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Transmittal Letter

08th May, 2011

All Shareholders, BSRM Steels Limited
Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Subject : Annual Report for the year ended December 31, 2010.

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report of BSRM Steels Limited together with the Audited Financial Statements, Consolidated Financial Statements, Report of the Board of Directors and Auditor's Report thereon for the year ended December 31, 2010 for your information and records.

Yours sincerely,

Shekhar Ranjan Kar FCA
Head of Finance & Accounts
and
Company Secretary



Notice of the 9th Annual General Meeting

Notice is hereby given that the 9th Annual General Meeting of BSRM Steels Limited will be held on Tuesday, the 31st May 2011 at 11:00 AM at The Institution of Engineers, Bangladesh, SS Khaled Road, Chittagong to transact the following business:

- I. Agenda-01: To receive, consider and adopt the Audited Financial Statements of the Company and also Consolidated Audited Financial Statements for the year ended December 31, 2010 along with Report of the Directors and the Auditors' thereon.
- II. Agenda-02: To consider and declare dividend on the basis of recommendation of the Board of Directors.
- III. Agenda-03: To elect directors in terms of the relevant provision of the Articles of Association of the Company.
- IV. Agenda-04: To appoint Auditors to hold the office until the next Annual General Meeting of the Company and to fix up their remuneration.

By the Order of the Board


(Shekhar Ranjan Kar FCA)
Head of Finance & Accounts
And
Company Secretary

Chittagong.
31st March, 2011.

Notes

- 1) The Record Date is 12th April, 2011.
- 2) The proxy form must be affixed with requisite revenue stamp and be deposited at the Registered Office of the Company not less than 72 hours before the time fixed for the meeting.
- 3) Admittance to the meeting venue will be on production of the attendance slip sent with the Annual Report.



BSRM Vision

We at BSRM group aspire to...

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

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

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

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

Support the society through Corporate Social Responsibility Initiatives.



BSRM Values

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

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

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

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

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

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

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



BSRM Group Over the Years

- 1952** | The BSRM Saga began when the first steel re-rolling mills started to emerge in the then East Bengal.
- 1984** | Introduced high-strength cold twisted steel bars to the construction industry.
- 1987** | Introduced ASTM 615 Grade 60 reinforced steel bars.
- 1996** | Commissioned the largest billet making plant in the country
- 2006** | Introduced micro reinforcement wires, below 8mm for low cost rural construction.
- 2008** | BSRM Steels Limited started producing internationally recognized Grade 500 steel bars branded as "Xtreme 500W".
- 2010** | BSRM Iron & Steel Co. Ltd. started commercial production on 1st June, 2010.
- 2010** | Production capacity of BSRM Steels Limited has enhanced to 5,50,000 M. Ton.



Company Profile

Corporate Information:

Corporate and Registered Address	Ali Mansion, 1173/1207 Sadarghat Road, Chittagong. Tel: +88 031 2854901-10, 616402, 613759, 613282 Fax: +88 031 610101; E-mail: mail@bsrm.com
Dhaka Office	Mahbub Castle (2 nd & 4 th Floor), 35/A Purana Paltan Line, Inner Circular Road (VIP Road), Dhaka-1000. Tel: +88 02 8311994, 8313135, 9358135 Fax: +88 02 8312905; E-mail: dhaka@bsrm.com
Factory Address	4 Fouzderhat Industrial Estate, Sitakunda, Chittagong. Tel: +88 031 2770192-3; Fax: +88 031 2770190
Web Site	www.bsrm.com
Other Offices	Samad Mansion, Mendibag, Upashahar, Sylhet Tel: 0821 721239, 01730 012520; Fax: 0821 2832751 E-mail: sylhet@bsrm.com Tinmatha Rail Gate (Near to North Bengal Petrol Pump) Puran Bogra, Bogra Tel: 051 60792; Fax: 051 64169 E-mail: bogra@bsrm.com Plot No. C-7, Road No.-4, Shiromoni I/A, Khulna Tel: 041 785303; E-mail: khulna@bsrm.com Chandrima Supar Market, Airport Road (Near EPZ Main gate) Comilla. Tel: 081 71988 Fax: 081 68450, E-mail: comilla@bsrm.com Monowara Complex, 100 Shamsher Nagar, Moulvi Bazar Tel: 0861 62986, 01730 078242 E-mail: moulvibazar@bsrm.com
Year of Incorporation	2002
Date of Commercial Production	1 st April, 2008
Authorized Capital	BD Tk. 500.00 Crore
Issued, Subscribed and Paid up Capital	BD Tk. 271.25 Crore
Share Listing Date	18 th January, 2009

Board of Directors



Mr. Alihussain Akberali FCA
Chairman



Mr. Aameir Alihussain
Managing Director



Mr. Zohair Taherali
Director



Mrs. Tehseen Zohair Taherali
Director



Mrs. Sabeen Aameir
Director



Mr. Qazi Sarwar-E-Alam
Independent Director

Management Committee

Name	Designation
Mr. Moize Hussain	Adviser
Mr. Tapan Sengupta	Executive Director
Mr. Kazi Anwar Ahmed	Head Dhaka Office
Mr. M. Firoze	Head of Business and Product Development
Mr. Shekhar Ranjan Kar FCA	Head of Accounts & Finance and Company Secretary
Mr. Sunil Kumar Das	Head of Plant
Mr. Mohammed Reazul Kabir ACA	Chief Financial Officer
Mr. M. Harunur Rashid	Senior Manager- Commercial & Purchase

Audit Committee

Name	Designation
Mr. Alihussain Akberali FCA	Chairman
Mr. Zohair Taherali	Member
Mrs. Sabeen Aameir	Member
Mr. Qazi Sarwar- E- Alam	Independent Director

Key Management Personnel and Advisers

Name	Designation
Management Personnel	
Mr. Tapan Sengupta	Executive Director
Mr. Kazi Anwar Ahmed	Head Dhaka Office
Mr. M. Firoze	Head of Business and Product Development
Mr. Shobhon Mahbub Shahabuddin	General Manager- Sales & Marketing
Mr. Shekhar Ranjan Kar FCA	Head of Finance & Accounts and Company Secretary
Mr. Sunil Kumar Das	Head of Plant
Mr. K. M. Sufian	General Manager-Group Project Execution
Mr. A.F.M. Mizanur Rahman	General Manager –Operation and Administration
Mr. Md. Azizul Haque	General Manager (BISCO)
Mr. Jasim Uddin Ahmed	General Manager- Group Projects
Mr. Sankar Roy	Assistant General Manager-Technical & Development
Mr. Abdul Gaffar	Assistant General Manager-HR and Admin
Mr. Mohammed Reazul Kabir ACA	Chief Financial Officer
Mr. M. Harunur Rashid	Senior Manager- Commercial & Purchase
Mr. Mohammad Emarot Hossain	Manager Audit
Advisers	
Mr. Moize Hussain	Adviser
Mr. Tapan K. Poddar FCA, FCMA	Financial Consultant

Auditors

Name	Address
Rahman Rahman Huq Chartered Accountants	102, Agrabad Commercial Area Chittagong



Particulars	2010	2009
Revenue	Tk. 22,007,682,247	Tk. 15,843,586,337
Net Profit (BSRM Steels Limited only)	Tk. 964,885,985	Tk. 574,084,231
Net Profit (Consolidated)	Tk. 1,068,228,190	-
Net Profit Ratio (BSRM Steels Limited only)	4.38%	3.62%
Earning Per Share (BSRM Steels Limited only)	Tk. 53.12	Tk. 34.43
Earning Per Share (Consolidated)	Tk. 58.81	-
Dividend Recommended:	20% Stock Dividend	15% Stock Dividend
Net Asset Value	Tk. 2,134,875,596	Tk. 124,989,611
Net Asset Value per Share	Tk. 78.71	Tk. 8.62

Xtreme500W marches ahead

The year 2010 was unparalleled in BSRM's 58 year history with record sales of its popular Xtreme500W brand reinforcing bar. Xtreme500W became the steel of choice among the country's countless small home builders.

Xtreme500W was the steel of choice also for infrastructure projects and property developers. Dhaka's emerging skyline of tall buildings could confidently boast of "Xtreme inside" emblem as the majority of commercial and residential property developers preferred the new re-bar for its excellent safety feature of high ductility and higher yield resistance.

The gleaming new cable stayed bridge over the river Karnafuli in Chittagong put its trust in BSRM Xtreme500W. The bridge connects the port city with south Chittagong including Cox' Bazar. The pride of Dhaka, the 15 kilometer Gulistan-Jatrabari fly-over, also preferred Xtreme500W. The 32mm and 25mm large diameter bars of 500 Mpa yield strength, crucial in ensuring seismic resistance to bridge and flyover piers, is a BSRM specialty as the bars must possess sufficient ductility as well.

BSRM Quality Assurance or Q.A. created another milestone by ensuring 'Elongation at maximum Force' in its Xtreme500w bars. 'Elongation at maximum Force' is the ultimate measure of a ductile bar. This property permits engineers to design critical structures to withstand the effects of cyclones and earthquakes.



Chairman's MESSAGE

Assalamo-alaikum. It is my immense pleasure to welcome you all to the 9th Annual General Meeting. I would like to take this opportunity to share with you the results that our company achieved in 2010 and our future plan to keep the company as the unparalleled market leader.

The global economic downturn and prevailing socio-economic condition in the country, forced the Company to bear huge losses in 2008. By the grace of Almighty Allah in 2009, we could recover substantial losses and were able to maintain this trend in 2010 also.

You will be happy to know that we have achieved some impressive milestones in 2010. In production and sales, we surpassed all previous records. Our production increased by 23% in terms of quantity and at the same time sales also went up by 24% compared to 2009.

During the year 2010 we have made huge capital investment for capacity expansion and we have increased our production capacity to 550,000 M. Ton per annum. The original capacity of this plant was 375,000 M. Tons. It will enable us to reduce per ton production cost and hopefully in future we will be able to supply our products at a more competitive price and also increase our profit margins.

In the steel sector, securing uninterrupted supply of raw materials (billets) is one pre-requisite for sustainable growth. To ensure secured source of billets, we have already acquired 95% shares of BSRM Iron & Steel Co Ltd, a billet making plant with capacity of 150,000 M. Ton per annum. You will be happy knowing that, this melting shop went into production on 1st June 2010 and earned a Net Profit of Tk. 109,928,802. In 2011, the financial condition of this company will definitely improve with full year's production and sale considered.

Good Corporate governance is vital for effective and efficient business operation, long term stability and sustainable growth. We have taken a number of measures to ensure good corporate governance keeping in mind the vision and values of our company. At last I would like to express my deep appreciation for continued support and co-operation extended to us by our work force, senior management staff, customers, bankers, different regulatory bodies like Securities and Exchange Commission, National Board of Revenue, Registrar of Joint Stock Companies and Firms and Dhaka and Chittagong Stock Exchanges. I must express my sincere gratitude to our valued shareholders for their faith and confidence they have reposed in us. I strongly believe that, with your support Inshaallah we will make our future brighter than ever before. May Allah bless all of us.

Allah Hafiz



Alihussain Akberali, FCA
Chairman

আসসালামু আলাইকুম। আপনাদের সবাইকে ৯ম বার্ষিক সাধারণ সভায় স্বাগত জানাতে পেরে আমি অত্যন্ত আনন্দিত। ২০১০ সালে কোম্পানীর অর্জনগুলো এই সুযোগে আপনাদের জানাতে চাই। পাশাপাশি অপ্রতিদ্বন্দ্বী কোম্পানী হিসেবে ভবিষ্যতে আমাদের অবস্থান অক্ষুণ্ণ রাখতে আমাদের পরিকল্পনার কথাও আপনাদেরকে অবহিত করতে চাই।

বিশ্বব্যাপী অর্থনৈতিক মন্দা ও বিদ্যমান আর্থ-সামাজিক প্রেক্ষাপটে কোম্পানী ২০০৮ সালে বিশাল লোকসানের শিকার হয়েছিল। মহান আদ্বাহর অশেষ কৃপায় ২০০৯ সালে আমরা লোকসান উল্লেখযোগ্য পরিমাণে কাটিয়ে উঠতে সক্ষম হই এবং ২০১০ সালেও সে ধারা আমরা অব্যাহত রাখতে পেরেছি।

আপনারা জেনে আনন্দিত হবেন, ২০১০ সালে আমরা উৎসাহব্যঞ্জক এমনকি সাক্ষ্য অর্জন করেছি, যা মাইলফলক হয়ে থাকবে। উৎপাদন এবং বিক্রয়ক্ষেত্রে আমরা ভেঙেছি অতীতের সমস্ত রেকর্ড। ২৩% উৎপাদনের শর্ত পূরণ করে বেড়েছে আমাদের উৎপাদন মাত্রা। সেই সঙ্গে ২০০৯-এর তুলনায় আমাদের বিক্রয় বেড়েছে ২৪%।

২০১০ সালে আমরা আমাদের উৎপাদন ক্ষমতা সম্প্রসারণের জন্য বিশাল মূলধন বিনিয়োগ করেছি এবং আমাদের বার্ষিক উৎপাদন ক্ষমতা ৫৫০,০০০ মে. টনে উন্নীত করতে সক্ষম হয়েছি।

ফলে আমরা এই কারখানার পূর্বের উৎপাদন ব্যয় হ্রাস করতে সক্ষম হব এবং ভবিষ্যতে আরো প্রতিযোগিতামূলক মূল্যে আমাদের পণ্য সরবরাহ করে আমাদের লাভের পরিমাণ বাড়িতে পারবো।

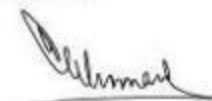
স্টীল খাতে টেকসই প্রবৃদ্ধির পূর্বশর্ত হল কাঁচামালের (বিলেট) অবিরাম সরবরাহ নিশ্চিত করা। বিলেটের নিরাপদ উৎস নিশ্চিতকরণের লক্ষ্যে আমরা ইতিমধ্যে বার্ষিক ১৫০,০০০ মে. টন বিলেট উৎপাদন কারখানা সম্বলিত বিএসআরএম আয়রন এন্ড স্টীল কোম্পানী লিমিটেডের ৯৫% শেয়ার ক্রয় করেছি। আপনারা জেনে আনন্দিত হবেন যে, এই গলানোর কারখানাটি ১ জুন, ২০১০ সালে উৎপাদনে গিয়েছে এবং ১০৯,৯২৮,৮০২ টাকা নীট মুনাফা অর্জন করেছে। পুরো বছরের উৎপাদন ও বিক্রয় বিবেচনায় নিলে ২০১১ সালে কোম্পানীর আর্থিক অবস্থা নিশ্চিতভাবেই উন্নততর হবে।

ব্যবসা প্রতিষ্ঠানের কার্যকর পরিচালনা, দীর্ঘমেয়াদী স্থিতিশীলতা এবং টেকসই প্রবৃদ্ধির জন্য কর্পোরেট সুশাসন যথেষ্ট গুরুত্ব বহন করে। আমাদের কোম্পানীর লক্ষ্য ও মূল্যবোধকে বিবেচনায় রেখে আমরা কর্পোরেট সুশাসন প্রতিষ্ঠার জন্য বেশ কিছু ব্যবস্থা নিয়েছি।

পরিশেষে, আমাদেরকে অব্যাহত সমর্থন প্রদান এবং সহযোগিতার হাত বাড়িয়ে দেয়ার জন্য আমি গভীর কৃতজ্ঞতা জানাতে চাই আমাদের কর্মীবাহিনী, সিনিয়র ব্যবস্থাপনা কর্মকর্তাগণ, ক্রেতাদের, ব্যাংকারদের, সিকিউরিটিজ এন্ড একচেঞ্জ কমিশনের মত বিভিন্ন নিয়ন্ত্রক সংস্থা, জাতীয় রাজস্ব বোর্ড জয়েন্ট স্টক কোম্পানীর রেজিস্টার এবং ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জকে। আন্তরিক কৃতজ্ঞতা জানাতে চাই আমাদের মূল্যবান শেয়ারহোল্ডারগণকে আমাদের উপর আস্থা ও বিশ্বাস রাখার জন্য। আমি দৃঢ়ভাবে বিশ্বাস করি, আপনাদের সমর্থন নিয়ে আমরা ইনশাআল্লাহ আমাদের ভবিষ্যৎকে আরও উজ্জ্বল করতে পারব।

আদ্বাহ আমাদের সবার উপর রহমত করুন।

আদ্বাহ হাফেজ



আনীরহোসাইন আকবরআলী
চেয়ারম্যান



**From the desk of
MANAGING DIRECTOR**

Since 1952, the BSRM Group of Companies has always attempted to be the best quality steel producer as a dependable business partner of its customers. BSRM has been keen to provide its valued customers quality product at a competitive price. With this view in mind BSRM Steels Limited set up –a state of art rolling mill for producing high quality steel products as per latest international standards. The mill was originally planned for 375,000 M. Ton per annum, after some modernization in 2010, now this mill is able to produce 550,000 M. Ton per annum which will enable us to increase our market share and be more competitive.

Most regions of our country is vulnerable to earthquake and cyclones. Quality construction materials should be used in civil construction to mitigate the risk of disaster. The product of BSRM Steels Limited– "Xtreme500W" is an engineered reinforcing bar that can ensure safe construction.

The year 2010 was very challenging for the company. After the 2008 and 2009 worldwide recession, it was important to rise to the limited opportunities available in 2010. We were committed to utilize the opportunity. Both in sales and production we were able to make important strides as we put a lot of effort behind both the activities. In 2010, overall demand for steel in the country also improved.

A number of initiatives have been taken to promote corporate social activities in this year. Though profit is the prime objective of a business, social responsibility is a requirement for long term sustainability.

Our focus on a cleaner work environment remains strong and we take utmost care in ensuring that we install greener technologies not only to control pollution, but also to reduce energy consumption. We have installed fume and dust extraction system that ensures clean air in steel making plant. Per unit consumption of electricity and fuel, gas is among the lowest in the world which confers competitive advantage to BSRM.

We expect a positive year ahead with a decent GDP growth of Bangladesh. There are short-term challenges to the economy related with inflation, liquidity and foreign exchange but by second half of this year, it is expected that the economy will overcome those challenges. Hopefully the energy crisis may also ease in later half of this year and government will allow giving new electricity connections to newly constructed buildings as well as industry.

Additionally, many projects will gain momentum, which are under planning since last two years or so and therefore, demand for steel should grow in 2011.

At last I would like to express my deep gratitude to all of you for your confidence in us. We believe that coming days will be full of opportunities and our journey to realize those opportunities and further excel in our endeavors, will continue. We look forward to your continuous support and prayers during this journey.

May Almighty bless all of us.


Aameir Alihussain
Managing Director

১৯৫২ সাল থেকেই বিএসআরএম গ্রুপ অব কোম্পানীজ ক্রেতাদের আস্থাধন্য ব্যবসায়িক অংশীদার হিসেবে শ্রেষ্ঠ মানের ইস্পাত পণ্য উৎপাদনে সদাসচেষ্ট। ক্রেতাদেরকে প্রতিযোগিতামূলক মূল্যে মানসম্মত পণ্য সরবরাহে বিএসআরএম সবসময়ই প্রতিজ্ঞাবদ্ধ। এ লক্ষ্যকে সামনে রেখে বিএসআরএম স্টীলস লিমিটেড আন্তর্জাতিক মান অনুযায়ী উচ্চমানের ইস্পাত পণ্য উৎপাদনের জন্য সর্বাধুনিক একটি রি-রোলিং মিল প্রতিষ্ঠা করেছে। প্রাথমিকভাবে মিলটির বার্ষিক উৎপাদন লক্ষ্যমাত্রা ছিল ৩৭৫,০০০ মে.টন, তবে ২০১০ সালে কিছু আধুনিকায়নের পর মিলটির বার্ষিক উৎপাদন ক্ষমতা দাঁড়িয়েছে ৫৫০,০০০ মে.টন, যা আমাদেরকে আমাদের বিক্রয় বাড়াতে এবং আরও প্রতিযোগিতামূলক মূল্য নির্ধারণে সহায়তা করবে।

আমাদের দেশের অধিকাংশ এলাকায় ভূমিকম্প এবং ঘূর্ণিঝড়ের আশংকাপ্রবণ। দুর্ঘটনায় ঝুঁকি হ্রাস করার লক্ষ্যে অবকাঠামো নির্মাণে মানসম্মত নির্মাণ সামগ্রীর ব্যবহার বাঞ্ছনীয়, বিএসআরএম স্টীলস লিমিটেড-এর পণ্য "Xtreme500W" একটি ইঞ্জিনিয়ার্ড রিইনফোর্সিং বার- যা নিরাপদ নির্মাণ নিশ্চিত করতে পারে।

২০১০ সালটি কোম্পানীর জন্য ছিল চ্যালেঞ্জপূর্ণ একটি বছর। ২০০৮ সাল এবং ২০০৯ সালে বিশ্বব্যাপী মন্দার ফলে ২০১০ সালে বিদ্যমান সীমিত সম্ভাবনাপ্রদায়ক কাজে লাগানো জরুরি ছিল, এ সমস্ত সুযোগের সদ্ব্যবহারে আমরা উদ্যোগী ছিলাম। উৎপাদন এবং বিক্রয়- উভয়ক্ষেত্রেই আমরা গুরুত্বপূর্ণ অগ্রগতি অর্জনে সমর্থ হয়েছি, কেননা উভয়ক্ষেত্রেই আমাদের ছিল নিবেদিত প্রয়াস। ২০১০ সালে দেশে ইস্পাতের সার্বিক চাহিদাও বেড়েছে।

কোম্পানীর সামাজিক কর্মকান্ড বৃদ্ধিতে এ বছর বেশ কিছু উদ্যোগ নেওয়া হয়েছে। যদিও মুনাফা অর্জনই যে কোন ব্যবসায়ের মূল লক্ষ্য, তথাপি সামাজিক দায়বদ্ধতামূলক কার্যক্রম দীর্ঘমেয়াদী সফলতার জন্য অপরিহার্য। পাশাপাশি পরিচ্ছন্ন কাজের পরিবেশ নিশ্চিতকরণেও আমাদের প্রয়াস অব্যাহত আছে।

শুধুমাত্র পরিবেশ দূষণ নিয়ন্ত্রণের জন্যই আমরা পরিবেশ-বান্ধব প্রযুক্তি ব্যবহার করছি, পাশাপাশি জ্বালানির ব্যবহার হ্রাস করতেও আমরা সচেষ্ট। আমরা ধোয়া ও ধুলা নিষ্কাশনের ব্যবস্থা গ্রহণ করেছি, যাতে করে ইস্পাত তৈরির স্থাপনার বাতাস পরিষ্কার থাকে। ইউনিট প্রতি বিদ্যুৎ এবং জ্বালানি ও গ্যাস ব্যবহারের পরিমাণ বিশ্বের সর্বনিম্নগুলোর একটি- যা বিএসআরএমকে প্রতিযোগিতামূলক ক্ষেত্রে অধিকতর সুবিধা দেয়।

বাংলাদেশের সম্ভাব্যজনক জিডিপি প্রবৃদ্ধির প্রেক্ষাপটে আমরা আরও একটি ইতিবাচক বছর প্রত্যাশা করছি। জাতীয় অর্থনীতির জন্য কিছু স্বল্পমেয়াদী চ্যালেঞ্জ আছে, যেমন, মুদ্রাস্ফীতি, মুদ্রা তারল্য এবং বৈদেশিক মুদ্রার ঘাটতি ইত্যাদি। বছরের দ্বিতীয়ার্ধে এসব চ্যালেঞ্জগুলো কাটিয়ে ওঠা সম্ভব হবে বলে আশা করা যাচ্ছে। আশার কথা হল বিদ্যুৎ সংকটও বছরের দ্বিতীয়ার্ধে লাঘব হয়ে আসতে পারে। সেক্ষেত্রে সরকারের পক্ষে নতুন ভবন এবং শিল্পসমূহে বিদ্যুৎ সংযোগের অনুমতি দেয়া সম্ভব হবে। উপরন্তু, আশা করা যায় আমাদের অনেকগুলো প্রকল্পের কাজ বেগবান হবে, যেগুলো গত ২ বছরের মত সময় ধরে পরিকল্পনাধীন আছে, কাজেই ২০১১ সালে ইস্পাতের চাহিদা বৃদ্ধি পাবে।

পরিশেষে, আমাদের উপর আস্থা রাখার জন্য আমি আপনাদের সবার প্রতি কৃতজ্ঞতা জানাই। আমি বিশ্বাস করি, আগামী দিনগুলো হবে সম্ভাবনাপূর্ণ। আর সে সমস্ত সম্ভাবনার বাস্তবায়নে ও আমাদের প্রচেষ্টাকে আরও সাফল্যমণ্ডিত করার মাধ্যমে আমাদের অগ্রযাত্রা অব্যাহত থাকবে। এ অগ্রযাত্রায় আমরা আপনাদের অব্যাহত সমর্থন ও প্রার্থনা কামনা করছি।

সর্বশক্তিমান সৃষ্টিকর্তা আমাদের সবাইকে সাহায্য করুন।


আমীর আলীহোসাইন
ব্যবস্থাপনা পরিচালক



DIRECTORS' REPORT to the Shareholders

Bismillahir Rahmanir Rahim

Dear Shareholders,

The Board of Directors is extremely glad to welcome all of you to the Company's 9th Annual General Meeting. The Annual Financial Statements for the year ended 31st December, 2010 along with the Director's Report and Auditor's Report is presented to you for your kind consideration.

Review of the Company's Activities

It is the 3rd Annual General Meeting after the company's listing with Dhaka and Chittagong Stock Exchanges in 2009. You are already well informed that we have placed world class equipment in this plant. It is the most modern fully automatic rolling mill built in the South Asia Region. Though it is a state of the art plant, our journey was not so smooth at the beginning. As you know for past three years both the international market and local market was volatile and prices of food, fuel and other commodities fluctuated so sharply that sometimes it was very difficult to take timely and correct decisions.

However, in spite of such volatility, our management team and dedicated works force made this year a successful one for our company. We have achieved some land mark success this year. Both sales and production broke all time records of our group.

We have successfully enhanced our production capacity to 550,000 M. Ton per annum this year. We have also procured 2.89 acres of land to store our finished goods and raw materials and also to support our future expansion.

Our management and technical team is continuously trying to explore new opportunity to enhance productivity and profitability of the company.

We are determined to maintain our uncompromising stand for producing quality products. As a result we have gained the confidence and reliance of some leading construction firms. Now a lot of prestigious infrastructure projects are using our products, like Bahadarhat Flyover Project, 15 KM long Gulistan-Jatrabari Flyover, Port Facilitation Project, BPDB Hathazari Power Plant Project, BPDB Dohazari Power Plant Project, World Trade Centre Chittagong etc. Major Portion of steel re-bars used for construction of Shah Amanat Bridge was supplied by BSRM.

During the year 2010 our production was 433,823 M Ton which shows 23.83% increase from the last year. At the same time we sold 433,808 M. Ton (own production) as compared to 346,400 M. Ton in the previous year. Sales also (own production) increased by 25.23% during this year.

Financial Performance of the Company

In 2010 the company earned Net profit after tax of Tk. 964,885,985. Last year the amount was Tk. 574,084,231. Net Profit increased by 68.07%. Sales in 2010 was TK. 22,007,682,247 which was also 38.91% (in Tk) higher than the last year. EPS for 2010 is Tk.53.12 which was Tk. 34.43 in 2009.

During the year 2010 our subsidiary company BSRM Iron & Steel Co. Ltd. (BISCO) earned Net profit of Tk. 109,928,802. Consolidated Net Profit after tax is Tk. 1,068,228,190 for the year 2010.

We are providing some key financial data for your knowledge.

Particulars	For the Year ended on 31 st December 2010 (Taka)	For the Year ended on 31 st December 2009 (Taka)	For Nine Months ended on 31 st December 2008 (Taka)
Turnover	22,007,682,247	15,843,586,337	5,483,534,721
Gross Profit	1,929,718,476	1,581,634,316	(1,311,367,578)
Net Profit (After Tax)	964,885,985	574,084,231	(1,899,094,620)
Earnings Per Share (EPS)	53.12	34.43	(153.00)
Net Operating Cash Flow per Share	38.26	(92.13)	(367.44)

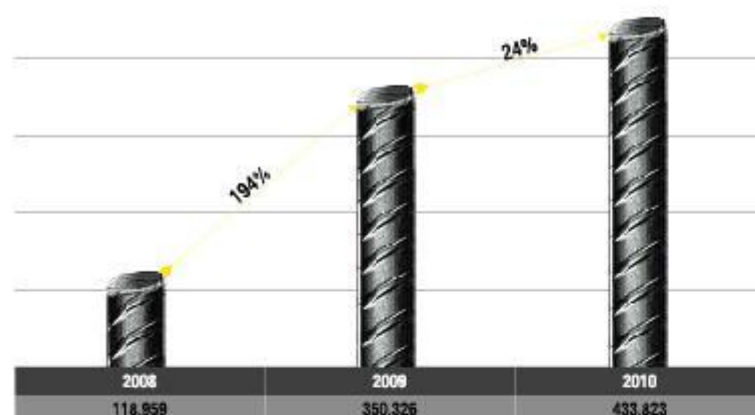
Financial Position of last 5 years

Particulars	2010	2009	2008	2007	2006	2005
Non-Current Assets	4,868,208,555	3,570,150,748	3,579,943,268	2,946,782,269	273,597,776	230,577,899
Current Assets	7,365,888,940	6,325,213,742	5,127,438,793	159,083,940	284,234,951	26,010,984
Total Assets	12,234,097,495	9,895,364,490	8,707,382,061	3,105,866,209	557,832,727	256,588,883
Share Capital	2,712,500,000	1,450,000,000	1,450,000,000	1,243,985,000	515,070,775	180,000,000
Term Loan	1,197,623,046	1,606,256,485	1,993,569,000	1,614,497,592	-	71,289,445
Current Liabilities	8,901,598,853	8,164,118,394	7,162,907,681	481,517,379	88,941,977	5,299,437
Retained Earnings	(577,624,404)	(1,325,010,389)	(1,899,094,620)	-	-	-
Net Assets Value	2,134,875,596	124,989,611	(449,094,620)	1,243,985,000	515,070,775	180,000,000
NAV Per share	78.71	8.62	(30.97)	100.00	100.00	100.00
Net Current Assets	(1,535,709,913)	(1,838,904,652)	(2,035,468,888)	(322,433,439)	195,451,232	20,711,547

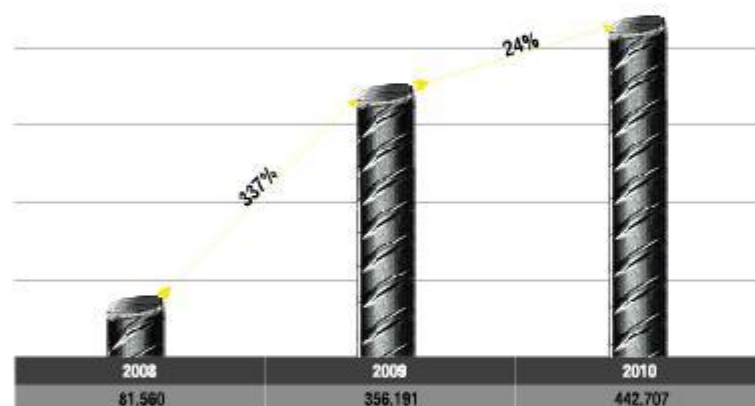
Appropriation of Profit

Particulars	For the Year ended on 31 st December 2010 (Taka) BD Tk	For the Year ended on 31 st December 2009 (Taka) BD Tk
Net Profit after Tax	964,885,985	574,084,231
Add: Accumulated loss carried from Previous years	(1,325,010,389)	(1,899,094,620)
Less: Dividend paid for 2009	(217,500,000)	-
Accumulated Loss	(577,624,404)	(1,325,010,389)

Production in Quantity (M.Ton)



Sales in Quantity (M.Ton)



Corporate Governance

There is no alternative for good corporate governance for sustainable growth and for keeping pace with time. Keeping this fact in mind we have taken a number of steps for strengthening our corporate structure.

Under the effective leadership of our management we formulated vision and values for the company. All senior management staffs with our Chairman, Managing Director and Directors participated in the day long Vision & Value Workshop. This vision and values will serve as a guiding light under which the company will serve its clients ensuring that nothing gets in the way of uncompromised customer service, unsurpassed competitive advantage and service to the citizens of our country through Corporate Social Responsibilities initiatives.

We have appointed international consultants for corporate restructuring. The corporate restructuring will allow us to recognize what we do best with what we should do keeping our eyes on the future. By this time consultant has submitted their report defining roles and responsibilities that would eliminate redundancy and will bring clarity to each job. The plan is in implementation phase showing promise and results across all functions and departments.

At the heels of the org structure implementation another HR activity is in progress that will create a fair and firm system for job evaluation and bonding. This will be followed sometime in the second half of 2011 with Performance Management System (PMS).

Up-gradation of Information Technology

We have undertaken another initiative for evaluating the system integration possibility. We have appointed an international consultant in an advisory capacity to examine, evaluate and report on BSRM's readiness to embark on an enterprise system approach.

Marketing

Effective marketing is essential for creating awareness and demand of our products. In the year 2010 our dedicated marketing team has taken up a number of workshops, seminars, symposiums for creating awareness about our products especially for BSRM Xtreme 500W. Workshops for engineers and masons were arranged to make them aware about safety features, and economical benefit of our products.

We have also participated in some vital seminars and fair such as "Role of Engineers in tackling Climate changes" held on 16th and 17th June at which experts from 14 countries attended. We jointly sponsored special seminar on "Sustainable Development & Environment friendly Building Materials" organized by Shahjalal University of Science & Technology (SUST). BSRM was the title sponsor for the International seminar on "Bridge Engineering" organized by the Roads & Highways Dept. of the Govt. of Bangladesh in August 8th – 10th 2010.

We have also started to publish a quarterly magazine the "Xtreme Talk" on our activities, interesting news and stories and our achievements. We believe that, this publication will enable us to share our emotions and dreams with our valued dealers, customers and other valued stake holders of the company. It will help in tightening our family bonds as we always treat our valued customers as a member of BSRM extended family.

For the first time in the history of BSRM Group, we have arranged dealer's nights. Best Performance Dealer Award was announced in those nights to recognize contribution of the successful dealers. In fact, without their support it would be impossible for us to continue the company's journey to the endless possibilities. Their support, cooperation and advice bring us to this position.

Human Resource Development

Human resource is one of the greatest assets for the company. Our company believes in the ideology of achieving excellence through investing in people and technology simultaneously. Company continues to work for the development and realization of best potential of its personnel. To promote a climate of motivation and achieve growth, thrust on optimal utilization of manpower with focus on improvement in productivity will continue. Efforts were made for promoting better employees. Our vision is to be an employer of choice with focus on nurturing talent and developing future leaders of the organization. Keeping in mind this vision, we have undertaken number of measures for capacity building. As already mentioned corporate re-structuring is under implementation. Our Consultant has developed corporate structure with job description and qualification for each post.

The group organized nine vision and values communication workshops for management category staffs to communicate upcoming changes in the new organizational structure. Afterwards similar program was conducted for non management staffs also.

We also arranged vital training for our staff at home and abroad.

We have also developed the system of nominating the Best Employee each month and award them to encourage the total team. We also give award to those who are chosen as value champion which also motivates our staffs and employees to up hold the vision and values of the group and to live in those values.

Our company has introduced Worker's Profit Participation Fund and Workers Welfare Fund in 2010. By this time we disbursed significant amount of money for the welfare of our workers.

Credit Rating

Credit Rating Information and Services Limited (CRISL) had rated the company and assigned AA (pronounced as Double A minus) rating in the long term and ST-2 rating in the short term. Grade AA indicates entities rated in this category are adjudged to be high quality, offer higher safety and have high credit quality. ST-2 denotes high certainty of timely payment, liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

Other Achievements

We are proud to announce that, recently BSRM Group of Companies has been honored as one of the most important client in Bangladesh by Agrani Bank Limited. Chairman of the Bank handed over a crest to one of our Directors in token of this recognition. It should be also mentioned that, in October 2009 our group also got interest rebate of Tk. 3.75 Million for paying of loan on time.

Subsidiary Company

Our honored shareholders in their 5th Extra-Ordinary General Meeting have approved acquisition of BSRM Iron & Steel Co Ltd (BISCO), a newly installed billet manufacturing company. This company went in to commercial operation on 1st June 2010. You are already informed that, the company earned a Net Profit after tax of Tk 109,928,802 during this year. It should be mentioned here that, BSRM Steels Limited has acquired 95% of the ordinary share of BISCO on 10th November 2010 after getting approval from Securities and Exchange Commission. This plant will ensure smooth supply of high quality billet at a competitive price which will further strengthen BSRM Steels Limited's competitive edge in the market. We hope to make a better profit this year in BISCO with 12 months of operation.

Corporate Social Responsibility Activities

BSRM Group of Companies is involved for the welfare of the society since its inception in 1952. We have donated to a number of socio-cultural organizations, educational institutions and religious seminars over the years. After BSRM Steels Limited came in to existence, we decided that, we should re-organize our CSR activities.

Similar to our effort in 2009, we have donated a significant number of road dividers to the Chittagong and Dhaka Metropolitan police authorities. These dividers are helping to ease traffic congestion greatly and we are also expanding this activity nationwide.

Another CSR activity is the BSRM School. It was established in 2005 in the heart of a slum at Byzaid Bostami Area in Chittagong, for the benefit of the poor people who live in the near vicinity. The majority of the population in that area falls under the category of the 'poorest of poor', many of them working as Rickshaw pullers, day laborers or employed at menial jobs in small shops. The women, those who work, find jobs as maids in houses or find employment as day laborers. The school's mission is to provide free education to the children of this particular slum. No fee of any sort is charged from the students. At present, there are 330 students enrolled in the school and plans are underway to expand the premises in order to give opportunity to a greater number of children.

This year we donated for Nimtoli fire incident victims. We also distributed 10,000 blankets among the poor and needy people this winter. We organized blood donation program. To enrich the quality of education and research we donated an expensive UTM device to the Civil Engineering dept. of the Bangladesh University of Engineering & Technology (BUET).

Management Committee

The Board of Directors has re-constituted the Management Committee of the company

The main task of the committee is to assist the Board of Directors as well as Managing Director. The committee is mainly involved in developing strategic policy and assists the Board of Directors with necessary information.

The members of the Management Committee are as follows:

• Mr. Moize Hussain	Adviser
• Mr. Tapan Sengupta	Executive Director
• Mr. Kazi Anwar Ahmed	Head Dhaka Office
• Mr. M. Firoze	Head of Business & Product Development
• Mr. Shekhar Ranjan Kar FCA	Head of Finance & Accounts and Company Secretary
• Mr. Sunil Kumar Das	Head of Plant
• Mr. Mohammed Reazul Kabir ACA	Chief Financial Officer
• Mr. M. Harunur Rashid	Senior Manager, Commercial & Purchase

Election of Directors

Mr. Alihussain Akberali FCA and Mr. Aameir Alihussain retire by rotation as per Section 97 & 98 of the Articles of Association of the Company and being eligible, offer themselves for re-election.

Appointment of Auditors

Our statutory auditor Rahman Rahman Huq, Chartered Accountants, 102 Agrabad Commercial Area, Chittagong, a member firm of KPMG shall retire in this Annual General Meeting.

Securities and Exchange Commission through its notification dated January 3, 2002 restricts appointment of any firm of Chartered Accountants as the statutory auditors for a consecutive period exceeding three years. Rahman Rahman Huq in 2010 has completed its 3rd year as an Statutory Auditor after the Company's listing with the stock exchanges.

As Rahman Rahman Huq being eligible for re-appointment, has offered their willingness to be re-appointed. The Board recommends their re-appointment for the year 2011 and to continue until the next Annual General Meeting subject to the approval by the Securities and Exchange Commission.

Dividend

The Board of Directors is pleased to recommend 20% Stock dividend on the paid up capital of Tk. 2,712,500,000 for consideration and approval by the shareholders in the 9th Annual General Meeting.

Statutory Information

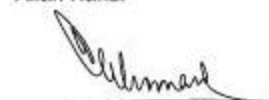
In compliance with the Clause 1.4 of SEC Notification SEC/CMRRCD/2006-158 /Admin/02-08 dated 20th February 2006, the Board of Directors confirms that:

- The financial statements prepared by the Management of the Company presents fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards as applicable in Bangladesh have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no significant deviation from last year's operating results except that its profits has gone up more than last year.

- (h) Key operating and financial data of preceding five years have been provided.
- (i) The Board of Directors recommended 20 % Stock dividend for 2010.
- (j) The Number of Board meetings held during the year and attendance by each Director is given in Annexure-A.
- (k) The Pattern of Shareholding is given in Annexure-B.
- (l) The Status of Compliance as per SEC guidelines is given in Annexure-C.

The Board of Directors wishes to place on record their appreciation for the support and co-operation extended by every member of the BSRM family. The Directors would like to express their gratitude for the cooperation, positive support and guidance extended to the Company by the Government of Bangladesh, BOI, RJSC, Securities and Exchange Commission, Chittagong Stock Exchange Limited and Dhaka Stock Exchange Limited, National Board of Revenue, CDBL and all bankers. The board takes this opportunity for thanking the Shareholders of the company for their cooperation, guidance and patience. The Board also likes to record its sincere appreciation for contribution of the valued customers and the confidence they entrusted upon the company. The board express thanks to all employees for their commitment and loyalty to the company.

Allah Hafiz.



Alihussain Akberali FCA
Chairman

Annexure-A

Attendance in the Board Meeting:

During the year total 10 No. Board meetings were held and the attendance by each Director was as follows:

Name of the Director	Designation	No of Meeting Attended
Mr. Alihussain Akberali, FCA	Chairman	9
Mr. Aameir Alihussain	Managing Director	9
Mr. Zohair Taherali	Director	10
Mrs. Tehseen Zohair Taherali	Director	10
Mrs. Sabeen Aameir	Director	9
Mr. Qazi Sarwar-E-Alam	Independent Director	1

Mr. Qazi Sarwar-E-Alam, Independent Director attended only once meeting out of 10 held during 2010 as he was outside the country. Leave of absence was granted for his absence.

Annexure-B

Shareholding Position:

Serial No	Name of the Share Holders	Designation/Relation	No of Share Holding As 31 st December 10	% of Shareholdings As 31 st December 10
1	Mr. Alihussain Akberali FCA	Chairman	2,795,367	10.306%
2	Mr. Aameir Alihussain	Managing Director	479,432	1.767%
3	Mr. Zohair Taherali	Director	850,717	3.136%
4	Mrs. Tehseen Zohair Taherali	Director	474,432	1.749%
5	Mrs. Sabeen Aameir	Director	575	0.002%
6	Bangladesh Steel Re-Rolling Mills Limited	Affiliated Company	9,134,105	33.674%
7	H. Akberali & Co Ltd	Affiliated Company	6,933,700	25.562%
8	Mrs. Bilkis Alihussain	Spouse of Mr. Alihussain Akberali, FCA	92,720	0.342%
9	Shekhar Ranjan Kar, FCA	Head of Finance & Accounts And Company Secretary	2,582	0.010%
			20,763,630	76.548%

Annexure -C

Status of Compliance

Status of Compliance

Status of compliance with the condition imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/Admin/02-08 dated 20th February, 2006 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status	Explanation for non-compliance with the condition
1.1	Number of the Board members of the company should not be less than 5 and more than 20.	Complied	
1.2 (i)	Number of Independent Directors should be at least 1/10 of the total number of Company's board of Directors.	Complied	
1.2 (ii)	Independent Directors should be appointed by the elected directors.	Complied	
1.3	Chairman of the Board and Chief Executive Officer should be preferable be filled by different individuals.	Complied	
1.4 (a)	Fair presentation of Financial Statement.	Complied	
1.4 (b)	Maintenance of Proper books of accounts.	Complied	
1.4 (c)	Appropriate Accounting Policies applied consistently.	Complied	
1.4 (d)	International Accounting Standards, as applicable in Bangladesh have been followed in preparing the Financial Statement.	Complied	
1.4 (e)	Sound and Effective Internal Control System.	Complied	
1.4 (f)	Ability to continue as going concern.	Complied	
1.4 (g)	Significant deviation from last year in operating results.	Complied	
1.4 (h)	Summary of Key operating results.	Complied	
1.4 (i)	Declaration of Dividend	Complied	
1.4 (j)	Number of Board Meetings held during the year and attendance by each director.	Complied	
1.4 (k)	Pattern of share holding	Complied	
2.1	Appointment of a CFO, a Head of Internal Audit and a Company Secretary.	Complied	
2.2	Attend the Board meeting by CFO and Company Secretary.	Complied	
3	Constitution of Audit Committee	Complied	
3.1 (i)	The Audit Committee should be composed of at least 3 members.	Complied	
3.1 (ii)	The Audit Committee should be appointed by the Board who are directors and one should be Independent director.	Complied	

Condition No.	Title	Compliance Status	Explanation for non-compliance with the condition
3.1 (iii)	Board of Directors should fill up the vacancy within one month of the vacancy in the Audit Committee.	N/A	
3.2 (i)	Board of Directors should select one member of the Audit Committee as Chairman of the Audit Committee.	Complied	
3.2 (ii)	Chairman of the Audit Committee should have a professional qualification of knowledge, understanding and experience in accounting or finance.	Complied	
3.3.1 (i)	Activities of the audit committee to the Board of Directors.	Complied	
3.3.1 (ii) (a)	Report on conflict of interest.	N/A	
3.3.1 (ii) (b)	Report on Fraud or irregularity or material defect in internal control system.	N/A	
3.3.1 (ii) (c)	Report on infringement of laws, including security related laws, rules and regulations.	Complied	
3.3.1 (ii) (d)	Report on any other matter which should be disclosed to the Board of Directors' immediately	Complied	
3.3.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has impact on the financial condition and results of operation and being ignored by the Board of Directors, the Audit Committee should report such findings to the Commission.	N/A	
3.4	Reporting to the Shareholders: Report on activities carried by the Audit Committee including any report made to the Board of Directors under condition. 3.3.1 (ii) and the disclosure of which should be made in the annual report.	Complied	
4.00 (i)	Appraisal or valuation of services or fairness opinions.	Complied	
4.00 (ii)	Financial information system design and implementation.	Complied	
4.00 (iii)	Book-keeping or other services related to the accounting records or financial statements.	Complied	
4.00 (iv)	Broker-dealer services.	Complied	
4.00 (v)	Actuarial services	Complied	
4.00 (vi)	Internal audit services.	Complied	
4.00 (vii)	Any other service that the Audit Committee determines.	Complied	

শেয়ারহোল্ডারদের প্রতি পরিচালকদের প্রতিবেদন

বিসমিল্লাহির রাহমানির রহিম

বিস্ময়কর হেতুসংগত

আপনাদের সবাইকে কোম্পানীর ৯ম বার্ষিক সাধারণ সভায় স্বাগত জানাতে পেরে পরিচালকমন্ডলী অত্যন্ত আনন্দিত। ৩১ ডিসেম্বর, ২০১০ সমাপ্ত বছরের বার্ষিক আর্থিক প্রতিবেদন এবং পরিচালকবৃন্দের প্রতিবেদন ও নিরীক্ষকের প্রতিবেদন আপনাদের সদয় বিবেচনার জন্য উপস্থাপন করা হল।

কোম্পানীর কার্যক্রমের পর্যালোচনা

২০০৯ সালে ঢাকা এবং চট্টগ্রাম স্টক এক্সচেঞ্জে তালিকাভুক্ত হবার পর এটা হল ৩য় বার্ষিক সাধারণ সভা। আপনারা ইতোমধ্যেই অবগত আছেন যে, আমরা এই কারখানায় বিশ্বমানের সরঞ্জামাদি স্থাপন করেছি, এটাই দক্ষিণ এশীয় অঞ্চলে সবচেয়ে অত্যাধুনিক স্বয়ংক্রিয় রি-রোলিং মিল। যদিও এটা সর্বাধুনিক একটি কারখানা, আমাদের শুরুটা এত মসৃণ ছিল না। আপনারা অবগত আছেন যে, গত তিন বছর ধরে আন্তর্জাতিক এবং স্থানীয় বাজার এতটাই অস্থিতিশীল ছিল এবং খাদ্যদ্রব্য জ্বালানি ও অন্যান্য সামগ্রীর দাম এতটাই ওঠা-নামা করেছে যে, মাঝে মাঝে আমাদের জন্য যথাসময়ে সঠিক সিদ্ধান্ত নেয়াটা কঠিন ছিল।

তবে এরকম অস্থিতিশীলতার পরও আমাদের ব্যবস্থাপনা টিম এবং নিবেদিত কর্মীবাহিনী এ বছরটিকে কোম্পানীর জন্য একটি সাফল্যমণ্ডিত বছরে পরিণত করেছে। এই বছর আমরা কিছু উল্লেখযোগ্য সাফল্য অর্জন করেছি। উৎপাদন এবং বিক্রয় উভয়ক্ষেত্রেই আমাদের গ্রুপের পূর্বের সর্বোচ্চ রেকর্ড ছাপিয়ে গেছে।

আমরা সফলতার সাথে এই বছরে উৎপাদন ক্ষমতা ৫৫০,০০০ মে. টনে উন্নীত করেছি। আমাদের উৎপাদিত পণ্য এবং কাঁচামাল মজুত করা এবং ভবিষ্যতের সম্প্রসারণকে সহায়তা করার জন্য আমরা ২.৮৯ একর জমি ক্রয় করেছি।

আমাদের ব্যবস্থাপনা ও কারিগরী টিম কোম্পানীর উৎপাদনশীলতা এবং মুনাফা বাড়ানোর জন্য নতুন নতুন উপায় বের করার জন্য সদা সচেষ্ট রয়েছেন। মানসম্মত পণ্য উৎপাদনে আমাদের আপোষহীন অবস্থান বজায় রাখতে আমরা বদ্ধপরিকর। যার ফলশ্রুতিতে আমরা কিছু শীর্ষস্থানীয় নির্মাণ প্রতিষ্ঠানের আস্থা ও নির্ভরশীলতা অর্জন করতে পেরেছি। এখন অনেকগুলো গুরুত্বপূর্ণ অবকাঠামো নির্মাণ প্রকল্পে আমাদের পণ্য ব্যবহৃত হচ্ছে; যেমন- বহুমুখী হাট ফ্লাইওভার প্রকল্প, ১৫ কি.মি. দীর্ঘ গুলিস্তান-যাত্রাবাড়ি ফ্লাইওভার, পোর্ট ফ্যাসিলিটেশন প্রকল্প, বিপিডিবি হাটহাজারী বিদ্যুৎকেন্দ্র প্রকল্প, বিপিডিবি দোহাজারী বিদ্যুৎ কেন্দ্র প্রকল্প, ওয়ার্ল্ড ট্রেড সেন্টার চট্টগ্রাম ইত্যাদি। শাহ আমানত সেতু নির্মাণের জন্য ব্যবহৃত ইস্পাতের রি-বারগুলোর অধিকাংশই বিএসআরএম কর্তৃক সরবরাহ করা হয়েছিল।

২০১০ সালে আমাদের উৎপাদনের পরিমাণ ছিল ৪৩৩,৮২৩ মে. টন, যা গত বছরের চাইতে ২৩.৮৩% বৃদ্ধি প্রদর্শন করে। একই সময়ে আমরা বিক্রয় করেছি ৪৩৩,৮০৮ মে. টন (নিজস্ব উৎপাদন), যা গত বছর ছিল ৩৪৬,৪০০ মে. টন। গত বছরের তুলনায় বিক্রয়ও বৃদ্ধি পেয়েছে ২৫.২৩%।

কোম্পানীর আর্থিক পারফরম্যান্স

২০১০ সালে কোম্পানীর আয়কৃত কর পরবর্তী নীট মুনাফার পরিমাণ ছিল ৯৬৪,৮৮৫,৯৮৫ টাকা। গত বছর এ পরিমাণ ছিল ৫৭৪,০৮৪,২৩১ টাকা। নীট মুনাফা ৬৮.০৭% বৃদ্ধি পেয়েছে। ২০১০ সালে বিক্রয়ের পরিমাণ ছিল ২২,০০৭,৬৮২,২৪৭ টাকা, যা বিগত বছরের তুলনায় ৩৮.৯১% (টাকায়) বেশি। ২০১০ সালে ইপিএস, হল ৫৩.১২ টাকা, যা ২০০৯ সালে ছিল ৩৪.৪৩ টাকা।

২০১০ সালে আমাদের অধীনস্থ প্রতিষ্ঠান বিএসআরএম আয়রন এন্ড স্টীল কোম্পানী লিমিটেড (বিসকো) ১০৯,৯২৮,৮০২ টাকা নীট মুনাফা আয় করেছে। ২০১০ সালে কর-পরবর্তী সর্বমোট নীট মুনাফার পরিমাণ হলো ১,০৬৮,২২৮,১৯০ টাকা।

আপনাদের জ্ঞাতার্থে আমরা কিছু গুরুত্বপূর্ণ আর্থিক উপাত্ত উপস্থাপন করছি।

বিবরণী	বছর সমাপ্তির তারিখ ৩১ ডিসেম্বর ২০১০ (টাকা)	বছর সমাপ্তির তারিখ ৩১ ডিসেম্বর ২০০৯ (টাকা)	বছর সমাপ্তির তারিখ ৩১ ডিসেম্বর ২০০৮ (টাকা)
বিক্রয়লব্ধ অর্থ	২২,০০৭,৬৮২,২৪৭	১৫,৮৪৩,৫৮৬,৩৩৭	৫,৪৮৩,৫৩৪,৭২১
মোট মুনাফা	১,৯২৯,৭১৮,৪৭৬	১,৫৮১,৬৩৪,৩১৬	(১,৩১১,৩৬৭,৫৭৮)
নীট মুনাফা (কর-পরবর্তী)	৯৬৪,৮৮৫,৯৮৫	৫৭৪,০৮৪,২৩১	(১,৮৯৯,০৯৪,৬২০)
শেয়ার প্রতি আয় (ইপিএস)	৫৩.১২	৩৪.৪৩	(১৫৩.০০)
পরিচালনা কার্য থেকে শেয়ার প্রতি নীট অর্থ প্রবাহ	৩৮.২৬	(৯২.১৩)	(৩৬৭.৪৪)

বিগত ৫ বছরের আর্থিক অবস্থান

বিবরণী	২০১০	২০০৯	২০০৮	২০০৭	২০০৬	২০০৫
স্থায়ী সম্পত্তি	৪,৮৬৮,২০৮,৫৫৫	৩,৫৭০,১৫০,৭৪৮	৩,৫৭৯,৯৪৩,২৬৮	২,৯৪৬,৭৮২,২৬৯	২,৭৩,৫৯৭,৭৭৬	২৩০,৫৭৭,৮৯৯
চলতি সম্পত্তি	৭,৩৬৫,৮৮৮,৯৪০	৬,৩২৫,২১৩,৭৪২	৫,১২৭,৪৩৮,৭৯৩	১,৫৯,০৮৩,৯৪০	২৮৪,২৩৪,৯৫১	২৬,০১০,৯৮৪
মোট সম্পত্তি	১২,২৩৪,০৯৭,৪৯৫	৯,৮৯৫,৩৬৪,৪৯০	৮,৭০৭,৩৮২,০৬১	৩,১০৫,৮৬৬,২০৯	৫৫৭,৮৩২,৭২৭	২৫৬,৫৮৮,৮৮৩
শেয়ার মূলধন	২,৭১২,৫০০,০০০	১,৪৫০,০০০,০০০	১,৪৫০,০০০,০০০	১,২৪৩,৯৮৫,০০০	৫১৫,০৭০,৭৭৫	১৮০,০০০,০০০
মোড়াদী ঋণ	১,১৯৭,৬২৩,০৪৬	১,৬০৬,২৫৬,৮৮৫	১,৯৯৩,৫৬৯,০০০	১,৬১৪,৪৯৭,৫৯২	-	৭১,২৮৯,৪৪৫
চলতি দায়	৮,৯০১,৫৯৮,৮৫৩	৮,১৬৪,১১৮,৬৯৪	৭,১৬২,৯০৭,৬৮১	৮৮১,৫১৭,৩৭৯	৮৮,৯৪১,৯৭৭	৫,২৯৯,৪৩৭
সংরক্ষিত আয়	(৫৭৭,৬২৪,৪০৪)	(১,৩২৫,০১০,৩৮৯)	(১,৮৯৯,০৯৪,৬২০)	-	-	-
নীট সম্পত্তির মূল্য	২,১৩৪,৮৭৫,৫৯৬	১২৪,৯৮৯,৬১১	(৪৪৯,০৯৪,৬২০)	১,২৪৩,৯৮৫,০০০	৫১৫,০৭০,৭৭৫	১৮০,০০০,০০০
শেয়ার প্রতি এনএটি	৭৮.৭১	৮.৬২	(৩০.৯৭)	১০০.০০	১০০.০০	১০০.০০
নীট চলতি সম্পত্তি	(১,৫৩৫,৭০৯,৯১৩)	(১,৮৩৮,৯০৪,৬৫২)	(২,০৩৫,৪৬৮,৮৮৮)	(৩২২,৪৩৩,৪৩৯)	১৯৫,৪৫১,২৩২	২০,৭১১,৫৪৭

মুনাফা বন্টন

বিবরণী	৩১ ডিসেম্বর ২০১০ তারিখে সমাপ্ত বছরে টাকা	৩১ ডিসেম্বর ২০০৯ তারিখে সমাপ্ত বছরে টাকা
কর-পরবর্তী নীট মুনাফা	৯৬৪,৮৮৫,৯৮৫	৫৭৪,০৮৪,২৩১
যোগ: পূর্ববর্তী বছরগুলো থেকে আগত মোট ক্ষতি	(১,৩২৫,০১০,৩৮৯)	(১,৮৯৯,০৯৪,৬২০)
বিয়োগ: ২০০৯ সালে প্রদানকৃত লভ্যাংশ	(২১৭,৫০০,০০০)	-
সর্বমোট ক্ষতি	(৫৭৭,৬২৪,৪০৪)	(১,৩২৫,০১০,৩৮৯)

করপোরেট শাসন (গভর্নেন্স)

টেকসই প্রবৃদ্ধি অর্জন এবং যুগের সাথে তাল মিলিয়ে চলার কোন বিকল্প নেই। এসমস্ত বিষয়াদি স্বরণে রেখে আমরা আমাদের করপোরেট কাঠামো শক্তিশালী করার জন্য বেশ কিছু পদক্ষেপ নিয়েছি।

আমাদের ব্যবস্থাপনা কর্তৃপক্ষের সুযোগ্য নেতৃত্বে আমরা কোম্পানীর জন্য ভিশন ও মূল্যবোধসমূহ প্রণয়ন করেছি। আমাদের চেয়ারম্যান, ব্যবস্থাপনা পরিচালক এবং পরিচালকবৃন্দসহ সকল উর্ধ্বতন ব্যবস্থাপনা কর্মকর্তা দিনব্যাপী ‘ভিশন এন্ড ভ্যালু’ ওয়ার্কশপে অংশ নেন। এই ‘ভিশন এন্ড ভ্যালু’গুলো গুরুত্বপূর্ণ দিক-নির্দেশক হিসেবে কাজ করবে, যার মাধ্যমে কোম্পানী গ্রাহকদেরকে সেবা প্রদান করবে, যাতে করে আপোষহীন গ্রাহক সেবা প্রদান, অপরায়েজ প্রতিযোগিতামূলক অবস্থান এবং দেশের জনগণকে অপ্রতিদ্বন্দী সেবা প্রদান নিশ্চিত করা যায়।

করপোরেট কাঠামো পুনর্বিন্যাসের জন্য আমরা আন্তর্জাতিক বিশেষজ্ঞ নিয়োগ দিয়েছি। এই করপোরেট কাঠামোর পুনর্বিন্যাস আমরা যে কাজটা সবচেয়ে ভাল করি তার সাথে ভবিষ্যতের দিকে দৃষ্টি দিয়ে আমাদের যা করা দরকার, এ দুয়ের মধ্যে সমন্বয় সাধন করবে। এরই মধ্যে বিশেষজ্ঞগণ তাদের প্রতিবেদন পেশ করেছেন যেখানে পদ ও তার দায়িত্ব সংজ্ঞায়িত করা হয়েছে। এর ফলে বাহ্যিক দূরীভূত হবে এবং প্রতিটি পদের দায়িত্বে সুস্পষ্টতা আসবে। এই পরিকল্পনাটি বাস্তবায়নধীন আছে এবং সকল বিভাগ ও কাজে আশাব্যঞ্জক ফলাফল দেখাচ্ছে।

প্রাতিষ্ঠানিক কাঠামো পুনর্বিন্যাস বাস্তবায়নের পাশাপাশি আরেকটি এইচআর-এর কার্যক্রম চলছে যা কাজের মূল্যায়ন এবং বহুনের ক্ষেত্রে একটি ন্যায়সংজ্ঞিত ও দৃঢ় ব্যবস্থা প্রতিষ্ঠা করবে। পারফরম্যান্স ম্যানেজমেন্ট সিস্টেমস (পিএসএস) কর্তৃক ২০১১ সালের দ্বিতীয়ার্ধে এটি অনুসৃত হবে।

তথ্যপ্রযুক্তির আধুনিকায়ন

পুরো ব্যবস্থা একীভূতকরণের সম্ভাব্যতা যাচাইয়ের জন্য আমরা আরেকটি উদ্যোগ নিয়েছি। পরামর্শ হিসেবে আমরা একজন আন্তর্জাতিক বিশেষজ্ঞকে নিয়োগ দিয়েছি, যার কাজ হল পুরো প্রতিষ্ঠানব্যাপী একটি ব্যবস্থা চালু করার ক্ষেত্রে বিএসআরএম-এর প্রযুক্তি পরীক্ষা মূল্যায়ন এবং এ বিষয়ে প্রতিবেদন উপস্থাপন।

বাজারজাত করণ (মার্কেটিং)

আমাদের পণ্য সম্পর্কে সচেতনতা এবং চাহিদা তৈরির লক্ষ্যে কার্যকর বাজারজাতকরণ অপরিহার্য। ২০১০ সালে আমাদের নিবেদিতপ্রাণ বাজারজাতকরণ টিম আমাদের পণ্য সম্পর্কে বিশেষ সচেতনতা তৈরির লক্ষ্যে ওয়ার্কশপ, সেমিনার এবং সিম্পোজিয়ামের আয়োজন করেছে। প্রকৌশলী এবং রাজমিস্ত্রীদের জন্য ওয়ার্কশপ আয়োজিত হয়েছিল, যাতে করে আমাদের পণ্যের নিরাপত্তা বৈশিষ্ট্য এবং অর্থনৈতিক সুবিধার ব্যাপারে তাদেরকে সচেতন করা যায়।

আমরা কিছু গুরুত্বপূর্ণ সেমিনার এবং মেলায়ও অংশগ্রহণ করেছি, যেমন- ১৬ ও ১৭ জন “আবহাওয়া পরিবর্তন মোকাবেলায় প্রকৌশলীদের ভূমিকা”, যেখানে ১৪টি দেশের বিশেষজ্ঞগণ অংশ নেন। শাহজালাল বিজ্ঞান ও প্রযুক্তি বিশ্ববিদ্যালয় আয়োজিত “টেকসই উন্নয়ন ও পরিবেশবান্ধব নির্মাণ সামগ্রী” শীর্ষক সেমিনারটি আমরা যৌথভাবে পৃষ্ঠপোষকতা করেছিলাম। বাংলাদেশ সরকারের সড়ক ও জনপথ বিভাগ কর্তৃক ৮-১০ আগস্ট পর্যন্ত আয়োজিত “সেতু প্রকৌশলী” শীর্ষক আন্তর্জাতিক সেমিনারে টাইটেল স্পন্সর ছিল বিএসআরএম।

এছাড়াও আমাদের কর্মকাণ্ডে ছিল আকর্ষণীয় সংবাদ ও গল্প এবং অর্জনসমূহ নিয়ে একটি ত্রৈমাসিক ম্যাগাজিন “এক্সট্রিম টক” প্রকাশ। আমরা বিশ্বাস করি, এই প্রকাশনা আমাদের সম্মানিত ডিলার, ক্রেতা এবং অন্যান্য স্টেক হোল্ডারদের সাথে আমাদের আবেগ ও স্বপ্ন ভাগাভাগি করতে সাহায্য করবে। বিএসআরএম ইতিহাসে আমরা প্রথমবারের মত ‘ডিলারস নাইট’ আয়োজন করেছি। এ সমস্ত অনুষ্ঠানে সেরা পারফরম্যান্সের স্বীকৃতিস্বরূপ শ্রেষ্ঠ ডিলার ঘোষিত হয়েছে। প্রকৃতপক্ষে তাদের সমর্থন ছাড়া অফুরন্ত সম্ভাবনার দ্বার উন্মোচন করা আমাদের কোম্পানীর জন্য অসম্ভব ছিল। তাদের সমর্থন সহযোগিতা এবং পরামর্শ আমাদেরকে এ অবস্থানে নিয়ে এসেছে।

মানবসম্পদ উন্নয়ন

কোম্পানীর শ্রেষ্ঠতম সম্পদগুলোর একটি হল মানবসম্পদ। আমাদের কোম্পানীর মানবসম্পদ এবং প্রযুক্তি উভয় খাতে যুগপৎভাবে বিনিয়োগের মাধ্যমে শ্রেষ্ঠত্ব অর্জনের আদর্শে বিশ্বাসী। কোম্পানীর কর্মকর্তা ও কর্মচারীদের উন্নয়ন এবং তাদের সামর্থ্যের সর্বোচ্চ বিকাশের লক্ষ্যে কোম্পানী কাজ করে যাচ্ছে। অনুপ্রেরণাপূর্ণ পরিবেশ এবং প্রবৃদ্ধি অর্জনের লক্ষ্যে উৎপাদনশীলতা বৃদ্ধির মাধ্যমে মানবসম্পদের সর্বোচ্চ ব্যবহারের প্রয়াস অব্যাহত আছে। সুদক্ষ কর্মীদের

পদোন্নতির জন্য পদক্ষেপ নেয়া হয়েছে। আমাদের ভিশন হল পছন্দের চাকুরিদাতা হওয়া এবং এজন্যে মেধা পরিচর্যা ও ভবিষ্যতের প্রতিষ্ঠানের নেতৃত্ব গড়ে তোলার প্রতি গুরুত্ব দিচ্ছি। এই ভিশনকে মাথায় রেখে সামর্থ্য বাড়ানোর জন্য আমরা কিছু পদক্ষেপ নিয়েছি। করপোরেট কাঠামো পুনর্বিন্যাসের কথা ইতোমধ্যেই উল্লেখ করা হয়েছে। আমাদের বিশেষজ্ঞ প্রতিটি পদের বর্ণনা এবং যোগ্যতাসহ একটি করপোরেট কাঠামো প্রণয়ন করেছেন।

আমাদের গ্রুপ নয়টি ভিশন এন্ড ভ্যালুস কম্যুনিকেশন ওয়ার্কশপ আয়োজন করেছে ব্যবস্থাপনা পর্যায়ের কর্মচারীদের জন্য। যাতে করে তাদেরকে আসন্ন নতুন প্রাতিষ্ঠানিক কাঠামোতে আনা, পরিবর্তনসমূহ সম্পর্কে অবহিত করা যায়। পরবর্তীতে অন্যান্য কর্মচারীদের জন্য একই রকম প্রোগ্রামের আয়োজন করা হয়। আমরা আমাদের কর্মচারীদের জন্য দেশে এবং বিদেশে গুরুত্বপূর্ণ প্রশিক্ষণের ব্যবস্থাও করেছি।

প্রতি মাসে শ্রেষ্ঠ কর্মচারী মনোনয়ন এবং তাদের পুরস্কার প্রদানের ব্যবস্থা করেছি, যাতে পুরো টিম অনুপ্রাণিত হয়। আমরা ভ্যালু চ্যাম্পিয়ন হিসেবে মনোনীতদের জন্যও পুরস্কারের ব্যবস্থা করেছি যা আমাদের কর্মকর্তা-কর্মচারীদের সকলকে গ্রুপের ভিশন ও ভ্যালুস ধারণ করতে ও অনুসরণ করতে উৎসাহিত করে। আমাদের কোম্পানী ২০১০ সালে কর্মীদের মুনাফায় অংশগ্রহণ তহবিল এবং কর্মীদের কল্যাণ তহবিলও চালু করেছে। এ সময়ের মধ্যে আমরা কর্মীদের কল্যাণে উল্লেখযোগ্য পরিমাণ অর্থ প্রদান করেছি।

ক্রেডিট রেটিং

ক্রেডিট রেটিং ইনফরমেশন এন্ড সার্ভিসেস লিমিটেড (সিআরআইএসএল) কোম্পানির রেটিং ও স্বল্প মেয়াদে এসটি-২ রেটিং দিয়েছে’ গ্রেড এ। এই রেটিং উচ্চমান, অধিকতর নিরাপত্তা এবং ঋণের জন্য অধিকতর যোগ্যতা নির্দেশ করে। এসটি-২ বোঝায় নির্দিষ্ট সময় অর্থ পরিশোধের অধিকতর সম্ভাবনা, তারল্য গুণাবলীতে সুদৃঢ় এবং মৌলিক নিরাপত্তা। ঝুঁকির গুণাবলী খুবই স্বল্প।

অন্যান্য অর্জনসমূহ

আমরা গর্বের সাথে ঘোষণা করছি যে, বিএসআরএম গ্রুপ অব কোম্পানীজ সম্প্রতি অগ্রণী ব্যাংক লিমিটেডের অন্যতম গুরুত্বপূর্ণ গ্রাহক হিসেবে সম্মান পেয়েছে। ব্যাংকের চেয়ারম্যান আমাদের একজন পরিচালকের হাতে এর স্বীকৃতিস্বরূপ একটি ট্রেস্ট তুলে দেন। এখানে উল্লেখ্য যে, অক্টোবর ২০০৯ সালে আমাদের গ্রুপ নির্ধারিত সময়ে ঋণ পরিশোধের জন্য ৩.৭৫ মিলিয়ন টাকা সুদ রেয়াত লাভ করে।

অধীনস্থ কোম্পানী

৫ম বিশেষ সাধারণ সভায় আমাদের সম্মানিত শেয়ারহোল্ডারগণ বিএসআরএম আয়রন এন্ড স্টীল কোম্পানী লিমিটেড (বিসকো), একটি সদ্য প্রতিষ্ঠিত বিলেট উৎপাদনকারী কোম্পানী-এর ক্রয় অনুমোদন করেন। কোম্পানিটি ১ জুন, ২০১০ তারিখে বাণিজ্যিক উৎপাদন শুরু করে। আপনারা ইতিমধ্যেই অবগত হয়েছেন যে, কোম্পানীটি এই বছর ১০৯,৯২৮,৮০২ টাকা কর-পরবর্তী নীট মুনাফা আয় করেছে। এখানে উল্লেখ্য যে, সিকিউরিটিজ এন্ড একচেঞ্জ কমিশন থেকে অনুমোদন পাওয়ার পর ১০ নভেম্বর, ২০১০ তারিখে বিএসআরএম স্টীলস লিমিটেড বিসকোর ৯৫% সাধারণ শেয়ার ক্রয় করে। এই কারখানাটি প্রতিযোগিতামূলক মূল্যে উন্নতমানের বিলেটের সরবরাহ নিশ্চিত করবে, যা বাজারে বিএসআরএম স্টীলস লিমিটেডের প্রতিদ্বন্দ্বিতামূলক সুবিধাজনক অবস্থানকে আরো সুদৃঢ় করবে। চলতি বছর ১২ মাস কার্যক্রম পরিচালনা করার ফলে আমরা বিসকো থেকে আরো বেশি মুনাফা আশা করছি।

করপোরেট সামাজিক দায়বদ্ধতা কর্মকাণ্ড (সিএসআর)

বিএসআরএম কোম্পানীগুলো ১৯৫২ সালে প্রতিষ্ঠার পর থেকে সমাজের কল্যাণে নিয়োজিত আছে। আমরা উল্লেখযোগ্য সংখ্যক সামাজিক-সাংস্কৃতিক সংগঠন, শিক্ষা প্রতিষ্ঠান, ধর্মীয় প্রতিষ্ঠানে বিগত বছরগুলোতে অনুদান দিয়েছি। বিএসআরএম স্টীলস লিমিটেড প্রতিষ্ঠার পর থেকে আমরা আমাদের সিএসআর কর্মকাণ্ডকে তেলে সাজাবার সিদ্ধান্ত নেই।

২০০৯ সালের মত আমরা চট্টগ্রাম ও ঢাকা মহানগর পুলিশ কর্তৃপক্ষকে উল্লেখযোগ্যসংখ্যক রোড ডিভাইডার প্রদান করেছি। এই ডিভাইডারগুলো ট্রাফিক জ্যাম নিরসনে গুরুত্বপূর্ণ ভূমিকা রাখছে। আমরা আমাদের এ ধরনের সেবাকে দেশব্যাপী সম্প্রসারণ করছি।

আরেকটি সিএসআর কর্মকান্ড হল বিএসআরএম স্কুল। নিকটবর্তী এলাকাসমূহের দরিদ্র জনগোষ্ঠীকে সুবিধা দেয়ার জন্য চট্টগ্রামের বায়েজীদ বোস্তামী এলাকার একটি বস্তির কেন্দ্রে ২০০৫ সালে এটি প্রতিষ্ঠিত হয়। অত্র এলাকার জনগোষ্ঠীর অধিকাংশই 'হত দরিদ্র' শ্রেণীর আওতায় পড়ে। তাদের বেশিরভাগই রিকশাচালক, দিনমজুর, হিসেবে কাজ করে অথবা ছোট ছোট দোকানে কাজ করে থাকেন। মহিলাদের মধ্যে যারা কাজ করেন, তারা বাড়িতে বাড়িতে বি-এর কাজ অথবা দিনমজুরের কাজ করেন। স্কুলের উদ্দেশ্য হল এই এলাকার শিশুদের বিনামূল্যে শিক্ষাদান করা। শিক্ষার্থীদের কাছ থেকে কোনরকমের ফি নেয়া হয় না। বর্তমানে স্কুলটিতে ৩৩০জন শিক্ষার্থী আছে এবং আরও শিক্ষার্থীদের সুযোগ করে দেয়ার জন্য স্কুলটিকে আরও সম্প্রসারণের পরিকল্পনা নেয়া হচ্ছে।

এছাড়া আমরা নিম্নতলীর অগ্নিকাণ্ডে ক্ষতিগ্রস্তদের জন্য অনুদান দিয়েছি। এছাড়া এবারের শীতে আমরা দরিদ্র ও অসহায় মানুষের মাঝে ১০,০০০ কঞ্চল বিতরণ করেছি। আমরা রক্তদান কর্মসূচিরও আয়োজন করেছি। শিক্ষা ও গবেষণার মানোন্নয়নের জন্য আমরা বাংলাদেশ প্রকৌশল ও প্রযুক্তি বিশ্ববিদ্যালয়ের (বুয়েট) পুরকৌশল বিভাগে একটি ব্যয়বহুল ইউটিএম যন্ত্র অনুদান দিয়েছি।

পরিচালকবৃন্দ নির্বাচন

পরিমেল নিয়মাবলীর ৯৭ ও ৯৮ ধারা অনুযায়ী জনাব আলীহুসাইন আকবরআলী এফসিএ এবং জনাব আমীর আলীহুসাইন অবসরে যাবেন এবং পুনঃনির্বাচিত হবার যোগ্য বিধায় তাঁরা পুনঃনিয়োগের আশ্রয় প্রকাশ করেছেন।

হিসাব নিরীক্ষকদের নিয়োগদান

আমাদের বিধিবদ্ধ নিরীক্ষক রহমান রহমান হক চার্টার্ড এ্যাকাউন্ট্যান্টস, ১০২ আগাবাদ বাণিজ্যিক এলাকা, চট্টগ্রাম, কেপিএমজি-এর একটি সদস্য প্রতিষ্ঠান এই বার্ষিক সাধারণ সভায় অবসরে যাবেন।

সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন ০৩ জানুয়ারি, ২০০২ একটি বিজ্ঞপ্তির মাধ্যমে সংবিধিবদ্ধ নিরীক্ষক হিসেবে পর পর ৩ বছরের অধিকের জন্য যেকোন চার্টার্ড এ্যাকাউন্ট্যান্টস ফার্মের নিয়োগ নিষিদ্ধ করে দেন। ২০১০ সালে রহমান রহমান হক স্টক এক্সচেঞ্জ কোম্পানী তালিকাভুক্ত হবার পর থেকে সংবিধিবদ্ধ নিরীক্ষক হিসাবে টানা তৃতীয় বছর সমাপ্ত করেন।

পুনঃনিয়োগের উপযুক্ত হওয়ায় রহমান রহমান হক পুনঃনিয়োগের জন্য তাদের আশ্রয় প্রকাশ করেছেন।

পরিচালকমন্ডলী সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের অনুমোদন সাপেক্ষে ২০১১ সালের জন্য তাদের পুনঃনিয়োগ এবং পরবর্তী বার্ষিক সাধারণ সভা পর্যন্ত তাদের কাজ চালিয়ে যাবার সুপারিশ করেছে।

লভ্যাংশ

পরিচালকমন্ডলী অত্যন্ত আনন্দের সাথে কোম্পানীর ২,৭১২,৫০০.০০ পরিশোধিত মূলধনের উপর ২০% স্টক লভ্যাংশ সুপারিশ করে তা অনুমোদনের জন্য ৯ম বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের কাছে উপস্থাপন করেছে।

সংবিধিবদ্ধ তথ্যাবলী

এসইসি প্রজ্ঞাপন এসইসি/সিএমআরআরডি/২০০৬-১৫৮/এ্যাডমিন/০২-০৮ তারিখ ২০ ফেব্রুয়ারি ২০০৬-এর ধারা ১.৪ মোতাবেক পরিচালকমন্ডলী নিশ্চিত করছেন যে-

- (ক) কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রণীত আর্থিক বিবরণী, কোম্পানীর কার্যাবলী, কার্যক্রমের ফলাফল, নগদ অর্থ প্রবাহ এবং ইকুইটির পরিবর্তন সংক্রান্ত বিষয়াদি নিরপেক্ষভাবে উপস্থাপন করেছে।
- (খ) কোম্পানীর হিসাব বহি যথাযথভাবে সংরক্ষণ করা হয়েছে।
- (গ) আর্থিক বিবরণীসমূহ যথাযথ হিসাবরক্ষণ নীতি অনুসরণ করে প্রস্তুত করা হয়েছে এবং হিসাব রক্ষণের অনুমানগুলো গ্রহণযোগ্য এবং বিচক্ষণ বিবেচনার উপর ভিত্তি করে তৈরি করা হয়েছে।

- (ঘ) আর্থিক বিবরণী প্রত্যয়নে বাংলাদেশে অনুসৃত আন্তর্জাতিক হিসাবরক্ষণ মান মেনে চলা হয়েছে।
- (ঙ) চলমান প্রতিষ্ঠান হিসেবে কার্যক্রম বজায় রাখার ক্ষেত্রে কোম্পানীর সামর্থের ব্যাপারে সন্দেহের কোন উল্লেখযোগ্য কারণ নেই।
- (চ) গত বছরের পরিচালনা সংক্রান্ত ফলাফলগুলোর সাথে উল্লেখযোগ্য কোন ব্যতিক্রম নেই, কেবলমাত্র মুনাফার পরিমাণ গত বছরের তুলনায় বেড়েছে।
- (ছ) বিগত ৫ বছরের গুরুত্বপূর্ণ পরিচালনা ও আর্থিক উপাত্ত উল্লেখ করা হয়েছে।
- (জ) পরিচালকমন্ডলী ২০১০ সালের জন্য ২০% স্টক লভ্যাংশ সুপারিশ করেছেন।
- (ঝ) বিগত বছর অনুষ্ঠিত পরিচালকমন্ডলীর সভার সংখ্যা এবং প্রত্যেক পরিচালকের উপস্থিতির সংখ্যা সংযুক্তি ক-তে বর্ণিত হয়েছে।
- (ট) শেয়ারহোল্ডিংয়ের বন্টন সংযুক্তি খ-তে বর্ণিত হয়েছে।
- (ঠ) এসইসি নির্দেশনা অনুযায়ী অনুসরণের অবস্থা সংযুক্তি গ-তে বর্ণিত হয়েছে।

পরিচালকমন্ডলী বিএসআরএম পরিবারের প্রত্যেক সদস্যকে তাদের সমর্থন ও সহযোগিতার জন্য ধন্যবাদ জানাচ্ছে। পরিচালকমন্ডলী বাংলাদেশ সরকার, বিনিয়োগ বোর্ড, আরজেএসসি, সিকিউরিটিজ এন্ড এক্সচেঞ্জ লিমিটেড এবং ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড, জাতীয় রাজস্ব বোর্ড, সিডিবিএল এবং সকল ব্যাংকারকে তাদের সহযোগিতা, কোম্পানীর প্রতি ইতিবাচক সমর্থন এবং দিক-নির্দেশনার হাত প্রসারিত করার জন্য কৃতজ্ঞতা জানাচ্ছে। এ উপলক্ষে পরিচালকমন্ডলী আরও ধন্যবাদ জ্ঞাপন করছে কোম্পানীর সকল শেয়ারহোল্ডারকে তাদের সহযোগিতা, দিক-নির্দেশনা এবং ধৈর্যের জন্য। পরিচালকমন্ডলী আরও স্বীকৃতি জানাচ্ছে সম্মানিত গ্রাহকদেরকে কোম্পানীর উপর আস্থা রাখার জন্য। পরিচালকমন্ডলী কোম্পানীর প্রতি আনুগত্য এবং নিবেদিতপ্রাণ হওয়ার জন্য ধন্যবাদ জানাচ্ছে সকল কর্মকর্তা-কর্মচারীদের।

আব্দুল হাফেজ



আলীহুসাইন আকবরআলী এফসিএ
চেয়ারম্যান

Report of the Audit Committee

For the year 2010

To: The Board of Directors
BSRM Steels Limited

The Audit Committee

The Audit Committee consists of the following members:

Mr. Alihussain Akberali FCA	–Chairman of the Committee
Mr. Zohair Taherali	–Member
Mrs. Sabeen Aameir	–Member
Mr. Qazi Sarwar-E-Alam	–Member

The main task of the Audit committee is to review the following areas and to report to the Board of Directors, if necessary.

- To review the existing internal control system and if there is any weakness to modify the system.
- To develop an adequate information technology and MIS and establishing sufficient control system in IT operation.
- To review the Quarterly and Annual Financial Statements and ensuring compliance with BFRS and other applicable rules and regulations.
- To review the activities of Internal Audit Department and take necessary action on the basis of internal audit report.
- To investigate on any suspected fraud and manipulation.

Activities carried out by Audit Committee

1. During the year Internal Audit Policy and procedures has been approved by the Board of Directors as recommendation made by this committee.
2. The Committee has reviewed all Reports produced by the internal Audit Department and took necessary action on it.
3. The Committee has reviewed all quarterly and annual Financial Statements of the Company.
4. There was no significant fraud or manipulation unveiled by the committee during the year under review.

Alihussain Akberali FCA
Chairman

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS OF BSRM STEELS LIMITED AND ITS SUBSIDIARY

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of BSRM Steels Limited and its subsidiary (the 'Group') which is comprised of the Consolidated Statement of Financial Position as at 31st December 2010, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

t. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

The financial statements of the Company's subsidiary, BSRM Iron and Steel Company Limited (BISCO) was not audited by us. The Financial Statements of the BISCO shows total assets of Taka 2,329,286,315 as on 31st December 2010 and total revenue of Taka 3,263,482,916 for the year then ended. Messrs Basu Banerjee Nath & Co., Chartered Accountants has audited the Financial Statements of BISCO and they have expressed an unqualified opinion on these Financial Statements. Our opinion, in so far as it relates to the amounts included in respect of the company's subsidiary, is based on the reports of subsidiary's auditor as mentioned above.

Opinion:

"In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2010, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards."

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that :

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) the Statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of accounts; and
- (d) the expenditure incurred were for the purposes of the companies' businesses.

Chittagong, 31st March, 2011.

BSRM STEELS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2010

	Notes	2010 Taka	2009 Taka
Assets			
Property, plant and equipment at cost	4	6,383,237,194	4,266,594,753
Less: Accumulated Depreciation		(582,596,022)	(316,428,223)
		5,800,641,172	3,950,166,530
Capital Work-in-Progress	5	10,210,801	1,655,150
Unallocated revenue expenses	6	-	180,074,721
Preliminary expenses		36,985	36,985
Total non-current assets		5,810,888,958	4,131,933,386
Inventories	7	4,349,499,048	3,303,134,020
Accounts receivables	8	942,650,434	762,047,139
Due from affiliated company	9	2,396,843,662	893,362,894
Advances, deposits and pre-payments	10	1,313,763,159	2,241,976,912
Cash and Bank balances	11	187,174,200	189,064,696
Total current assets		9,189,930,503	7,389,585,661
Total assets		15,000,819,461	11,521,519,047
Equity			
Share Capital	12	2,712,500,000	1,450,000,000
Accumulated Loss		(474,282,199)	(1,325,010,389)
Equity attributable to owners of the Company		2,238,217,801	124,989,611
Non-controlling interest		60,439,063	453,400,000
Total equity		2,298,656,864	578,389,611
Liabilities			
Long Term Loan	13	2,316,980,550	2,639,204,658
Total non-current liabilities		2,316,980,550	2,639,204,658
Short term liabilities	14	8,995,462,049	7,272,573,290
Liabilities for expenses	15	100,702,864	75,398,829
Advance against sales	16	311,952,056	348,124,235
Long Term Loan - Current portion	17	707,344,069	415,346,724
Liability against Share Application Money	18	8,026,824	51,871,335
Due to affiliated companies	19	158,377,250	71,535,777
Provision for Income Tax	20	3,335,093	5,000
Provision for WPPF and Welfare fund	21	56,891,460	30,215,223
Other liabilities	22	43,090,382	38,854,365
Total current liabilities		10,385,182,047	8,303,924,778
Total liabilities		12,702,162,597	10,943,129,436
Total equity and liabilities		15,000,819,461	11,521,519,047

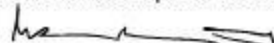
The annexed notes 1 to 34 form an integral part of these consolidated financial statements.


Managing Director

Chittagong, 31st March, 2011.


Director

As per our annexed report of same date.


Rahman Rahman Huq
Chartered Accountants


Company Secretary

BSRM STEELS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2010

	Notes	2010 Taka	2009 Taka
Revenue	23	22,098,026,402	15,843,586,337
Cost of sales	24	(19,874,313,513)	(14,261,952,021)
Gross Profit		2,223,712,889	1,581,634,316
Selling and distribution cost	25	(230,339,330)	(132,417,279)
General and administrative cost	26	(158,591,638)	(82,846,763)
		(388,930,968)	(215,264,042)
		1,834,781,921	1,366,370,274
Other income	27	6,672,724	678,716
Results from operating activities		1,841,454,645	1,367,048,990
Finance Income	28	1,990,972	8,359,685
Finance Costs	29	(706,763,950)	(769,713,119)
Share issue expenses		-	(1,391,102)
		(704,772,978)	(762,744,536)
Net Profit before tax and WPPF and Welfare fund		1,136,681,667	604,304,454
Contribution to Workers' Profit Participation Fund and Welfare Fund	21	(56,891,460)	(30,215,223)
Net Profit before tax		1,079,790,207	574,089,231
Income Tax Expenses:			
Current Tax:	3.14		
Current year		(3,829,041)	(5,000)
Previous year		(2,293,913)	-
		(6,122,954)	(5,000)
Net Profit after tax for the year		1,073,667,253	574,084,231
Other comprehensive income		-	-
Total comprehensive income for the year		1,073,667,253	574,084,231
Net Profit after tax attributable to:			
Shareholders of the company		1,068,228,190	574,084,231
Non-controlling interest		5,439,063	-
		1,073,667,253	574,084,231
Earnings per share (EPS)	30	58.81	34.43


Managing Director

Chittagong, 31st March, 2011.


Director

As per our annexed report of same date.


Company Secretary


Rahman Rahman Huq
Chartered Accountants

BSRM STEELS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2010

	Share Capital Taka	Accumulated loss Taka	Total Taka	Non-controlling Interest Taka	Total Taka
Balance as on 1 January 2009	1,450,000,000	(1,899,094,620)	(449,094,620)	46,850,000	(402,244,620)
Ordinary Shares issued during the year 2009	-	-	-	406,550,000	406,550,000
Net profit after tax for the year 2009	-	574,084,231	574,084,231	-	574,084,231
Balance as at 31 December 2009	1,450,000,000	(1,325,010,389)	124,989,611	453,400,000	578,389,611
Issue of Bonus Share	217,500,000	(217,500,000)	-	-	-
Ordinary Shares issued during the year	1,045,000,000	-	1,045,000,000	646,600,000	1,691,600,000
Adjustment against changes in ownership of subsidiary	-	-	-	(1,045,000,000)	(1,045,000,000)
Net Profit after tax for the year 2010	-	1,068,228,190	1,068,228,190	5,439,063	1,073,667,253
Balance as at 31 December 2010	2,712,500,000	(474,282,199)	2,238,217,801	60,439,063	2,298,656,864

BSRM STEELS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010 Taka	2009 Taka
a. OPERATING ACTIVITIES:		
Paid against revenue expenditure	(662,165,359)	(511,953,726)
Receipts from customers for sales	23,807,170,321	15,412,719,625
Paid to suppliers against procurement of raw material and finished goods	(20,454,377,767)	(13,838,944,385)
Paid to suppliers against procurement of consumables	(469,417,526)	(237,354,349)
Advance received against sales	311,952,056	348,124,235
Advances made	(806,084,550)	(1,943,402,045)
Payment for share issue expenses	-	(1,391,102)
Security Deposits	40,000	(23,633,518)
Pre-payments	(1,678,230)	(2,477,544)
Receipt against other income	2,943,209	9,038,401
Payment of interest	(648,891,703)	(822,966,545)
Short term loan paid to Bangladesh Steel Re-Rolling Mills Ltd-net	(771,896,487)	(452,753,157)
Short term loan paid to affiliated companies	(617,422,704)	-
Income Tax Paid	(41,792,742)	(29,246,379)
Net cash used in Operating Activities	(351,621,482)	(2,094,240,489)
b. INVESTING ACTIVITIES:		
Acquisition of Fixed assets	(1,938,265,849)	(515,290,016)
Disposal of fixed assets	1,135,000	-
Un-allocated revenue expenditure	-	(162,619,322)
Capital Work-in-progress	(8,555,651)	(1,655,150)
Net cash used in Investing Activities	(1,945,686,500)	(679,564,488)
c. FINANCING ACTIVITIES:		
Share issued during the year	603,310,500	406,550,000
Repayment/Receipt of Syndicated Term Loan	(86,450,763)	678,803,078
Short term loan received	1,722,888,760	1,551,464,001
Term Loan-BMRE	56,224,000	-
Share application money refund/receipt	(555,011)	(1,115,228,401)
Net cash provided by Financing Activities	2,295,417,486	1,521,588,678
Total (a+b+c)	(1,890,496)	(1,252,216,299)
Opening cash and bank balances	189,064,696	1,441,280,995
Closing cash and bank balances	187,174,200	189,064,696
	(1,890,496)	(1,252,216,299)

BSRM STEELS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST DECEMBER, 2010

1.00 REPORTING ENTITY

1.01 Company profile

The Company was incorporated on 20th July, 2002, vide the certificate C-No. 4392 of 2002 as a private limited company under Companies Act 1994. The company was converted to a public limited company on 20th December 2006. The company is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 18th January, 2009.

1.02 Nature of Business

The main purpose of the company is to manufacture M.S.products by setting up rolling and re-rolling mills. The company has set up its Rolling mill at 4 Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chittagong and commenced commercial production from 1st April, 2008.

1.03 Description of subsidiary BSRM Iron and Steel Company Limited

BSRM Steels Limited has acquired 95% equity interest in BSRM Iron and Steel Co. Ltd. i.e. 10,450,000 Ordinary Shares of Tk.100/- each on 10th November 2010 in exchange of 10,450,000 Ordinary Shares of Tk.100/- each in BSRM Steels Limited.

The company was incorporated on 13th April 2005 as a private limited company. The principal activity of the company is to manufacture M.S. Billets . The company commenced commercial production from 1st June, 2010.

2.00 BASIS OF PREPARATION

2.01 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws in Bangladesh.

The consolidated financial statements have been authorized for issue by the board of directors on 31st March 2011.

2.02 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.03 Functional and presentation currency

The financial statements are presented in Bangladesh Taka which is the Company's functional currency. All financial information presented in BD Taka has been rounded off to the nearest Taka.

2.04 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis.

2.05 Reporting period

The financial period of the companies covers one year from 1st January to 31st December and is followed consistently.

3.00 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

Certain comparative amounts have been reclassified to conform with the current year's presentation. In addition, the consolidated financial statements have been presented as if acquisition of subsidiary was acquired before 2009.

3.01 Basis of consolidation

3.01.01 Subsidiary

The subsidiary is the entity controlled by BSRM Steels Limited. Control exists when BSRM Steels Limited has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiary are included in the consolidated financial statements upon establishment of that control until the date that control ceases. The accounting policies of subsidiaries have been changed when it is necessary to align them with the policies adopted by BSRM Steels Limited.

3.01.02 Acquisitions from entities under common control

Business combination arising from transfers of interests in the entity that is under the control of the shareholders that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented ; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts. The components of equity of the acquired entity are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

3.01.03 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses, if any, are eliminated in the same way as unrealized gains, but only to the extent there is no evidence of impairment.

3.02 Property, plant and equipment

3.02.01 Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation.

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

3.02.02 Subsequent costs

The cost of replacing 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 benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in profit and loss as incurred.

3.02.03 Depreciation

Depreciation is recognised in profit and loss account on diminishing balance method over the estimated useful lives of fixed assets. Full year's depreciation is charged on addition irrespective of the date of acquisition and no depreciation is charged in the year of disposal. The principal annual rates are as follows.

Assets	Rates (%)
Plant and Machinery	5%
Motor Vehicle	20%
Furniture and Fixtures	10%
Office Equipments	10%
Factory Buildings	5%
Roads and Pavements	5%
Trademark	5%

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

3.03 Inventories

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

Category	Valuation
Finished Goods -	Finished Goods are valued at Cost or Net Realisable Value whichever is lower.
Raw materials -	Raw Materials are valued at Cost or Net Realisable Value whichever is lower.
Store items-	Based on weighted average method.

3.04 Leased assets

Operating Lease:

Payments made under operating leases are recognised in Statement of comprehensive income on a straight line basis over the term of the lease.

3.05 Trade and other receivables

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

3.06 Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

3.07 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term fixed deposits with banks.

3.08 Impairment

Property, plant and equipment:

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

Receivables:

Company policy is to provide for impairment loss on debtors, if any receivables are not realized within three years from due date.

3.09 Employee benefit schemes

A Contributory Provident Fund has been introduced and the fund has obtained recognition from Tax Authority on 25.11.2009. The Provident Fund started its operation from 1st January, 2010.

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

3.10 Provisions

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

3.11 Interest income and expenses

Interest income has been recognised on cash basis.

Interest expenses incurred during the year have been charged to Statement of comprehensive income.

3.12 Foreign currency transactions

Foreign currency transactions are converted at the rates ruling on the dates advices are received. Monetary assets and liabilities are reconverted at rates ruling at the balance sheet date. All exchange differences are charged/credited to Statement of comprehensive income by being absorbed in the respective head of income or expenditure.

3.13 Contingencies

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

3.14 Income tax expenses

Current tax

Provision for income tax has been made as per provisions of income tax laws.

Deferred tax

In view of the accumulated loss as on 31st December 2010, net deferred tax assets against unabsorbed assessed tax losses and taxable temporary differences have not been recognised in the books of accounts.

3.15 Revenue

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

3.16 Earnings Per Share (EPS)

Basic Earnings

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend or extra ordinary items, the net profit after tax for the year less noncontrolling interest has been considered fully attributable to the ordinary shareholders (refer to Note-30 to the Financial Statements).

Diluted Earnings per share

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

3.17

Comparative information has been disclosed in respect of the year 2009 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year 2009 have been rearranged wherever considered necessary to ensure comparability with the current year.

4.00 Consolidated property, plant and equipment

Property, plant and equipment at cost	Land & Land Development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Trade Mark	Office Equipment	Roads and Pavements	Others	Total
Tk.	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
Balance as on 1 January 2009	212,573,488	2,731,184,737	7,107,042	772,247,524	10,648,824	-	16,718,532	-	824,790	3,751,304,737
Additions during 2009	195,530	353,372,572	11,032,598	99,542,402	4,007,749	19,300	4,829,406	-	42,290,459	515,290,016
Balance at 31st December 2009	212,769,018	3,084,557,309	18,139,640	871,789,926	14,656,573	19,300	21,547,938	-	43,115,249	4,266,594,753
Balance as on 01 January 2010	212,769,018	3,084,557,309	18,139,640	871,789,926	14,656,573	19,300	21,547,938	-	43,115,249	4,266,594,753
Additions during 2010	366,044,219	1,254,756,542	32,652,016	348,566,735	4,592,597	-	9,408,381	7,426,085	95,077,203	2,118,523,778
Disposal during 2010	-	-	1,881,337	-	-	-	-	-	-	1,881,337
Balance as at 31st December 2010	578,813,237	4,339,313,851	48,910,319	1,220,356,661	19,248,970	19,300	30,956,319	7,426,085	138,192,452	6,383,237,194
Accumulated Depreciation:										
Balance as on 1 January 2009	-	102,404,679	1,066,056	28,710,560	789,332	-	1,242,127	-	-	134,212,754
Charged for the year 2009	-	138,234,555	3,015,857	37,772,397	1,189,735	965	2,001,960	-	-	182,215,469
At 31st December 2009	-	240,639,234	4,081,913	66,482,957	1,979,067	965	3,244,087	-	-	316,428,223
Balance as on 01 January 2010	-	240,639,234	4,081,913	66,482,957	1,979,067	965	3,244,087	-	-	316,428,223
Charged for the year 2010	-	196,937,165	7,016,575	48,926,085	1,569,700	917	2,726,099	371,304	9,221,981	286,769,826
Disposal during 2010	-	-	602,027	-	-	-	-	-	-	602,027
Balance as at 31st December 2010	-	437,576,399	10,498,461	115,409,042	3,548,767	1,882	5,970,186	371,304	9,221,981	582,596,022
Carrying Amounts										
As at 01 January 2009	212,573,488	2,628,780,058	6,040,986	743,538,964	9,859,292	-	15,476,405	-	824,790	3,617,091,983
As at 31st December 2009	212,769,018	2,843,918,075	14,057,727	805,306,969	12,677,306	18,335	18,303,851	-	43,115,249	3,950,166,530
As at 01 January 2010	212,769,018	2,843,918,075	14,057,727	805,306,969	12,677,306	18,335	18,303,851	-	43,115,249	3,950,166,530
As at 31st December 2010	578,813,237	3,901,737,452	38,413,858	1,104,947,618	15,700,203	17,418	24,986,134	7,054,781	128,970,471	5,800,641,172

Depreciation allocated to:

Manufacturing expenses (Note-24.01)

General and administrative expenses (Note-25.00)

2010 Taka	2009 Taka
258,097,362	176,006,952
8,672,464	6,208,517
266,769,826	182,215,469

5.00 CONSOLIDATED CAPITAL WORK IN PROGRESS

Civil Construction
This represents cost incurred for construction of stock yard at Narayanganj.

6.00 CONSOLIDATED UN-ALLOCATED REVENUE EXPENDITURE

Opening Balance
Add: Incurred during the year

Adjusted to property, plant and equipment:
Building and Shed
Plant and Machinery

This represents expenses incurred during the construction and installation phase of the projects which has been capitalised under property, plant and equipment upon completion of construction of factory building and installation of plant and machinery.

7.00 CONSOLIDATED INVENTORIES

Raw Materials
Finished Goods-Own production
Finished Goods-Procured from outside
Mechanical stores
MS Roll
Electrical stores
General stores
Fuel and Lubricants
Consumable stores

8.00 CONSOLIDATED ACCOUNTS RECEIVABLES

The directors believe that above receivables are good and fully realisable.

9.00 CONSOLIDATED DUE FROM AFFILIATED COMPANY

Bangladesh Steel Re-Rolling Mills Ltd (BSRM)

10.00 CONSOLIDATED ADVANCES DEPOSITS AND PRE-PAYMENTS

a) Advances:

Land
Staff Loan
Income Tax
Against expenses
Bank Guarantee Margin
L/C Margin
Against L/C
VAT Current Account
FDR
Advance for Scrap

	2010 Taka	2009 Taka
5.00 CONSOLIDATED CAPITAL WORK IN PROGRESS	10,210,801	1,655,150
6.00 CONSOLIDATED UN-ALLOCATED REVENUE EXPENDITURE	180,074,721	17,455,398
Adjusted to property, plant and equipment:	-	162,619,323
Building and Shed	54,022,416	-
Plant and Machinery	126,052,305	-
	180,074,721	-
	-	180,074,721
7.00 CONSOLIDATED INVENTORIES	1,576,917,160	1,219,731,132
Raw Materials	2,278,197,219	1,843,474,723
Finished Goods-Own production	35,892,740	4,086,083
Finished Goods-Procured from outside	263,228,472	147,056,106
Mechanical stores	34,445,462	46,813,470
MS Roll	81,346,613	37,416,676
Electrical stores	2,230,007	1,037,764
General stores	5,236,918	3,518,066
Fuel and Lubricants	72,004,457	-
Consumable stores	4,349,499,048	3,303,134,020
8.00 CONSOLIDATED ACCOUNTS RECEIVABLES	942,650,434	762,047,139
9.00 CONSOLIDATED DUE FROM AFFILIATED COMPANY	2,396,843,662	893,362,894
10.00 CONSOLIDATED ADVANCES DEPOSITS AND PRE-PAYMENTS		
a) Advances:		
Land	-	183,208
Staff Loan	1,497,416	411,989
Income Tax	103,361,585	54,390,394
Against expenses	137,989,096	447,979,939
Bank Guarantee Margin	12,712,719	3,589,679
L/C Margin	433,498,031	285,732,038
Against L/C	543,430,089	1,408,534,553
VAT Current Account	3,902,023	4,074,973
FDR	27,847,994	28,900
Advance for Scrap	12,257,983	-
	1,276,496,936	2,204,925,673

	2010 Taka	2009 Taka
b) Deposits		
Ansar/VDP	337,713	337,713
T & T	23,000	23,000
City Cell	15,000	15,000
Power Development Board	22,806,700	22,206,700
RanksTell	10,000	10,000
Save the children UK	-	40,000
Karnaphuli Gas Distribution Co. Ltd.	10,526,780	10,526,780
Kolkata office premises	75,500	75,500
Central Depository Bangladesh Limited	500,000	500,000
Others	1,293,300	839,002
	35,587,993	34,573,695
c) Prepayments		
Insurance premium	1,678,230	1,727,544
BSTI licence fee	-	750,000
	1,678,230	2,477,544
Total (a+b+c)	1,313,763,159	2,241,976,912
The directors consider that all the above advances and prepayments are recoverable in kind or in cash and that no provision against them are required at this stage.		
11.00 CONSOLIDATED CASH AND BANK BALANCES		
Cash in hand	3,349,187	1,349,031
Cash at Banks	150,640,942	150,055,844
Fixed Deposit	33,184,071	37,659,821
	187,174,200	189,064,696
12.00 SHARE CAPITAL		
Authorised capital:		
47,500,000 Ordinary Shares of Tk. 100 each	4,750,000,000	1,750,000,000
2,500,000 Preference Shares of Tk. 100 each	250,000,000	250,000,000
	5,000,000,000	2,000,000,000
Issued, Subscribed and Paid-up capital:		
14,500,000 Ordinary Shares of Tk.100/- each	1,450,000,000	1,450,000,000
10,450,000 Ordinary Shares of Tk.100/- each fully paid-up for consideration other than cash	1,045,000,000	-
2,175,000 Ordinary Shares of Tk.100/- each fully paid-up as Bonus Shares	217,500,000	-
	2,712,500,000	1,450,000,000

12.01 Classification of shares by holding

Class by number of shares	No. of Holders Nos	No. of Shares Nos	Holding %
Less than 500	13,320	1,441,331	5.31
From 500 to 5,000	1,369	1,606,681	5.92
From 5,001 to 10,000	75	552,355	2.04
From 10,001 to 20,000	44	600,164	2.21
From 20,001 to 30,000	10	241,243	0.89
From 30,001 to 40,000	4	318,558	1.17
From 40,001 to 50,000	3	189,154	0.70
From 50,001 to 100,000	7	498,406	1.84
From 100,001 to 1,000,000	7	2,836,205	10.46
From 100,001 to above	4	18,840,903	69.46
Total	14,843	27,125,000	100.00

12.02 Composition of Shareholders at 31st December 2010

Name of shareholders	No. of Holders Nos	No. of Shares Nos	Holding %
Sponsor Shareholders-Local	7	13,827,348	50.98
Sponsor Shareholders- Foreign	7	115,162	0.42
Other Shareholders	14,829	13,182,490	48.60
	14,843	27,125,000	100.00

13.00 CONSOLIDATED LONG TERM LOAN

	2010 Taka	2009 Taka
Syndicated Term Loan (Note-13.01)	2,263,539,254	2,639,204,658
Term Loan for BMRE(Note-13.02.04)	53,441,296	-
	2,316,980,550	2,639,204,658

13.01 SYNDICATED TERM LOAN

	2010 Taka	2009 Taka
Due within one year	704,561,365	415,346,724
Due after more than one year	2,263,539,254	2,639,204,658
	2,968,100,619	3,054,551,382

Lender-wise details of Syndicated Term Loan are as follows:

Syndicated Term Loan	2010 Taka	2009 Taka
AB Bank Ltd.	95,539,108	120,054,143
Agrani Bank Ltd.	75,962,136	95,275,742
Bank Al Falah Ltd.	63,467,672	79,687,391
Bank Asia Ltd.	144,499,224	156,748,004
BRAC Bank Ltd.	63,467,672	79,687,391
Commercial Bank of Ceylon	63,467,672	79,687,391
Dhaka Bank Ltd.	80,399,959	76,060,909
Eastern Bank Ltd.	193,235,374	191,923,960
IFIC Bank Ltd.	63,467,672	79,687,391
Mercantile Bank Ltd.	31,733,866	39,843,732
National Credit and Commerce Bank Ltd.	95,745,388	120,213,959
Prime Bank Ltd	79,606,530	99,950,675

	2010 Taka	2009 Taka
Pubali Bank Ltd.	95,745,388	120,213,959
SABINCO Ltd.	110,401,954	138,616,139
Standard Bank Ltd.	209,715,915	189,252,746
The City Bank Ltd.	180,524,768	176,708,499
The Trust Bank Ltd.	131,583,716	140,526,315
United Commercial Bank Ltd.	337,622,434	349,288,771
Uttara Bank Ltd.	127,479,320	160,057,774
BSRS(Bangladesh Development Bank Ltd.)	60,412,453	54,071,678
Industrial & Infrastructural Development Finance Co (IIDFC)	52,680,429	40,555,885
Janata Bank Ltd.	146,121,050	107,849,536
Mutual Trust Bank Limited	97,421,063	72,786,669
One Bank Ltd.	80,805,249	72,839,761
Rupali Bank Ltd.	97,335,412	71,767,726
Sonali Bank Ltd.	189,659,195	141,195,236
	2,968,100,619	3,054,551,382

13.02 Terms of Syndicated Loan-BSRM Steels Limited

13.02.01 First Syndicated Term Loan:

Lenders:

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

Total loan facilities: Tk. 198.70 crores.

Interest rate:

Interest rate is determined based on the 6 months T-bill rate plus 6%.

Disbursement:

The first disbursement was made on 18.01.2007

Repayments:

Above term loan will be re-paid by 66 monthly installments starting from August, 2008. Installments due within 31 December 2010 were duly paid.

Securities:

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

Purpose:

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

13.02.02 Second Syndicated Term Loan:

Lenders

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

Total loan facilities: Tk. 50.50 crores.

Interest rate

Interest rate is determined based on the 6 months T-bill rate plus 6%.

Disbursement:

The first disbursement was made on 06.03.2008.

Installments due within 31 December 2010 were duly paid.

Repayments:

Above term loan will be re-paid by 66 monthly installments starting from August, 2008.

Securities:

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

13.02.03 Terms of Syndicated Loan-BSRM Iron and Steel Company Limited(BISCO)

Lenders:

The company has entered into a syndicated loan agreement on 01-06-2010 with IIDFC, the lead arranger and 13 (thirteen) other Banks.

Total Loan Facilities: Taka 136.20 crores.

Interest Rate:

Initially interest rate was 13.00% but subsequently the rate has been reduced to 11.50% with effect from 01-06-2010.

Disbursement:

The first disbursement was made on February 2010.

Repayments:

The facility will be repayable in 18 (eighteen) quarterly installments commencing from the end of 21st month of disbursement.

Securities:

Registered mortgage on project land, building on first ranking parri passu basis and hypothecation of machinery, furniture & fixtures, equipments etc.

Purpose:

The purpose of the loan is to set up a fully computer- controlled, fully automatic billet making plant.

	2010 Taka	2009 Taka
13.02.04 Term Loan for BMRE-BSRM Steels Limited		
Due within one year	2,782,704	-
Due after more than one year	53,441,296	-
	56,224,000	-

Terms of BMRE Loan:

Lenders:

Agrani Bank Ltd. has sanctioned a loan amount of Tk. 32 crore for BMRE and disbursed Tk. 56,224,000 upto 31.12.2010.

Total loan facilities: Tk. 32 crores.

Interest rate:

Interest rate is 12% per annum and will be calculated on quarterly basis.

Disbursement:

The first disbursement was made on 26.09.2010.

Repayments

Above term loan will be re-paid by 48 monthly installments starting from October, 2011.

Securities:

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

Purpose:

Acquisition of plant and machineries to enhance production of existing project from 375,000 Metric Tons per year to 500,000 Metric Tons.

	2010 Taka	2009 Taka
14.00 CONSOLIDATED SHORT TERM LIABILITIES		
Loan against Trust Receipt (LTR) [Note-14.01]	3,750,517,981	3,432,305,144
Time loan (Note-14.02)	380,818,889	83,447,371
Loan receipts against Demand Loan (Note-14.03)	191,269,202	135,422,452
Dhaka Bank Ltd.(O/D)	18,866,243	39,886,417
Uttara Bank Ltd.(C/C)	23,751,038	19,031,748
National Credit and Commerce Bank Ltd., C/C	188,299,003	20,674,120
United Leasing Co Ltd-Factoring Loan	46,499,505	32,518,378
Pubali Bank Ltd., O/D	29,849,950	20,360,612
Eastern Bank Ltd O/D	4,326,111	4,945,231
Brac Bank Ltd., O/D	18,496,262	-
IFDBC (Note-14.04)	4,076,872,624	3,461,636,594
Standard Chertered Bank- Revolving Loan A/C	22,221,180	-
Shajalal Islami Bank Ltd., (Bai-Muazzal)	100,862,500	22,345,223
Mutual Trust Bank Ltd. SOD	97,730,447	-
AB Bank Ltd.	5,429,219	-
One Bank Ltd.	38,706,967	-
HSBC	944,928	-
	8,995,462,049	7,272,573,290
14.01 Loan against Trust Receipt (LTR)		
AB Bank Limited	19,061,683	198,215,696
Al-Arafa Islami Bank Ltd	276,952,301	219,513,601
Bank Asia Ltd	316,131,242	305,518,478
Brac Bank Ltd	200,000,000	160,231,350
Dhaka Bank Ltd.	72,418,954	23,706,807
Dutch Bangla Bank Ltd-JBL Br	-	149,713,761
Eastern Bank Ltd.	240,561,506	189,843,982
IFIC Bank Ltd	-	231,914,311
Islami Bank Bangladesh Limited	530,954,395	44,262,093
Marcentile Bank Ltd	354,903,455	196,884,629
National Credit and Commerce Bank Ltd	289,978,486	131,458,616
National Bank Ltd.	511,692,760	-
One Bank Ltd	175,873,048	173,241,402
Pubali Bank Ltd	73,928,344	167,904,902
Shajalal Islami Bank Limited	417,546,121	444,184,018
Trust Bank Limited	13,251,624	238,303,685
United Commercial Bank Ltd.	81,992,223	29,799,402
Uttara Bank Ltd	5,373,039	5,278,497
Social Islami Bank Ltd	51,175,277	172,837,925
State Bank of India	-	88,808,320
City Bank Ltd	111,103,492	101,764,699
Commercial Bank of Ceylon	7,620,031	158,918,970
	3,750,517,981	3,432,305,144

	2010 Taka	2009 Taka
14.02 Details of Time Loan		
AB Bank Ltd	-	33,264,038
Brac Bank Ltd.	370,000,000	-
Commercial Bank of Ceylon	10,818,889	50,183,333
	380,818,889	83,447,371
14.03 Details of Demand Loan		
Eastern Bank Ltd.	50,016,667	49,483,533
Bank Asia Ltd	9,950,638	2,126,742
IFIC Bank Ltd	131,301,897	83,812,177
	191,269,202	135,422,452
14.04 Details of Inland Foreign Documentary Bills for Collection (IFDBC)		
AB Bank Limited	370,882,982	322,081,483
Bank Asia Ltd	448,395,810	319,386,234
Dhaka Bank Limited	-	315,430,107
Dutch Bangla Bank Limited	35,644,057	258,529,599
Eastern Bank Ltd.	-	286,928,971
IFIC Bank Ltd	407,068,294	317,904,851
Islami Bank Limited	297,715,702	107,437,465
Mercantile Bank Limited	131,316,457	141,809,349
National Credit and Commerce Bank Ltd	82,927,239	376,970,016
One Bank Limited	-	111,887,836
Pubali Bank Limited	217,558,355	165,814,750
Shajalal Islami Bank Limited	447,703,225	126,522,954
Standard Chartered Bank Limited	373,127,672	145,034,599
The City Bank Limited	233,231,619	281,707,467
State Bank of India	162,912,842	-
National Bank	109,486,155	-
Brac Bank	192,738,712	-
Commercial Bank of Ceylon	208,574,873	-
Agrani Bank	232,851,062	-
Basic Bank Ltd.	124,737,568	-
Trust Bank Limited	-	73,688,474
United Commercial Bank Limited	-	110,502,439
	4,076,872,624	3,461,636,594
15.00 CONSOLIDATED LIABILITIES FOR EXPENSES		
Audit Fees	465,000	123,300
Karnaphuli Gas Distribution Co. Ltd.	7,607,956	7,474,733
BOC Bangladesh	193,175	73,516
Brokerage and commission	18,383,304	1,600,000
C & F Bill Payable	1,895,319	212,256
Advertisement bills	4,400,858	15,117,342
Godown rent	105,300	14,000
Guest House rent	280,874	149,840
Imprest Cash Settlement	281,950	309,229

	2010 Taka	2009 Taka
Insurance Payable	3,350,738	3,584,000
Liability against supply of goods	79,524	79,524
Carriage on purchase	1,048,024	10,557,151
Others	1,685,932	10,468,784
Carriage on sales	37,835,355	12,912,065
Overtime allowances	195,005	72,599
Salary & Allowances	4,798,497	4,898,546
Sonia Paribahan	17,944	17,944
Telephone expenses	29,346	21,582
ULC Bill Collection	526,193	484,107
L/C Liability	1,353,431	-
Sayera and Nizam Enterprise	3,370	-
Office rent	-	47,430
Ruby Investment Co	-	9,000
Other creditors	16,165,769	7,171,881
	100,702,864	75,398,829
16.00 ADVANCE AGAINST SALES	311,952,056	348,124,235
These represent the advances received against sales of finished goods from different parties to whom goods were not delivered within the Statement of Financial Position date.		
17.00 CONSOLIDATED LONG TERM LOAN-CURRENT PORTION		
This represent current portion of long term loans from financial institutions which are repayable within next twelve months from January, 2011 and consist of as follows:		
Syndicated Term Loan	704,561,365	415,346,724
Term Loan for BMRE	2,782,704	-
	707,344,069	415,346,724
18.00 LIABILITY AGAINST SHARE APPLICATION MONEY	8,026,824	51,871,335
The above amounts is payable to the applicants of shares against which no share was allotted within the balance sheet date.		
19.00 CONSOLIDATED DUE TO AFFILIATED COMPANIES		
East Bengal Trading and Industrial Corporation Ltd.	158,377,250	-
Bangladesh Steel Re-Rolling Mills Limited	-	71,535,777
	158,377,250	71,535,777
20.00 CONSOLIDATED PROVISION FOR INCOME TAX		
Opening balance as on 01 January	5,000	-
Provided during the year:		
Against current year	3,829,041	5,000
Against previous years	2,293,913	-
	6,122,954	5,000
	6,127,954	5,000
Adjusted with advance income tax paid at source	(2,792,861)	-
Closing balance as on 31 December	3,335,093	5,000

	2010 Taka	2009 Taka
21.00 CONSOLIDATED PROVISION FOR WPPF AND WELFARE FUND		
Opening balance as on 01 January	30,215,223	-
Provided during the year:		
BSRM Steels Limited	50,930,202	30,215,223
BSRM Iron and Steel Co. Ltd.	5,961,258	-
	56,891,460	30,215,223
	87,106,683	30,215,223
Paid during the year	(30,215,223)	-
Closing balance as on 31 December	56,891,460	30,215,223
22.00 CONSOLIDATED OTHER LIABILITIES		
Income Tax deducted at source from salary	740,353	653,566
Security Deposit	6,366,307	5,213,616
Income Tax deducted at source-others	3,049,197	9,339,335
VAT deducted at source	2,331,414	2,475,199
Earnest/Retention Money	11,452,246	17,012,649
Finished Goods Handling Charge	2,132,179	-
Liabilities for L/C	9,283,493	4,160,000
Lease Liabilities	7,735,193	-
	43,090,382	38,854,365
23.00 CONSOLIDATED REVENUE		
Xtreme-500W	19,433,108,467	12,390,439,249
D-Bar Grade-60	50,066,452	97,300,950
D-Bar GR300	618,778,935	1,991,248,262
D-Bar GR 400	1,247,353,857	790,075,885
D-Bar Grade-40	275,776,909	322,089,112
D-Bar Grade-75	71,250,057	25,650,799
Miss Rolls	299,571,710	218,891,591
Sales of Shaft	-	29,995
Melting Scrap	11,775,860	7,860,494
Billets	90,344,155	-
	22,098,026,402	15,843,586,337
24.00 CONSOLIDATED COST OF SALES		
Cost of sales-Own production (Note:24.01)	19,484,583,458	13,815,868,389
Cost of sales- Finished goods procured and sold (Note:24.02)	389,730,055	446,083,632
	19,874,313,513	14,261,952,021
24.01 COST OF SALES-OWN PRODUCTION		
Opening Stock of Raw Materials	1,219,731,132	344,052,280
Add: Purchase during the year	18,842,105,774	13,661,108,854
	20,061,836,906	14,005,161,134
Less: Closing Stock of Raw Materials	1,576,917,160	1,219,731,132
Raw Materials Consumed	18,484,919,746	12,785,430,002

	2010 Taka	2009 Taka
Add: Manufacturing Expenses:		
Salary and wages	78,346,673	65,040,112
Overtime	1,941,741	1,404,273
Casual wages	4,816,923	8,728,126
Direct expenses	18,982,028	-
Direct material consumed	246,762,014	-
Factory overhead (Note-24.03)	237,907,634	133,391,547
Packaging cost	31,212,920	20,867,853
Power	259,609,924	110,466,308
Gas	91,312,317	63,627,004
Management Fees	67,515,579	50,695,156
Fuel and Lubricants	31,914,994	12,246,568
Mechanical store consumption	54,522,508	34,968,183
MS Roll Consumption	14,118,892	7,461,752
Electrical Store consumption	27,625,836	5,249,901
General store consumed	7,985,363	2,760,855
Godown rent	1,713,500	1,656,000
Depreciation (Note- 4.00)	258,097,362	176,006,952
	1,434,386,208	694,570,590
Cost of Goods Manufactured	19,919,305,954	13,480,000,592
Add: Opening Stock of Finished Goods	1,843,474,723	2,179,342,520
	21,762,780,677	15,659,343,112
Less: Closing Stock of Finished Goods	2,278,197,219	1,843,474,723
Cost of sales	19,484,583,458	13,815,868,389
24.02 COST OF SALES-FINISHED GOODS PROCURED AND SOLD		
Opening stock of finished goods as on 1 January	4,086,083	10,475,745
Finished goods purchased from outside	421,536,712	439,693,970
	425,622,795	450,169,715
Less: Closing stock of finished goods as on 31 December	35,892,740	4,086,083
	389,730,055	446,083,632
24.03 Factory overhead		
Billet cutting charge	402,015	2,560,788
Bonus	6,187,985	3,866,549
Carrying charges	161,456,579	103,740,810
Computer expenses	119,720	72,550
Conveyance expenses	2,002,970	91,614
E-mail expenses	-	70,300
Entertainment	3,239,346	3,365,648
Factory office expenses	126,502	620,881
General expenses	50,896	4,730
Generator expenses	1,603,527	567,617
Guest house expenses	5,496,176	1,348,840
Insurance expenses	6,292,643	5,310,633
Medical expenses	371,221	157,206
Paper and periodical	9,160	4,843
Postage and telegram	46,660	39,758

	2010 Taka	2009 Taka
Printing	335,882	38,157
Stationery	365,946	1,097,730
Repairs and Maintenance	10,128,960	10,024,578
Uniform expenses	24,394	408,315
Salaries & allowances	35,849,239	-
Land revenue	59,076	-
OT Wages	2,426,158	-
Godown rent	950,350	-
Wasa	3,748	-
Special allowance	50,062	-
Staff welfare expenses	260,786	-
Servicing charge	13,000	-
Misc. expenses	8,494	-
Driver allowance	6,000	-
Electric expenses	20,139	-
	237,907,634	133,391,547
25.00 CONSOLIDATED SELLING AND DISTRIBUTION EXPENSES		
Advertisement	100,367,102	78,914,851
Brokerage and commission	44,775,702	9,240,823
Carriage on sales	52,464,218	29,699,224
Discount allowed	13,640,740	4,116,105
Export charges	977,137	367,860
Electricity expenses-Depot	871,764	183,112
Debtors written off	197,380	1,152,000
Loss in transit	280,960	7,544
Sales promotion expenses	14,917,327	7,641,060
Godown rent	1,847,000	1,094,700
	230,339,330	132,417,279
26.00 CONSOLIDATED GENERAL AND ADMINISTRATIVE EXPENSES		
Directors' remuneration	30,600,000	15,600,000
Salaries and allowances	40,403,151	23,584,186
Overtime allowance	9,353	56,526
Fees and renewals	14,778,612	4,399,628
Audit fees	477,500	120,000
Bonus	1,117,767	606,521
Carrying charge	-	63,040
Consulting fee	8,176,343	3,002,635
Conveyance expenses	11,807,691	7,538,658
Donation and subscriptions	10,912,572	1,564,216
Entertainment	4,755,582	2,187,353
E-mail expense	654,121	73,903
General expenses	213,175	261,980
Guest house expenses	1,872,973	1,836,537
Legal expenses	341,946	358,750
Land Revenue	176,384	183,002

	2010 Taka	2009 Taka
Repairs and maintenance	-	1,118,969
Office expenses	2,386,825	1,274,254
Miscellaneous expenses	95,039	39,495
Office rent	454,974	371,748
Postage expenses	475,384	366,324
Printing	4,503,192	1,669,112
Stationery	1,870,491	1,965,836
Paper and Periodicals	37,589	22,851
Telephone expenses	2,239,478	1,264,375
Training expenses	1,235,148	347,682
Traveling expenses	10,203,571	6,760,665
Depreciation (Note-4.00)	8,672,464	6,208,517
Electricity Expenses	111,345	-
Medical Expenses	8,968	-
	158,591,638	82,846,763
27.00 CONSOLIDATED OTHER INCOME		
Miscellaneous income	1,147,034	678,716
Truck/trailer rent received	5,670,000	-
Loss on sale of fixed assets	(144,310)	-
	6,672,724	678,716
28.00 CONSOLIDATED FINANCE INCOME		
Interest on IPO deposit	222,271	3,606,951
Interest income from FDR	1,534,087	4,709,050
Interest on STD	39,817	43,684
Interest Realisation	194,797	-
	1,990,972	8,359,685
29.00 CONSOLIDATED FINANCIAL EXPENSES		
Interest on Cash credit	29,381,761	4,959,274
Interest on LTR	267,327,483	409,282,966
Interest on Demand and Time loan	49,254,485	29,149,236
Interest on Syndicated Term loan	287,468,927	299,651,196
Interest on BMRE Term loan	1,823,660	-
Arrangers' Commission	5,000,732	5,269,762
Bill collection charge	9,333,646	5,710,595
Bank charges	45,375,430	6,576,178
Bank Guarantee Commission	418,889	550,517
Interest on STD and Others	-	730,978
Interest on Overdraft	9,237,176	7,431,968
Interest on export loan	-	400,449
Interest on lease liabilities	2,141,761	-
	706,763,950	769,713,119

	2010 Taka	2009 Taka
30.00 CONSOLIDATED BASIC EARNINGS PER SHARE (EPS)		
Basic earnings per share (EPS):		
Profit attributable to the ordinary shareholders	1,068,228,190	574,084,231
Weighted Average number of shares outstanding during the year	18,163,767	16,675,000
Basic earnings per share (EPS)	58.81	34.43

31.00 RELATED PARTY TRANSACTIONS

Name	Relationship	Nature of Transactions	Outstanding as on 31.12.2010	Compensation
Bangladesh Steel Re-Rolling Mills Ltd.	Shareholder and sister company	Material supply/ Short term loan/ Sale of Rod	1,779,420,958	Market price
BSRM Wires Ltd	Affiliated Company	Material supply	Nil	Market price
Meghna Engineering Works Ltd	-DO-	Material supply/ Sale of Rod	Nil	Market price
Karnafully Engineering Works Ltd	-DO-	Godown hire	Nil	Market price
Chittagong Power Company Ltd.	-DO-	Godown hire	Nil	Market price

32.00 CONTINGENT LIABILITIES

The following contingent liabilities existed on the Statement of Financial Position date:

32.01 L/C Liability

	2010 Taka	2009 Taka
Agrani Bank Ltd.	247,317,000	14,137,000
Dhaka Bank Ltd., Jubilee Road Branch	668,723	380,469,947
Bank Asia Ltd., Agrabad Branch	205,643,442	323,024,428
Mercantile Bank Ltd., Jubilee Road Branch.	353,829,000	377,037,000
IFIC Bank Ltd	467,913,000	312,694,085
Commercial Bank of Ceylon	409,053,104	2,570,544
AB Bank Ltd	452,598,050	313,030,979
NCC bank Ltd	170,430,000	413,778,000
Prime Bank Ltd	172,277,700	1,721,250
State Bank of India	195,763,650	91,080,000
The City Bank Ltd	127,980,000	274,240,777
Uttara Bank Ltd	11,345,000	99,646,000
Eastern Bank Ltd., Agrabad Branch	212,401,126	283,788,000
Pubali Bank Ltd., Agrabad Branch	338,776,000	163,200,000
Shahjalal Islami Bank Limited, Jubilee Road Branch	331,672,000	222,052,000
United Commercial Bank Ltd., Jubilee Road Branch	106,657,000	19,989,000
Islami Bank Bangladesh Ltd	347,184,981	240,474,320
Al Arafah Islami Bank Ltd	202,244,000	-
BASIC Bank Ltd	337,839,000	-
DBBL, Jubilee Road Branch	92,167,750	-
National Bank Ltd	234,924,000	-
Standard Chartered Bank Ltd	70,445,353	-
Social Islami Bank Ltd	697,779	-
Trust Bank Ltd	1,007,000	-
BRAC Bank	203,516,264	-
One Bank Ltd	-	109,845,400
Jamuna Bank Ltd	-	83,520,000
	5,294,350,922	3,726,298,730

	2010 Taka	2009 Taka
32.02 Bank Guarantee		
IFIC Bank Ltd	14,635,090	13,690,995
Bank Guarantee Against Bakhrabad Gas System	10,912,500	10,912,500
Trust Bank Ltd.	821,187	-
	26,368,777	24,603,495
	5,320,719,699	3,750,902,225

33.00 CAPITAL COMMITMENT

The group had no capital commitment at the balance sheet date.

34.00 SUBSEQUENT EVENTS

The Board of Directors of BSRM Steels Limited in their meeting held on 31st March, 2011 recommended 20% Stock dividend for the year 2010.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BSRM STEELS LIMITED

Report on the Financial Statements

We have audited the accompanying financial Statements of BSRM Steels Limited which is comprised of the Statement of Financial Position as at 31st December, 2010, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of BSRM Steels Limited as at 31st December, 2010 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In our opinion, the financial statements comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- the Statement of financial position and Statements of Comprehensive Income dealt with by the report are in agreement with the books of account; and
- the expenditure incurred were for the purposes of the company's business.

Chittagong, 31st March, 2011.



BSRM STEELS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2010

	Notes	2010 Taka	2009 Taka
Assets			
Non-current assets:			
Property, plant and equipment at cost	4	4,315,018,100	3,884,923,821
Accumulated Depreciation		(502,020,346)	(316,428,223)
		3,812,997,754	3,568,495,598
Capital work in progress	5	10,210,801	1,655,150
Investment	7	1,045,000,000	-
Total non-current assets		4,868,208,555	3,570,150,748
Current assets:			
Inventories	8	3,649,002,576	3,303,134,020
Trade Debtors	9	846,869,584	762,047,139
Due from affiliated companies	10	1,779,420,958	893,362,894
Advances, deposits and prepayments	11	911,966,595	1,178,434,542
Cash and cash equivalents	12	178,629,227	188,235,147
Total current assets		7,365,888,940	6,325,213,742
Total assets		12,234,097,495	9,895,364,490
Equity and Liabilities			
Share capital	13	2,712,500,000	1,450,000,000
Accumulated Loss		(577,624,404)	(1,325,010,389)
Total equity		2,134,875,596	124,989,611
Liabilities			
Non-current liabilities			
Long term loan	14	1,197,623,046	1,606,256,485
Total non-current liabilities		1,197,623,046	1,606,256,485
Trade creditors- Subsidiary	15	945,009,702	-
Short term liabilities	16	7,020,143,339	7,272,573,290
Liabilities for expenses	17	81,579,348	67,127,022
Advance against sales	18	311,952,056	348,124,235
Long term loan-current portion	19	468,758,657	415,346,724
Liability against share application money	20	8,026,815	8,581,826
Provision for income tax	21	-	5,000
Provision for WPPF and Welfare Fund		50,930,202	30,215,223
Other liabilities	22	15,198,734	22,145,074
Total current liabilities		8,901,598,853	8,164,118,394
Total liabilities		10,099,221,899	9,770,374,879
Total liabilities and equity		12,234,097,495	9,895,364,490

The annexed notes 1 to 36 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our annexed report of same date.


Auditors

Chittagong, 31st March, 2010.

BSRM STEELS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2010

	Notes	2010 Taka	2009 Taka
Revenue	23	22,007,682,247	15,843,586,337
Cost of sales	24	(20,077,963,771)	(14,261,952,021)
Gross profit		1,929,718,476	1,581,634,316
Selling and distribution costs	25	(229,990,861)	(132,417,279)
Administrative costs	26	(149,192,340)	(82,846,763)
		(379,183,201)	(215,264,042)
		1,550,535,275	1,366,370,274
Other income	27	1,002,724	678,716
Results from operating activities		1,551,537,999	1,367,048,990
Finance costs	28	(534,730,126)	(769,713,119)
Finance income	29	1,796,175	8,359,685
Share issue expenses		-	(1,391,102)
		(532,933,951)	(762,744,536)
Net Profit before tax and WPPF and Welfare Fund		1,018,604,048	604,304,454
Contribution to WPPF and Welfare Fund		(50,930,202)	(30,215,223)
Profit before income tax		967,673,846	574,089,231
Income tax expenses:			
Current Tax:	3.14		
Current year		(493,948)	(5,000)
Previous year		(2,293,913)	-
		(2,787,861)	(5,000)
Net profit after tax for the year		964,885,985	574,084,231
Other comprehensive income		-	-
		964,885,985	574,084,231
Earnings per share:			
Basic earnings per share	30	53.12	34.43

The annexed notes 1 to 36 form an integral part of these financial statements.

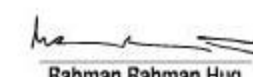

Managing Director


Director


Company Secretary

As per our annexed report of same date.

Chittagong, 31st March, 2011.


Rahman Rahman Huq
Chartered Accountants

BSRM STEELS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2010

	Share Capital Taka	Accumulated Loss Taka	Total Taka
Balance as on 1 January 2009	1,450,000,000	(1,899,094,620)	(449,094,620)
Net profit after tax for the year 2009	-	574,084,231	574,084,231
Balance as at 31 December 2009	1,450,000,000	(1,325,010,389)	124,989,611
Issue of Bonus Share	217,500,00	(217,500,000)	-
Issue of ordinary Share on acquisition of BISCO	1,045,000,000	-	1,045,000,000
Net Profit after tax for the year 2010	-	964,885,985	964,885,985
Balance as at 31 December 2010	2,712,500,000	(577,624,404)	2,134,875,596

BSRM STEELS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2010

	2010 Taka	2009 Taka
a. OPERATING ACTIVITIES:		
Paid against revenue expenditure	(648,524,617)	(585,221,668)
Receipts from customers for sales	21,564,972,420	15,412,719,625
Paid to suppliers against procurement of raw material and finished goods	(17,453,808,223)	(13,838,944,385)
Paid to suppliers against procurement of consumables	(469,417,526)	(237,354,349)
Advance received against sales	311,952,056	348,124,235
Advances made	(806,084,550)	(1,111,779,317)
Payment for share issue expenses	-	(1,391,102)
Security Deposits	40,000	(23,633,518)
Pre-payments	(1,678,230)	(2,477,544)
Receipt against other income	2,943,209	9,038,401
Payment of interest	(648,891,703)	(822,966,545)
Short term loan paid to Bangladesh Steel Re-Rolling Mills Ltd-net	(771,896,487)	(452,753,157)
Income Tax Paid	(41,792,742)	(29,246,379)
Net cash provided by/(used in) Operating Activities	1,037,813,607	(1,335,885,703)
b. INVESTING ACTIVITIES:		
Acquisition of fixed assets	(431,792,408)	(170,767,799)
Disposal of fixed assets	1,135,000	-
Capital Work-in-progress	(8,555,651)	(1,655,150)
Net cash used in Investing Activities	(439,213,059)	(172,422,949)
c. FINANCING ACTIVITIES:		
Repayment/Receipt of Syndicated Term Loan	(411,445,506)	(342,310,174)
Short term loan received	(252,429,951)	1,551,464,001
Term Loan-BMRE	56,224,000	-
Share application money refund/receipt	(555,011)	(951,967,910)
Net cash provided by/(used in) Financing Activities	(608,206,468)	257,185,917
Total (a+b+c)	(9,605,920)	(1,251,122,735)
Opening cash and bank balances	188,235,147	1,439,357,882
Closing cash and bank balances	178,629,227	188,235,147
	(9,605,920)	(1,251,122,735)

BSRM STEELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST DECEMBER, 2010

1.00 LEGAL FORM OF ENTERPRISE

The Company was incorporated on 20th July, 2002, vide the certificate C-No. 4392 of 2002 as a private limited company under Companies Act 1994. The company was converted to a public limited company on 20th December 2006. The company is listed with Dhaka Stock Exchange and Chittagong Stock Exchange as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 18th January, 2009.

1.01 Nature of the business

The main purpose of the company is to manufacture M.S.products by setting up rolling and re-rolling mills. The company has set up its Rolling mill at 4 Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chittagong and commenced commercial production from 1st April, 2008.

2.00 BASIS OF PREPARATION

2.01 Statement of compliance

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards, applicable sections of Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations. The consolidated financial statements have been authorized for issue by the board of directors on 31st March 2011.

2.02 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention.

2.03 Functional and presentation currency

The financial statements are presented in Bangladesh Taka which is the Company's functional currency. All financial information presented in BD Taka has been rounded off to the nearest Taka.

2.04 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis.

2.05 Reporting period

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

3.00 SIGNIFICANT ACCOUNTING POLICIES

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

3.01 Property, plant and equipment

3.01.01 Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation.

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

3.01.02 Subsequent costs

The cost of replacing 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 benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in profit and loss as incurred.

3.01.03 Depreciation

Depreciation is recognised in profit and loss account on diminishing balance method over the estimated useful lives of fixed assets. Full year's depreciation is charged on addition irrespective of the date of acquisition and no depreciation is charged in the year of disposal. The principal annual rates are as follows.

Assets

Rates (%)

Plant and Machinery	5%
Motor Vehicle	20%
Furniture and Fixtures	10%
Office Equipments	10%
Factory Buildings	5%
Roads and Pavements	5%
Trademark	5%

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

3.02 Inventories

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

Category

Valuation

Finished Goods -
Raw materials -
Store items-

Finished Goods are valued at Cost or Net Realisable Value whichever is lower.
Raw Materials are valued at Cost or Net Realisable Value whichever is lower.
Based on weighted average method.

3.03 Leased assets

Operating Lease:

Payments made under operating leases are recognised in Statement of comprehensive income on a straight line basis over the term of the lease.

3.04 Trade and other receivables

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

3.05 Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

3.06 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term fixed deposits with banks.

3.07 Impairment

Property, plant and equipment:

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

Receivables:

Company policy is to provide for impairment loss on debtors, if any receivables are not realized within three years from due date.

3.08 Employee benefit schemes

A Contributory Provident Fund has been introduced and the fund has obtained recognition from Tax Authority on 25.11.2009. The Provident Fund started its operation from 1st January, 2010.

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

3.09 Earnings Per Share (EPS)

Basic Earnings:

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, noncontrolling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders (refer to Note-30 to the Financial Statements).

Diluted Earnings per share:

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

3.10 Provisions

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

3.11 Interest income and expenses

Interest income has been recognised on cash basis.

Interest expenses incurred during the year have been charged to Statement of comprehensive income.

3.12 Foreign currency transactions

Foreign currency transactions are converted at the rates ruling on the dates advices are received. Monetary assets and liabilities are reconverted at rates ruling at the Statement of Financial Position date. All exchange differences are charged/credited to the Statement of Comprehensive Income by being absorbed in the respective head of income or expenditure.

3.13 Contingencies

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

3.14 Income tax expenses

Current tax:

Provision for income tax has been made as per provisions of income tax laws.

Deferred tax:

In view of the significant accumulated loss as on 31st December 2010, deferred assets has not been recognised in the accounts.

3.15 Comparative information has been disclosed in respect of the year 2009 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

3.16 Revenue

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

4.00 Property, plant and equipment - at cost less Accumulated Depreciation

Property, plant and equipment at cost:	Land Tk.	Land & Land Development Tk.	Plant and Machinery Tk.	Motor Vehicles Tk.	Factory Building Tk.	Furniture and Fixtures Tk.	Trade Mark Tk.	Office Equipment Tk.	Roads and Pavements Tk.	Total Tk.
Balance as on 1 January 2009	142,220,449	41,336,046	2,730,791,433	7,107,042	765,614,921	10,524,439	-	16,561,692	-	3,714,156,022
Additions during 2009	-	-	136,304,344	9,038,301	18,543,577	2,162,245	-	4,700,032	-	170,767,799
Balance at 31st December 2009	142,220,449	41,336,046	2,867,095,777	16,145,343	784,158,498	12,686,684	-	21,261,724	-	3,884,923,821
Balance as on 01 January 2010	142,220,449	41,336,046	2,867,095,777	16,145,343	784,158,498	12,686,684	-	21,261,724	-	3,884,923,821
Additions during 2010	187,278,941	8,313,009	190,948,271	11,257,031	15,353,352	2,787,327	-	8,611,600	7,426,085	431,975,616
Disposal during 2010	-	-	-	1,881,337	-	-	-	-	-	1,881,337
Balance as at 31st December 2010	329,499,390	49,649,055	3,058,044,048	25,521,037	799,511,850	15,474,011	-	29,873,324	7,426,085	4,315,018,100
Accumulated Depreciation:										
Balance as on 1 January 2009	-	-	102,404,679	1,066,056	28,710,560	789,332	-	1,242,127	-	134,212,754
Charged for the year 2009	-	-	136,234,555	3,015,857	37,772,397	1,189,735	-	965	-	182,215,469
At 31st December 2009	-	-	240,639,234	4,081,913	66,482,957	1,979,067	-	3,244,087	-	316,428,223
Balance as on 01 January 2010	-	-	240,639,234	4,081,913	66,482,957	1,979,067	-	3,244,087	-	316,428,223
Charged for the year 2010	-	-	140,870,241	4,287,825	36,651,445	1,349,494	-	2,662,924	371,304	186,194,150
Disposal during 2010	-	-	-	602,027	-	-	-	-	-	602,027
Balance as at 31st December 2010	-	-	381,509,475	7,767,711	103,134,402	3,328,561	-	5,907,011	371,304	502,020,346
Carrying Amounts										
As at 01 January 2009	142,220,449	41,336,046	2,628,386,754	6,040,986	736,904,361	9,735,107	-	15,319,565	-	3,579,943,268
As at 31st December 2009	142,220,449	41,336,046	2,628,456,543	12,063,430	717,675,541	10,707,617	-	18,335	-	3,568,495,598
As at 01 January 2010	142,220,449	41,336,046	2,628,456,543	12,063,430	717,675,541	10,707,617	-	18,335	-	3,568,495,598
As at 31st December 2010	329,499,390	49,649,055	2,676,534,573	17,753,326	696,377,448	12,145,450	-	23,966,313	7,054,781	3,812,997,754

Depreciation allocated to:

Cost of Sales (Note-24.01)
Administrative Costs (Note-26.00)

2010 Taka	2009 Taka
177,521,686	176,006,952
8,672,464	6,208,517
186,194,150	182,215,469

	2010 Taka	2009 Taka
5.00 Capital work in progress		
Civil Construction	10,210,801	1,655,150

This represents cost incurred for construction of stock yard at Narayanganj and labour shed at Fouzderhat.

6.00 Deferred tax

In view of the accumulated loss as on 31st December 2010, net deferred tax assets against unabsorbed assessed tax losses and taxable temporary differences have not been recognised in the books of accounts.

7.00 Investment

BSRM Steels Limited has acquired 95% equity interest in BSRM Iron and Steel Co. Ltd. i.e. 10,450,000 Ordinary Shares of Tk.100/- each on 10 November 2010 in exchange of 10,450,000 Ordinary Shares of Tk.100/- each in BSRM Steels Limited. An amount of Tk. 1,045,000,000 being face value of shares issued against acquisition of this subsidiary has been shown as investment in subsidiary at cost as per BAS 27. BSRM Steels Limited and BISCO have been operating under common control.

8.00 Inventories

	Qty. M.Ton	Taka	Taka
Raw Materials-Billets	22,011	1,019,754,208	1,219,731,132
Finished Goods-Own production	45,675	2,202,954,971	1,843,474,723
Finished Goods-Procured from outside	693	35,892,740	4,086,083
Mechanical stores		262,716,256	147,056,106
MS Roll		34,445,462	46,813,470
Electrical stores		81,175,547	37,416,676
General stores		2,121,042	1,037,764
Fuel and Lubricants		1,594,159	3,518,066
Goods in Transit		8,348,191	-
		3,649,002,576	3,303,134,020

9.00 Trade debtors

The directors believe that above receivables are good and fully realisable.

10.00 Due from affiliated companies

Bangladesh Steel Re-Rolling Mills Ltd (BSRM)	1,779,420,958	893,362,894
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11.00 Advances, deposits and prepayments

a) Advances:

Land	-	183,208
Staff loan	1,085,090	385,879
Income tax-corporate	87,730,963	48,731,082
Against expenses	64,746,905	52,438,275
Bank guarantee margin	2,713,832	2,685,497
L/C margin	399,381,566	273,698,477
Against L/C	337,220,992	779,692,252
VAT current account	3,621,662	4,074,973
	896,501,010	1,161,889,643

	2010 Taka	2009 Taka
b) Deposits:		
Ansar/VDP	337,713	337,713
T & T	21,000	21,000
City Cell	15,000	15,000
Power Development Board	3,606,700	3,606,700
RanksTell	10,000	10,000
Save the children UK	-	40,000
Karnaphuli Gas Distribution Co. Ltd. (KGDCL)	9,179,192	9,179,192
Kolkata office premises	37,750	37,750
Central Depository Bangladesh Limited	500,000	500,000
Others	80,000	320,000
	13,787,355	14,067,355
c) Prepayments		
Insurance premium	1,678,230	1,727,544
BSTI licence fee	-	750,000
	1,678,230	2,477,544
Total (a+b+c)	911,966,595	1,178,434,542

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

12.00 Cash and cash equivalents

Cash in hand	2,812,399	1,119,529
Cash at Banks (Note-12.01)	142,632,757	149,455,797
Fixed Deposit (Note-12.03)	33,184,071	37,659,821
	178,629,227	188,235,147

12.01 Cash at Banks:

Agrani Bank Ltd.		
Laldighi East Br.-CD A/c	926,664	4,779,514
Laldighi East Br.-Escrow A/c	44,407	44,957
Colonel Hat Br. Ctg.-CD A/c	6,344	18,879
Tomson Bridge Br. Comilla -CD A/C	1,464,258	1,148,546
AB Bank Ltd., Agrabad Br.Ctg.- CD A/c	3,447	85,996
AI - Arafat Islami Bank Ltd.	2,481	90,927
Bank Asia Ltd., CEPZ Br. CD A/c	44,425	645,925
Bank Asia Ltd., Agrabad Br. Ctg. CD A/c	65,450	19,698
BRAC Bank Ltd., Agrabad Br.Ctg.-CD A/c	-	1,700,472
Basic Bank Ltd.	100,062	-
Commercial Bank of Ceylon, Agrabad Br. Ctg.- CD A/c	1,120,721	202,076
Dhaka Bank Ltd., Jubilee Road Br.Ctg.-CD A/c	11,954,770	832,728
Dutch Bangla Bank Limited, Agrabad Branch,Ctg	11,220	(16,250)
Dutch Bangla Bank Limited, Jubilee Road Branch,Ctg	594,602	6,826,108
Habib Bank Ltd.,Laldighi East Br.-CD A/c	6,360,067	11,919,901
HSBC- Current Account, Agrabad Branch	(13,044,382)	22,004,126
HSBC, Ekdalia Road Br. Kolkata,India-CD A/c	30,647	113,217
HSBC,-USD Exporters FCY A/C	1,101,209	2,433,084

	2010 Taka	2009 Taka
IFIC Bank Ltd., Agrabad Br. Ctg.-CD A/c	3,392,910	3,195,130
Islami Bank Bangladesh Limited, Jubilee Road Branch Ctg	2,123,207	7,611,505
Jumana Bank Limited, Khatungonj Branch, Ctg.	2,327,943	71,660
Mercantile Bank Ltd., Jubilee Road Br. Ctg.-CD A/c	46,611,853	71,308
National Bank Ltd ,Jubilee Road Br-CD A/c	3,501,623	7,372,792
National Credit and Commerce Bank Ltd., Agrabad Br. Ctg.CD A/c	4,151,025	3,100,913
National Bank of Pakistan, Agrabad Branch,Ctg.	99,880	-
One Bank Limited., Agrabad Branch,Ctg	4,153,975	9,728
Prime Bank Limited,O.R Nizam Road Branch,Ctg	3,569,223	3,329,269
Shajalal Islami Bank Limited, Jubilee Road Branch, Ctg	5,212,125	6,751,312
Social Islami Bank Ltd.	5,246	3,289
Sonali Bank Ltd., Kalibari Br. Ctg.-CD A/c	17,189,126	15,466,051
Sonali Bank Ltd.,Cable Shilpa Branch, Khulna	750,392	1,406,874
Southeast Bank Ltd,Pahartali Branch, Chittagong	4,337,156	1,514,940
Standard Chartered Bank, Agrabad Branch, Ctg., CD Account	(192,634)	644,033
Standard Chartered Bank, Dhaka	8,641	1,414,261
State Bank of India,Agrabad Branch, Chittagong	9,994,992	12,106,356
The City Bank Ltd., Agrabad Br. Ctg.-CD A/c	1,534	29,231
The City Bank Ltd., Dhaka. CD A/c	60,647	453,405
The Trust Bank Ltd,CDA Avenue Branch, Chittagong.	10,170,833	10,630
United Commercial Bank Ltd.,Jubilee Road Br.Ctg.	1,055,930	19,398,914
Uttara Bank Ltd.,Agrabad Br.Ctg.-CD A/c	5,094,454	815,921
	134,406,473	137,627,426
HSBC-Agrabad Branch STD A/c(Note: 12.02)	7,995,348	11,476,559
HSBC-EURO Account, Agrabad Branch (Note: 12.02)	28,630	29,494
HSBC-GBP Current Account, Agrabad Branch (Note: 12.02)	759	759
HSBC-USD Current Account,Agrabad Branch,(Note:12.02)	201,547	321,559
	8,226,284	11,828,371
	142,632,757	149,455,797

12.02 These accounts were opened for depositing Share monies (IPO). Balances in these accounts represent amount refundable to the applicants of shares to whom shares were not allotted and interest credited to these accounts.

12.03 Fixed Deposit

	Purpose	Rate of interest	2010 Taka	2009 Taka
Mercantile Bank Limited	Security deposit to KGDCL	7.50%	1,275,071	1,275,071
Pubali Bank Ltd	L/C Margin	8.25%	10,241,000	18,000,000
The City Bank Ltd.	L/C Margin	8%	11,100,000	-
Trust Bank Ltd.	L/C Margin	8.50%	10,568,000	-
Dhaka Bank Ltd	L/C Margin	-	-	18,384,750
			33,184,071	37,659,821

	2010 Taka	2009 Taka
13.00 Share capital		
Authorised capital:		
47,500,000 Ordinary Shares of Tk. 100 each	4,750,000,000	1,750,000,000
2,500,000 Preference Shares of Tk. 100 each	250,000,000	250,000,000
	5,000,000,000	2,000,000,000
Issued, Subscribed and Paid-up capital:		
14,500,000 Ordinary Shares of Tk.100/- each	1,450,000,000	1,450,000,000
10,450,000 Ordinary Shares of Tk.100/- each fully paid-up for consideration other than cash	1,045,000,000	-
2,175,000 Ordinary Shares of Tk.100/- each fully paid-up as Bonus Shares	217,500,000	-
	2,712,500,000	1,450,000,000

13.01 Classification of shares by holding:

Class by number of shares

Less than 500
From 500 to 5,000
From 5,001 to 10,000
From 10,001 to 20,000
From 20,001 to 30,000
From 30,001 to 40,000
From 40,001 to 50,000
From 50,001 to 100,000
From 100,001 to 1,000,000
From 100,001 to above
Total

No. of Holders Nos	No. of Shares Nos	Holding %
13,320	1,441,331	5.31
1,369	1,606,681	5.92
75	552,355	2.04
44	600,164	2.21
10	241,243	0.89
4	318,558	1.17
3	189,154	0.70
7	498,406	1.84
7	2,836,205	10.46
4	18,840,903	69.46
14,843	27,125,000	100.00

13.02 Composition of Shareholders at 31st December 2010:

Sponsor Shareholders-Local
Sponsor Shareholders-Foreign
Other Shareholders
Total

No. of Holders Nos	No. of Shares Nos	Holding %
7	13,827,348	50.98
7	115,162	0.42
14,829	13,182,490	48.60
14,843	27,125,000	100.00

	2010 Taka	2009 Taka
14.00 Long term loan		
Syndicated term loan (Note-14.01)	1,144,181,750	1,606,256,485
Term loan for BMRE(Note- 14.03)	53,441,296	-
	1,197,623,046	1,606,256,485
14.01 Syndicated Term loan		
Due within one year	465,975,953	415,346,724
Due after more than one year	1,144,181,750	1,606,256,485
	1,610,157,703	2,021,603,209

Lender-wise details of Syndicated Term Loan are as follows:

	2010 Taka	2009 Taka
Syndicated Term Loan		
AB Bank Ltd.	95,539,108	120,054,143
Agrani Bank Ltd.	75,962,136	95,275,742
Bank Al Falah Ltd.	63,467,673	79,687,391
Bank Asia Ltd.	95,749,810	120,219,510
BRAC Bank Ltd.	63,467,672	79,687,391
Commercial Bank of Ceylon	63,467,672	79,687,391
Dhaka Bank Ltd.	31,733,866	39,843,732
Eastern Bank Ltd.	95,745,388	120,213,959
IFIC Bank Ltd.	63,467,672	79,687,391
Mercantile Bank Ltd.	31,733,866	39,843,732
National Credit and Commerce Bank Ltd.	95,745,388	120,213,959
Prime Bank Ltd	79,606,530	99,950,675
Pubali Bank Ltd.	95,745,388	120,213,959
SABINCO Ltd.	110,401,954	138,616,139
Standard Bank Ltd.	63,467,672	79,687,391
The City Bank Ltd.	83,051,446	104,231,602
The Trust Bank Ltd.	82,834,302	104,003,331
United Commercial Bank Ltd.	191,490,840	240,427,997
Uttara Bank Ltd.	127,479,320	160,057,774
	1,610,157,703	2,021,603,209

14.02 Terms of syndicated loan:

First syndicated term loan:

Lenders:

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

Total loan facilities: Tk. 198.70 crores.

Interest rate:

Interest rate is determined based on the 6 months T-bill rate plus 6%.

Disbursement:

The first disbursement was made on 18.01.2007

Repayments:

Above term loan is being re-paid by 66 monthly installments starting from August, 2008. Installments due within 31 December 2010 were duly paid.

Securities:

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

Purpose:

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

Second syndicated term loan:

Lenders:

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

Total loan facilities: Tk. 50.50 crores.

Interest rate:

Interest rate is determined based on the 6 months T-bill rate plus 6%.

Disbursement:

The first disbursement was made on 06.03.2008.

Repayments:

Above term loan is being re-paid by 66 monthly installments starting from August, 2008.

Installments due within 31 December 2010 were duly paid.

Securities:

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

	2010 Taka	2009 Taka
14.03 Term loan for BMRE		
Due within one year	2,782,704	-
Due after more than one year	53,441,296	-
	56,224,000	-

Terms of BMRE loan:

Lenders:

Agrani Bank Ltd. has sanctioned an amount of Tk. 32 crore as term loan against BMRE and disbursed Tk. 56,224,000 upto 31.12.2010.

Total loan facilities: Tk. 32 crores.

Interest rate:

Interest rate is 12% per annum and will be calculated on quarterly basis.

Disbursement:

The first disbursement was made on 26.09.2010.

Repayments

Above term loan will be re-paid by 48 monthly installments starting from October, 2011.

Securities:

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

Purpose:

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

	2010 Taka	2009 Taka
15.00 Trade creditors	945,009,702	-
This represents amount payable to the Subsidiary - BSRM Iron and Steel Co. Ltd. For supply of raw materials.		
16.00 Short term liabilities		
Loan against Trust Receipt (LTR) [Note-16.01]	1,928,084,134	3,432,305,144
Time loan (Note-16.02)	380,818,889	83,447,371
Loan receipts against Demand Loan (Note-16.03)	191,269,202	135,422,452
Dhaka Bank Ltd.(O/D)	11,909,163	39,886,417
Uttara Bank Ltd.(C/C)	23,751,038	19,031,748
National Credit and Commerce Bank Ltd., C/C	188,299,003	20,674,120
United Leasing Co Ltd-Factoring Loan	46,499,505	32,518,378
Pubali Bank Ltd., O/D	29,849,950	20,360,612
Eastern Bank Ltd O/D	1,209,889	4,945,231
Brac Bank Ltd., O/D	18,496,262	-
IFDBC (Note-16.04)	4,076,872,624	3,461,636,594
Standard Chartered Bank- Revolving Loan A/C	22,221,180	-
Shajalal Islami Bank Ltd., (Bai-Muazzal)	100,862,500	22,345,223
	7,020,143,339	7,272,573,290
16.01 Loan against Trust Receipt (LTR)		
AB Bank Limited	-	198,215,696
Al-Arafa Islami Bank Ltd	207,158,761	219,513,601
Bank Asia Ltd	316,131,242	305,518,478
Brac Bank Ltd	200,000,000	160,231,350
Dhaka Bank Ltd.	5,096,718	23,706,807
Dutch Bangla Bank Ltd-JBL Br	-	149,713,761
Eastern Bank Ltd.	49,030,076	189,843,982
IFIC Bank Ltd	-	231,914,311
Islami Bank Bangladesh Limited	98,474,100	44,262,093
Mercantile Bank Ltd	54,146,346	196,884,629
National Credit and Commerce Bank Ltd	289,978,486	131,458,616
National Bank Ltd.	511,692,760	-
One Bank Ltd	-	173,241,402
Pubali Bank Ltd	73,928,344	167,904,902
Shajalal Islami Bank Limited	102,110,998	444,184,018
Trust Bank Limited	13,251,624	238,303,685
United Commercial Bank Ltd.	1,711,640	29,799,402
Uttara Bank Ltd	5,373,039	5,278,497
Social Islami Bank Ltd	-	172,837,925
State Bank of India	-	88,808,320
City Bank Ltd	-	101,764,699
Commercial Bank of Ceylon	-	158,918,970
	1,928,084,134	3,432,305,144
16.02 Details of Time Loan		
AB Bank Ltd	-	33,264,038
Brac Bank Ltd.	370,000,000	-
Commercial Bank of Ceylon	10,818,889	50,183,333
	380,818,889	83,447,371

	2010 Taka	2009 Taka
16.03 Details of Demand Loan		
Eastern Bank Ltd.	50,016,667	49,483,533
Bank Asia Ltd	9,950,638	2,126,742
IFIC Bank Ltd	131,301,897	83,812,177
	191,269,202	135,422,452
16.04 Details of inland foreign documentary bills for collection (IFDBC)		
AB Bank Limited	370,882,982	322,081,483
Bank Asia Ltd	448,395,810	319,386,234
Dhaka Bank Limited	-	315,430,107
Dutch Bangla Bank Limited	35,644,057	258,529,599
Eastern Bank Ltd.	-	286,928,971
IFIC Bank Ltd	407,068,294	317,904,851
Islami Bank Limited	297,715,702	107,437,465
Mercantile Bank Limited	131,316,457	141,809,349
National Credit and Commerce Bank Ltd	82,927,239	376,970,016
One Bank Limited	-	111,887,836
Pubali Bank Limited	217,558,355	165,814,750
Shajalal Islami Bank Limited	447,703,225	126,522,954
Standard Chartered Bank Limited	373,127,672	145,034,599
The City Bank Limited	233,231,619	281,707,467
State Bank of India	162,912,842	-
National Bank Limited	109,486,155	-
Brac Bank Limited	192,738,712	-
Commercial Bank of Ceylon	208,574,873	-
Agrani Bank Limited	232,851,062	-
Basic Bank Ltd.	124,737,568	-
Trust Bank Limited	-	73,688,474
United Commercial Bank Limited	-	110,502,439
	4,076,872,624	3,461,636,594
17.00 Liabilities for expenses		
Audit Fees	420,000	108,000
Karnaphuli Gas Distribution Co. Ltd.	7,607,956	7,474,733
BOC Bangladesh	193,175	73,516
Brokerage and commission	18,383,304	1,600,000
C & F Bill Payable	1,895,319	212,256
Advertisement bills	4,400,858	15,117,342
Godown rent	14,000	14,000
Guest House rent	124,380	28,500
Imprest Cash Settlement	281,950	309,229
Insurance Payable	3,350,738	3,584,000
Liability against supply of goods	79,524	79,524
Carriage on purchase	1,048,024	10,557,151
Others	1,685,642	10,282,184
Carriage on sales	37,835,355	12,912,065
Overtime allowances	195,005	72,599

	2010 Taka	2009 Taka
Salary & Allowances	2,133,834	4,138,860
Sonia Paribahan	17,944	17,944
Telephone expenses	29,346	21,582
ULC Bill Collection	526,193	484,107
L/C Liability	1,353,431	-
Sayera and Nizam Enterprise	3,370	-
Office rent, Dhaka	-	30,430
Ruby Investment Co.	-	9,000
	81,579,348	67,127,022
18.00 Advance against sales	311,952,056	348,124,235
These represent the advances received against sales of finished goods from different parties to whom goods were not delivered within the balance sheet date.		
19.00 Long term loan-current portion		
This represent current portion of long term loans from financial institutions which are repayable within next twelve months from January ,2011 and consist of as follows:		
Syndicated Term Loan	465,975,953	415,346,724
Term Loan for BMRE	2,782,704	-
	468,758,657	415,346,724
20.00 Liability against share application money	8,026,815	8,581,826
The above amounts is refundable to the applicants of shares against which no share was allotted.		
21.00 Provision for income tax		
Opening balance as on 01 January	5,000	-
Provided during the year:		
Against current year	493,948	5,000
Against previous years	2,293,913	-
	2,787,861	5,000
	2,792,861	5,000
Adjusted with advance income tax paid at source	2,792,861	-
Closing balance as on 31 December	-	5,000
22.00 Other liabilities		
Income Tax deducted at source from salary	22,303	345,861
Security Deposit	6,366,307	4,826,307
Income Tax deducted at source-others	2,662,902	6,448,702
VAT deducted at source	1,914,192	1,169,914
Earnest/Retention Money	2,100,851	9,354,290
Finished Goods Handling Charge	2,132,179	-
	15,198,734	22,145,074
Income Tax and VAT deducted at source above have subsequently been paid to the Govt. Exchequer.		

	2010 Taka	2009 Taka
23.00 Revenue		
Xtreme-500W	19,433,108,467	12,390,439,249
D-Bar Grade-60	50,066,452	97,300,950
D-Bar GR300	618,778,935	1,991,248,262
D-Bar GR 400	1,247,353,857	790,075,885
D-Bar Grade-40	275,776,909	322,089,112
D-Bar Grade-75	71,250,057	25,650,799
Miss Rolls	299,571,710	218,891,591
Sales of Shaft	-	29,995
Melting Scrap	11,775,860	7,860,494
	22,007,682,247	15,843,586,337
24.00 COST OF SALES		
Cost of sales-own production (Note:24.01)	19,688,233,716	13,815,868,389
Cost of sales- finished goods procured and sold (Note:24.02)	389,730,055	446,083,632
	20,077,963,771	14,261,952,021
24.01 Cost of sales-own production		
Opening Stock of Raw Materials	1,219,731,132	344,052,280
Add: Purchase during the year	19,022,323,751	13,661,108,854
	20,242,054,883	14,005,161,134
Less: Closing Stock of Raw Materials	1,019,754,208	1,219,731,132
Raw Materials Consumed	19,222,300,675	12,785,430,002
Add: Manufacturing Expenses:		
Salary and wages	78,346,673	65,040,112
Overtime	1,941,741	1,404,273
Casual wages	4,816,923	8,728,126
Factory overhead (Note-24.04)	170,350,045	133,391,547
Packaging cost	31,212,920	20,867,853
Power	98,031,235	110,466,308
Gas	87,332,903	63,627,004
Management Fees	67,515,579	50,695,156
Fuel and Lubricants	20,380,669	12,246,568
Mechanical store consumption	46,040,190	34,968,183
MS Roll Consumption	14,118,892	7,461,752
Electrical Store consumption	21,229,049	5,249,901
General store consumed	4,861,284	2,760,855
Godown rent	1,713,500	1,656,000
Depreciation (Note- 4.00)	177,521,686	176,006,952
	825,413,289	694,570,590
Cost of Goods Manufactured	20,047,713,964	13,480,000,592
Add: Opening stock of Finished Goods	1,843,474,723	2,179,342,520
	21,891,188,687	15,659,343,112
Less: Closing stock of Finished Goods	2,202,954,971	1,843,474,723
Cost of sales	19,688,233,716	13,815,868,389

	2010 Taka	2009 Taka
24.02 Cost of sales-finished goods procured and sold		
Opening stock of finished goods as on 1 January	4,086,083	10,475,745
Finished goods purchased from outside	421,536,712	439,693,970
	425,622,795	450,169,715
Less: Closing stock of finished goods as on 31 December	35,892,740	4,086,083
	389,730,055	446,083,632
24.03 Quantitative movement of inventories		
Raw materials	Raw materials M.Ton	Raw Materials M.Ton
Opening stock as on 1 January	32,172	7,386
Add: Purchased during the year	308,859	342,298
Add: Purchased from Sister concern	128,220	43,649
	469,251	393,333
Less: Consumed /Sold during the year	447,240	361,161
Closing stock as on 31st December	22,011	32,172
Finished goods	Finished goods M.Ton	Finished Goods M.Ton
Opening stock as on 1 January	46,305	42,491
Add: Produced during the year	433,823	350,326
Add: Purchased from Sister Concern	8,924	9,679
Add: Stock adjustment	23	-
	489,075	402,496
Less: Sold during the year	433,807	346,400
Sale of finished goods procured from outside	8,900	9,791
	442,707	356,191
Closing stock as on 31st December	46,368	46,305
24.04 Factory overhead	Taka	Taka
Billet cutting charge	366,190	2,560,788
Bonus	4,218,670	3,866,549
Carrying charges-raw materials	130,386,234	97,012,066
Computer expenses	16,625	72,550
Carrying charges-finished goods	15,699,487	6,728,744
Conveyance expenses	128,792	91,614
E-mail expenses	-	70,300
Entertainment	2,317,543	3,365,648
Factory office expenses	59,882	620,881
General expenses	50,896	4,730
Generator expenses	1,482,527	567,617
Guest house expenses	736,262	1,348,840
Insurance expenses	6,284,080	5,310,633
Medical expenses	112,527	157,206
Paper and periodical	5,396	4,843
Postage and telegram	30,713	39,758
Printing	151,951	38,157
Stationery	119,803	1,097,730
Repairs and Maintenance	8,158,073	10,024,578
Uniform expenses	24,394	408,315
	170,350,045	133,391,547

	2010 Taka	2009 Taka
25.00 Selling and distribution costs		
Advertisement	100,186,134	78,914,851
Brokerage and commission	44,608,201	9,240,823
Carriage on sales	52,464,218	29,699,224
Discount allowed	13,640,740	4,116,105
Export charges	977,137	367,860
Electricity expenses-Depot	871,764	183,112
Debtors written off	197,380	1,152,000
Loss in transit	280,960	7,544
Sales promotion expenses	14,917,327	7,641,060
Godown rent	1,847,000	1,094,700
	229,990,861	132,417,279
26.00 Administrative costs		
Directors' remuneration (Note-26.01)	30,600,000	15,600,000
Salaries and allowances	40,143,674	23,584,186
Overtime allowance	9,353	56,526
Fees and renewals	12,978,598	4,399,628
Audit fees	420,000	120,000
Bonus	969,565	606,521
Carrying charge	-	63,040
Consulting fee	5,122,939	3,002,635
Conveyance expenses	10,651,149	7,538,658
Donation and subscriptions	10,872,572	1,564,216
Entertainment	4,575,022	2,187,353
E-mail expenses	586,911	73,903
General expenses	127,175	261,980
Guest house expenses	1,872,973	1,836,537
Legal expenses	219,128	358,750
Land Revenue	168,927	183,002
Repairs and maintenance	-	1,118,969
Office expenses	2,315,711	1,274,254
Miscellaneous expenses	-	39,495
Office rent	400,614	371,748
Postage expenses	330,685	366,324
Printing	4,483,609	1,669,112
Stationery	1,858,038	1,965,836
Paper and Periodicals	37,341	22,851
Telephone expenses	1,806,050	1,264,375
Training expenses	1,222,528	347,682
Traveling expenses	8,627,001	6,760,665
Depreciation (Note-4.00)	8,672,464	6,208,517
Electricity Expenses	111,345	-
Medical Expenses	8,968	-
	149,192,340	82,846,763

26.01 Directors' Remuneration

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

Name	Gross Remuneration	Income Tax Deducted	Net Paid
Mr. Alihussain Akberali-Chairman	9,600,000	2,400,000	7,200,000
Mr. Aameir Alihussain-Managing Director	10,800,000	2,700,000	8,100,000
Mr. Zohair Taherali-Director	6,000,000	1,500,000	4,500,000
Mrs. Tehseen Zohair Taherali-Director	3,600,000	900,000	2,700,000
Mrs. Sabeen Aameir- Director	600,000	49,500	550,500
	30,600,000	7,549,500	23,050,500

In addition to remuneration, Directors avail company vehicles for transportation purposes.

	2010 Taka	2009 Taka
27.00 Other income		
Miscellaneous income	1,147,034	678,716
Loss on sale of fixed assets	(144,310)	-
	1,002,724	678,716
28.00 Finance costs		
Interest on Cash credit	15,953,060	4,959,274
Interest on LTR	344,391,400	462,536,392
Interest on Demand and Time loan	49,254,485	29,149,236
Interest on Syndicated Term loan	210,210,379	299,651,196
Interest on BMRE Term loan	1,823,660	-
Arrangers' Commission	5,000,732	5,269,762
Bill collection charge	9,333,646	5,710,595
Bank charges	12,780,888	6,576,178
Bank Guarantee Commission	143,453	550,517
Interest from Sister Concern	(114,161,577)	(53,253,426)
Interest on STD and Others	-	730,978
Interest on Overdraft	-	7,431,968
Interest on export loan	-	400,449
	534,730,126	769,713,119
29.00 Finance income		
Interest on IPO deposit	222,271	3,606,951
Interest income from FDR	1,534,087	4,709,050
Interest on STD	39,817	43,684
	1,796,175	8,359,685
30.00 Basic earnings per share (EPS)		
Profit attributable to the ordinary shareholders	964,885,985	574,084,231
Weighted Average number of shares outstanding during the year	18,163,767	16,675,000
Basic earnings per share (EPS)	53.12	34.43

31.00 Related party transactions

Name	Relationship	Nature of Transactions	Outstanding as on 31.12.2010	Compensation
Bangladesh Steel Re-Rolling Mills Ltd.	Shareholder	Material supply/ Short term Loan/ Sale of Rod	1,779,420,958	Market price
BSRM Wires Ltd	Affiliated Company	Material supply	Nil	Market price
BSRM Iron and Steel Co. Ltd.	-DO-	Material supply	945,009,702	Market price
Meghna Engineering Works Ltd	-DO-	Material supply/ Sale of Rod	Nil	Market price
Karnafully Engineering Works Ltd	-DO-	Godown hire	Nil	Market price
Chittagong Power Company Ltd.	-DO-	Godown hire	Nil	Market price

	2010 Taka	2009 Taka
32.00 Contingent liabilities		
The following contingent liabilities existed on the balance sheet date:		
32.01 L/C liability		
Agrani Bank Ltd.	247,317,000	14,137,000
Dhaka Bank Ltd., Jubilee Road Branch	668,723	380,469,947
Bank Asia Ltd., Agrabad Branch	205,643,442	323,024,428
Mercantile Bank Ltd., Jubilee Road Branch.	353,829,000	377,037,000
IFIC Bank Ltd	467,913,000	312,694,085
Commercial Bank of Ceylon	409,053,104	2,570,544
AB Bank Ltd	452,598,050	313,030,979
NCC Bank Ltd	170,430,000	413,778,000
Prime Bank Ltd	172,277,700	1,721,250
State Bank of India	195,763,650	91,080,000
The City Bank Ltd	127,980,000	274,240,777
Uttara Bank Ltd	11,345,000	99,646,000
Eastern Bank Ltd., Agrabad Branch	212,401,126	283,788,000
Pubali Bank Ltd., Agrabad Branch	338,776,000	163,200,000
Shahjalal Islami Bank Limited, Jubilee Road Branch	331,672,000	222,052,000
United Commercial Bank Ltd., Jubilee Road Branch	106,657,000	19,989,000
Islami Bank Bangladesh Ltd	347,184,981	240,474,320
Al Arafah Islami Bank Ltd	202,244,000	-
BASIC Bank Ltd	337,839,000	-
DBBL, Jubilee Road Branch	92,167,750	-
National Bank Ltd	234,924,000	-
Standard Chartered Bank	70,445,353	-
Social Islami Bank Ltd	697,779	-
Trust Bank Ltd	1,007,000	-
BRAC Bank Ltd.	203,516,264	-
One Bank Ltd	-	109,845,400
Jamuna Bank Ltd	-	83,520,000
	5,294,350,922	3,726,298,730

	2010 Taka	2009 Taka
32.02 Bank guarantee		
IFIC Bank Ltd	14,635,090	13,690,995
Bank Guarantee Against Bakhrabad Gas System	10,912,500	10,912,500
Trust Bank Ltd.	821,187	-
	26,368,777	24,603,495
	5,320,719,699	3,750,902,225
33.00 Capital commitment		
The company had no capital commitment at the balance sheet date.		
34.00 Production capacity		
Installed Capacity (In M.Ton) yearly	550,000	375,000
Production (In M.Ton)	433,823	350,326
Capacity utilised (%)	79	93
35.00 Employees		
Number of employees whose salary was below Tk. 3,000	-	-
Number of employees whose salary was above Tk. 3,000	392	302
	392	302
36.00 Subsequent events		
The Board of Directors in their meeting held on 31st March, 2011 recommended 20 % stock dividend for the year 2010.		

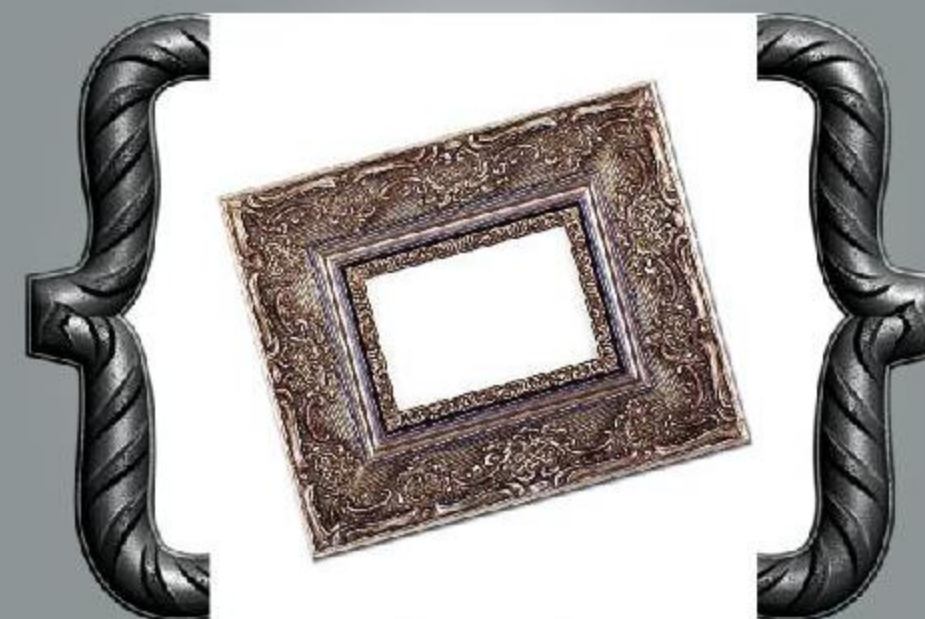
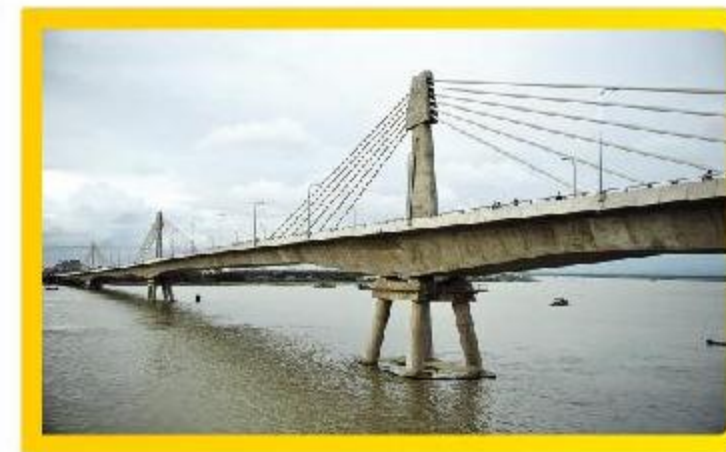


PHOTO GALLERY



5th EGM in Progress.



Proud Supplier of MS Rod in 3rd Karnaphully Bridge



The Chairman addressing in 8th AGM



Road Dividers for smooth Traffic Flow



8th AGM Audience



Blanket distribution for the Poor



**MELTING SHOP OF
BSRM IRON & STEEL CO. LTD.**



Report of the Board of Directors' of BSRM Iron and Steel Co. Ltd.

Dear fellow Shareholders,

It is my pleasure to welcome you at the Annual General Meeting of the Company for the year 2010 on behalf of the Board of Directors.

By the grace of almighty Allah we have started commercial production on 1st June, 2010. Every M.S. product producing steel re-rolling mills should have secured source of raw materials (M.S. Billet). For this reason, BSRM Group had taken initiative in 2008 to establish a world class quality and largest billet making plant in Bangladesh. With the commissioning of this plant, BSRM's competitive position has further strengthened, as a significant portion of billets will be supplied by BSRM Steel & Iron Co. Ltd.

Operational performance:

During the year 2010 the company has produced 78,243.038 M. Ton billets and at the same time the Company sold 76,489.710 M. Ton billets.

Financial Performance:

The company has earned Tk. 109,928,802 in 2010. The sales volume was Tk. 3,263,482,916. Some key financial indicators are appended below for your information:

Particulars	2010 (BD Tk)	2009 (BD Tk)	2008 (BD Tk)
Sales	3,263,482,916		
Gross Profit	295,141,947		
Net Profit	109,928,802		
Earning Per Shares	9.99		
Gross Profit Ratio	9.04%		
Net Profit Ratio	3.37%		
Net Asset Value (NAV)	1,209,928,811	496,689,509	46,850,000

Significant share transfer:

To strengthen the competitive position of BSRM Steels Limited and to minimize dependency for raw materials, the management of BSRMS decided to take over ownership of BISCO through acquisition of 95% of its entire shareholding and accordingly 95% ordinary shares of the company have been transferred in favor of BSRM Steels Limited on 10th November 2010 after obtaining approval from the Securities and Exchange Commission. Now, BSRM Iron and Steel Co Ltd, is a subsidiary company of BSRM Steels Limited.

Conversion into Public Limited Company:

On 24th February 2011 the share holders of the company have approved to convert the company in to Public Limited Company along with splitting of its face value of shares from Tk. 100/- to Tk. 10/- and accordingly all legal steps have been taken.

Election of the Board of Directors:

In accordance with the provision of the Articles of Association of the Company Mr. Zohair Taherali and Mr. Alihussain Akberali, the two Directors of the Company, representing one third of the number of existing directors retire by rotation in the Annual General Meeting and being eligible Mr. Alihussain Akberali offer himself for re election. Mr. Zohair Taherali be appointed as nominated director of BSRM Steels Limited.

Appointment of Auditors:

The retiring auditor Basu Banerjee Nath & Co, Chartered Accountants, Taher Chamber, 10 Agrabad C/A, Chittagong express their willingness to be re-appointed for the year 2011. As the retiring auditor is eligible for re appointment the Board of Directors recommended the re-appointment of the retiring auditors to hold the office of the auditor for the year 2011.

In the end on behalf of the Board of Directors I would like to express my sincere gratitude to our honored shareholders, staffs, different government bodies and bankers for their guidance, co- operation and support they extended to us. I would like to note with appreciation the dedication of our workforces showed to make this year a successful one for the Company.

Allah Hafiz.

Alihussain Akberali FCA
Chairman

বিএসআরএম আয়রন এন্ড স্টীল কো: লিমিটেড-এর পরিচালকমণ্ডলীর প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

আমি অত্যন্ত আনন্দের সাথে ২০১০ সালের কোম্পানীর বার্ষিক সাধারণ সভায় পরিচালকমণ্ডলীর পক্ষ থেকে আপনাদের সবাইকে স্বাগত জানাচ্ছি।

সর্বশক্তিমান আল্লাহর অশেষ রহমতে আমরা ১ জুন, ২০১০ থেকে বাণিজ্যিক উৎপাদন শুরু করেছি। প্রতিটি এম.এস. পণ্য উৎপাদনকারী ইম্পাত রি-রোলিং মিলের জন্য কাচামালের উৎস (এম.এস বিলেট) নিশ্চিত করণ প্রয়োজন। একারণে ২০০৮ সালে বিএসআরএম গ্রুপ বাংলাদেশে বিশ্বমানের এক বৃহত্তম বিলেট তৈরির কারখানা প্রতিষ্ঠার উদ্যোগ নেয়। এই কারখানার উদ্বোধনের মাধ্যমে বিএসআরএম-এর প্রতিযোগিতামূলক অবস্থান আরও সুদৃঢ় হয়েছে; কেননা একটি উল্লেখযোগ্য পরিমাণ বিলেট বিএসআরএম আয়রন এন্ড স্টীল কো: লিমিটেড কর্তৃক সরবরাহ করা হয়।

উৎপাদন ও বিক্রয় পারফরম্যান্স

২০১০ সালে কোম্পানী ৭৮,২৪৩.০৩৮ মে.টন বিলেট উৎপাদন করেছে। একই সময়ে বিক্রয় হয়েছে ৭৬,৪৮৯.৭১০ মে.টন বিলেটস।

আর্থিক পারফরম্যান্স:

কোম্পানী ২০১০ সালে ১০৯,৯২৮,৮০২ টাকা আয় করেছে। বিক্রয়ের পরিমাণ ছিল ৩,২৬৩,৪৮২,৯১৬ টাকা। কিছু গুরুত্বপূর্ণ আর্থিক নির্দেশক সন্নিবেশিত করা হলো

বিষয়	২০১০ (টাকা)	২০০৯ (টাকা)	২০০৮ (টাকা)
বিক্রয়	৩,২৬৩,৪৮২,৯১৬		
মোট মুনাফা	২৯৫,১৪১,৯৪৭		
নীট মুনাফা	১০৯,৯২৮,৮০২		
শেয়ার প্রতি আয়	৯.৯৯		
মোট মুনাফা অনুপাত	৯.০৪%		
নীট মুনাফা অনুপাত	৩.৩৭%		
নীট সম্পত্তি মূল্য	১,২০৯,৯২৮,৮১১	৪৯৬,৬৮৯,৫০৯	৪৬,৮৫০,০০০

উল্লেখযোগ্য শেয়ার স্থানান্তর

বিএসআরএম স্টীলস লিমিটেড-এর প্রতিযোগিতামূলক অবস্থান আরও সুদৃঢ় করা এবং কাঁচামালের নির্ভরশীলতা আরও হ্রাস করার লক্ষ্যে বিএসআরএম-এর ব্যবস্থাপনা কর্তৃপক্ষ সম্পূর্ণ শেয়ার হোল্ডিংয়ের ৯৫%কিনে নেয়ার মাধ্যমে বিসকো ৯৫ ভাগ মালিকানা ত্রয়ের সিদ্ধান্ত নেয়। সে অনুসারে কোম্পানীর ৯৫% সাধারণ শেয়ার বিএসআরএম স্টীলস লিমিটেডের সিকিউরিটিজ এন্ড একচেঞ্জ কমিশনের অনুমোদনক্রমে ১০ নভেম্বর, ২০১০ তারিখে পক্ষে স্থানান্তর করা হয়। এখন, বিএআরএম আয়রন এন্ড স্টীল কো: লিমিটেড, বিএসআরএম স্টীলস লিমিটেডের অধীনস্থ একটি প্রতিষ্ঠান।

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BSRM IRON & STEEL CO. LTD.

Report on the Financial Statements:

We have audited the accompanying financial statements of BSRM IRON & STEEL CO. LTD. namely, Balance sheet as at December 31, 2010 and the related Income statement for the year ended December 31, 2010. Statement of Changes in Shareholders' Equity, Cash flow statement, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

Scope:

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

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

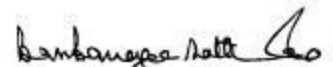
Opinion:

In our opinion, the financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), including Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Company's affairs as at December 31, 2010 and the results of its financial performance, its cash flow statement and Statement of Changes in Shareholders' Equity for the year then ended.

Report on other legal and regulatory requirements:

In our opinion, the Financial Statements comply with the applicable sections of the Companies Act.1994, and other applicable laws and regulations.

- Our examination and checking of records, relevant books of accounts, registers, schedules and financial statements were sufficient to enable us to form an informed and assessed opinion on the authenticity and accuracy of the financial statements
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- The company's Balance Sheet, Income statement dealt with by this report are in agreement from our examination of those books;


(Basu Banerjee Nath & Co.)
Chartered Accountants

পাবলিক লিমিটেড কোম্পানীতে রূপান্তর

২৪ ফেব্রুয়ারি, ২০১১ তারিখে কোম্পানীর শেয়ারহোল্ডারগন কোম্পানীকে পাবলিক কোম্পানীতে রূপান্তর এবং এর শেয়ার বিভক্ত করে অভিহিত মূল্য ১০০/- টাকা থেকে ১০/- টাকা করার অনুমোদন দিয়েছে এবং তদনুযায়ী সকল আইনি পদক্ষেপ নেয়া হয়েছে।

পরিচালকমণ্ডলীর নির্বাচন

কোম্পানীর পরিমোলা নিয়মাবলী (আর্টিক্যালস অব অ্যাসোসিয়েশন) ধারা অনুযায়ী জনাব জোহায়ের তাহের আলী এবং জনাব আলীহোসাইন আকবর আলী- কোম্পানীর দুজনই পরিচালক যারা কোম্পানীর বর্তমান পরিচালকবৃন্দের এক তৃতীয়াংশের প্রতিনিধিত্ব করেন, পালাক্রমে বার্ষিক সাধারণ সভায় পদ থেকে সরে দাঁড়ান- যোগ্যতা পূরণ করায় জনাব আলীহোসাইন আকবর আলী নিজেকে পুনঃনির্বাচনের জন্য প্রস্তাব করেন। জনাব জোহায়ের তাহের আলী নিয়োগ পাবেন বিএসআরএম স্টীলস লিমিটেডের মনোনীত পরিচালক হিসেবে।

হিসাব নিরীক্ষকদের নিয়োগ

নিরীক্ষক মেসার্স বসু ব্যানার্জী নাথ এন্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, তাহের চেম্বার, ১০ আগ্রাবাদ বা/এ, চট্টগ্রাম, ২০১১ সালের জন্য পুনঃনিয়োগের জন্য আর্থ্রহ প্রকাশ করে। প্রাক্তন নিরীক্ষক পুনঃনিয়োগের যোগ্যতাপূরণ করায় পরিচালকমণ্ডলী তাদের ২০১১ সালের হিসাবনিরীক্ষক হিসেবে পুনঃনিয়োগের সুপারিশ করে। পরিশেষে, পরিচালকবৃন্দের পক্ষ থেকে আমি আমাদের সকল সম্মানিত শেয়ারহোল্ডার, স্টাফ, সরকারী প্রতিষ্ঠান এবং ব্যাংককে কৃতজ্ঞতা জানাচ্ছি তাদের নির্দেশনা, সহযোগিতা এবং সমর্থনের জন্য। আমি আরো স্বীকৃতি জানাতে চাই আমাদের কর্মীবাহিনীর নিবেদিতপ্রাণ প্রচেষ্টাকে, যারা এ বছরকে কোম্পানীর জন্য সাফল্যমণ্ডিত করেছে।

আব্দুল হাফিজ



আলীহোসাইন আকবর আলী এফসিএ

চেয়ারম্যান



Financial Statements of BISCO

BSRM IRON & STEEL CO. LTD.

BALANCE SHEET AS AT DECEMBER 31, 2010.

SL. NO.	SUBJECT MATTER	NOTES NO.	FIGURES AS AT 31.12.2010	FIGURES AS AT 31.12.2009
01	SOURCES OF FUNDS:			
	Shareholders' funds:			
	Share Capital	02	1,100,000,000	453,400,000
	Accumulated Profit/(Loss) for current year		109,928,802	-
	Share Money Deposit	9	43,289,509	
			1,209,928,811	496,689,509
	Loan Funds:			
	Long Term Loan (Syndicated Loan)	03	1,119,357,504	1,032,948,173
	TOTAL TAKA:		2,329,286,315	1,529,637,682
02	APPLICATION OF FUNDS:			
	Fixed Assets-At Cost	04	2,068,219,094	381,670,932
	Less: Accumulated Depreciation		80,575,676	-
			1,987,643,418	381,670,932
	Un-allocated Revenue Expenditure	05	-	180,074,721
	CURRENT ASSETS:			
	Inventories	06	701,644,006	-
	Trade Debtors	07	1,040,790,552	-
	Due from affiliated companies	08	617,422,704	-
	Advances, deposits and pre-payments	09	401,796,563	1,063,542,370
	Cash and Bank balances	10	8,544,973	829,549
			2,770,198,799	1,064,371,920
	Less: Current Liabilities:			
	Short Term loan	11	1,983,053,904	-
	Liabilities for expenses	12	19,123,516	8,271,807
	Current portion of Syndicated Term Loan	03	238,585,412	-
	Due to affiliated companies	13	158,377,250	71,535,777
	Provision for Income Tax		3,335,093	-
	Provision for WPPF		5,961,258	-
	Other liabilities	14	20,156,455	16,709,291
			2,428,592,886	96,516,875
	Net Current Assets		341,605,912	967,855,045
	Preliminary expenses		36,985	36,985
	TOTAL TAKA:		2,329,286,315	1,529,637,682

Note: The annexed notes 01 to 19 from an integral part of these financial statements.

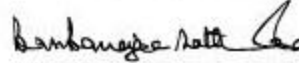

MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY

Signed in terms of our annexed report of even date.

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, March 09, 2011.


(BASU BANERJEE NATH & CO.)
CHARTERED ACCOUNTANTS

BSRM IRON & STEEL CO. LTD.

INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2010.

PARTICULARS	NOTES	Up to 09.11.2010 Taka	10.11.2010 To 31.12.2010 Taka	Total Taka
Turnover (net of VAT)		2,526,535,554	736,947,362	3,263,482,916
Less: Cost of goods sold	15	2,286,574,445	681,766,524	2,968,340,969
Gross Profit		239,961,109	55,180,839	295,141,947
Less: Administrative and Other Expenses	16	8,086,650	1,661,117	9,747,767
Trading Profit		231,874,459	53,519,722	285,394,181
Add: Other Income	17	4,410,000	1,454,797	5,864,797
		236,284,459	54,974,519	291,258,978
Less: Financial Expenses	18	140,908,668	31,125,157	172,033,825
Net Profit before tax and WPPF		95,375,791	23,849,363	119,225,153
Less: Contribution to workers' Profit Participation Fund (WPPF) & Workers Welfare Fund		4,768,790	1,192,468	5,961,258
Net Profit Before Tax		90,607,001	22,656,894	113,263,895
Less: Provision for Income Tax		-	3,335,093	3,335,093
Net Profit after Tax		90,607,001	19,321,801	109,928,802
Profit Attributable to Shareholders		90,607,001	19,321,801	109,928,802
Transferred to Retained Earnings		90,607,001	19,321,801	109,928,802
Earnings Per Shares (EPS)	19	8.24		9.99

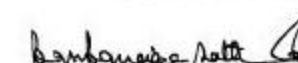

MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY

Signed in terms of our annexed report of even date.

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, March 09, 2011.


(BASU BANERJEE NATH & CO.)
CHARTERED ACCOUNTANTS

BSRM IRON & STEEL CO. LTD.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended December 31, 2010

Particulars	Share Capital Tk.	Share Money Deposit Tk.	Retained Earnings Tk.	Total Tk.
Balance as on December 31, 2009	453,400,000	43,289,509	-	496,689,509
Ordinary Shares issued during the year	646,600,000	(43,289,500)	-	603,310,500
Net Profit/(Loss) After Tax for the year	-	-	109,928,802	109,928,802
Balance as on December 31, 2010	1,100,000,000	9	109,928,802	1,209,928,811



MANAGING DIRECTOR



DIRECTOR

Signed in terms of our annexed report of even date.



COMPANY SECRETARY
(BASU BANERJEE NATH & CO.)
CHARTERED ACCOUNTANTS

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, March 09, 2011.

BSRM IRON & STEEL CO. LTD.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

For the year ended December 31, 2010

Particulars	DEC 31, 2010 TAKA	Total TAKA
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash collection from customers	2,228,557,161	
Cash payment for cost and expenses	(3,000,569,546)	
Net cash from operating activities		(772,012,385)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of fixed assets	(1,506,473,441)	
Net cash used in Investing activities		(1,506,473,441)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share Application Money Received	603,310,500	
Affiliated Company's Transaction	(617,422,704)	
Increase of Short Term Loan	1,975,318,711	
Increase of Syndication Term Loan	324,994,743	
Net cash used in Financing Activities		2,286,201,250
Net Cash Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)		7,715,424
Cash and Cash Equivalent at Beginning of the Year		829,549
CASH & CASH EQUIVALENT AT THE END OF THE YEAR		8,544,973



MANAGING DIRECTOR



DIRECTOR

Signed in terms of our annexed report of even date.



COMPANY SECRETARY
(BASU BANERJEE NATH & CO.)
CHARTERED ACCOUNTANTS

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, March 09, 2011.

BSRM IRON & STEEL CO. LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2010.

01. SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION:

01.01. ACCOUNTING CONVENTION AND BASIS:

These accounts have been prepared on accrual basis under historical cost convention. These statements have been prepared in accordance with applicable accounting standards and were relevant with professional requirements of the law.

01.02. DATE OF INCORPORATION AND REGISTERED OFFICE ETC.:

BSRM IRON & STEEL CO. LIMITED, a private company limited by shares was incorporated under the Companies Act (Act XVIII) of 1994 on April 13, 2005 vide registration No. CH-5415 of 2005 from Assistant Registrar of Joint Stock Companies and Firms, Chittagong. The registered Office of the Company is situated at Ali Mansion, Sadarghat Road, Chittagong.

01.03. BOARD OF DIRECTORS:

The company has been managed by a Board of Directors and the names are given below:-

1) Mr. Alihussain Akberali FCA	Chairman & Managing Director
2) Mr. Ameir Alihussain	Director
3) Mr. Zohair Taherali	Director
4) Mrs. Tehseen Zohair Taherali	Director

01.04. NATURE OF BUSINESS:

The company established an automatic steel melting plant for making different quality of M.S. Billets and to sell the same steel rolling mills. It has gone to trial production on 22.03.2010 & started commercial production from 01.06.2010.

01.05. FIXED ASSETS:

TK. 20,68,219,094

The above balance represents cost of fixed assets. During the year a sum of Tk. 1,686,548,162 has been added to fixed assets. Details of fixed assets are given under Note No. 04. Depreciation on Fixed Assets have been calculated at Diminishing Balance Method.

02. SHARE CAPITAL:

Authorised capital:

10,000,000 Ordinary shares of Tk.100.00 each
20,000,000 Ordinary shares of Tk.100.00 each
30,000,000 Ordinary shares of Tk.100.00 each

TOTAL TAKA:

AMOUNT IN TAKA	
31.12.2010	31.12.2009
1,000,000,000	1,000,000,000
2,000,000,000	-
3,000,000,000	1,000,000,000

Issued, Subscribed and Paid-up capital:

11,000,000 Ordinary shares of **Tk.100.00** each fully paid up in cash, details of which are given below:

Particulars	Date	No. of shares allotted	AMOUNT IN TAKA	
			31.12.2010	31.12.2009
As per MA & AA	13-04-2005	5,000	500,000	500,000
As per return allotment	04-06-2005	463,500	46,350,000	46,350,000
As per return allotment	29-07-2009	2,065,500	206,550,000	206,550,000
As per return allotment	14-12-2009	2,000,000	200,000,000	200,000,000
As per return allotment	01-06-2010	6,466,000	646,600,000	-
TOTAL TAKA:		11,000,000	1,100,000,000	453,400,000

BSRM IRON & STEEL CO. LTD.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2010.

Shareholders	No of Shares held	31.12.2010	31.12.2009
		Amount in Tk.	
Mr. Alihussain Akberali FCA	125,825	12,582,500	11,712,500
Mr. Ameir Alihussain	5,925	592,500	11,712,500
Mr. Zohair Taherali	24,709	2,470,900	11,712,500
Mrs. Tehseen Zohair Taherali	2,550	255,000	11,712,500
Mrs. Bilkis Alihussain	4,491	449,100	
H. Akberali & Co. Ltd	364,905	36,490,500	200,000,000
VORTEX Investments Ltd.	1,595	2,159,500	
BSRM Steels Limited	10,450,000	1,045,000,000	
Bangladesh Steel Re-Rolling Mills Ltd.			134,550,000
Meghna Engineering Works Ltd.			72,000,000
11,000,000		1,100,000,000	453,400,000

03. LONG TERM LOAN:

Due within one year
Due after more than one year

TOTAL TAKA:

AMOUNT IN TAKA	
31.12.2010	31.12.2009
238,585,412	-
1,119,357,504	1,032,948,173
1,357,942,916	1,032,948,173

Name of Bank's	Principal	Interest & Charge	AMOUNT IN TAKA	
			31.12.2010	31.12.2009
BSRS (Bangladesh Development Bank Ltd.)	49,890,528	10,521,924	60,412,453	54,071,678
Bank Asia Ltd.	40,766,773	7,982,641	48,749,414	36,528,494
City Bank Ltd.	81,533,547	15,939,775	97,473,322	72,476,897
Eastern Bank Limited	81,533,547	15,956,439	97,489,986	71,710,001
Industrial & Infrastructural Development Finance Co (IIDFC)	40,555,885	12,124,544	52,680,429	40,555,885
Janata Bank Ltd.	122,300,780	23,820,269	146,121,050	107,849,536
Mutual Trust Bank Limited	81,533,547	15,887,516	97,421,063	72,786,669
One Bank Ltd.	66,525,345	14,279,904	80,805,249	72,839,761
Rupali Bank Ltd.	81,533,547	15,801,865	97,335,412	71,767,726
Sonali Bank Ltd.	159,140,369	30,518,826	189,659,195	141,195,236
Standard Bank	122,300,320	23,947,922	146,248,242	109,565,355
Trust Bank Ltd.	40,766,774	7,982,641	48,749,414	36,522,984
United Commercial Bank Ltd.	122,300,320	23,831,274	146,131,594	108,860,774
Dhaka Bank Ltd.	40,766,773	7,899,320	48,666,093	36,217,177
TAKA:	1,131,448,057	226,494,859	1,357,942,916	1,032,948,173

Note: Syndicated Loan

Lenders: The company has entered into a syndicated loan agreement on 01-06-2010 with IIDFC the lead arranger and 13 (thirteen) other Banks.

Total Loan Facilities: Taka 136.20 crores.

Interest Rate: Initially interest rate was 13.00% but subsequently the rate has been reduced to 11.50% with effect from 01-06-2010.

Disbursement: The first disbursement was made on February 2010.

Repayments: The facility will be repayable by 18 (eighteen) quarterly installments commencing from end of 21st months and ending of the end of month 72 from the date of first draw down under the facility.

Securities: Registered mortgage on project land, building on first ranking parri passu basis and hypothecation of machinery, furniture & fixtures, equipments etc.

Purpose: The purpose of the loan is to set up a fully computer- controlled, fully automatic billet making plant.

4.00 Fixed Assets-at Cost less Accumulated Depreciation

PARTICULARS	COST		TOTAL COST TK. as on 31.12.2010	DEPRECIATION		W.D.V. As on 31.12.2010	RATE %
	At 01.01.2010	Addition during the period		At 01.01.2010 during the period	Charged 31.12.2010		
Land & Land Development	29,212,523	170,452,269	199,664,792	-	-	199,664,792	-
Building & Shed (N.No. 05)	87,631,428	333,213,383	420,844,811	-	12,274,640	408,570,170	5%
Electric Installation	37,936,166	80,357,631	118,293,797	-	6,900,472	111,393,326	10%
Motor Vehicles	1,994,297	21,394,985	23,389,282	-	2,728,750	20,660,532	20%
Office Equipment	286,214	796,781	1,082,995	-	63,175	1,019,821	10%
Furniture & Fixture	1,969,689	1,805,270	3,774,959	-	220,206	3,554,753	10%
Plant & Machinery: (N.No. 05)							
Furnace	9,602,251	400,286,114	409,888,365	-	17,932,616	391,955,749	7.5%
Electric Overhead Crane	6,915,415	174,227,862	181,143,277	-	7,925,018	173,218,259	7.5%
Water System	7,973,989	43,484,520	51,458,509	-	2,251,310	49,207,199	7.5%
CCM Unit	10,096,596	174,887,843	184,984,439	-	8,093,069	176,891,369	7.5%
Cooling Tower	4,430,803	1,391,691	5,822,494	-	254,734	5,567,760	7.5%
Electric Sub Station	43,647,284	152,425,049	196,072,333	-	8,578,165	187,494,169	7.5%
Air Pollution Control System	27,451,268	35,931,498	63,382,766	-	2,772,996	60,609,770	7.5%
Generator (Diesel)	14,855,953	887,558	15,743,510	-	688,779	15,054,732	7.5%
Electric Panel & Equipment	31,337,787	13,330,993	44,668,780	-	1,954,259	42,714,521	7.5%
Slide Gate System	2,544,922	140,544	2,685,466	-	117,489	2,567,977	7.5%
Spectrometer Lab & Allied	4,766,979	604,493	5,371,472	-	235,002	5,136,470	7.5%
Vibrator Machine	30,513,462	1,643,073	32,156,535	-	1,406,848	30,749,687	7.5%
Hydraulic Scarp Handling Machine.	19,356,943	1,032,941	20,389,883	-	892,057	19,497,826	7.5%
Weightbridge	3,819,884	2,346,633	6,166,517	-	269,785	5,896,732	7.5%
Plant & Machinery (General)	-	61,179,527	61,179,527	-	2,676,604	58,502,923	7.5%
Plotter Machine	148,000	7,933	155,933	-	18,192	137,741	20%
Others:							
Computer	863,900	1,744,450	2,608,350	-	304,308	2,304,043	20%
Deep Tube well	3,084,182	1,752,829	4,837,011	-	564,318	4,272,693	20%
Air Conditioner	431,246	11,002,293	11,433,539	-	1,333,913	10,099,626	20%
Gas line	799,753	220,000	1,019,753	-	118,971	900,782	20%
TOTAL TAKA:	381,670,932	1,686,548,162	2,068,219,094	-	80,575,676	1,987,643,419	
Balance as at Dec 31, 2009	37,148,715.00	344,522,217.00	381,670,932.00	-	-	381,670,932.00	

05. UN-ALLOCATED REVENUE EXPENDITURE:

Opening Balances	
Add: During the year	
Adjusted to Property Plant & Equipment (Note-4)	
Building & Shed	30%
Plant & Machinery	70%

AMOUNT IN TAKA	
31.12.2010	31.12.2009
180,074,721	17,455,398
-	162,619,323
180,074,721	180,074,721
54,022,416	-
126,052,304	-
-	180,074,721

Note: Un-allocated Revenue Expenditures have been distributed among Furnace, Electric Overhead Crane, Water system, CCM Unit, Cooling Tower, Electric Sub-Station & Air Pollution Control System.

06. INVENTORIES:

	Unit	Quantity Schedule	
		31.12.2010	
Closing Raw Materials (6.01)	MT	17,116,430	
Finished goods (6.02)	MT	1,753,328	
Consumable Store Stock (6.03)		-	
TOTAL TAKA			

AMOUNT IN TAKA	
31.12.2010	31.12.2009
557,162,952	-
68,041,591	-
76,439,463	-
701,644,006	-

06.01 RAW MATERIALS:

PARTICULARS	MT
Opening Stock of Raw Materials	-
Local Purchase	52,193,797
Import	39,831,900
Import- S/I	7,451,830
Raw Material Available for Manufacture	99,477.527
Less:Consumption:-	
Manufactured	78,243.038
Wastage	4,118.058
	82,361.096
Closing Stock of Raw Materials	17,116.430
TOTAL:	99,477.526

06.02 FINISHED GOODS:

PARTICULARS	MT
Opening Stock of Finished Goods	-
Manufactured	78,243.038
Sales	78,243.038
Closing Stock of Finished Goods	76,489.710
	1,753.328
	78,243.038

		AMOUNT IN TAKA	
		31.12.2010	31.12.2009
06.03	CONSUMABLE STORE STOCK:		
	Mechanical Store	512,216	-
	Electrical Store	171,065	-
	General Store	108,965	-
	Fuel & Lubricants Store	3,642,759	-
	Consumable Store	72,004,457	-
	TOTAL TAKA:	76,439,463	-
07.	TRADE DEBTORS:		
	BSRM Steels Ltd.	945,009,702	-
	Bangladesh Steel Re-Rolling Mills Limited	95,780,850	-
	TOTAL TAKA:	1,040,790,552	-
08.	DUE FROM AFFILIATED COMPANY:		
	Meghna Engineering Works Ltd.	20,394,018	-
	H.Akbar Ali & Co.Ltd.	25,191,276	-
	BSRM Logistics Ltd.	548,683	-
	Bangladesh Steel Re Rolling Mills Ltd.	571,288,727	-
	TOTAL TAKA:	617,422,704	-
09.	ADVANCE, DEPOSITS & PREPAYMENTS:		
	For Expenses (Annexure-B)	73,242,190	395,541,664
	Security Deposit (N.No. 09.01)	21,800,638	20,506,338
	Advance against LC	205,945,365	628,842,304
	Staff Loan	412,326	26,110
	LC Margin	34,116,465	12,033,561
	Guarantee Margin	9,998,887	904,182
	Advance Income Tax	15,894,354	5,659,312
	FDR	27,847,994	28,900
	VAT Current Account	280,361	-
	Advance For Scrap	12,257,983	-
	TOTAL TAKA:	401,796,563	1,063,542,370
09.01	SECURITY DEPOSITS:		
	Power Development Board,Ctg(PDB)	18,600,000	18,600,000
	T & T Dept.Chittagong	2,000	2,000
	Mr. Nuruddin	66,000	66,000
	Mr. Humayun Kabir		7,000
	Kolkata Office,Howrah(IRS 25,000)	37,750	37,750
	Shafi-ul-Alam(Guest House # 02)	15,300	34,000
	Bakhrabad Gas Systems Ltd.	1,347,588	1,347,588
	Mohammad Ali Akber	200,000	200,000
	Brothers Prokaushali Workshop	400,000	80,000
	BOC Bangladesh Ltd.	400,000	-
	Power Development Board,(Fozderhat)	600,000	-
	Mohammadia Trading	132,000	132,000
	TOTAL TAKA:	21,800,638	20,506,338

		AMOUNT IN TAKA	
		31.12.2010	31.12.2009
10.	CASH & CASH EQUIVALENTS:		
	Cash in Hand (Note no. 10.01)	536,788	229,502
	Cash at Bank (Note no. (10.02)	8,008,185	600,047
	TOTAL TAKA:	8,544,973	829,549
10.01	CASH IN HAND		
	Head Office	116,788	59,502.24
	Factory Office	400,000	150,000.00
	Imprest Cash	20,000	20,000.00
	TOTAL TAKA:	536,788	229,502
10.02	CASH AT BANK		
	Agrani Bank Ltd.	85,184	(1,676,250)
	(C.D. A/C NO.0 24533027245. Laldighi corporate Br., Ctg.)		
	City Bank Ltd.	991	4,505
	(C.D. A/C NO. 1101-1130-4001. Agrabad Br., Ctg.)		
	Trust Bank Ltd.	173,956	1,203
	(C.D. A/C NO. 2670. O.R.Nizam Road, Ctg)		
	United Commercial Bank Ltd. (UCBL)	179,593	1,550,427
	(Escrow A/C NO. 5948-9. Jubilee Road Br. Ctg)		
	Islami Bank Bd. Ltd.	954,415	587,374
	(C.D. A/C NO. 230609. Jubilee Road Br. Ctg.)		
	Sonali Bank Ltd.	213,332	210,114
	(C.D. A/C NO. 29986, Dhaka)		
	HSBC	-	(1,700,664)
	(C.D. A/C NO. 178166-011. Ctg)		
	Mutual Trust Bank Ltd.	373,641	468,608
	(C.D. A/C NO. 12-020007764. Ctg)		
	United Commercial Bank Ltd. (UCBL)	1,574,716	2,856
	(A/C NO. 0023-1110005874-8. Jubilee Road Br. Ctg)		
	Eastern Bank Ltd	-	589,642
	(C.D. A/C NO. 17942. Agrabad Br., Ctg.)		
	One Bank Ltd.	-	536,939
	(C.D. A/C NO. 64219-308. Agrabad Br., Ctg.)		
	Dhaka Bank Ltd.	380	1,482
	(C.D. A/C NO. 7552. Jubilee Road Br. Ctg)		
	Habib Bank Ltd	471,336	23,811
	(C.D. A/C NO. 2623-070000-588.Laldighi Br. Ctg.)		
	Janata Bank Ltd.	7,860	-
	(C.D. A/C NO. 000-233-019865. Laldighi Br. Ctg.)		
	Al-Arafah Islami Bank Ltd.	246,834	-
	(C.D. A/C NO. 005705-000-1531, Agrabad Br. Ctg.)		
	Standard Bank Ltd.	7,600	-
	(C.D. A/C NO.00733-1000-99 Agrabad Br. Ctg..)		
	Shahjalal Islami Bank Ltd.	2,155,431	-
	(C.D. A/C NO. 3003-111-0000-1622 Jubilee Road Br.Ctg.)		
	Prime Bank Ltd	92,633	-
	(C.D.A/c No.13411040011522 C.D.A.Avenue Br.Ctg)		
	Mercantile Bank Ltd.	89,605	-
	(C.D.A/c No.7008 Jubilee Road Br.Ctg)		
	Social Islami Bank Ltd.	2,693	-
	(CD A/c No.1330009014 Jubilee Road Br.Ctg)		
	Dutch Bangla Bank Ltd.	32,634	-
	(CD A/c No.1421107395 Jubilee Road Br.Ctg)		
	City Bank Ltd.(CC hypo)	1,260,556	-
	(A/C NO. 6331113040001.Agrabad Br. Ctg)		
	State Bank of India	10,990	-
	(CD A/c No 05220252720001.Agrabad Br.Ctg.)		
	IFIC Bank LTD.	73,805	-
	(CD A/c 2030357813001.Agrabad Br. Ctg.)		
	TOTAL TAKA:	8,008,185	600,047

		AMOUNT IN TAKA	
		31.12.2010	31.12.2009
11. SHORT TERM LOAN:			
Short Term Loan		1,822,433,847	-
Bank Loan -CC & OD (Note.No.11.01)		160,620,056	-
TOTAL TAKA:		1,983,053,904	-
11.01 LIABILITIES TO BANK (CC):			
Mutual Trust Bank Ltd. SOD		97,730,447	-
Dhaka Bank Ltd. OD		6,957,080	-
HSBC		944,928	-
One Bank Ltd.		38,706,967	-
AB Bank Ltd.		5,429,219	-
Eastern Bank Ltd.		3,116,222	-
IZARA loan		7,735,193	-
TOTAL TAKA:		160,620,056	-
12. LIABILITIES FOR EXPENSES:			
Liabilities for exp. (Note. No 12.01)		2,957,747	1,099,926
Other Creditors (Annexure-A)		16,165,769	7,171,881
TOTAL TAKA:		19,123,516	8,271,807
12.01 FOR EXPENSES			
Guest House Rent(Nuruddin)		23,474	21,340
Guest House Rent(Mohd Ali)		110,000	100,000
Generator Rent(G/ House site)		15,520	30,400
Guest House(Saiful Alam)		-	17,000
Guest House Rent(Joshim uddin)		7,500	-
Salary & Allowances		2,664,663	759,686
Electricity		-	156,200
Godown Rent (BSRM)		22,000	-
Wasa		290	-
Godown Rent (BD.Steel Ltd.)		69,300	-
Basu Banerjee Nath & Co.		45,000	15,300
TOTAL TAKA:		2,957,747	1,099,926
13. DUE TO AFFILIATED COMPANY:			
East Bangla Trading and Industrial Corp. Ltd.		158,377,250	-
Bangladesh Steel Re-Rolling Mills Limited		-	71,535,777
TOTAL TAKA:		158,377,250	71,535,777
14. OTHER LIABILITIES:			
Security Receipts		-	387,309
Retention Money		9,351,395	7,658,359
Staff Income Tax		718,050	307,705
TAX deduction at source		386,295	2,890,633
VAT Deduction at Source		417,222	1,305,285
Liabilities for L/C (Deferred)		9,283,493	4,160,000
TOTAL TAKA:		20,156,455	16,709,291

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

		AMOUNT IN TAKA	
		31.12.2010	31.12.2009
15. COST OF GOODS SOLD:			
Opening Stock of Raw Materials		-	-
Add: Purchase during the year		-	-
Local Scrap		1,561,825,660	-
Import-Shredded Scrap		1,208,450,453	-
Import-Sponge Iron		214,296,480	-
Raw Material Available For Consume		2,984,572,593	-
Less: Closing Stock of Raw Materials		557,162,952	-
Raw Material Consumed		2,427,409,641	-
Add: Cost of Production (Note.No-15.01)		608,972,919	-
Cost of Goods available for sale		3,036,382,560	-
Add: Opening Stock of Finished Goods		-	-
		3,036,382,560	-
Less: Closing Stock of Finished Goods		68,041,591	-
TOTAL TAKA:		2,968,340,969	-
15.01 Cost of Production:			
Direct Expenses (Annexure-C)		18,982,028	-
Direct Materials (Annexure-D)		246,762,014	-
Factory Overhead (Annexure-E)		67,557,589	-
Power Consumed		161,578,689	-
Welding Gas Consumed		3,979,414	-
Fuel & Lubricants Consumed		11,534,325	-
Store Consumed (Annexure-F)		18,003,184	-
Depreciation (Note.No-4)		80,575,676	-
TOTAL TAKA:		608,972,919	-
16. ADMINISTRATIVE EXPENSES:			
Salary		259,477	-
Bonus (Festival)		123,202	-
Advertisement Expenses		180,968	-
Travelling Expenses		1,576,570	-
Office Expenses		71,114	-
Conveyance Expenses		37,948	-
Stationery		12,453	-
Postage & Telegram		144,699	-
Telephone Expenses		405,999	-
Audit Fee		57,500	-
Entertainment Expenses		180,560	-
Legal Expenses		122,818	-
Training Expenses		12,620	-
Fees & Renewals		1,800,014	-
Office Rent		54,360	-
Misc. Expenses		95,039	-
Motor Car Expenses		746,096	-
Motor Cycle Expenses		12,220	-
Motor Car Repair		360,278	-
General Expenses		86,000	-
Computer Expenses		67,210	-
Consulting Fees		2,971,654	-
Professional Fees		81,750	-
Land Taxes		7,457	-
Paper & Periodicals		248	-
Ex-Gratia Allowance		25,000	-
Mobile Allowance		27,429	-
Printing Expenses		19,583	-
Subscription		40,000	-
Brokerage & commission		167,501	-
TOTAL TAKA:		9,747,767	-

		AMOUNT IN TAKA	
		31.12.2010	31.12.2009
17.	OTHER INCOME:		
	Truck/Trailer Rent received	5,670,000	-
	Interest Realisation	194,797	-
	TOTAL TAKA:	5,864,797	
18.	FINANCIAL EXPENSES:		
	Interest on One bank Term Loan	4,256,470.08	-
	Interest on Eastern bank Term Loan	5,919,575.57	-
	Interest on City Bank Term Loan	6,229,308.80	-
	Interest on Dhaka Bank Term Loan	2,792,272.65	-
	Interest on IIDFC Term Loan	7,177,605.97	-
	Interest on Trust Bank Term Loan	2,573,428.85	-
	Interest on UCBL Term Loan	8,039,030.39	-
	Interest on Rupali Bank Term Loan	6,272,342.68	-
	Interest on Standard Bank Term Loan	6,391,110.94	-
	Interest on MTBL Term Loan	5,975,880.50	-
	Interest on Janata Bank Term Loan	10,319,257.09	-
	Interest on Bank Asia Term Loan	2,334,018.70	-
	Interest on BSRS Term Loan	3,696,943.09	-
	Interest on Sonali Bank Term Loan	5,281,302.00	-
	Interest on MTBL SOD A/c	8,390,558.45	-
	Interest on DBL LTR	5,319,564.96	-
	Interest on City Bank CC A/c	300,645.00	-
	Interest on City Bank LTR	9,075,033.26	-
	Interest on UCBL LTR	7,346,346.86	-
	Interest on Sonali Bank LTR	14,449.00	-
	Interest on Al-Arafah LTR	3,083,987.00	-
	Interest on Dhaka OD A/c	846,617.81	-
	Interest on Bank Al-Falah LTR	11,051,009.69	-
	Interest on One Bank CC	3,177,847.54	-
	Interest on OBL LTR	13,137,207.71	-
	Interest on MTBL LTR	3,438,083.24	-
	Interest on Shahjalal Bank LTR	9,627,335.62	-
	Interest on MBL	9,950,207.85	-
	Interest on EBL Ltr	4,253,332.48	-
	Interest on Islami Bank Ltr	1,301,111.34	-
	Bank Charge	32,594,542.37	-
	Interest on Lease Liabilities	2,141,761.40	-
	Bank Guaranty Commission	275,436.45	-
	Interest on Social Islami Bank LTR	77,906.20	-
	Less:Interest on Sister Concern	(30,627,707)	-
	TOTAL TAKA:	172,033,825	
19.	EARNINGS PER SHARE (EPS):		
	The computation of EPS is given below:		
	a) Profit attributable to the Ordinary Shareholders (Net Profit After Tax)	109,928,802	-
	b) Weighted average Number of Shares Outstanding for the year (Note.No-19.01)	11,000,000	-
	Earning Per Share (EPS)	9.99	

19.01 Calculation of weighted average number of shares:

	Number of Shares	Weighted average no of Shares
Ordinary shares issued on 13th April 2005	5,000	5,000
Ordinary shares issued on 4th June 2005	463,500	463,500
Ordinary shares issued on 29th July 2009	2,065,500	2,065,500
Ordinary shares issued on 14th February 2009	2,000,000	2,000,000
Ordinary shares issued on 1st June 2010	6,466,000	6,466,000
TOTAL TAKA:	11,000,000	11,000,000

ANNEXURE-A

OTHER CREDITORS:

Burhani Steel Corporation	2,835
The Purbokone Ltd.	9,268
Provati Insurance Co.Ltd.	9,361
Shamol Trading Cor.	437,215
United Consultant India Ltd.	970,776
General Kinematics Corporation	2,917,680
Ramesh Devadanga	5,000
Naseem Traders	102,076
Shipping Enterprise	70
Fair Star Shipping Lines	200,921
Karnaphuli Ins. Co. Ltd.	8,568
Rupali Ins. Co. Ltd.	19,164
Bizli Traders	1,870
Express Insurance Ltd.	10
City General Insurance Co.Ltd.	2,544
Reliance Insurance	61,076
Royal Trading Corporation	30,150
Island Trading Corporation	207,202
Keya Enterprise	70,463
Trim trade	553,578
Karnaphuli Shipping	92,723
Pioneer Trading	2,056,464
Feroz Enterprise	90
Federal Engineers,India	9,580
Concord Ready Mix	138,195
ABC Ltd.(adv.payment)	3,272,384
Pragati Insurance Ltd.	537,658
Bangladesh General Insurance	663,539
Mahuya Enterprise	20
Phoenix Insurance	20,067
Mohammadi Enterprise	445,284
Korban Ali Dev. Corporation	564,773
Central Hardware	185,760
Crystal Insurance Co. Ltd.	4,447
N.Islam Enterprise	395,833
Bangladesh Co-Operative Insurance	586
Khan Engineering	43,600
Ezzy International	1,729,222
Nitol Insurance Co.Ltd.	312
Federal Insurance Co.Ltd.	296
Standard Insurance Co.Ltd.	9,387
Republic Co.Ltd.	15,797
M.N.Enterprise	152,308
H.S.Traders	217,617

TOTAL TAKA: 16,165,769

ANNEXURE-B

ADVANCE FOR EXPENSES:

	AMOUNT IN TAKA
	31.12.2010
Jakir Hossain(Takurdighi)	50,000
Hujatarnessa (MRS)- Takurdighi	30,000
Ilias (MD) - Takurdighi	100,000
Shekh Tajul Islam - Takurdighi	50,000
Shahinur Akter - Takurdighi	50,000
Main Uddin - Takurdighi	25,000
Imran Shakha	100,000
Heidelberg Cement Ltd.	69,997
Afzal Hossain	2,000
Bangladesh Erectors Ltd.	960,000
Pioneer Insurance	8,699
Mohammad Yusuf	100,000
Otobi Ltd.	1,465,000
Amirul Islam (Accounts)	200,000
AdnanSaifullah	100,830
Intertek BD.Ltd	1,250
Power Development Board,Ctg.	7,957,419
Anwar Rza	45,234
SDSL Freight Ltd.	154,485
Mohammed Trading	39,731
BOC Ltd.	94,378
Jamuna Oil Co.Ltd.	554,812
M.S.Trading	18,500
Meghna Petroleum Ltd.	113,400
Premier LP Gas Ltd.	264,812
CPCL Store Yard	27,478,541
Abdul Mannan Rana	5,000
Electrotherm (India) Ltd.	103,469
Imtiaz Uddin Chy	10,000
Surendra Jagdale	365,800
Agrani Insurance	321
Bangla Trac Ltd.	137,394
Padma Oil Co. Ltd.	411,333
Siemens (BD) Ltd.	275,890
Saurava Mathure	14,500
Vezzani Spa, Italy	31,165,236
Takaful Insurance Ltd.	225
Shakawat Hossain	3,000
Sonar Bangla Insurance	842
Global Insurance	5,143
Al-Haj Faiz Ahmed & Sons	88,000
Vortex Investments Ltd.	616,950
Alamgir Medical asst.	5,000
TOTAL TAKA:	73,242,191

ANNEXURE-C

Direct Expenses

Casual Wages	6,186,521
Erector charges	2,821,271
Wages	9,877,536
Testing charges	30,700
Machining charge	66,000
TOTAL TAKA:	18,982,028

ANNEXURE-D

Direct Materials Consumed

	AMOUNT IN TAKA
	31.12.2010
Lining Materials	23,602,737
Tundish consumable store	12,604,497
Consumable Store Consumed	56,053,771
Ferro Silicon	20,318,535
Ferro Manganese	71,322,470
Silico Manganese	61,989,175
Ladle Refining Furnace	870,829
TOTAL TAKA:	246,762,014

ANNEXURE-E

Factory Overhead

Salaries & Allowances	35,849,239
Factory Office Expenses	66,620
Land Revenue	59,076
O.T.Wages	2,426,158
Bonus (Festival)	1,697,815
Bonus (Incentive)	271,500
Repairs & Maintenance	1,970,887
Godown Rent	950,350
Wasa	3,748
Printing Exp.	183,931
Generator Expenses	121,000
Medical allowance	258,694
Postage & Telegram	15,947
Conveyance	1,874,178
Entertainment.	921,803
Stationery	246,143
Special Allowance	50,062
Staff Welfare Expenses	260,786
Guest House Expenses	3,472,461
Guest House Rent	1,287,453
Carrying Charge	15,370,858
Billet Cutting Expenses	35,825
Computer Exp.	103,095
Paper & Periodical	3,764
Servicing Charge	13,000
Misc. Expenses	8,494
Driver Allowance	6,000
Insurance (Others)	8,563
Electric Expenses	20,139
TOTAL TAKA:	67,557,589

ANNEXURE-F

Store Consumed

Mechanical Store Consumed	8,482,318
Electrical Store Consumed	6,396,787
General Store Consumed	3,124,079
TOTAL TAKA:	18,003,184

GENERAL:

- Previous year's figures have been re-arranged, wherever necessary, to conform to the current year's presentation
- Tax payable during the year calculated @ 5% as per SRO No.173 Income Tax/2009 dt.30.06.2009.
- Bank amount represent book balance which has been reconciled with the Bank. Statements and confirmed by the banker's certificates.

Notes

BSRM Steels Limited

Registered Office: Ali Mansion, 1173/1207 Sadarghat Road, Chittagong

Form of Proxy

I/we _____ (Name)

of _____ (Address)

being a shareholder of BSRM Steels Limited (the "Company") hereby appoint,

Mr./Ms. _____ (Name)

of _____ (Address)

as my/our proxy, to attend on my/our behalf at the 9th Annual General Meeting of the Company to be held on 31st May 2011 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 fit on all Resolutions.

As witness my/our hands this _____ day of _____ 2011.

Signed
(Shareholder)

Folio/ BO ID NO.

Signed (Proxy)

Folio/BO ID NO

Signature Verified



Authorised Signatory
BSRM Steels Limited

Note: The proxy form, duly filled in and stamped, must be submitted with the Registered Office of the Company not less than 72 hours before the time fixed for the meeting.

BSRM Steels Limited

Registered Office: Ali Mansion, 1173/1207 Sadarghat Road, Chittagong

Attendance Slip

I hereby record my presence at the 9th Annual General Meeting of BSRM Steels Limited on 31st May 2011.

Name _____

BO ID

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature Verified

Signature

Authorised Signatory
BSRM Steels Limited

Note: Please complete this Attendance Slip and deposit at the registration counter on the day of the meeting.