are as follows:			
Directors' Name	Gross Remuneration	Income Tax Deducted	Net Paid
	Taka	Taka	Taka
Mr. Alihussain Akberali-Chairman	40,500,000	12,150,000	28,350,000
Mr. Aameir Alihussain-Managing Director	36,000,000	10,800,000	25,200,000
Mr. Zohair Taherali-Director	11,400,000	3,420,000	7,980,000
Mrs. Tehseen Zohair Taherali- Director	6,600,000	1,980,000	4,620,000
	94,500,000	28,350,000	66,150,000
30.00 Other Operating Income			
Gain/(loss) on sale of non-current assets		891,742	(6,556,198)
Miscellaneous income		14,949,151	13,860,165
Tender money		-	(2,298)
Truck/Trailer Rental income		-	7,750,000
Other miscellaneous income		354,457	(237,378)
		16,195,350	14,814,291
31.00 Finance Costs:			
Interest on OD, cash credit		221,061,895	136,746,314
Interest on Syndicate loan		172,806,823	-
Interest on LATR		48,484,510	54,628,890
Interest on Demand and Time loan		1,344,022,125	1,354,927,135
Interest on Term loan		85,065,635	38,130,880
Bank charges & others		10,902,857	27,123,566
Bank Guarantee Commission		4,969,414	1,127,670
Interest on redeemable zero coupon bond		89,056,448	139,130,142
Agency fees		26,909,333	20,598,789
Foreign exchange loss on translation		10,902,130	1,864,515
Interest on balance due to inter companies		221,233,525	264,835,160
		2,235,414,696	2,039,113,061
32.00 Finance income			
Foreign currency exchange gain/(loss)	32.01	44,471,398	4,121,344
Interest on trade debtors		11,798,561	4,583,351
Interest income from FDR		4,416,356	65,998,073
Rebate on interest on bank loan		-	841,000
Interest on balance due from inter companies		953,348,122	951,825,610
		1,014,034,437	1,027,369,378
32.01 Foreign currency exchange gain/(loss)			
Realized foreign currency transaction gain/(loss)		44,471,398	4,121,344
		44,471,398	4,121,344
33.00 Profit on bargain purchase			
Percentage acquired of BSRM Iron & Steel Co. Ltd.		-	5%
Net Assets of BSRM Iron & Steel Co. Ltd.		-	2,339,035,730
Consideration paid to acquire 5%		-	106,755,000
Less: Net Assets acquired		-	(116,951,786)
Profit on bargain purchase		-	(10,196,786)

On 1 October 2017, the Company has acquired the remaining 5% shares representing 5,500,000 shares to complete the amalgamation scheme with BSRM Iron & Steel Co. Ltd., thereby transferring all assets and liabilities to BSRM Steels Limited. Pursuant to the merger agreement, the Company has paid a cash consideration of Tk 19.41 per share which was valued using the net asset value method.



	2019	2018
	Taka	Taka
34.00 Share of profit/(loss) of associate (Net of tax)		
Net profit/(loss) attributable to the shareholders of associate	1,175,311,103	938,269,829
Percentage of holding	25.35%	25.35%
Net profit/(loss) attributable to BSRM Steels Ltd.	297,973,028	237,876,679
	297,973,028	237,876,679
35.00 Earnings per share		
Basic earnings per share (EPS)		
Profit attributable to the ordinary shareholders	1,728,128,823	1,800,795,558
Number of ordinary shares at the year end	375,952,500	375,952,500
Weighted Average number of shares outstanding during the year	375,952,500	375,952,500
Basic earnings per share (EPS)	4.60	4.79
Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding on the reporting date as per IAS-33: Earnings Per Share. No diluted EPS was required to be calculated for the year since there was no scope for dilution.		
36.00 Net Asset Value Per Share (NAV)		
Total Assets	65,808,184,796	45,680,555,312
Less: Total Liabilities	(44,910,965,177)	(32,871,654,780)
Net Asset Value (NAV)	20,897,219,619	12,808,900,532
Number of ordinary shares outstanding during the period	375,952,500	341,775,000
Net Assets Value (NAV) per share	55.58	37.48
37.00 Net operating cash flow per share		
Net operating cash flows (From statement of Cash Flows)	(4,671,878,807)	752,332,113
Number of ordinary shares outstanding during the period	375,952,500	341,775,000
Net operating cash flow per share	(12.43)	2.20



38.00 Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business and on Arms Length Basis. The name of these related parties, nature of transactions, their total value and balances on reporting date have been set in accordance with the provisions of IAS 24.

Related parties comprise of companies under common ownership and common management control.

Name of parties	Relationship	Nature of Transactions	Outstanding as on 30 June 2019		Mode of Transaction
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Short term loan	6,264,184,394	Dr.	Market price/Negotiated price
BSRM Ispat Limited	Sister Company	Short term loan	-	Dr.	
BSRM Steel Mills Limited	Associate	Short term loan	(4,924,790,194)	Cr.	
BSRM Logistics Limited	Sister Company	Short term loan	236,888,854	Dr.	
BSRM Metals Limited	Sister Company	Short term loan	-	Dr.	
H. Akberali & Co. Limited	Sister Company	Short term loan	1,009,006,449	Dr.	
Chittagong Power Company Ltd.	Sister Company	Short term loan	686,012,869	Dr.	
BSRM Wires Limited	Sister Company	Short term loan	309,862,252	Dr.	
BSRM Recycling Industries Limited.	Sister Company	Short term loan	-	Dr.	

38.01 Details of transactions

Name of inter companies	Opening balances		Transaction during the year (Net)	Amount owed by related parties	Amount owed to related parties
Bangladesh Steel Re-Rolling Mills Lim	4,871,551,354	Dr.	1,392,633,040	6,264,184,394	-
BSRM Ispat Limited	547,296,225	Dr.	(547,296,225)	-	-
BSRM Steel Mills Limited	(1,540,077,748)	Cr.	(3,384,712,446)	-	(4,924,790,194)
BSRM Logistics Limited	194,947,734	Dr.	41,941,120	236,888,854	-
BSRM Metals Limited	72,285,997	Dr.	(72,285,997)	-	-
H. Akberali & Co. Limited	541,067,086	Dr.	467,939,363	1,009,006,449	-
Chittagong Power Company Ltd.	622,851,469	Dr.	63,161,400	686,012,869	-
BSRM Wires Limited	58,989,394	Dr.	250,872,858	309,862,252	-
BSRM Recycling Industries Limited.	61,351,294	Dr.	(61,351,294)	-	-

These amounts are classified as Due to and Due from related companies, respectively (see Notes 10 and 20)

39.00 Reconciliation of Net Income

	June 30 2019	June 30 2018
Profit before Interest and Tax	3,369,052,974	3,180,647,858
Depreciation	629,695,646	463,696,774
(Increase)/Decrease in Inventories	(538,196,954)	(5,164,619,209)
(Increase)/Decrease in Trade Receivables	(3,671,270,723)	(941,378,517)
(Increase)/Decrease in Advance, Deposit & Pre-payment	(1,022,435,382)	(885,723,375)
Increase/(Decrease) in Trade Payables	(2,405,700,666)	5,658,056,150
Increase/(Decrease) in Liability for Expenses	549,940,330	106,682,900
Increase/(Decrease) in Other liabilities	3,688,203	135,507,307
Increase/(Decrease) in Provision for Gratuity	27,469,861	31,961,888
Increase/(Decrease) in Contract Liabilities	705,843,107	-
Increase/(Decrease) in Provision for WPPF	(109,253,966)	(136,181,349)
Cash Generated from Operations:	(2,461,167,569)	2,448,650,429
Interest Paid	(1,221,380,259)	(1,011,743,683)
Income Tax Paid	(702,980,674)	(684,574,633)
Reconciled Net Income	(4,385,528,502)	752,332,113
Net cash (used in)/generated by operating activities as per Direct Method	(4,671,878,807)	752,332,113



	2019	2018
	Taka	Taka
40.00 <u>Contingent liabilities</u>		
40.01 <u>Bank guarantees</u>		
IFIC Bank Limited	47,653,091	84,130,345
HSBC	839,979	832,468
Mercantile Bank Limited	140,725,874	43,816,050
	189,218,944	128,778,863
40.02 <u>Claim against trade VAT by Customs, Excise & VAT authority</u>		
Claim against trade VAT by Customs, Excise & VAT authority	23,053,915	23,053,915
	23,053,915	23,053,915

An amount of Tk. 23,053,915.27 was claimed by Customs, Excise and VAT authority, Bondor Circle, Narayanganj vide nothi no. 04/VAT/Warehouse (02)/Bondor circle/2012/207 dated 3rd November 2014 for trade VAT on sale of 115,269 MT finished goods. The company filed a writ petition no. 10833 of 2014 before the Hon'ble High Court Division of the Supreme Court of Bangladesh and the court stayed the claim. In view of above, no provision for this claim have been made in the financial statements.

41.00 <u>Production Capacity</u>		
Licensed Capacity (In M. Ton)- yearly	700,000	700,000
Installed Capacity (In M. Ton)- yearly	700,000	700,000
Production (In M. Ton)	758,405	727,034
Capacity utilized- (%)	108.3%	103.9%

The above mentioned production capacity represents the normal production capacity of the company only.

42.00 <u>Employees</u>		
Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	1,255	974
	1,255	974



43.00 Financial instruments- 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 company's policies for controlling risks and exposures.

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

- 43.01 Credit risk
- 43.02 Liquidity risk
- 43.03 Market risk

Risk management framework

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

43.01 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

43.01.01 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 as follows:

	2019	2018
	Taka	Taka
Investments in FDRs (Short term and long term)	896,671,865	702,871,525
Advances, deposits and prepayments	3,976,716,412	2,954,281,030
Trade and other receivables	10,131,693,870	6,460,423,147
Due from related companies	8,505,954,818	6,970,340,553
Cash at banks	507,531,526	139,066,577
	24,018,568,491	17,226,982,832

43.01.02 Ageing of trade and other receivables

The ageing of gross value at the reporting date that was not impaired was as follows:

	2019	2018
	Taka	Taka
Due for 3 months	8,588,455,803	5,174,964,938
Due for 3 to 6 months	799,431,830	328,352,260
Due for above 6 months	302,252,502	276,581,060
	9,690,140,135	5,779,898,258



43.02 Liquidity risk

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

Exposure to Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual payments.

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
As at June 30, 2019	Taka		Taka	Taka	Taka
Long term loans	11,361,990,515	9.5% - 10.50%	2,294,041,868	9,067,948,647	-
Trade payables	3,361,610,352	N/A	3,361,610,352	-	-
Short term loans	20,457,420,060	10.15% - 13.25%	20,457,420,060	-	-
Liabilities for expenses	1,011,064,184	N/A	1,011,064,184	-	-
Defined benefit obligations- Gratuity	164,439,863	10%	164,439,863	-	-
Provision for WPPF and Welfare fund	107,383,636		107,383,636	-	-
Other liabilities	293,182,726	N/A	293,182,726	-	-
	36,757,091,335		27,689,142,689	9,067,948,647	-

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows		
			Within 12 months	1 to 5 years	More than 5 years
As at June 30, 2018	Taka		Taka	Taka	Taka
Long term loans	2,871,181,381	9.5% - 10.50%	1,093,625,713	1,777,555,668	-
Trade payables	5,767,311,018	N/A	5,767,311,018	-	-
Short term loans	19,295,024,003	10.15% - 13.25%	19,295,024,003	-	-
Liabilities for expenses	461,123,854	N/A	1,540,077,748	-	-
Defined benefit obligations- Gratuity	136,970,002	10%	136,970,002	-	-
Provision for WPPF and Welfare fund	109,253,966		109,253,966	-	-
Other liabilities	575,844,827	N/A	575,844,827	-	-
	29,216,709,051		28,518,107,277	1,777,555,668	-

43.03 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

(a) Currency risk exposure and its management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). To manage this exposure, the company is adapted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

The Company is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 30 June 2019, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:



(i) Exposure to currency risk

	30 June 2019		30 June 2018
	USD	Taka	USD
Foreign currency denominated assets			
Cash and cash equivalents	4,861,981	412,052,855	210,673
Trade and other receivables	-	-	3,136,958
	4,861,981	412,052,855	3,347,631
Foreign currency denominated liabilities			
Liability for accepted bills for payment (ABP)	95,870,251	8,125,003,744	54,775,172
	95,870,251	8,125,003,744	54,775,172
Net exposure	(91,008,270)	8,537,056,600	(51,427,542)

The following significant exchange rate is applied during the Year:

Exchange rate of US Dollar	84.75	84.50
----------------------------	-------	-------

(ii) Sensitivity analysis

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

	30 June 2019		30 June 2018
	Profit or loss		
	Strengthening	Weakening	
	Taka	Taka	
USD (2% movement)	(16,093,748,471)	16,093,748,471	(9,170,091,598)

(b) Transaction risk

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

(c) Economic risk

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

(d) Interest risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to re-pay

Exposure to interest rate risk

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

	2019	2018
	Taka	Taka
Fixed- rate instruments		
Financial assets	9,402,626,683	7,673,212,078
Financial liabilities	(31,819,410,575)	(22,166,205,384)
	(22,416,783,892)	(14,492,993,306)
Variable- rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

(e) Other market price risk

The company is exposed to equity price risk, which arises from available for sale equity and debt securities. Management of the company monitors its investment portfolio based on market indices and all buy and sell decisions are approved by the Directors.

44.00 Events after reporting date:**44.01 Proposed Dividend:**

The Board of Directors at the meeting held on 16th September 2019 has recommended 25% cash dividend for the year 2018-19.



SUMMARY REPORT ON

Valuation of Land Owned by

BSRM Steels Limited

As at 30 June, 2019



ACNABIN

Chartered Accountants

BDBL Bhaban (Level-13), 12 Kawran Bazar Commercial Area, Dhaka-1215, Bangladesh
Tel: (+88-02) 410 20030 to 35, 8144347 to 52, Fax: (+88-02) 8144353

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Tel: (+88-02) 8189428 to 29, E-mail: <acnabin@bangla.net>, Web: www.acnabin.com

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Web: www.acnabin.com



an independent member of

**BAKER TILLY
INTERNATIONAL**



ACNABIN
Chartered Accountants

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Ref.: 02.155/2019/1840 (ii)

**The Board of Directors
BSRM Steels Limited**

BSRM corporate office
Ali Mansion, 1207/1099 Sadarghat Road
Chittagong 4100, Bangladesh

07 August, 2019

Dear Sir,

Summary Report on Valuation of Land Owned by BSRM Steels Limited

In pursuance to the appointment letter # BSRM//1750/19, dated 4 April, 2019, to carry out the revaluation of land of **BSRM Steels Limited** under specific scope of work.

We have carried out the valuation of the specific class of fixed assets of the company under the head "Land and Land Developments" as of 30 June, 2019 and are pleased to submit this "Summary Report on Valuation of Land Owned by BSRM Steels Limited".

Thank you.

Kind Regards

Md. Mominul Karim, FCA
Partner

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Work procedure for the valuation	2
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Preface

The Board of Directors of **BSRM Steels Limited** appointed ACNABIN Chartered Accountants to conduct the valuation of "Land and Land Developments" of the company as of 30 June, 2019 to incorporate the revalued amount to the books of accounts of the company as on 30 June, 2019. As such, the purpose of this valuation is solely to provide an independent valuation result in order to ascertain fair market value as of the valuation date and presenting these values in the company's financial statements as of 30 June, 2019.

Introduction

This Summary Report on Valuation of Land Owned by **BSRM Steels Limited** is prepared to serve the purpose of executive use of this report by the Management of the company and should be read in connection to the "Report on Valuation of Land Owned by **BSRM Steels Limited**" as separately presented [Ref. 02.155/2019/1840 (vii)].

Statement of limiting conditions and assumptions

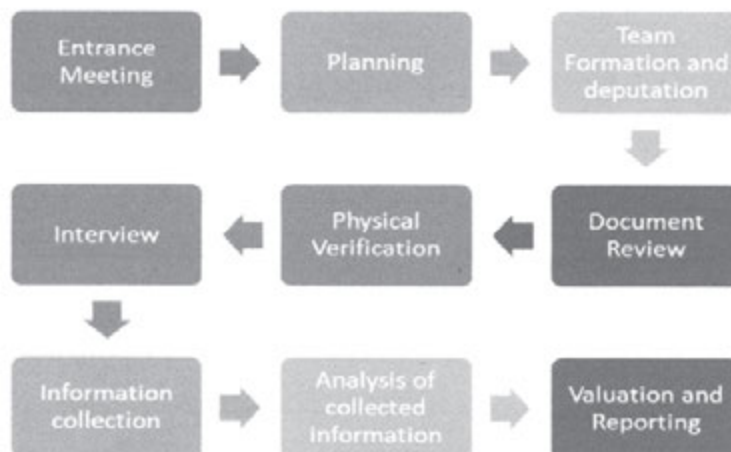
The report is subject to "Statement of Limiting Conditions and Assumptions" and within the scope of work as mentioned in the "Report on Valuation of Land Owned by **BSRM Steels Limited**" as separately presented.

Valuation methodology

The valuation of Land and Land Development of **BSRM Steels Limited** as of 30 June, 2019 was conducted on the basis of "Fair market price at its location and condition". The expert team, as mentioned in the detailed report, was formed by ACNABIN comprising members from ACNABIN and Pacific Surveyors Limited and one representative from the company.

Work procedure for the valuation

We performed the following procedures and produced the valuation report-



A full comprehensive approach was carried out by us to achieve the objectives of the assignment as per engagement letter and all clauses of the scope of work as per engagement letter have been covered.

Mutated, non-mutated and mortgaged land

The total land area of the company under this valuation assignment is **7,178.8350 Decimals**. Out of total measured land area, mutation process completed for **5,200.3300 Decimals**, **707.1400 Decimals** land found as non-mutated and **1,271.3650 Decimals** Land Purchased within last 2 years considering the valuation date. The aggregate quantity of land mortgaged with different banks is **1,275.2600 Decimals**.

Arriving at the value of the subject land

Following decisive factors were considered to arrive at the value of the subject property-

- Physical position of the land and available approach road;
- Connectivity to the highway;
- Connectivity to Thana/Upazila Office;



ACNABIN
Chartered Accountants

- d. Common utility facility inside the boundary of the land e.g. existence of electricity connection, deep tube well for water supply and processing of gas connection;
- e. Inside road and establishments to attract premium on the price;
- f. Developed infrastructure facility;
- g. Recent demand of large area of land like the subject land in the area.

Furthermore, using our experiences, discussing with the management of the company, analyzing different information from different sources we arrived at the value of the subject land. However, we assume no liability for such sources. Title to all land owned by **BSRM Steels Limited** is assumed to be good and marketable except for otherwise reported in the "Report on Valuation of Land Owned by **BSRM Steels Limited**" as separately issued.

Summary result of the valuation

The valuation had been conducted using the fair market value method as this is most commonly used and appropriate for valuation of such class of assets. After having completed all the tasks, fair value/market value of lands owned by BSRM Steels Limited as of 30 June, 2019 has been estimated at **BDT 9,522,872,192** (Bangladeshi Taka Nine billion five hundred twenty two million eight hundred seventy two thousand one hundred ninety two only) resulting net revaluation gain of **BDT 5,607,062,337** (Bangladeshi Taka Five billion six hundred seven million sixty two thousand three hundred thirty seven only).

The summary of the valuation of "Land and Land Developments" of BSRM Steels Limited as of 30 June, 2019 is presented below-

BSRM Steels Limited Summary on Valuation of Total Land

SL	Location	Carrying Amount (30.06.2019)	Area of Land (Decimals)	Fair Market Value/Net Realizable Value (BDT)
[A] List of lands for upward valuation:				
1	Khilmurari & Sonapahar, Mirsarai	158,154,442	1,421.3600	852,816,000
2	Middle Sonaichori, Kumira	53,723,250	102.3000	127,875,000
3	Latifpur, Salimpur	1,588,140,000	1,059.2300	4,806,230,029
4	Keodhala & Chapatali, Narayangonj	417,064,000	521.3300	781,995,000
5	West Gomdondi, Boalkhali	192,906,000	1,102.3200	661,392,000
6	Jalalabad, Nasirabad	553,125,000	221.2500	1,017,750,000
7	Middle Sonaichori, Baroawlia	35,500,000	35.5000	44,375,000
8	West Gomdondi, Boalkhali	128,982,000	737.0400	442,224,000
[A]		3,127,594,692	5,200.3300	8,734,657,029
[B] List of lands which are not mutated:				
1	Khilmurari & Sonapahar, Mirsarai	12,591,388	38.9500	12,591,388
2	Latifpur, Salimpur (Karolin)	85,715,833	289.0000	85,715,833
3	Keodhala & Chapatali, Narayangonj	39,236,060	303.4300	39,236,060
4	West Gomdondi, Boalkhali	8,193,845	19.0100	8,193,845
5	Jalalabad, Nasirabad	10,075,283	46.7500	10,075,283
6	Middle Sonaichori, Boalkhali	4,310,281	10.0000	4,310,281
[B]		160,122,690	707.1400	160,122,690
[C] List of lands purchased between 1.7.2017 to 30.6.2019				
1	Khilmurari & Sonapahar, Mirsarai	580,238,652	1,123.3350	580,238,652
2	Keodhala & Chapatali, Narayangonj	47,853,821	148.0300	47,853,821
[C]		628,092,473	1,271.3650	628,092,473
Total (A+B+C)		3,915,809,855	7,178.8350	9,522,872,192
				3,915,809,855
				5,607,062,337

Notes:

Last valuation was made as of 31 May, 2012.
Land which are not mutated have been excluded for the upward revaluation.
The time lag between two valuations for the same class of assets is more than 3 (Three) years.
Assets acquired within 2 (Two) years are not being considered for upward revaluation.
The lease period of the Leasehold properties are for 99 years and as such considered for upward revaluation.
The remaining lease period of the Leasehold properties are more than 10 years and as such considered for Land which are under "Bayna agreement" have not been considered for the upward revaluation.

Concluding remarks

We have arrived at the value of the subject property owned by BSRM Steels Limited by using our best professional judgments which is dependent upon many subjective matters. This conclusion is subject to the "Statement of Assumptions and Limiting Conditions" and "Disclaimer" section narrated in the "Report on Valuation of Land Owned by BSRM Steels Limited" as separately presented.



Growing the Nation through its People

Our employees are the key to our success. The total culture we have created is our most powerful strength; a strength that has drawn not just individuals, but families to our side for generations – a legacy passed down from fathers to sons. We emphasize continuous learning through training. During 2017-2018 alone, we have conducted over 1300 training programs with over 65,000 man-hours. And our KPI-based job performance management systems help people learn their roles and find out which areas they most need to develop in order to become stronger than steel.

Shareholders' Information

ANNUAL GENERAL MEETING (AGM)

No. of AGM : 17th AGM

Date : December 19, 2019

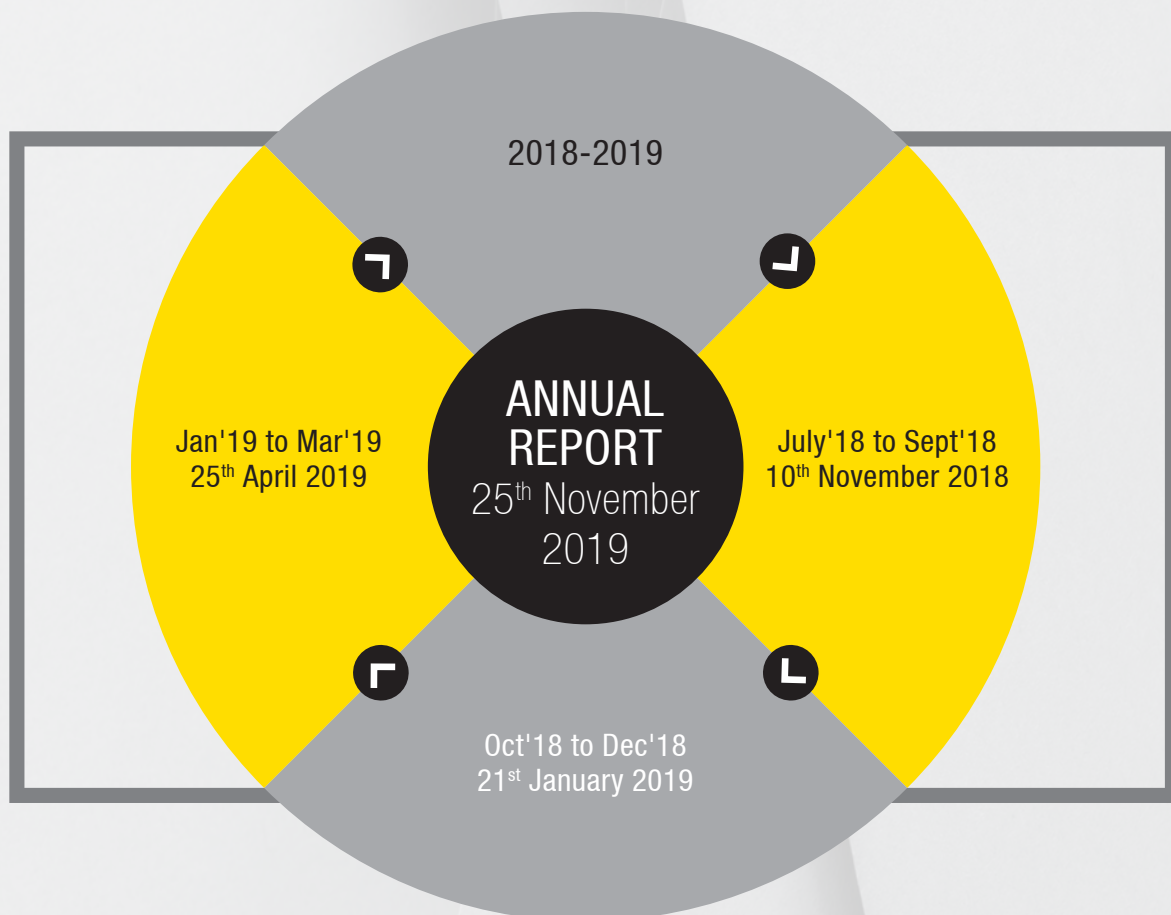
Venue : Shoronika Community Center, 13 Love Lane, Chattogram

Time: 9:30 AM

FINANCIAL CALENDAR

Financial Period: July 01, 2018 to June 30, 2019.

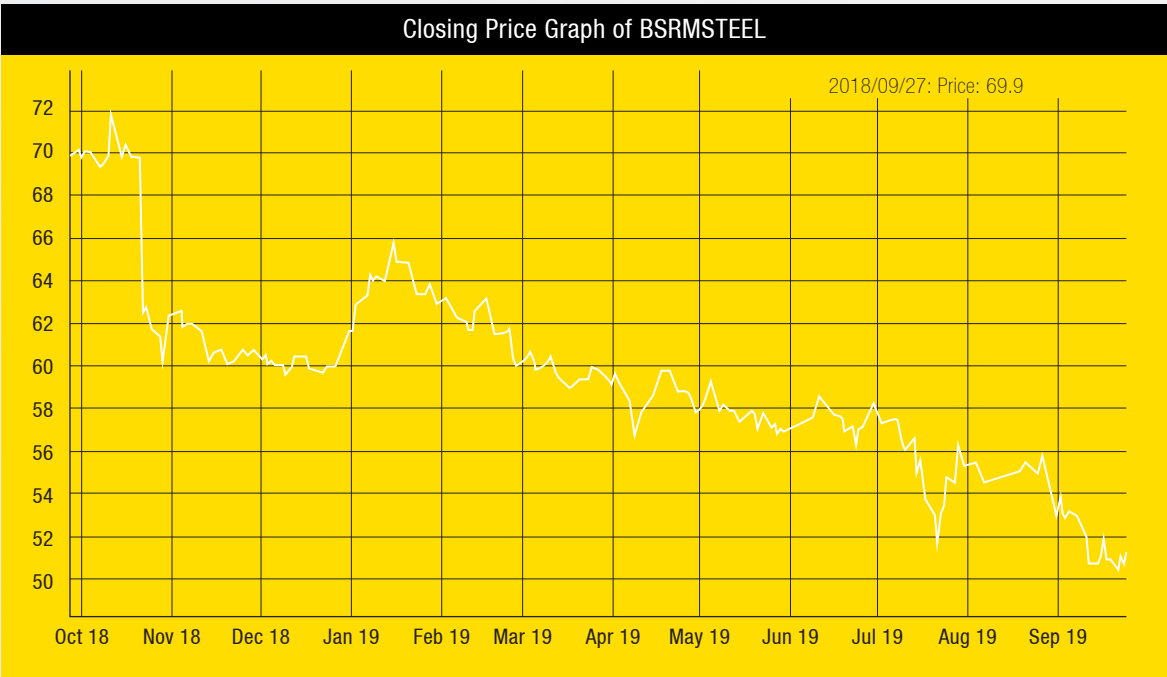
During the periods mentioned, the operational results of the company were announced on:



RECORD DATE

The record date is 27th October, 2019.

BSRM STEELS SHARE PERFORMANCE ON STOCK EXCHANGES



Movement of share price on Dhaka Stock Exchange Ltd. (DSE) during the year 2018-19

DIVIDEND DATE

The Board in its 242nd meeting held on September 16, 2019 recommended Dividend 25% Cash per share on September 16, 2019.

LISTING

The company's shares are listed at the Stock Exchanges at Dhaka and Chittagong of Bangladesh.

FACE VALUE PER SHARE: Tk. 10/=

CLOSING PRICE OF PER SHARE

Closing Price of per share of your company as at 30th June 2019 was Taka 58.30

DIVIDEND		
Year	Rate of Dividend	Form of Dividend
2018-19	25%	Cash (Recommended)
2017-18	10% and 10%	Stock & Cash respectively
2016-17	15%	Cash (Recommended as Final)
2016-17	20%	Cash (Interim)
2015	30%	Cash
2014	15%	Cash
2013	15%	Cash
2012	10% and 5%	Cash and Stock respectively
2011	15%	Cash
2010	20 %	Stock (Bonus)
2009	15%	Stock (Bonus)

EPS	
Year	Taka
2018-19	4.60
2017-18	4.79
2016-17	8.66 (18 Months)
2015	6.09
2014	3.18
2013	4.95
2012	2.53
2011	2.46
2010	2.82
2009	1.68

MARKET CAPITALIZATION	
Year	Taka in million
2018-19	21,918
2017-18	23,958
2016-17	31,067 (18 months)
2015	30,247
2014	29,974
2013	23,480
2012	22,101
2011	38,572
2010	57,200
2009	14,670

PLANT LOCATION

Rolling Unit:- 4, Fouzderhat Industrial Estate, Chattogram, Bangladesh. Tel: +88(031) 2770192-3.

Melting Unit-1: 202-205, Nasirabad Industrial Estate, Baizid Bostami Road, Chattogram, Bangladesh. Tel: +88-031-2581361-3.

Melting Unit-2: Khilmurari, Zorawargonj, Mirsarai, Chattogram, Bangladesh. Phn - 01959-904160

INVESTOR CORRESPONDENCE

Mail to: BSRM Steels Ltd., 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

Events & Images

Shareholders along with
members of Board at 16th AGM





Mr. Alihussain Akberali FCA, Chairman of the Company along with Company Secretary and other Directors addressed number of issues to the shareholders at 16th AGM



Mr. Tapan Sengupta, Deputy Managing Director receiving National Productivity and Quality Excellence Award-2017 (3rd Position in Large Industry Category)



National Export Award, 2016-2017 BSRM achieved the "National Export Trophy (Silver), 2016-2017". Honorable Prime Minister Shiekh Hasina inaugurated the ceremony as chief guest and handed over the esteemed award to General Manager Corporate Affairs Mr. Kazi Anwar Ahmed

Mr. Alihussain Akberali FCA,
Chairman receiving
The Award for "1st Highest Tax
Payer" in engineering category



Mr Aameir Alihussain,
Managing Director
Nominated Commercially
Important Person (CIP) in
Large Industry (Manufacturing)
Category for the year 2016



Mr. Tapan Sengupta,
Deputy Managing Director
receiving the National Export
Award 2015-2016





BSRM awarded for being the best electricity consumer of 2015 under industrial category in Power & Energy week 2015. President Mr. M Abdul Hamid inaugurated the ceremony as chief guest and handed over the esteemed award to Managing Director Mr. Aamier Alihussain



Kazi Anwar Ahmed, General Manager Corporate Affairs Reciving the award of "Best Brand of Bangladesh in Steel Category in -2017"



BSRM achieved the "National Export Trophy Silver, 2013-14". Honorable Prime Minster Sheik Hasina handed over the esteemed award to Finance Director Mr. Zohair Taherali



"16th ICAB National Award for Best Presented Annual Report 2015"



SALMA BEGUM

A COURAGEOUS HEART, STRONGER THAN STEEL

Salma Begum* may look like any other girl, but in her heart she is different. Through sheer force of will, she tried to stand on her own two feet after becoming a widow at an early age. During her time of need, BSRM Foundation Training Center extended a helping hand. Learning several handwork skills from the foundation, Salma has now become self-dependent. With her earnings, she has raised a brick-built house and sent her son to school. She has inspired many women to gather their courage and dream of a better future.

From Salma Begum and countless women just like her, we have learned one thing – that there is no steel stronger than their unwavering willpower. BSRM is grateful to stand beside such unstoppable women of steel.



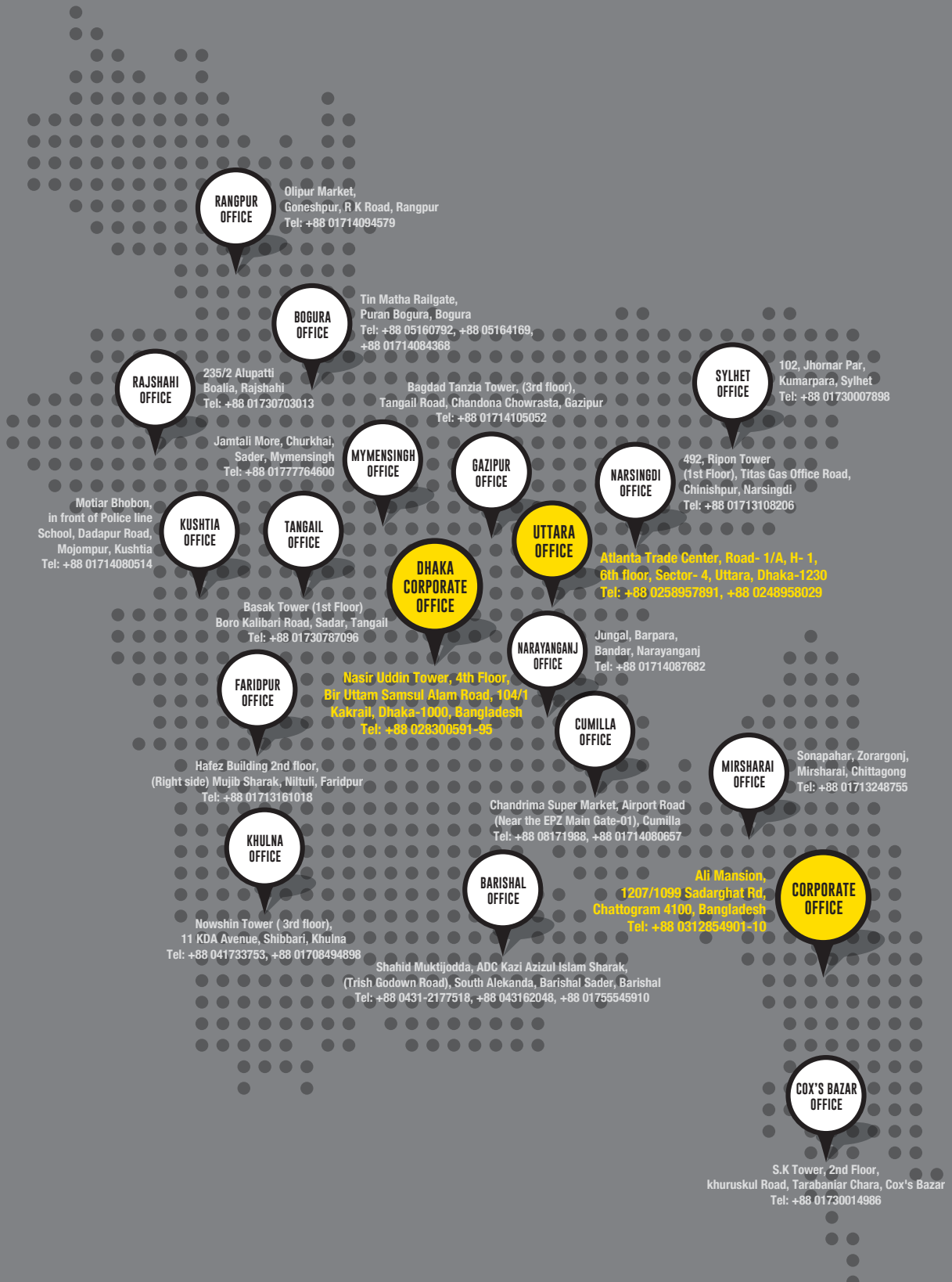
BSRM
building a safer nation

* Her real name and image have not been used in order to protect her personal identity.

To watch Salma's story,
scan the QR Code



BSRM Office Map



Glossary of Terms

Terms	Brief Description
The Company / Parent	BSRM Steels Limited
Associate	BSRM Steel Mills Limited
Revenue	Turnover or Sales
Profit	Income
Profit attributable to the shareholders'	Net profit after tax
Basic EPS	Basic Earnings per Share (Profit attributable to the Ordinary shareholders divided by weighted average number of Ordinary shares)
Diluted EPS	Diluted Earnings or Income per Share
Deferred Tax	Difference between the carrying value of property, plant & equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.
Equity	Shareholders' Fund or Owners' Fund
Net Current Assets	Current Assets less Current Liabilities
Capital Employed	Non-current Assets plus Net Current Assets
Revaluation Reserve	Reserve created from assets re-valuation
EBITDA	Earnings before Interest, Tax & Depreciation Allowance
Return on Shareholders' Equity	Net Profit after Tax divided by Shareholders' Equity
Return on Capital Employed	Net Profit after Tax divided by Capital Employed
Current Ratio	Current Assets divided by Current Liabilities
Quick / Acid Test Ratio	Current Assets less Inventories divided by Current Liabilities
Inventory Turnover Ratio	Revenue divided by Inventories
Total Assets Turnover Ratio	Revenue divided by Total Assets
P/E Ratio	Market value per share as at reporting date divided by EPS
Price/Equity Ratio	Market price divided by face value per share
Dividend Payout Ratio	Yearly dividend per share divided by EPS
Dividend Covered Ratio	Net Profit after Tax divided by declared Dividend
Debt-equity Ratio	Current plus long term liabilities divided by shareholders' equity
Interest Coverage Ratio	EBIT divided by Interest expenses
Market Capitalization	Market price per share multiple by Ordinary number of Shares

BSRM Steels Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.
PROXY FORM

I/We(Name)

Of(Address)

a Shareholder of BSRM Steels Limited ("the company") hereby appoint,

Mr./Ms.(Name)

Of(Address)

as my /our proxy , to attend on my/our behalf at the 17th Annual General Meeting (AGM) of the Company to be held on **December 19, 2019** and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

Dated thisday of.....2019.

.....
Signature of the Shareholder

Folio /BO ID No:

Dated

.....
Signature of the Shareholder

Folio /BO ID No:

Dated

.....
Signature of the witness

Note: The Proxy Form, dully filled in and stamped, must be deposited at the Registered Office of the Company, Ali Mansion, 1207/1099 Sadarghat Road, Chattogram not later than 48 hours before the time fixed for the holding of the meeting.

Signature Verified

.....
Authorized Signature
BSRM Steels Limited

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PROXY FORM

BSRM Steels Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.
ATTENDANCE SLIP

I hereby record my presence at the 17th Annual General Meeting of BSRM Steels Limited on **December 19, 2019**.

I/We

BO ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature Verified

.....
Signature

.....
Authorized Signature
BSRM Steels Limited

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.



Corporate Office:

Ali Mansion, 1207/1099 Sadarghat Road, Chattogram

Bangladesh. Tel: +880 31 2854901-10

Fax: +880 31 610101, Email: mail@bsrm.com