

ANNUAL REPORT 2014

THE 3 PILLARS OF SUSTAINABILITY

The quality of life on the planet depends on adequate energy generation and consumption; safe and dependable mass transportation and extraction of mineral resources from the bowels of the earth. All these activities come at a price for the environment. There is a limit to the extent the environment can endure human activity

Sustainability is based on a simple principle: Everything that we need for survival and well-being depends, either directly or indirectly, on our natural environment. Sustainability creates and maintains the conditions under which human beings and nature can exist in productive harmony, that permit fulfilling the social, economic and other requirements of present and future generations.

Sustainability is important to making sure that we have and will continue to have, the water, materials, and energy resources to protect human health and our environment for generations to come.

The 3 pillars of sustainability are Economic, Social and Environment. The interaction of economic and social factors develops Equitable distribution of resources. The interaction of social and environmental factors makes human development Bearable. Finally, the interactions of economic and environmental factors make human life Viable. All the 3 factors combine to make Sustainable development a reality.

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BURJ KHALIFA, DUBAI, UNITED ARAB EMIRATES

Burj Khalifa is the tallest man-made structure in the world, standing at 829.8 m in Dubai, United Arab Emirates. It used 330,000 m³ of concrete and 55,000 tonnes (61,000 short tons; 54,000 long tons) of steel rebar, and took 22 million man-hours. In May 2008, Putzmeister pumped concrete to a then world record delivery height of 606 m (1,988 ft), the 156th floor. Three tower cranes were used during construction of the uppermost levels.

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 honoring all our commitments despite challenges.

Trust:

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

Leadership:

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

Social Responsibility:

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

Customer Satisfaction:

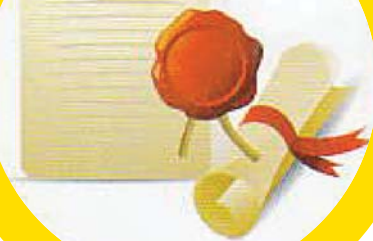
Delight our external and internal customers at every stage of our interaction with them by truly understanding their needs, offering them our best products and services, treating them with respect and actively seeking and acting on their feedback.

CODE OF CONDUCT...



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

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





PONT DE NORMADIE, HONFLEUR, FRANCE

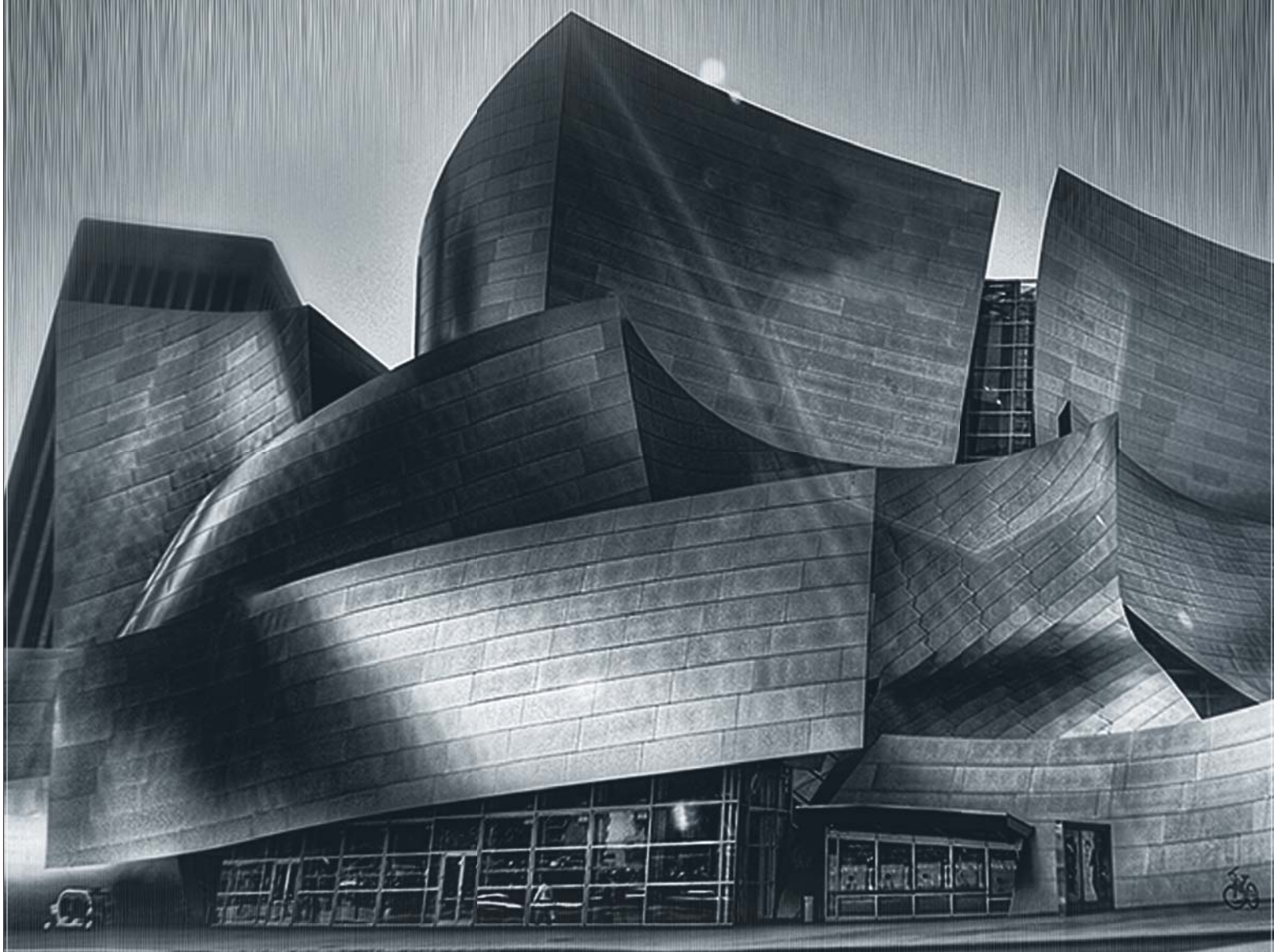
This bridge used to be the longest cable-stayed bridge in the world, a record that eventually was lost in 1999; four years after its official opening. With a total length of 2143 meters, the construction of such an ambitious project took more than 7 years. More than \$465 million were invested in Pont de Normandie, creating one of the grandest structures ever built by man along the river of Seine.

BSRM GROUP'S MILESTONES...

- 1952** The BSRM saga began with the first steel re-rolling mills to emerge in the then East Bengal.
- 1984** Introduced high strength cold twisted steel bars (TORSTEEL) to the construction industry.
- 1987** Introduced High Strength Deformed reinforcing steel bars conforming to ASTM 615 Grade 60 for the construction industry.
- 1996** Commissioned the then largest billet making plant in the country - **Meghna Engineering Works Limited**, now known as Steel Melting Works (SMW) unit of Bangladesh Steel Re-Rolling Mills Ltd.
- 2006** Introduced micro reinforcement wires, below 8mm, for low cost rural construction.
- 2008** BSRM Steels Limited commenced production of internationally recognized Grade 500 steel bars branded as “**Xtreme500W**” conforming to ISO 6935-2.
- 2009** **Entrance in the Capital Market-BSRM Steels Limited**
Shares of BSRM Steels Limited was listed with the country's premier bourses Dhaka Stock Exchange (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. on 18 January 2009. Market Capitalization as on 31 December 2014 was Tk. 29,974 million. The public shareholding including institutional investors is 29.13%.
- 2010** BSRM Iron and Steel Co. Ltd. largest billet making plant in the country started commercial production on June 01, 2010.
- 2012** Production capacity of BSRM Steels Limited enhanced to 600,000 MT per year.
- 2013** A syndicated term loan of US\$ 40 million and BDT 5,908 million, raised by a consortium of 25 banks and financial institutions, for BSRM Steel Mills Limited. It is the largest ever syndicated loan facility arranged for a private company in Bangladesh. The Plant will produce billets.
- 2014** **Oracle e-BS -12 went GO LIVE** on 1st March 2014. Oracle Financials, Costing, Purchasing, Manufacturing, EAM, Inventory & order management are now integrated on a single platform which ensure the accuracy, accountability and reliability of the Group.

What's Next?

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



WALT DISNEY CONCERT HALL, LOS ANGELES, USA

Born from the design of Frank Gehry, one of the most influential architects of our times, the Walt Disney Concert Hall is praised not only for its unique look, but also its acoustics, considered to be one of the best in the world. Opened in October 2003, most of the building's exterior is designed in stainless steel with a matt finish.

AWARDS & RECOGNITIONS...

1. Best Enterprise of the year 2010

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

2. D & B Corporate Awards 2012 & 2012

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

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

BSRM has been recognized as the best brand of Bangladesh in the Steel Category at the **Best Brand Award Bangladesh 2011, 2013 & 2014** ceremony, organized by Bangladesh Brand Forum.

After extensive research across the nation conducted by Nielsen on 5000 in different categories, samples to identify the winning Brands, BSRM was voted as the best known brand in the steel category.

4. Pride of Chittagong (Chattagramer Ahonkar)

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

5. Achieved Divisional Environment Award 2013

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

6. Achieved ICAB National Awards for Best Presented Annual Reports

BSRM Steels Limited has placed the **1st position in “14th ICAB National Awards”** and **3rd position in “13th ICAB National Awards”** for best presented Annual Report 2013 & 2012 respectively under the manufacturing category from the **Institute of Chartered Accountants of Bangladesh (ICAB)**.

7. Achieved Certificate of Merit from SAFA

South Asian Federation of Accountants (SAFA) also awarded the Certificate of Merit for the Best Presented Annual Report 2012 & 2013.

8. 5th Standard Chartered-Financial Express CSR Award

BSRM won the “5th SCB-FE CSR Award” for undertaking CSR projects which have empowered 100 women through job creation, ensured pure drinking water for 300 families, and made solar power available for 40 families in Sylhet.

9. Achieved IIUC Business Awards

BSRM achieved the International Islamic University Chittagong (IIUC) Business Awards for business performance excellence.

10. Japan Bangladesh Chamber of Commerce & Industry (JBCCI) Awards

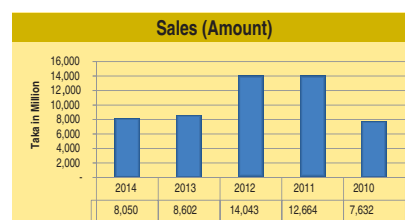
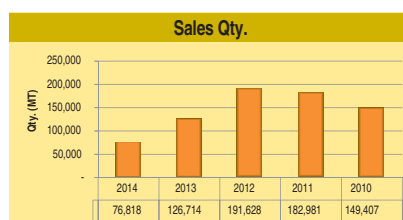
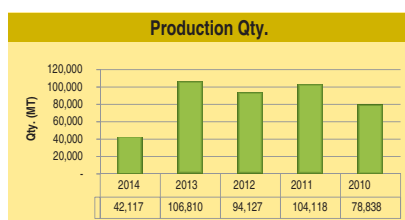
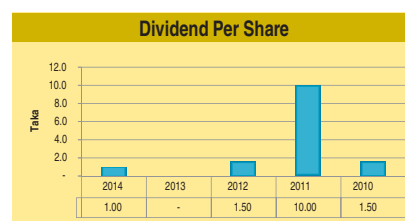
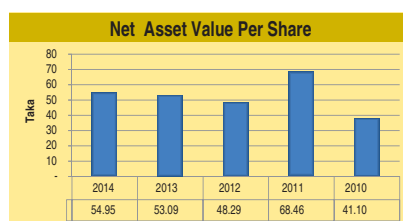
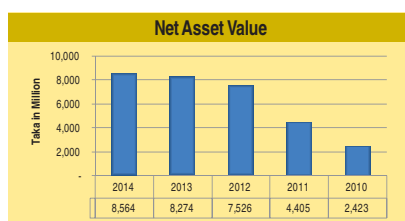
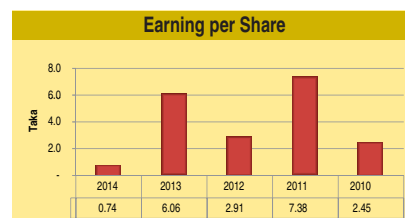
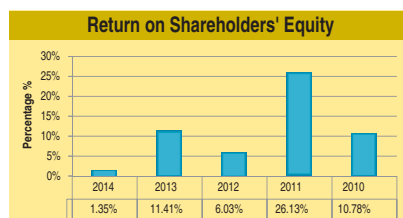
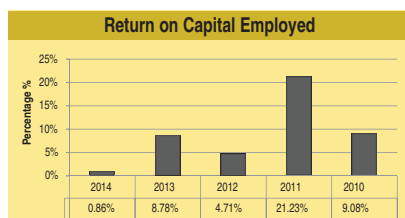
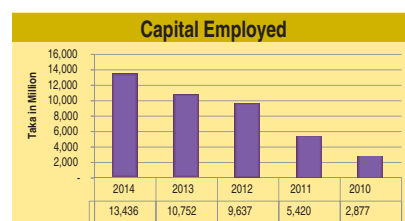
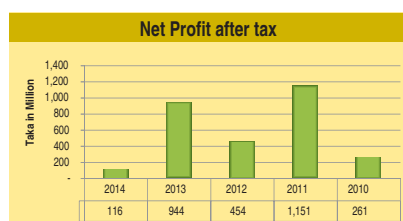
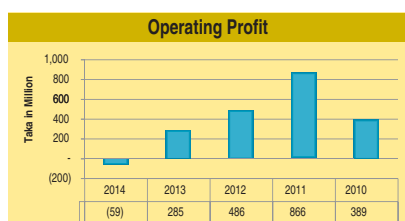
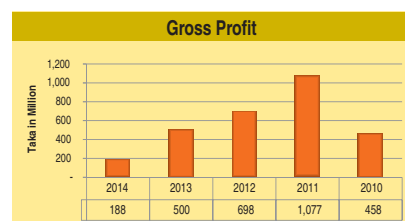
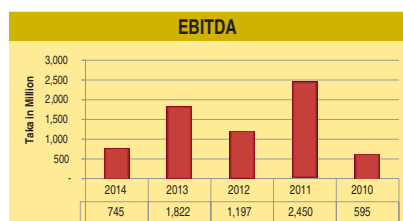
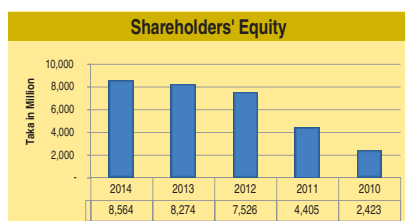
BSRM also achieved Japan Bangladesh Chamber of Commerce & Industry Business Excellence Award 2014.



GATEWAY ARCH, ST. LOUIS, USA

The Gateway Arch is a massive monument at the Jefferson National Expansion Memorial in St. Louis. At 192 meters wide at the base with a height of 192 meters, this is the tallest monument ever made in the United States. Completed in October 1965, more than one million tourists yearly get to the top of this arch every year, where 900 tons of stainless steel was used for its construction.

KEY PERFORMANCE INDICATORS...



VALUE ADDED STATEMENT...

Value Added:

Revenue
Other Income
Less : Paid to suppliers for materials and services

2014 TK	%	2013 TK	%
8,049,886,582		8,602,415,008	
585,125,436		1,288,351,150	
8,635,012,018		9,890,766,158	
7,565,058,000		7,662,093,688	
1,069,954,018	100	2,228,672,470	100

Distributed as follows:

EMPLOYEES

Wages, Salaries, bonus, commissions, pensions and other benefits

315,518,436 29.49 383,289,096 17.20

PROVIDERS OF FINANCE

504,379,198 47.14 264,396,406 11.86

GOVERNMENT

(102,998,365) (9.63) 356,273,338 15.99

DIVIDEND

155,851,038 14.57 - -

872,750,307 81.58 1,003,958,840 45.04

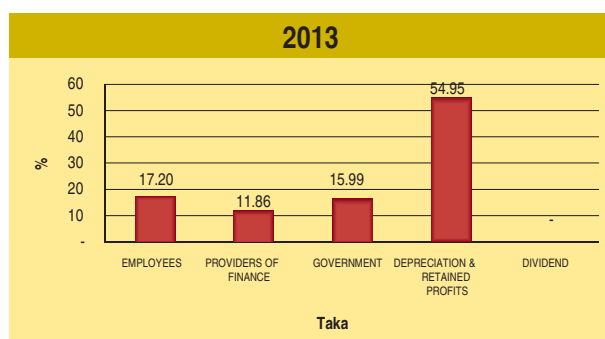
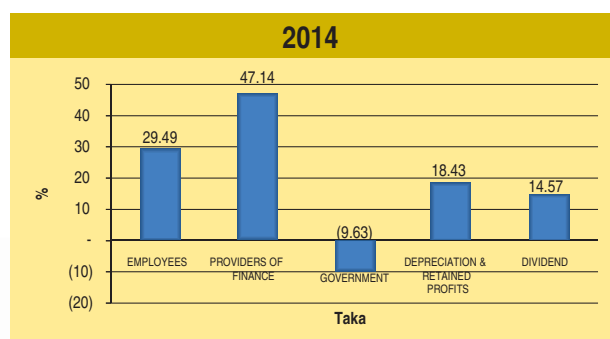
RETAINED FOR REINVESTMENT & FUTURE GROWTH

Depreciation & Amortization
Retained Profit

237,021,513 22.15 279,138,185 12.52
(39,817,802) (3.72) 945,575,445 42.43

197,203,711 18.43 1,224,713,630 54.95

1,069,954,018 100 2,228,672,470 100



PRODUCTS AND MARKETS...

Founded in 1952, BSRM Group broadening its business to produce advanced technology based steel products in Bangladesh. In 2011, Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) has absorbed its sister concern Meghna Engineering Works Limited, a backward linked concern of BSRMLTD. BSRMLTD is now operating two different units: Re-Rolling unit for M.S. Rod, Channel, Angle and Steel Melting Works unit for production of M.S. Billet. BSRMLTD produces a low carbon weldable quality high strength and high ductility concrete reinforcing bar that is now extensively used all over Bangladesh. It produces 60 grade and 40 grade MS bars, Angles, Channels, I-beam, Great-beam, etc. A massive BMRE Project of the Company is in under process and after that the Company will also be able to produce 500 grade Rebar and TMT Bar.

The Steel Melting Works (SMW) unit of the Company produces MS billets which are used for producing MS Rod by the company. A portion of these billets also sold to BSRM Steels Limited.

The company also deals in imported MS Products like angles, channel, I Beam, H Beam, ingot etc.

Market performance

BSRM Group is the largest and leading industrial conglomerate in the steel sector of Bangladesh. This is the only 3rd generation Steel Manufacturing Group working in the country.

BSRM Group has a clear vision to be the number one and leader of the sector on every count viz. market share, cost effectiveness, quality and innovation. Capital is continuously being injected in the plants to improve efficiency and the company conducts product and market research to match the needs of the time. There is a good possibility that BSRM group can retain its dominating position in the market.

A large number of mega projects, both in private and public sectors were constructed by using MS Rods produced by Bangladesh Steel Re-Rolling Mills Limited. A few of those are as follows.

• Meghna Bridge • Meghna-Gumti Bridge • Bangabandu Bridge, supportive projects • Dhaka City Storm Water Drainage Project • Saidabad Water Treatment Plant of Dhaka WASA • Jamuna Fertilizer Factory • Shah Amanat International Airport, Chittagong • 210 MW Thermal Power Station in Rangunia Chittagong • Army Heavy Workshop Complex in Rajendrapur Cantonment • Barapukuria Coal Mine Project in Dinajpur • Karnafully Fertilizer Factory Co. Ltd.(KAFCO) • Bashundara City Complex • Apollo Hospital Complex • North-South University • Lafarge-Surma Cement Factory in Sylhet

BSRM Group is the Market leader of our country. This year sales and production of BSRM'S own products are insignificant as massive BMRE (Balancing Modernization Rehabilitation and Expansion) is going to enhance the production capacity of existing Re-Rolling Plant from 1,20,000 M. Ton to 4,50,000 M. Ton. The estimated project cost stands at Tk. 5,863.70 million. Besides its own manufactured product, the company delivered products procuring from outside. Thus, its delivery always exceeds the production. Production and Sales performances of our two plants are given below:

Re-Rolling Unit:

Particulars	2014	2013	2012	2011	2010
Installed Capacity (M. Ton)	120,000	120,000	120,000	120,000	120,000
Production (M. Ton)	42,117	106,810	94,127	104,118	78,838
Capacity Utilization (%)	35*	89	78	87	66
Sales (M. Ton)	76,818	126,714	191,628	182,981	149,407

*Due to BMRE for enhancement of capacity the Company ceased its operation from June 2014.

Melting Unit:

Particulars	2014	2013	2012	2011	2010
Installed Capacity (M. Ton)	120,000	120,000	120,000	120,000	120,000
Production (M. Ton)	82,350	119,289	95,810	105,121	91,861
Capacity Utilization (%)	69	99	80	88	77

LETTER OF TRANSMITTAL...

Date: May 25, 2015

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

Dear Sir(s)

Annual Report for the year ended December 31, 2014

We are pleased to enclose a copy of the Annual Report of **Bangladesh Steel Re-Rolling Mills Limited** together with the Audited Financial Statements, Auditors' Report thereon and Report of the Board of Directors for the year ended December 31, 2014 for your information and records.

Yours sincerely



Shekhar Ranjan Kar FCA
Group CFO & Company Secretary

NOTICE OF THE 53RD ANNUAL GENERAL MEETING...

Notice is hereby given that the 53rd Annual General Meeting of shareholders of **Bangladesh Steel Re-Rolling Mills Limited** will be held on June 15, 2015 at 3.00 p.m. at the Institution of Engineers of Bangladesh, Chittagong Center, S. S. Khaled Road, Chittagong to transact the following businesses and to adopt necessary resolutions:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December 2014 together with the Directors' Report and the Auditors' Report thereon.
2. To elect /re-elect the Director(s) of the Company.
3. To confirm the appointment of Independent Director.
4. To appoint Auditors for the year 2015 & fix their remuneration.
5. To declare Dividend for the year ended 31st December 2014.

By order of the Board

Chittagong
May 10, 2015


Shekhar Ranjan Kar FCA
Group CFO & Company Secretary

Notes:

- The **Record Date** is fixed on **May 13, 2015**. Shareholders whose name appears in the Share Register of the Company or in the Depository Register at the close of business on the record date, will be entitled to attend the AGM and receive the dividend.
- A shareholder eligible to attend and vote at the meeting may appoint a proxy in his/her stead. The form of proxy duly completed must be lodged at the Company's Registered Office at Ali Mansion, 1207/1099 Sadarghat Road, Chittagong not later than 48 hours before the AGM.
- The Shareholders bearing BO Account are requested to update their respective account with 12 digit e-TIN and any other changes in the particulars through their Depository Participant (DP), and the Shareholders bearing Folio Numbers are requested to submit their e-TIN certificate to the Share Department of the Company before Record Date; failing of which income tax will be deducted at source @ 15% instead of 10% from cash dividend as per Section 54 of IT ordinance 1984.
- The Annual Report 2014 and Proxy Form will be available at the Company's Website www.bsrm.com.

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

CORPORATE AND CONTACT INFORMATION...

COMPANY NAME

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

DATE OF INCORPORATION

28th December 1960

DATE OF COMMERCIAL OPERATION

28th December 1960

SHARE CAPITAL

Authorized capital

BD Tk. 500.00 crore

Paid Up Capital

BD Tk. 155.85 crore

BORAD OF DIRECTORS

Mr. Aameir Alihussain, **Chairman**

Mr. Alihussain Akberali FCA, **Managing Director**

Mr. Zohair Taherali, **Director**

Mrs. Sabeen Aameir, **Director**

Mr. Mono Ranjan Dey FCA, **Independent Director**

AUDIT COMMITTEE

Mr. Mono Ranjan Dey FCA, **Chairman**

Mr. Aameir Alihussain, **Member**

Mr. Zohair Taherali, **Member**

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

COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA

MANAGEMENT COMMITTEE

Mr. Tapan Sengupta, **Executive Director**

Mr. Kazi Anwar Ahmed, **Head of Corporate Affairs**

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

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

Mr. Sunil Kumar Das, **Country Director (India)**

Mr. Jamil Ahmed, **Head of HR**

Mr. Mohd. Imtiaz Uddin Chowdhury, **Head of SCM**

AUDITOR

Rahman Rahman Huq

Chartered Accountants

102 Agrabad Commercial Area (3rd Floor),
Chittagong.

Tel: +880(31) 710704, 710996

Fax: +880(31)2520796

LOCATIONS:

PLANT

Re-Rolling Unit: 147-149, Nasirabad I/A, Baizid Bostami Road,
Chittagong.

Tel: +88 031 683053, 683164, 683094

Steel Melting Works Unit: 78/79, Nasirabad I/A, Baizid Bostami Road,
Chittagong.

Tel: +88 031 681487, 683536

CORPORATE OFFICE

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

Tel: +880 31 2854901-10

Web: www.bsrm.com

OVERSEAS OFFICE:

16, Lake Temple Road, 1st Floor,
Kolkata-700029, India

Tel:033-65290455,

Fax: 033-24633378

DHAKA OFFICE

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

35/A, Purana Paltan Line,

VIP Road, Dhaka-1000.

Tel: 88 02 8311994, 8958135

Fax: 88 02 8312905,

E.mail-dhaka@bsrm.com

UTTARA OFFICE

H-14, Road-6, Sector-1,

Uttara, Dhaka.

(Opposite side of 1no. BDR Camp)

Tel: 88 02 8957027, 8958029

Fax # 8956496

REGIONAL OFFICES:

Sylhet

Samad Mansion

Mendibag, Upa-Shahar,

Sylhet.

Tel:0821-721239, 01714080514,

Fax-0821-2832751.

E-mail-sylhet@bsrm.com

Bogra

Tin Matha Rail Gate,

Puran Bogra, Bogra.

Tel-051-60792, 01711-795148

Comilla

Chandrima Super Market,

Airport Road (Near to EPZ Main Gate),

Comilla.

Tel-081-71988, 01714-080544.

E-mail- comilla@bsrm.com

Khulna

Plot # C-7, Road # 4,

Shiromoni I/A, Khulna.

Tel-041-785303, 01714-031110

E-mail-khulna@bsrm.com

Barishal

Amtala Panir Tank

South Alekanda

Barishal.

Tel-0431-217518

Rajshahi

Alupatti, Ghoramara,

Boalia (Behind of Grameen Phone Office)

Rajshahi.

Tel- 01755-538353, 01730-087537

Rangpur

House # 71/01, Road # 2,

Islambag, RK Road, Rangpur.

Tel- 01711-795148, 01730-784821

BOARD OF DIRECTORS...



Mr. Alihussain Akberali FCA
Managing Director

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

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

He holds 21,967,130 Voting Shares of the Company.

Mr. Aameir Alihussain
Chairman

Son of Mr. Alihussain Akberali FCA, Managing Director of the Company was born in 1975. He joined his family business in 2001 and aims to set high industry standards for the performance of the Company. He is active in the day to day operation of the company as Chairman. He is introducing modern management practices in the Company and instilling a team spirit to excel in the industry. He graduated in Economics from McGill University, Canada and did his MBA from LUMPS University in Pakistan.

He holds 17,069,955 Voting Shares of the Company and also a member of Audit Committee.



Mr. Zohair Taherali
Director

He was born in 1963 and involved for last 22 years in steel business as a Director of the company. He is responsible for the management of Financial and Administrative aspects of the Company. He is actively involved in various social activities. He is Commerce graduate from University of Karachi in Pakistan.

He holds 5,682,204 Voting Shares of the Company and also a member of Audit Committee.



Mrs. Sabeen Aameir
Director

She was born in 1977. She also looks after the Corporate Social Responsibility (CSR) activities of the group.

As a member of the Board of Directors, she is applying her prudent thoughts to resolve the matters in the board and she is also concentrating on the development of Human Resource Management of the Company. She did her MBA from LUMPS University, Pakistan

She holds 4,004,600 Voting Shares of the Company.



BOARD OF DIRECTORS...



Mr. Mono Ranjan Dey FCA
Independent Director

A renowned Chartered Accountant Mr. Mono Ranjan Dey FCA was born in 1954. He has 26 years of experience in internal and external audit and assurance, developing internal control system, company related matters and taxation and VAT matters.

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

He was appointed as an independent Director of the Company in 2014 and he is the Chairman of the Audit Committee of the Company

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

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

KEY MANAGEMENT...

Tapan Sengupta, Executive Director

Kazi Anwar Ahmed, Head of Corporate Affairs

M. Firoze, Head of Marketing & Product Development

Shekhar Ranjan Kar FCA, Group CFO & Company Secretary

S. K. Das, Country Director, India

Shobhon Mahbub Shahabuddin, Head of National Sales

Mohinder Singh Hanspal, Plant Head (Re-Rolling Unit)

Md. Nizamul Hoque, Plant Head (Melting Unit)

Jasim Uddin Ahmed, Head of Technical Projects

Jamil Ahmed, Head of HR

Mohammed Reazul Kabir FCA, Head of Finance & Accounts and CFO

Mohd. Imtiaz Uddin Chowdhury, Head of Supply Chain

Muhammad Ashiqur Rahman ACA, Lead Compliance & Accounts – Dhaka

Abdur Rahim, Head of Internal Audit

A. K. M. Saifuddin Khan, Head of Administration

Mohammed Tamim Wahid Al-Helal, Head of IT

ADVISERS

Moize Hussain, Group Adviser

Tapan K. Poddar FCA, FCMA, Financial Consultant



Aameir Alihussain
Chairman

CHAIRMAN'S MESSAGE...

I gladly welcome you all at the first Annual General Meeting of the Company after its listing with the Stock Exchanges. It is a very memorable moment for BSRM Group of Companies. Since our beginning in 1952, we are continuously trying to do better. As a result, the four manual mills operated by the Company now have been replaced with the biggest merchant mill in Bangladesh with a variety of products. After completion of BMRE the capacity of the mill will be 450,000 M. Ton per annum.

Now BSRM is the symbol of Quality, Reliability and Trust. We have attained tremendous customer acceptance for our prime quality products and efficient customer services.

For last six decades, we have supplied the best quality products to the nation. We never compromised with quality and customer satisfaction. We are the proud partner in the nation building activities. Many state-of-art infrastructures in the country, were constructed using our products.

We are continuously trying to enhance our productivity and efficiency to meet the growing demands for BSRM products.

One of our Associated Company, BSRM Steels Limited which is in share market since 2008 has won huge shareholder's attention for its impressive performance and productivity. Now this Company is also under BMRE to increase its capacity to 700,000 M. Ton.

Our another Associated Company, BSRM Steel Mills Limited, the largest induction furnace based billet producing plant will start commercial production within September this year. This new mill will ensure un-interrupted raw material supply to other sister concerns.

Now nearly 2,000 permanent workforces are engaged in our group with several hundred contractual workers. We have significant contribution to the national exchequer which will increase in future.

We are committed to run our business with transparency and accountability. We believe in sustainable growth of the Company. We are committed to supply best quality products and provide best customer services. We also believe that, we have responsibility to our society, to our nation, to our country. We want to discharge it in most meaningful way through CSR.

CHAIRMAN'S MESSAGE...

Again, I take this opportunity to express my profound gratitude for huge response by the potential investors on our Initial public offering (IPO). I also express my sincere thanks to the valued shareholders for their confidence and trust on us. On this occasion, I appreciate our workforces for their dedication and hard work which has turned our Company the largest one in Bangladesh. We are also very grateful to our bankers, auditors, government bodies, Registrar of Joint Stock Companies and Firms, National Board of Revenue, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, CDBL for their support and Co-operation.

Thank you all once again.



Aameir Alihussain
Chairman

চেয়ারম্যানের বার্তা...

স্টক এক্সচেঞ্জে নিবন্ধিত হবার পর কোম্পানির প্রথম বার্ষিক সাধারণ সভায় আপনাদের সাদরে অভিনন্দন জানাচ্ছি। বিএসআরএম গ্রুপ অব কোম্পানির জন্য এটি একটি স্মরণীয় মুহূর্ত। ১৯৫২ সালে আমাদের যাত্রা শুরু পর থেকে আমরা ক্রমবর্ধমানভাবে উন্নতি করার চেষ্টা চালিয়ে যাচ্ছি। যার ফলে চারটি হস্তচালিত মিল আজ দেশের বৃহত্তম মার্চেন্ট মিলে পরিণত হয়েছে। বর্তমানে আমাদের কোম্পানি বিভিন্ন রকম লৌহজাত পণ্য উৎপাদনে সক্ষম। বিএমআরই শেষে আমাদের উৎপাদন ক্ষমতা বার্ষিক ৪,৫০,০০০ মে.টনে উন্নীত হবে।

বিএসআরএম বর্তমানে পণ্যের উৎকর্ষতা, নির্ভরতা ও আস্থার প্রতীকে রূপান্তরিত হয়েছে। আমাদের পণ্যের উৎকর্ষতা আর উন্নত গ্রাহক সেবার জন্য ক্রেতাসাধারণের কাছে আমরা ব্যাপক গ্রহণযোগ্যতা পেয়েছি।

গত ছয় দশক ধরে আমরা সর্বোচ্চ গুণগতমানের পণ্য সরবরাহ করছি। পণ্যের মান বা গ্রাহক সেবার ব্যাপারে আমরা কখনো আপোষ করিনি। তাই জাতীয় বিভিন্ন গুরুত্বপূর্ণ স্থাপনা নির্মাণে আমাদের পণ্য সবসময় ব্যবহৃত হয়েছে। দেশ গঠনে গর্বিত অংশীদার হতে পেরে আমরা আনন্দিত।

বিএসআরএম এর পণ্যের ক্রমবর্ধমান চাহিদা পূরণের জন্য আমরা কোম্পানির দক্ষতা এবং উৎপাদনশীলতা বৃদ্ধির অবিরাম চেষ্টা চালিয়ে যাচ্ছি।

আপনারা জানেন আমাদের অন্যতম সহযোগী প্রতিষ্ঠান বিএসআরএম স্টিলস লিমিটেড গত ২০০৮ সাল থেকে শেয়ার বাজারে আছে। কোম্পানিটি এর দক্ষতা এবং উৎপাদনশীলতার জন্য শেয়ারহোল্ডারদের দৃষ্টি আকর্ষণ করতে পেরেছে। এর বার্ষিক উৎপাদন ৭,০০,০০০ মে.টনে উন্নীত করার জন্য একটি বিএমআরই (BMRE) প্রকল্প চলছে।

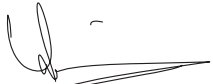
আমাদের অন্য একটি সহযোগী কোম্পানি, যেটি ইন্ডাকশন ফার্নেস চালিত পৃথিবীর বৃহত্তম বিলেট উৎপাদনকারী প্রতিষ্ঠান, বিএসআরএম স্টিল মিলস লিমিটেড এ বছরের সেপ্টেম্বরে উৎপাদনে যাবে আশা করা যায়। এই প্রতিষ্ঠানটি আমাদের কোম্পানিতে নিরবিচ্ছিন্ন বিলেট সরবরাহ নিশ্চিত করবে।

বর্তমানে আমাদের গ্রুপে প্রায় ২ হাজার স্থায়ী কর্মীবাহিনী নিয়োজিত আছেন। এছাড়াও কয়েক শত অস্থায়ী শ্রমিক কর্মরত রয়েছেন। কর্মসংস্থান সৃষ্টির পাশাপাশি সরকারী কোষাগারেও আমরা বিপুল পরিমাণ কর প্রদান করে থাকি। আগামী বছরগুলোতে এটা আরও বাড়বে।

আমরা ব্যবসার স্বচ্ছতা ও জবাবদিহিতার ব্যাপারে প্রতিজ্ঞাবদ্ধ। আমরা কোম্পানির অর্থবহ উন্নতিতে বিশ্বাসী এবং সর্বোচ্চ মানের পণ্য ও সেবা প্রদানে প্রতিজ্ঞাবদ্ধ। আমরা আরও বিশ্বাস করি দেশের প্রতি, জাতির প্রতি আমাদের কর্তব্য রয়েছে। এই দায়িত্ব পালনের জন্য আমরা পৃথক CSR বিভাগ চালু করেছি।

আমাদের IPO তে ব্যাপকভাবে সাড়া দেয়ার জন্য বিনিয়োগকারীদের প্রতি আমি আন্তরিকভাবে কৃতজ্ঞতা প্রকাশ করছি। সম্মানিত শেয়ারহোল্ডারবৃন্দ আমাদের প্রতি যে আস্থা ও বিশ্বাস স্থাপন করেছেন সে জন্য তাঁদের প্রতি আন্তরিক কৃতজ্ঞতা প্রকাশ করছি। আমি আমাদের কর্মীবাহিনীর অবদানকেও স্মরণ করছি যাদের একাত্মতা, নিষ্ঠা আর শ্রম আমাদের কোম্পানিকে বাংলাদেশের বৃহত্তম শিল্প প্রতিষ্ঠানে পরিণত করেছে। আমরা সর্বদাই ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, চট্টগ্রাম স্টক এক্সচেঞ্জ, সি.ডি.বি.এল এবং জাতীয় রাজস্ব বোর্ড থেকে সাহায্য ও সহযোগিতা পেয়েছি। আমি তাঁদের সবাইকে আন্তরিক ধন্যবাদ জানাচ্ছি।

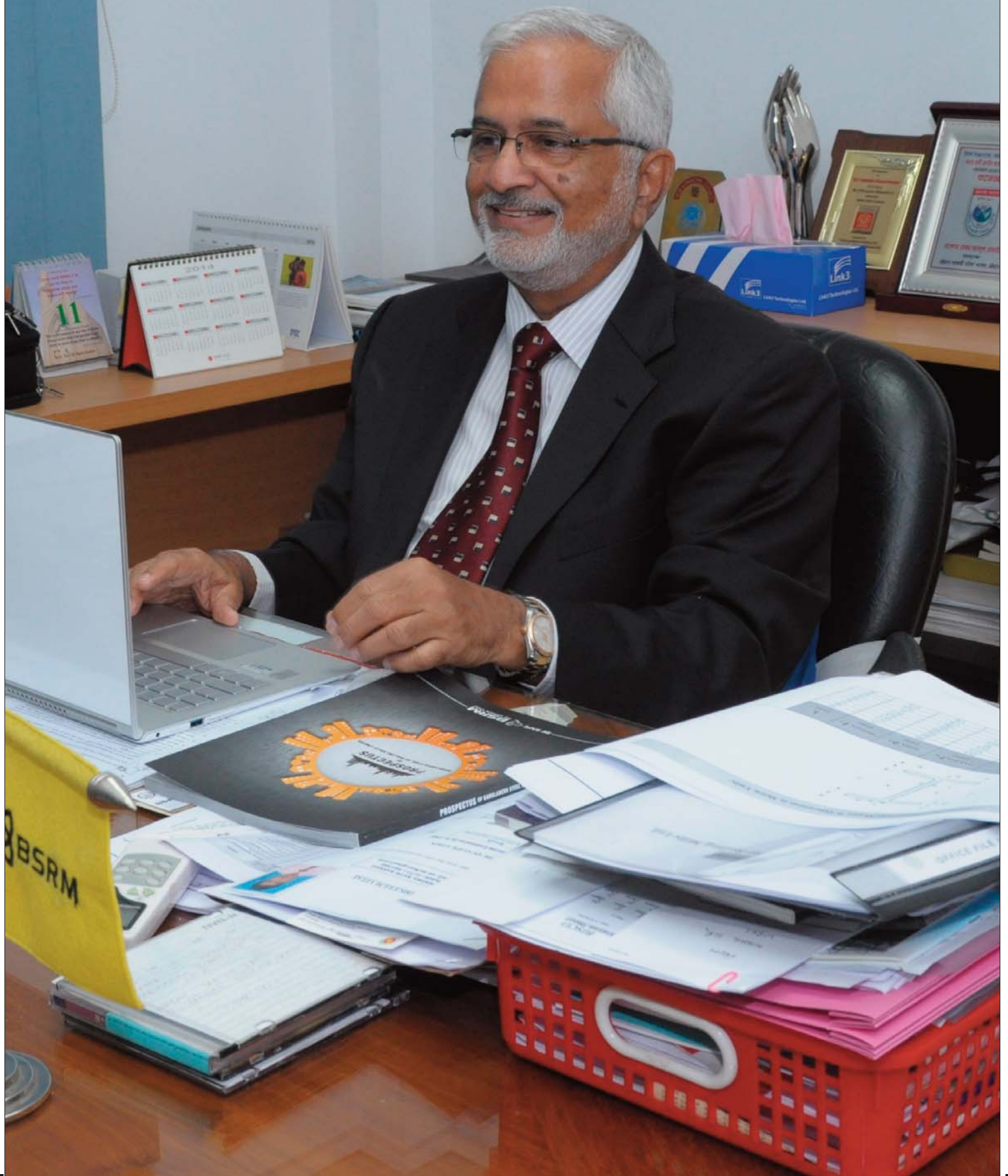
সবাইকে আবারও অসংখ্য ধন্যবাদ ও শুভেচ্ছা।



আমীর আলীহোসাইন

চেয়ারম্যান

Alihussain Akberali FCA
Managing Director



FROM THE DESK OF THE MANAGING DIRECTOR...

It is indeed a happy and memorable moment for welcoming you all at the 53rd Annual General Meeting of the Company. It is the first annual general meeting of the Company after its listing with the Stock exchanges.

BSRM Group of Companies is the pioneer in the steel industry in Bangladesh. We began our journey in early 1950 with four manual mills. In 1987, that previous mill was replaced by an automatic billet based mill. The product of this mill was widely accepted by the consumers for its outstanding quality and reliability.

Subsequently another concern of BSRM Group- Meghna Engineering Works Limited was merged with BSRMLTD in 2011. This plant produces billets from scrap which is the basic raw material for production of MS product.

In recent years we oversee tremendous demands for BSRM products for its high quality. We have several short term and long term plans to address these demands and also for future growth of the Company.

Bangladesh Economy:

You know, Bangladesh's economy has grown roughly 6% per year since 1996 despite political instability, poor infrastructure, scarcity of power and gas supply, slow implementation in reforms. However, Bangladesh economy has undergone rapid changes over the last decades with RMG export as well as export of manpower.

According to the IMF, Bangladesh is ranked as the 44th largest economy in the world. Several reports predict a massive 9% growth in industrial sector in near future. As a result many foreign investors express their interest for setting up factories in Bangladesh. Now government has also been investing heavily in infrastructural development, especially in the field of power generation, Roads, flyovers, bridges constructions. Government is also planning for establishing a deep sea port in Sonadia. Some foreign investors are keen to invest in this project. Karnafully tunnel, Padma Multi- Purpose Bridge, Coal based power plant is under way. Now various mills and factories are also setting up in the private sectors.

Future plan for BSRM:

Bangladesh will need huge steel consumptions, as an emerging country with average 6% growth and also for rapid industrialization and assisting faster urbanization. Now per capita steel consumption is significantly low compared to world consumption. It is around 26 Kg in Bangladesh while average world consumption is 217 kg.

A massive BMRE program has been undertaken to increase the production capacity of existing rolling mills from 120,000 M. Ton to 450,000 M. Ton per annum. With this capacity, it will be the first and largest merchant mill of its kind in the country. The project will be completed within couple of months. This mill will also produce various products like channel, angle, Tee etc.

At the same time we have also under taken a BMRE plan for BSRM Steels Limited for enhancing its capacity to 700,000 M. Ton per annum. BSRM Steels Limited is one of the Associate Company of Bangladesh Steel Re-Rolling Mills Limited.

You know, the volatility of the billet price – the basic raw materials for MS products, causes high price of MS Products. To make the company self- dependent and free from billet price fluctuation, a billet making plant, namely BSRM Steel Mills Limited is underway. This plant will produce 862,000 M. Ton billets in a year after completion of the project by September this year. Power crises are one of the main obstacles for rapid industrialization in Bangladesh. We have decided to generate our required power by setting up a 150 MW Coal based power plant. Now this project is at initial stage.

FROM THE DESK OF THE MANAGING DIRECTOR...

Performance and profitability of the Company:

I have already mentioned here that, your company is under massive BMRE. Production of rolling unit has ceased from the end of May 2014. Due to this revenue has declined by 6.42% in this year. EPS has stood at Tk. 0.74. We have already incurred Tk. 420.10 Core for BMRE as at 31st December 2014.

We hope, after commercial operation, production and profit will sharply increase.

Dividend:

Directors have recommended 10% cash dividend on ordinary share capital.

Corporate Social Responsibility:

We firmly believe that, social welfare is not less important than our steel business. Over the years, we involved in various community uplift programs. I am gladly informing you that, we have under taken programs in health, educations, alternative livelihood, women entrepreneurship etc. Our CSR vision is – “ To integrate social responsibilities in to BSRM core business decisions, we want to have CSR at every steps of the heart of our business process”. To discharge our social responsibilities in more meaningful way, we have opened a separate CSR department and we have several partnership agreements with some NGOs which is actually helping us to do something meaningful to the society.

Conclusion:

Lastly, I on behalf of the board express my heartfelt thanks to our valued shareholders for their trust on us, for their support and guidance in our business endeavor. We are also very grateful to the different government bodies, our bankers, our customers, Registrar of Joint companies and Firms, National Board of Revenue, Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited for their support and Co-operation. I also recognize with gratitude, the efforts and dedication of work forces which has placed our Company to this height.

Allah Hafiz.



Alihussain Akberali FCA
Managing Director

ব্যবস্থাপনা পরিচালকের বক্তব্য...

কোম্পানির ৫৩তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগত জানাতে পেরে আমি অত্যন্ত আনন্দিত। স্টক এক্সচেঞ্জে নিবন্ধিত হবার পর এটাই আমাদের প্রথম বার্ষিক সাধারণ সভা।

বিএসআরএম গ্রুপ অব কোম্পানি দেশের শীর্ষস্থানীয় ইস্পাত শিল্প প্রতিষ্ঠান। আমরা ১৯৫২ সালে চারটি হস্তচালিত মিল নিয়ে যাত্রা শুরু করি। ১৯৮৭ সালে পুরানো মিলটি একটি স্বয়ংক্রিয় বিল্টে ভিত্তিক মিল দ্বারা প্রতিস্থাপিত হয়। এই মিলটির উৎপাদিত পণ্য, তার গুণগত মান ও নির্ভরতার জন্য ক্রেতাসাধারণের কাছে ব্যাপক গ্রহণযোগ্যতা পায়।

২০১১ সালে মেঘনা ইঞ্জিনিয়ারিং ওয়ার্কস্ নামক গ্রুপের আর একটি কোম্পানি বিএসআরএম এর সাথে একীভূত হয়। এটি বিল্টে উৎপাদন করে যা এম এস পণ্য উৎপাদনের মূল কাঁচামাল। সাম্প্রতিক বছরগুলোতে আমরা বিএসআরএম এর পণ্যের ব্যাপক চাহিদা লক্ষ্য করছি। এই ক্রমবর্ধমান চাহিদা পূরণে এবং ভবিষ্যতে কোম্পানির আরও সমৃদ্ধির জন্য আমরা কিছু স্বল্প ও দীর্ঘমেয়াদি পরিকল্পনা গ্রহণ করছি।

বাংলাদেশের অর্থনীতি:

রাজনৈতিক অস্থিরতা, দুর্বল অবকাঠামো, বিদ্যুৎ ও গ্যাস এর অপার্যাপ্ততা, সংস্কারের মন্থর গতি সত্ত্বেও ১৯৯৬ সাল থেকে বাংলাদেশ গড়ে ৬ শতাংশ হারে প্রবৃদ্ধি অর্জন করে চলেছে। পোশাক ও জনশক্তি রপ্তানী বাড়ার ফলে বাংলাদেশের অর্থনীতি বিগত দশকগুলোতে ব্যাপকভাবে পরিবর্তিত হয়েছে।

আই এম এফ এর মূল্যায়ন অনুসারে বাংলাদেশ বিশ্বের ৪৪তম বৃহৎ অর্থনীতির দেশ। এ দেশের শিল্প খাতে অদূর ভবিষ্যতে ৯% এর অধিক প্রবৃদ্ধির সম্ভাবনা রয়েছে। ফলশ্রুতিতে উল্লেখযোগ্য সংখ্যক বিদেশি উদ্যোক্তা বাংলাদেশে শিল্প কারখানা স্থাপনে আগ্রহ প্রকাশ করছেন। বর্তমানে সরকারও ভৌত অবকাঠামো নির্মাণে ব্যাপক বিনিয়োগ করছে। বিশেষ করে বিদ্যুৎ, রাস্তা, সেতু, ফ্লাইওভার নির্মাণে সরকারী বিনিয়োগ বৃদ্ধি পাচ্ছে। এছাড়াও সরকার সোনাদিয়া গভীর সমুদ্র বন্দর, কর্ণফুলী টানেল, পদ্মা বহুমুখী সেতু ও কয়লা ভিত্তিক বিদ্যুৎ কেন্দ্র নির্মাণে পদক্ষেপ নিয়েছে। ব্যক্তি পর্যায়েও অনেক শিল্প কলকারখানা স্থাপিত হচ্ছে।

বিএসআরএম এর ভবিষ্যত পরিকল্পনা:

বাংলাদেশ যেহেতু গড়ে ৬ শতাংশ হারে প্রবৃদ্ধি অর্জন করছে একই সাথে যেহেতু এদেশে দ্রুত গতিতে শিল্পায়ন ও নগরায়ন হচ্ছে, ভবিষ্যতে এদেশে প্রচুর স্টিলের চাহিদা সৃষ্টি হবে। বর্তমানে এদেশে স্টিলের মাথাপিছু গড় ব্যবহার বৈশ্বিক গড় ব্যবহারের চাইতে অনেক কম। বাংলাদেশে এই গড় ব্যবহার মাথাপিছু মাত্র ২৬ কেজি যেখানে বৈশ্বিক গড় ব্যবহার ২১৭ কেজি।

বর্তমানে মিলের উৎপাদন ক্ষমতা ১,২০,০০০ থেকে ৪,৫০,০০০ মে. টনে উন্নীত করার জন্য একটি ব্যাপক BMRE প্রকল্প বাস্তবায়নের পথে আছে। বাংলাদেশে বিএসআরএম হবে সর্ববৃহৎ মার্চেন্ট মিল। এটি বিভিন্ন ধরনের পণ্য যেমন চ্যানেল, এ্যাংগেল, টি ইত্যাদি উৎপাদনে সক্ষম। আগামী কয়েক মাসের মধ্যে BMRE কার্যক্রম শেষ হবে।

অন্যদিকে আমরা বিএসআরএম স্টিলস লিমিটেড এর উৎপাদন ক্ষমতা ৭,০০,০০০ মে. টনে উন্নীত করার জন্য আর একটি BMRE কাজ হাতে নিয়েছি। উল্লেখ্য যে বিএসআরএম স্টিলস লিমিটেড বিএসআরএম এর একটি সহযোগী প্রতিষ্ঠান।

এমএস পণ্যের মূল কাঁচামাল বিলিটের মূল্য বৃদ্ধিই মূলত: এম এস পণ্যের উচ্চমূল্যের জন্য দায়ী। ন্যায্যমূল্যে পণ্য সরবরাহ করার জন্য আমরা বিএসআরএম স্টিল মিলস লিমিটেড নামক আর একটি কারখানা স্থাপন করতে যাচ্ছি। বার্ষিক ৮,৬২,০০০ মে.টন উৎপাদন ক্ষমতা সম্পন্ন এই কারখানাটির নির্মাণ কাজ এ বছরের সেপ্টেম্বরের মধ্যে শেষ হবে বলে আশা করা যায়। বিদ্যুৎ ঘাটতি বাংলাদেশের দ্রুত শিল্পায়নের জন্য একটি বড় বাধা। আমরা তাই নিজস্ব বিদ্যুৎ চাহিদা মেটাণের জন্য ১৫০মেগাওয়াট ক্ষমতা সম্পন্ন একটি বিদ্যুৎ কেন্দ্র স্থাপনের উদ্যোগ গ্রহণ করেছি।

কোম্পানির কার্যক্রম:

আমি ইতিমধ্যে আপনাদের অবহিত করেছি যে, কোম্পানি একটি ব্যাপক BMRE কার্যক্রমের মধ্য দিয়ে যাচ্ছে। গত মে মাসের শেষের দিক থেকে রোলিং ইউনিটের কার্যক্রম বন্ধ আছে। ফলশ্রুতিতে কোম্পানির আয় কমেছে ৬.৪২% এবং শেয়ার প্রতি আয় দাঁড়িয়েছে ০.৭৪ টাকা।

আমরা ইতিমধ্যে ৩১শে ডিসেম্বর ২০১৪ তারিখ পর্যন্ত BMRE বাবদ মোট ৪২০.১০ কোটি টাকা খরচ করেছি।

আশা করছি পুনরায় বাণিজ্যিক উৎপাদন শুরুর পরে আমাদের উৎপাদন ও মুনাফা উল্লেখযোগ্য হারে বৃদ্ধি পাবে।

লভ্যাংশ:

পরিচালক মন্ডলী ১০% নগদ লভ্যাংশ ঘোষণা করেছেন।

সামাজিক দায়বদ্ধতা:

আমরা বিশ্বাস করি, আমাদের ইস্পাত ব্যবসা থেকে আমাদের সামাজিক দায়বদ্ধতা কোন অংশে কম গুরুত্বপূর্ণ নয়। তাই আমরা জনগোষ্ঠীর সামাজিক উন্নয়নে বহু বছর ধরে কাজ করে চলেছি। আমি আপনাদের আনন্দের সাথে জানাতে চাই যে, স্বাস্থ্য, শিক্ষা, বিকল্প জীবিকা, নারী উদ্যোক্তা সৃষ্টি ইত্যাদি বিষয়ে আমাদের কার্যক্রম চলছে। আমাদের CSR vision হল “To integrate social responsibilities in to BSRM core business decisions, we want to have CSR at every steps of the heart of our business process”. আরও অর্থবহ ও কার্যকরভাবে আমাদের সামাজিক কার্যক্রম পরিচালনার জন্য আমরা একটি পৃথক CSR বিভাগ প্রতিষ্ঠা করেছি। এছাড়াও আমরা বেশ কয়েকটি NGO এর সাথে চুক্তিবদ্ধ হয়েছি, যাতে আমরা আমাদের দায়িত্ব আরো অর্থবহ ভাবে পালন করতে পারি।

উপসংহার:

আমাদের সম্মানিত শেয়ারহোল্ডারবৃন্দ আমাদের ব্যবসায়িক কার্যক্রমে প্রতিনিয়ত তাঁদের মূল্যবান উপদেশ, নির্দেশনা দিয়েছেন, আমাদের উপর তাঁরা আস্থা ও বিশ্বাস স্থাপন করেছেন। সেজন্য তাঁদেরকে আন্তরিক ধন্যবাদ জ্ঞাপন করছি। এছাড়াও বিভিন্ন সরকারী সংস্থাসমূহ, ব্যাংক, ক্রেতা সাধারণ, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানিজ এন্ড ফার্মস্, জাতীয় রাজস্ব বোর্ড, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড, চিটগাং স্টক এক্সচেঞ্জ লিমিটেড, সি.ডি.বি.এল হতে আমরা সাহায্য ও সমর্থন পেয়েছি। আমি তাঁদের সবাইকে আন্তরিক ধন্যবাদ জানাচ্ছি। আমি আমাদের কর্মীবাহিনীর প্রচেষ্টা, নিষ্ঠা এবং কঠোর পরিশ্রমকে স্মরণ করছি, যাদের শ্রমের ফলেই কোম্পানি আজকে শীর্ষস্থানীয় প্রতিষ্ঠানে পরিণত হয়েছে।

আলাহু হাফেজ



আলীহোসাইন আকবরআলী, এফসিএ

ব্যবস্থাপনা পরিচালক



GEORGE WASHINGTON SUSPENSION BRIDGE, USA

The George Washington Suspension Bridge is a pioneer for many technologies that are currently used in suspension bridges. It has flexible steel towers and employed cable spinning process to lay cables that are 3 feet in diameter that make up the deck of the bridge. It was constructed in just four years and was opened for public use on October 25, 1931.

DIRECTORS' REPORT...

Dear Shareholders,

On behalf of the Board of Directors of Bangladesh Steel Re-Rolling Mills Limited, I take the privilege of welcoming you all at the 53rd Annual General Meeting and take pleasure in presenting before you the Annual Report together with the Audited Financial Statements and the Auditor's Report thereon for the year ending December 31, 2014. I am also pleased to announce that Bangladesh Steel Re-Rolling Mills Limited has successfully listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited on April 27, 2015. This is our first Annual General Meeting after becoming a publicly traded company with a large number of honorable shareholders.

Economic Scenario and Steel Industry in Bangladesh:

The atmosphere of economy and business was good in 2014 compared to 2013. We did not see any major natural calamities and political unrest during 2014. Steel industry is an established and growing industry in Bangladesh. Predominantly based in the port city of Chittagong, the industry has emerged as a major contributor to the national economy. According to the experts, the growth of steel industry in Bangladesh is mainly induced by the rapid expansion of the country's shipbuilding and real estate sector, as well as the major investments in various infrastructure projects throughout the country.

We are expecting to be a middle income country by the year 2021. To materialize the dream of achieving middle income country status we will require increased GDP Growth to 8%. Substantial efforts require to maintaining macroeconomic stability, strengthening revenue mobilization, minimizing energy and infrastructural deficit, external trade reforms, economic governance and urban management etc.

The biggest opportunity for Bangladesh Steel Sector is that there is enormous scope for increasing consumption of steel in almost all the sector in Bangladesh as per capita finished steel consumption is 26 Kg only with respect to world average of 217 kg.

Review of 2014:

Operational and Financial Performance:

You all know that a massive BMRE of our mill is going on and our production of rolling unit has ceased from the end of May 2014 and we expect to start our commercial operation of rolling unit by June this year. However the operational and financial data of 2014 is given below for your perusal:

Operational Performance:

Re-Rolling Unit:

Particulars	2014	2013	2012	2011
Installed Capacity (M. Ton)	120,000	120,000	120,000	120,000
Production (M. Ton)	42,117	106,810	94,127	104,118
Capacity Utilization (%)	35	89	78	87
Sales (M. Ton)	76,818	126,714	191,628	182,981

Melting Unit:

Particulars	2014	2013	2012	2011
Installed Capacity (M. Ton)	120,000	120,000	120,000	120,000
Production (M. Ton)	82,350	119,289	95,810	105,121
Capacity Utilization (%)	69	99	80	88

Due to massive BMRE program our production and sales reduced drastically in this year.

DIRECTORS' REPORT...

Financial Performance:

Amount in BDT in million

Particulars	2014	2013	2012	2011
	BD Tk.	BD Tk.	BD Tk.	BD Tk.
Sales	8,049.89	8,602.42	14,043.42	12,664.40
Gross Profit	187.54	500.09	697.52	1,076.55
Profit before non operating income, interest, taxes, WPP & WF	(59.23)	284.99	486.18	865.90
Non Operating Income	567.28	1,258.30	463.02	1,371.39
Less: Interest & WPP&WF	(495.01)	(243.20)	(283.38)	(398.36)
Add/(Less): Tax expenses & Provision for income tax	102.99	(356.27)	(211.90)	(688.14)
Net Profit	116.03	943.82	453.92	1,150.80

Other Financial Performance:

Amount in BDT in million

Particulars	2014	2013	2012	2011
Paid Up Capital	1,558.51	1,558.51	1,558.51	643.45
Share Holders' Equity	8,564.29	8,273.86	7,526.32	4,404.88
Current Liabilities	9,329.75	10,547.22	7,203.36	9,435.12
Non-current Liabilities	4,871.98	2,478.17	2,110.69	1,014.81
Addition to fixed assets & CWIP	1,809.03	528.91	564.12	1,836.80
Operating cash flow	(801.95)	82.01	533.67	2,198.51

Operation of Associate Company

Bangladesh Steel Re-Rolling Mills Limited has two associate companies as followings:-

1. BSRM Steels Limited
2. BSRM Steel Mills Limited

BSRM Steels Limited: BSRM Steels Limited is a publicly traded company having production capacity of 6.00 lac MT Re-bars. It produces latest generation "Xtreme500W" grade 500 Re-bars. A BMRE Project has been undertaken to increase its production capacity from 600,000 Ton to 700,000 Ton per year. Our company holds 31.19% share of BSRM Steels Limited.

BSRM Steel Mills Limited: BSRM Steel Mills Limited (BSRMSML) will be a steel melting and billet casting plant with a total installed production capacity of 862,000 MT of billets per annum. The project is expected to go into commercial operation by the middle of 2015. The plant will manufacture prime quality steel billets of 6-12 meter length and ranging in cross section from 130 – 180 mm. It will be the world's largest induction furnace based billet casting plant. The billets produced by the new plant will be consumed by two rolling mills of the BSRM Group. BSRM Steel Mills Limited has become an associate of BSRMLTD from 11 April, 2013 with 21.76% holding.

Industry out Look and Possible future development:

Steel plays a vital role in infrastructure and overall economic development of a country. Thus the growth of steel industry is often thought to be a parameter of economic progress. As an emerging country that has seen average 6% growth over the last few years, Bangladesh has sizeable investment in the steel sector. We foresee a huge demand of quality steel products for urbanization, industrialization and infrastructural

DIRECTORS' REPORT...

development. For managing huge demand of BSRM products, we have already undertaken a BMRE project to enhance the capacity of our plant to 450,000 M. Ton per annum. This will also enable us to increase our profitability.

Infrastructure development is necessary for all developing countries like Bangladesh. Various infrastructural projects have been undertaken both in Private and Public sector. Long dreamed Padma Bridge, Coal based power plant, Ruppor Nuclear Power plant, Sonadia deep sea ports, Karnafully Tunnel, Elevated Metro Rail etc along with some roads and bridges, power plants, industries which are under construction and your company's participation will be there. After the BMRE, the new mill will produce wide range of heavy sections and flats such as D Bar, Xtreme500W, Plain Bar, Angles, Spring Steel Flats, Channels and Tee. The renovated plant will go in to production by the middle of this year.

Market of BSRM Products and Challenges:

BSRM produces high quality steel in Bangladesh. D Bar, Xtreme500W, Plain Bar, Angles, Spring Steel Flats, Channels and Tee are the main products of the company. After BMRE it will produce 450,000 M.T. MS Products and it will able to meet 16% demand of the country.

There are many factors that are helping to grow the Bangladeshi steel market which are –

- Rural demand picking up.
- Investment in the communication sectors.
- Enhancement of Foreign Investment due to cheap labour.
- Construction of Power plants.
- Construction of mills and factories.
- Export to neighboring countries.
- Consumption of steel per capita is very insignificant.

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

- Volatile market price of billets.
- Power and Gas crisis.
- Inefficient distribution channel.
- High borrowing cost and exchange rate risk.
- Optimum use of plants and people.
- High Cost.
- Political and social unrest.

You are already informed that, Bangladesh Steel Re-Rolling Mills Limited has invested 31.19% in shares of BSRM Steels Limited and 21.76% in BSRM Steel Mills Limited. BSRM Steel Mills Limited will produce billets with a capacity of 862,000 M. Ton per annum. BSRMLTD will be free from volatile billet price fluctuation risk and be able to supply its product at a competitive price.

With new billet casting plant and enhanced capacity of existing mills after BMRE, BSRM Group of Companies will need huge power supply. Hence we are planning to set up a coal based power plant.

We have appointed 602 dealers to sell our products throughout the country. When our production will increase after BMRE, we shall undertake several other plans for smooth and swift delivery of our products. We also arrange internal and external training for our staffs to increase their efficiency.

DIRECTORS' REPORT...

Segment wise or product wise performance:

Company produces various sizes of product in one production centre. Company also procured some finished goods from local and international sources. Detailed product wise performances are as follows:

Products	Production & Procured (M. Ton)		Sales (M. Ton)	
	2014	2013	2014	2013
Angle, Deformed Bar (Owned Product)	42,117	106,810	71,074	81,280
Xtreme500W & Others (Procured)	8,253	42,318	5,744	45,434
Total	50,370	149,128	76,818	126,714

Risks & Concerns:

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

A summary of the significant risks and the way of managing risks adopted by our company is included in Annexure-2 and Note -41 of the Financial Statements.

Management Discussion:

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

Credit Rating:

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

Long Term	Short Term
AA-	ST-2

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

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

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

Board of Directors:

i. Composition and size of the Board:

On 31st December 2014, there were 5 members on the Board. The Board comprises Chairman , Managing Director, two Directors and one Independent Director.

DIRECTORS' REPORT...

ii. Board Meeting and attendance:

The Board met 12 times during the year. Following table shows the attendance of directors in the meeting.

Name of the Directors	Position	No. of meeting held during the year	No. of meeting attended
Mr. Aameir Alihussain	Chairman	12	12
Mr. Alihussain Akberali FCA	Managing Director	12	9
Mr. Zohair Taherali	Director	12	12
Mrs. Sabeen Aameir	Director	12	6

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

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

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

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

Internal control system:

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

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

Audit Committee regularly monitors and review the reports generated by the internal audit department and takes corrective measures.

Extra-ordinary gain or loss:

There is no extraordinary gain or loss during the year.

Significant deviations in operating results compared to last year:

Due to the massive BMRE, we have to charge all direct cost and other impairment cost of the halted period of production and resulting company earned operating profit of Tk. 116.03 million which was Tk. 943.82 million in the previous year.

Related Party Transactions:

Basis of the related party transactions with the Company have been elaborated in the audited financial statements in note 37 in accordance with relevant Bangladesh Accounting Standards (BAS).

Use of IPO Proceeds and Stages of Utilization:

Before receiving IPO proceeds, BMRE of our mill was almost completed against our internal resources/ bank loan. The total estimated project cost for this ongoing expansion stands at Tk. 5,863.70 million. We arranged Tk. 3,385.78 million from Term Loan, Tk. 1,886.41 million from own source and remaining Tk. 612.50 million from IPO proceeds through Initial Public Offering of 17,500,000 shares of Tk. 10/- each at an offer price of Tk. 35/- each, including premium of Tk. 25/- per share.

DIRECTORS' REPORT...

Summary of Utilization of IPO Proceeds

Utilization of fund	Amount in Million		Implementation schedule
	Euro	Tk.	
On Going Expansion BMRE			
A. Payment of Retention Money (For Machinery)	0.360	36.00	April 2015
	1.842	184.20	September 2015
Total	2.202	220.20	
B. Finished Goods Storage Shed		167.31	With in December 2015 after getting IPO fund
C. Loan repayment		204.00	Immediate the IPO fund is available
D. IPO Expenses (approx)		20.99	Time to time , As and when required
Total IPO proceeds (Net)	612.50		

We used Tk. 204 million for paying off loan on April 19, 2015 and Tk. 10.09 million as IPO expences till April 30, 2015.

Remuneration of Directors including Independent Director:

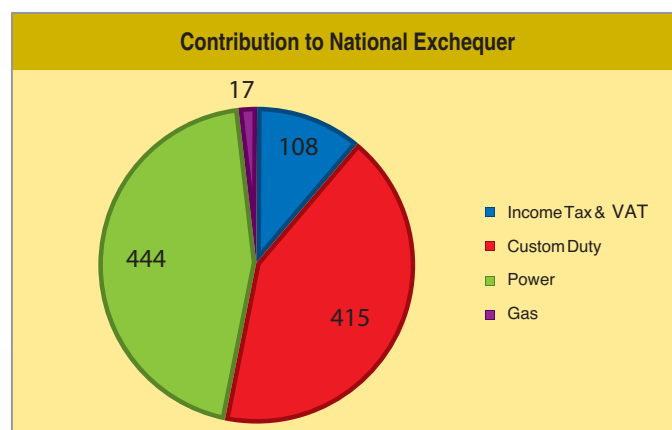
Directors were remunerated as per the decision of the Board and a detailed report of the Directors' Remuneration is included in Annexure-3 and Note 30.01 of Financial Statements.

Dividend:

Your directors are pleased to recommend 10% Cash dividend on equity shares for the year ended December 31, 2014 for consideration and approval by the shareholders in the annual general meeting. The dividend on equity shares, if approved would be paid to those members whose name appears on the register of members on record date i.e. 13th May 2015.

Contribution to National Exchequer:

BSRMLTD is paying and facilitating collection of Government's revenue. In 2014, we paid, collected & deposited a significant amount of Income Tax, VAT and Duties. All due and applicable taxes were paid, collected and deposited in time. During the year 2014, Bangladesh Steel Re-Rolling Mills Limited contributed to the government exchequer along with utility about a sum of Tk. 984.48 million which is appended below:



DIRECTORS' REPORT...

Corporate Social Responsibilities:

Corporate Social Responsibility is the commitment of business to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development.

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

BSRM CSR activities are segregated into three categories:

- CSR project programs
- CSR non-project programs
- CSR programs within BSRM Group (people, plant, environment, etc.)

A few of the ongoing BSRM-CSR projects are:

- Burhani BSRM School, Banglabazar, Chittagong
- BSRM Training Centre at Durgapur, Sharsha, Jessore
- BSRM Constructed Shaheed Minar, Mohila College, Chittagong
- BSRM Livelihood Program
- BSRM Livelihood Program for Women
- BSRM Tree Plantation Support
- BSRM Extends Helping Hands
- Urban Partnerships for Poverty Reduction Project
- BSRM Solar House System (SHS) Project, Sylhet

Name of few CSR non-project Programs are:

- Assist in Traffic Management
- Donation for Healthcare
- Educational events
- Blanket distribution
- Support R&D
- Tree Plantation
- Assisting physically impaired or challenged children

Awards and Recognition:

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

- BSRM Steels Limited (a concern of BSRM Group) has secured **first position** in the 14th ICAB National Award for best presented Annual Report 2013 in manufacturing sector declared by the Institute of Chartered Accountants of Bangladesh.
- BSRM Steels Limited (a concern of BSRM Group) also won “**Certificate of Merit**” for best presented Annual Report Awards and SAARC Anniversary Award for Corporate Governance Disclosure 2013 announced by South Asian Federation of Accountants (SAFA).
- IIUC Business Award 2014.
- Best Rod Brand Award 2014.
- Standard Chartered Financial Express CSR Award 2014.
- Japan Bangladesh Chamber of Commerce and Industry (JBCCI) Business Excellence Award 2014.

Information Technology:

Information Technology is increasingly being recognized as a powerful enabler for economic and social development. Expected growth could not be achieved without adopting proper and contemporary Information Technology (IT). We have already advanced one step ahead for the adoption of real time

DIRECTORS' REPORT...

integration in our business through ERP software namely Oracle ERP which was officially launched on March 1, 2014. Now we are able to efficiently operate and manage our business and to connect with our customers faster.

Human Resource Management:

Human Resource Development is the framework for helping employees develop their personal and organizational skills, knowledge and abilities. It includes such opportunities as employee training, employee career development, performance management and development, mentoring, succession planning, key employee identification and organization development. BSRMLTD is providing focus on all aspects of Human Resource Development. BSRMLTD vision is, "Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization".

Code of Conduct:

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

Auditors:

Present auditor M/S Rahman Rahman Huq, Chartered Accountants (Representative of KPMG in Bangladesh), will retire in 53rd AGM and they are not eligible for re appointment for the year 2015 as they are the auditors of the Company for last consecutive three years as mentioned in the order of Bangladesh Securities and Exchange Commission (BSEC) No. SEC/CMRRCD/2009-193/104/Admin dated July 27, 2011. Pursuant to BSEC order, a new auditor will be appointed for the year ended 2015. On the basis of the proposal of Audit Committee, the board recommended to appoint M/S Syful Shamsul Alam & Co., Chartered Accountants (A member of UHY), Yunusco City Centre (9th Floor), 807, CDA Avenue, Nasirabad, Chittagong as the auditor of the Company for the year 2015 at a remuneration of Tk 420,000/=.

Reporting and Compliance of Corporate Governance:

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

Subsequent Events:

We got consent from Bangladesh Securities and Exchange Commission for raising capital on December 22, 2014 through IPO vide letter no: BSEC/CI/IPO-209/2012-849. We offered for subscription from applicant from February 01 to February 05, 2015. Accordingly we conducted lottery on March 05, 2015 Thursday at 10:30 a.m. at The Sornika Community Center, 13, Love Lane, Chittagong by the Department of Computer Science and Technology, BUET in presence of the representative of DSE, CSE, CDBL, Issue Manager, Members of the Board of Directors of Bangladesh Steel Re-Rolling Mills Limited and General Public. We started trading of shares on April 27, 2015 at DSE and CSE.

Directors' Responsibilities Statements:

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

- a) The financial statements prepared by the management of Bangladesh Steel Re-Rolling Mills Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- b) Proper Books of Account of the Company has been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards (IASs) / Bangladesh Accounting Standards (BASs) / International

DIRECTORS' REPORT...

Financial Reporting Standards (IFRSs) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

- e) The system of internal controls is sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the company's ability to continue as a going concern and the annual accounts have been prepared as a going concern basis.
- g) The significant deviations from last year in the operating results of the company have been highlighted in the reports and reason thereof has been explained.
- h) The key operating and financial data for the last six years is disclosed in Annexure-4.
- i) The pattern of shareholding is disclosed in Annexure-5.
- j) A compliance status report with requirements of corporate governance as required by BSEC has been disclosed in Regulatory Compliance Report segment.
- k) Directors' profile and their directorship and business interest in other organizations have been disclosed in Board of Directors segment.

Acknowledgements:

On behalf of the entire Board I wish to acknowledge the contribution and support of the all Government agencies, bankers, our shareholders, BSEC, DSE, CSE, CDBL, RJSC and our honorable customers and suppliers. Finally I also wish to place on record my personal sense of appreciation for the committed services rendered by the employees of the company without which it would not have been possible to realize significant expansion of the project during the year.

Allah Hafiz



Aameir Alihussain
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS...

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

FINANCIAL PERFORMANCE

Particulars	2014	2013
	BDT	BDT
Cost of Goods Sold	7,862,344,633	8,102,322,738
Gross Profit	187,541,949	500,092,270
Net Profit	116,033,236	943,818,621

COST OF GOODS SOLD (COGS)

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

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

Cost of Goods Sold in 2014 was Tk. 7,862.34 million against Revenue of Tk. 8,049.89 million whereas in 2013 the amount was Tk. 8,102.32 million against Revenue of Tk. 8,602.42 million. The main reasons for increasing cost were to charge all direct costs and other impairment costs of the halted period of production to COGS.

GROSS PROFIT MARGIN RATIO

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

Gross Profit = Sales – Cost of Goods Sold

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

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

During the year 2014, Gross Profit Margin was 2.33% against 5.81% in 2013. Since the COGS were increased, Gross Profit also reduced significantly.

NET PROFIT MARGIN RATIO

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

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

In 2014 there was no operating profit due to BMRE. During the year, the company earned non-operating profit amounting to Tk. 183,667,991 and as per BAS 28 an amount of TK. 383,612,872 has shown as share of profit of Associate in the statement of profit or loss and other comprehensive income. However considering all net profit stood Tk. 116,033,236 which was Tk. 943,818,621 in 2013.

RISK FACTORS AND CONCERNS...

1. Business Risks

a) Risks associated with sourcing of Raw Materials

Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) is heavily dependent for its basic raw materials-MS Billets on international market. In case of billet price fluctuation in the international market, the company suffers and its profitability is also affected.

Steel Melting Unit of BSRMLTD can supply 120,000 Ton Billet per year. This quantity will be insignificant when our new mill will start production after BMRE.

As up gradation of mill is going on to enhance the production capacity to 450,000 M. Ton per annum, secured supply of MS Billets would be the top priority.

To meet the challenge a separate company—"BSRM Steel Mills Limited" is going to be commissioned by this year to produce 862,000 M. Ton MS billet per year. Bangladesh Steel Re-Rolling Mills Limited is holding 21.76% equity shares of this company at the end of December 2014.

b) Risks associated with Power Supply

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

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

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

We are also planning to set up a 150 MW coal based power plant in Mireshorai.

2. Market Risks

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

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

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

Interest Rates

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

The business of BSRMLTD will require huge working capital after BMRE. Although the company closely monitors and manages requirement of capital investment, the actual capital requirement may deviate from the projected one due to factors beyond its control, thus potentially affecting the borrowing costs.

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

RISK FACTORS AND CONCERNS...

Foreign Exchange Fluctuations

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

We are hugely involved with Foreign Trade i.e. Import & Export and thus we are also exposed to Foreign Currency Risks. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains and losses in our income statement as incurred. We also maintain foreign currency account in which local export collection in foreign currency are directly deposited to meet foreign exchange payment requirement. In the Year 2014 company has not been affected significantly by the normal trend of Foreign Currency fluctuation.

Competition and Economic conditions

Competition refers to the risks of decreasing present market share caused by new entrants.

We try to mitigate this risk through active, brand management and customer relationship, and by ensuring quality product.

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

3. Operational Risks

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

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

REMUNERATION PAID TO DIRECTORS IN 2014...

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

Name	Position	Gross Remuneration	Income Tax Deducted	Net Paid
Mr. Aameir Alihussain	Chairman	4,800,000	1,200,000	3,600,000
Mr. Alihussain Akberali, FCA	Managing Director	7,200,000	1,800,000	5,400,000
Mr. Zohair Taherali	Director	7,200,000	1,800,000	5,400,000
Mrs. Tehseen Zohair Taherali	Director	4,800,000	1,200,000	3,600,000
Mrs. Sabeen Aameir	Director	600,000	49,500	550,500
Total Taka		24,600,000	6,049,500	18,550,500

Mrs. Tehseen Zohair Taherali was resigned from the Board w.e.f. 1st January 2015 due to her busyness with other business. Now the board consists of 5 Directors including one Independent Director.

ANNEXURE-4

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 6 YEARS

		2014	2013	2012	2011	2010	2009
Operations and Market:							
Production (Qty)	MT	42,117	106,810	94,127	104,118	78,838	66,872
% of Production Growth	%	(60.57%)	13.47%	(9.60)%	32.07%	17.89%	11.62%
Sales (Qty)	MT	76,818	126,714	191,628	182,981	149,407	67,078
% of Sales Growth (Qty)	%	(39.38%)	(33.88%)	4.73%	22.47%	122.59%	15.64%
Financial Results:							
Turnover	TK	8,049,886,582	8,602,415,008	14,043,421,488	12,664,400,034	76,31,526,626	6,069,262,229
Gross Profit	TK	187,541,949	500,092,270	697,520,675	1,076,545,121	457,608,884	397,319,870
Gross Profit %	%	2.33%	5.81%	4.97%	8.50%	6.00%	6.55%
Earnings before Non Operating Income, interest, WPP&WF and Tax	TK	(59,231,543)	284,988,575	514,206,410	865,899,830	389,212,852	307,265,304
	%	(7.36%)	3.31%	3.66%	6.84%	5.10%	5.06%
Non Operating Income	TK	567,280,783	1,258,308,377	463,023,464	1,371,392,222	80,584,712	54,689,446
Net Profit after tax	TK	116,033,236	943,818,621	453,924,187	1,150,797,919	261,194,680	83,661,610
	%	1.44%	10.97%	3.23%	9.09%	3.42%	1.38%
Earnings Per Share (EPS)	TK	0.74	6.06	2.91	7.38	2.45	0.89
Diluted EPS	TK	0.73	6.06	N/A	N/A	N/A	N/A
Financial Position:							
Current Ratio (Times)		1.09	0.99	1.06	0.95	0.94	0.79
Net Asset Value	TK	8,564,287,158	8,273,863,193	7,526,315,140	4,404,876,004	2,423,458,935	1,986,482,162
Net Asset Value Per Share	TK	54.95	53.09	48.29	68.46	41.10	163.83
Net operating Cash Flow Per Share	TK	(5.15)	0.53	3.42	34.17	(13.09)	51.11
Paid -up Capital (In Crore)	TK	155.851	155.851	155.851	64.345	58.97	12.125

THE PATTERN OF SHAREHOLDING AS ON 31 DECEMBER 2014

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

NAME	RELATION	NO. OF SHARES HELD
H. Akberali & Co. Ltd.	Affiliated Company	26,270,116
Karnafully Engineering Works Ltd.	Affiliated Company	4,000,850
Total		30,270,966

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

NAME	RELATION	NO. OF SHARES HELD
Mr. Aameir Alihussain	Chairman	17,069,955
Mr. Alihussain Akberali FCA	Managing Director	21,967,130
Mr. Zohair Taherali	Director	5,682,204
Mrs. Sabeen Aameir	Director	4,004,600
Mrs. Tehseen Zohair Taherali	Wife of Mr. Zohair Taherali	6,147,822
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali FCA	16,148,581
Mr. Abdul Qadir Zohair	Son of Mr. Zohair Taherali	4,600
Mr. Shekhar Ranjan Kar FCA	Group CFO & CS	10,000
Mr. Mohammed Reazul Kabir FCA	Head of Finance & Accounts and CFO	1,000

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

NAME	DESIGNATION	NO. OF SHARES HELD
Mr. Tapan Sengupta	Executive Director	10,000
Mr. Kazi Anwar Ahmed	Head of Corporate Affairs	10,000
Mr. Mohindar Singh Hanspai	Plant Head	Nil
Late Mr. Sankor Roy	Group Head –T & D	7,500
Mr. Madani M. Imtiaz Uddin	Head of Technical Power	10,000

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

NAME	RELATION	NO. OF SHARES HELD
Mr. Alihussain Akberali FCA	Managing Director	21,967,130
Mr. Ali Asgar Badruddin	Shareholder	20,000,000
H. Akberali & Co. Ltd.	Affiliated Company	26,270,116

REPORT OF THE STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

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

(Report under condition No: 7)

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

REPORT OF THE STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (xvi)	Ability to continue as a Going Concern	✓		
1.5 (xvii)	Significant deviations in operating results compared to last year	✓		
1.5 (xviii)	Presentation of summarized key operating and financial data of preceding 5 (five) years	✓		
1.5 (xix)	Reasons for not declaring dividend	NA		
1.5 (xx)	Number of Board meetings held during the year and attendance by each director	✓		
1.5 (xxi) (a)	Shareholding by Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxi) (b)	Shareholding by Directors, CEO, CS, CFO, HIA	✓		
1.5 (xxi) (c)	Shareholding by Executives (Top 5 salaried)	✓		
1.5 (xxi) (d)	Shareholders holding ten percent (10%) or more voting interest	✓		
1.5 (xxii) (a)	A brief resume of the Directors	✓		
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	✓		
1.5 (xxii) (c)	Directorship in other companies	✓		
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPANY SECRETARY (CS)			
2.1	Appointment of CFO, HIA & CS	✓		
2.2	Requirement to attend the Board Meetings by CFO & CS	✓		
3	AUDIT COMMITTEE			
3 (i)	Audit Committee as a sub-committee of the Board of Directors	✓		
3 (ii)	Function of Audit Committee	✓		
3 (iii)	Reporting to the Board of Directors & duties of the Committee in writing	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	Composition of the Audit Committee	✓		
3.1 (ii)	Appointment of Members and inclusion of Independent Director as member	✓		
3.1 (iii)	Qualification of Members	✓		
3.1 (iv)	Filling of Vacancy	NA		
3.1 (v)	Company Secretary is the Secretary of the Committee	✓		
3.1 (vi)	Quorum of meeting of the Audit Committee	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	Selection of Chairman of the Audit Committee	✓		
3.2 (ii)	Requirement of presence in the AGM	✓		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review the annual Financial Statements	✓		
3.3 (vi)	Review the quarterly and half yearly Financial Statements	✓		
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review of the significant related party transactions	✓		
3.3 (ix)	Review of the Management Letters / Letter of Internal Control weakness issued by statutory auditors	NA		
3.3 (x)	Application of fund raised through IPO/RIPO/Right Issue	NA		
3.4	Reporting of the Audit Committee			
3.4.1 (i)	Reporting to the Board of Directors	✓		
3.4.1 (ii) (a)	Report on conflicts of interests	NA		
3.4.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	NA		
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations	NA		
3.4.1 (ii) (d)	Any other matter which shall be immediately disclosed to the BOD	NA		

REPORT OF THE STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.4.2	Reporting to the Authorities	NA		
3.5	Reporting to the Shareholders and General Investors	✓		
4	EXTERNAL / STATUTORY AUDITORS			
4 (i)	Appraisal or valuation services or fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping or other services related to the accounting records or Financial Statements	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Any other service that the Audit Committee determines	✓		
4 (viii)	Possess of share by Partner or Employee of Audit Firm	✓		
4 (ix)	Audit/certification services on compliance of Corporate Governance	✓		
5	SUBSIDIARY COMPANY			
5 (i)	Composition of the Board of Directors	NA		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	NA		
5 (iii)	Submission of minutes to the Board Meeting of holding company	NA		
5 (iv)	Review of affairs by the holding company	NA		
5 (v)	Review of Financial Statement in particular Investment activities by the Audit Committee of holding company	NA		
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)			
6 (i) (a)	Financial Statements do not contain any materially untrue or misleading statement	✓		
6 (i) (b)	Financial Statements presents a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
6 (ii)	Certification that there are no fraudulent, illegal or in violation of the Company's code of conduct	✓		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
7 (i)	Certification on compliance of Corporate Governance	✓		
7 (ii)	Directors' statement on the compliance of the above conditions in the Directors' Report	✓		

পরিচালনা পর্ষদের প্রতিবেদন...

সম্মানিত শেয়ারহোল্ডারবৃন্দ

আসসালামু আলাইকুম। বাংলাদেশ স্টিল রি-রোলিং মিলস্ লিমিটেড এর পরিচালকমন্ডলীর পক্ষ থেকে আমি ৫৩তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগত জানানোর সুযোগ পেয়ে এবং একই সাথে আপনাদের সামনে ৩১শে ডিসেম্বর ২০১৪ সালের সমাপ্ত বছরের নিরীক্ষিত আর্থিক প্রতিবেদনের সাথে অন্যান্য তথ্যাদি উপস্থাপন করতে পেরে অত্যন্ত আনন্দিত। আরও একটি খুশীর খবর আপনাদের জানানো বলে আমি উত্সুক হয়ে আছি তা হল গত ২৭ এপ্রিল, ২০১৪ তারিখে বাংলাদেশ স্টিল রি-রোলিং মিলস্ লিমিটেড ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জে সফলভাবে তালিকাভুক্ত হয়েছে। তালিকাভুক্তির পর আপনাদের সামনে এটাই আমাদের প্রথম বার্ষিক সাধারণ সভা।

বাংলাদেশের অর্থনৈতিক অবস্থা এবং ইম্পাত শিল্প:

২০১৩ এর তুলনায় ২০১৪ সাল অর্থনীতি এবং ব্যবসার জন্য তুলনামূলকভাবে অনুকূল ছিল। ২০১৪ সালে তেমন কোন বড়সড় প্রাকৃতিক দুর্যোগ এবং রাজনৈতিক অস্থিরতা আমরা দেখিনি। বাংলাদেশে ইম্পাত শিল্প একটি প্রতিষ্ঠিত শিল্প বিশেষকরে বন্দর নগরী চট্টগ্রামে এটি একটি ক্রমবর্ধনশীল শিল্প খাত। বর্তমানে এই শিল্প দেশীয় অর্থনীতিতে বেশ বড় অবদান রেখে চলেছে। বিশেষজ্ঞদের মতে সারাদেশে বিভিন্ন অবকাঠামোগত উন্নয়নে বিনিয়োগ সহ দেশের জাহাজ ও আবাসন শিল্পের দ্রুত সম্প্রসারণ বাংলাদেশের ইম্পাত শিল্পের অগ্রগতিকে ত্বরান্বিত করছে।

বাংলাদেশ ২০২১ সালের মধ্যে একটি মধ্যম আয়ের দেশ হওয়ার প্রত্যাশা করছে। মধ্য আয়ের দেশ হওয়ার এই স্বপ্নকে বাস্তবায়ন করার জন্য আমাদের প্রায় ৮% বর্ধিত জিডিপি অর্জন করতে হবে। আর এর জন্য বিভিন্ন ক্ষেত্রে সুদৃঢ় প্রচেষ্টা দরকার যেমন সামষ্টিক অর্থনীতির স্থিতিশীলতা ধরে রাখা, রাজস্ব সংগ্রহকে জোরদার করা, বিদ্যুৎ এবং অবকাঠামোগত স্বল্পতা মোকাবেলা করা, আন্তর্জাতিক বাণিজ্য পুনর্গঠন, অর্থনৈতিক কর্তৃত্ব এবং নগর ব্যবস্থাপনা।

বাংলাদেশ ইম্পাত খাতে সবচেয়ে বড় একটি সম্ভাবনার দেশ। প্রায় সব ক্ষেত্রেই রয়েছে ইম্পাত ব্যবহারের অপার সম্ভাবনা কেননা উন্নত বিশ্বে যেখানে মাথাপিছু ইম্পাতের ব্যবহার ২১৭ কেজি সেখানে আমাদের দেশে তা মাত্র মাথাপিছু ২৬ কেজি।

ফিরে দেখা, ২০১৪:

উৎপাদন ও আর্থিক ফলাফল পর্যালোচনা:

আপনারা জানেন যে কোম্পানিতে একটি বড় ধরনের বিএমআরই চলছে যার ফলে আমাদের রোলিং ইউনিটের উৎপাদন ২০১৪ সালের মে মাস থেকে বন্ধ আছে। আশা করছি চলতি বছরের জুন মাস থেকে আমরা রোলিং ইউনিটের উৎপাদন আবার শুরু করতে পারব। যাই হোক আপনাদের সুবিধার্থে ২০১৪ সালের উৎপাদন ও আর্থিক ফলাফল নিম্নে দেওয়া হল।

আর্থিক ফলাফল

রি - রোলিং ইউনিট :

বিবরণ	২০১৪	২০১৩	২০১২	২০১১
উৎপাদন ক্ষমতা (মে. টন)	১২০,০০০	১২০,০০০	১২০,০০০	১২০,০০০
উৎপাদন (মে. টন)	৪২,১১৭	১০৬,৮১০	৯৪,১২৭	১০৪,১১৮
ক্ষমতার ব্যবহার (%)	৩৫	৮৯	৭৮	৮৭
বিক্রয় (মে. টন)	৭৬,৮১৮	১২৬,৭১৪	১৯১,৬২৮	১৮২,৯৮১

মেল্টিং ইউনিট :

বিবরণ	২০১৪	২০১৩	২০১২	২০১১
উৎপাদন ক্ষমতা (মে. টন)	১২০,০০০	১২০,০০০	১২০,০০০	১২০,০০০
উৎপাদন (মে. টন)	৮২,৩৫০	১১৯,২৮৯	৯৫,৮১০	১০৫,১২১
ক্ষমতার ব্যবহার (%)	৬৯	৯৯	৮০	৮৮

বড় ধরনের বিএমআরই কাজের কারণে এ বছর আমাদের উৎপাদনে ও বিক্রয়ে ব্যাপক পরিবর্তন এসেছে

পরিচালনা পর্ষদের প্রতিবেদন...

আর্থিক পর্যালোচনা:

মিলিয়ন টাকায়

বিবরণ	২০১৪	২০১৩	২০১২	২০১১
	টাকা	টাকা	টাকা	টাকা
বিক্রয়	৮,০৪৯.৮৯	৮,৬০২.৪২	১৪,০৪৩.৪২	১২,৬৬৪.৪০
মোট লাভ	১৮৭.৫৪	৫০০.১০	৬৯৭.৫২	১,০৭৬.৩২
সুদ, কর, ডব্লিউপিপি, ডব্লিউএফ ও অ-পরিচালন আয় এর পূর্বে লাভ	(৫৯.২৩)	২৮৪.৯৮	৪৮৬.১৮	৮৬৫.৯০
অ - পরিচালন আয়	৫৬৭.২৮	১,২৫৮.৩১	৪৬৩.০২	১,৩৭১.৩৯
বাদ: সুদ এবং ডব্লিউপিপি ও ডব্লিউএফ	(৪৯৫.০১)	(২৪৩.২০)	(২৮৩.৩৮)	(৩৯৮.৩৬)
যোগ/(বাদ): আয়কর এবং আয়করের স্থগিত	১০২.৯৯	(৩৫৬.২৭)	(২১১.৯০)	(৬৮৮.১৪)
নীট লাভ	১১৬.০৩	৯৪৩.৮২	৪৫৩.৯২	১,১৫০.৭৯

অন্যান্য আর্থিক তথ্যাদি:

মিলিয়ন টাকায়

বিবরণ	২০১৪	২০১৩	২০১২	২০১১
পরিশোধিত মূলধন	১,৫৫৮.৫১	১,৫৫৮.৫১	১,৫৫৮.৫১	৬৪৩.৪৫
শেয়ারহোল্ডারদের সম্পদ	৮,৫৬৪.২৯	৮,২৭৩.৮৬	৭,৫২৬.৩২	৪,৪০৪.৮৮
চলতি দায়	৯,৩২৯.৭৫	১০,৫৪৭.২২	৭,২০৩.৩৪	৯,৪৩৫.১২
দীর্ঘমেয়াদি দায়সমূহ	৪,৮৭১.৯৮	২,৪৭৮.১৭	২,১১০.৬৯	১,০১৪.৮১
স্থায়ী সম্পদ ও মূলধনী চলতি কার্যে সংযোজন	১,৮০৯.০৩	৫২৮.৯১	৫৬৪.১২	১,৮৩৬.৮০
পরিচালন খাতে নগদ প্রবাহ	(৮০১.৯৫)	৮২.০১	৫৩৩.৬৭	২,১৯৮.৫১

এসোসিয়েট কোম্পানির পরিচালনা:

বাংলাদেশ স্টিল রি-রোলিং মিলস্ লিমিটেড এর নিম্নোক্ত দুইটি সাবসিডিয়ারি কোম্পানি রয়েছে

১. বিএসআরএম স্টিলস্ লিমিটেড
২. বিএসআরএম স্টিল মিলস্ লিমিটেড

বিএসআরএম স্টিলস্ লিমিটেড: ৬ লক্ষ মে. টন রি-বার উৎপাদন ক্ষমতা সম্পন্ন বিএসআরএম স্টিলস্ লিমিটেড একটি তালিকাভুক্ত পাবলিক লিমিটেড কোম্পানি। এটি সবচাইতে আধুনিক প্রজন্মের গ্রেড ৫০০ রি-বার তৈরি করে যা Xtreme500W নামে খ্যাত। এর বার্ষিক উৎপাদন ক্ষমতা ৬ লক্ষ থেকে ৭ লক্ষ মে.টনে উন্নীত করার জন্য ইতিমধ্যে একটি বিএমআরই হাতে নেওয়া হয়েছে। আমাদের কোম্পানি বিএসআরএম স্টিলস্ লিমিটেড এর ৩১.১৯% শেয়ারের মালিক।

বিএসআরএম স্টিল মিলস্ লিমিটেড: বার্ষিক ৮,৬২,০০০ মে. টন বিলেট উৎপাদন ক্ষমতা সম্পন্ন বিএসআরএম স্টিল মিলস্ লিমিটেড (বিএসআরএমএসএমএল) একটি নতুন স্টিল মেল্টিং এবং বিলেট কাস্টিং প্ল্যান্ট হতে যাচ্ছে। ২০১৫ সালের মাঝামাঝি এটি উৎপাদনে যাবে আশা করা যায়। এটি ৬-১২ মিটার দীর্ঘ এবং ১৩০-১৮০ মিলিমিটার রেঞ্জের মধ্যে বিশেষ এক ধরনের বিলেট প্রস্তুত করবে। এটা হবে বিশ্বের সর্ববৃহৎ ইন্ডাকশন ফার্নেস ভিত্তিক বিলেট প্রকল্প। নতুন এই প্রকল্পে উৎপাদিত বিলেট গ্রুপের দুটি রোলিং মিলে ব্যবহৃত হবে। বর্তমানে বাংলাদেশ স্টিল রি-রোলিং মিলস্ লিমিটেড ২১.৭৬% শেয়ারের মালিকানা নিয়ে বিএসআরএম স্টিল মিলস্ লিমিটেড কে গত ১১ এপ্রিল, ২০১৩ থেকে তার এসোসিয়েট কোম্পানিতে পরিণত করে।

শিল্প দৃশ্য এবং সম্ভাব্য ভবিষ্যৎ উন্নয়ন:

দেশের অর্থনৈতিক এবং অবকাঠামোগত উন্নয়নে ইস্পাত শিল্প বিশেষ ভূমিকা পালন করে থাকে। যে কারণে ইস্পাত শিল্পের উন্নয়নকে দেশের অর্থনৈতিক অগ্রযাত্রার মাপকাঠি হিসেবে বিবেচনা করা হয়। একটি দ্রুতগতির উন্নয়নশীল দেশ হিসেবে গত কয়েক বছরে প্রায় ৬% এর অধিক উন্নয়ন প্রবৃদ্ধি নিয়ে বাংলাদেশ ইস্পাত শিল্পে ব্যাপক বিনিয়োগ আকর্ষণ করতে সক্ষম হয়েছে। নগরায়ণ, শিল্পায়ন এবং অবকাঠামোগত

পরিচালনা পর্ষদের প্রতিবেদন...

উন্নয়নের জন্য আমরা বিপুল পরিমাণ মানসম্মত ষ্টিলের চাহিদা দেখতে পাচ্ছি। বিএসআরএম এর পণ্যের ব্যাপক চাহিদা মেটানোর জন্য আমরা ইতিমধ্যে একটি বিএমআরই প্রকল্প হাতে নিয়েছি যা আমাদের উৎপাদন ক্ষমতাকে ৪,৫০,০০০ মে. টন পর্যন্ত বৃদ্ধি করবে এবং যা কোম্পানির মুনাফা বৃদ্ধিতে সহায়ক হবে।

বাংলাদেশের মত উন্নয়নশীল দেশে অবকাঠামোগত উন্নয়ন খুবই দরকার। দেশে সরকারি এবং বেসরকারি খাতে বেশকিছু অবকাঠামোগত উন্নয়ন প্রকল্প হাতে নেয়া হয়েছে। দীর্ঘ প্রত্যাশিত পদ্মা সেতু, কয়লাভিত্তিক বিদ্যুৎ প্রকল্প, রূপপুর পারমানবিক বিদ্যুৎ প্রকল্প, সোনাদিয়া গভীর সমুদ্র বন্দর, কর্ণফুলী টানেল, এলিভেটেড মেট্রোরেল সহ আরো কিছু রাস্তা এবং ব্রীজ, বিদ্যুৎ প্রকল্প, কলকারখানা নির্মাণাধীন রয়েছে। এই প্রকল্পগুলোতে আপনাদের কোম্পানির অংশগ্রহণ থাকবে। বিএমআরই কাজ সম্পন্ন হবার পর নতুন এবং বর্ধিত উৎপাদন ক্ষমতা সম্পন্ন এই মিল প্রচুর পরিমাণে হেভি সেকসান এবং ফ্ল্যাটস্ যেমন ডি-বার, Xtreme500W প্লেইন বার, এংগেলস্, স্প্রিং স্টিল ফ্ল্যাটস্, চ্যানেলস্ এবং টি উৎপাদন করতে পারবে। এবছরের মাঝামাঝি এই মিল উৎপাদনে যাবে।

বিএসআরএম পণ্যের মার্কেট এবং চ্যালেঞ্জসমূহঃ

বিএসআরএম বাংলাদেশে খুবই উন্নতমানের ইস্পাত প্রস্তুতকারক প্রতিষ্ঠান। ডি-বার, Xtreme500W প্লেইন বার, এংগেলস্, স্প্রিং স্টিল ফ্ল্যাটস্, চ্যানেলস্ এবং টি বিএসআরএম এর প্রধান উৎপাদিত পণ্য। বিএমআরই সম্পন্ন হবার পর এটি প্রতি বছর ৪,৫০,০০০ মে. টন এম এস পণ্য তৈরি করবে যা দিয়ে দেশের মোট ইস্পাতের চাহিদার প্রায় ১৬% মেটানো যাবে।

বাংলাদেশে ষ্টিল মার্কেট বৃদ্ধির সহায়ক বিষয়গুলোর মধ্যে অন্যতম হলোঃ:-

- গ্রামীণ চাহিদার বৃদ্ধি
- যোগাযোগ খাতে বিনিয়োগ
- সস্তা শ্রমের কল্যাণে বৈদেশিক বিনিয়োগ বৃদ্ধি
- বিদ্যুৎ প্রকল্প নির্মাণ/স্থাপন
- কলকারখানা নির্মাণ
- পার্শ্ববর্তী দেশে রপ্তানী
- মাথাপিছু ইস্পাত ব্যবহার বৃদ্ধি

যা হউক আপনাদের কোম্পানিকে ব্যবসায়ের নেতৃত্বে টিকে থাকতে হলে নিম্নলিখিত আরও কিছু চ্যালেঞ্জ মোকাবেলা করতে হবে ঃ-

- বিলেটের দামের পরিবর্তনশীল মার্কেট
- বিদ্যুৎ এবং গ্যাস স্বল্পতা
- অদক্ষ বিতরণ প্রণালী
- উচ্চ সুদের হার এবং বিনিময় হারের ভারসাম্যহীনতা
- প্রকল্প এবং মানব সম্পদের যথোপযুক্ত ব্যবহার
- উচ্চ ব্যয়
- রাজনৈতিক এবং সামাজিক অস্থিরতা

আপনারা ইতিমধ্যে জেনেছেন যে, বাংলাদেশ ষ্টিল রি-রোলিং মিলস্ লিমিটেড বিএসআরএম ষ্টিলস লিমিটেড এ ৩১.১৯% এবং বিএসআরএম স্টিল মিলস্ লিমিটেড এ ২১.৭৬% শেয়ারে বিনিয়োগ করেছে। বিএসআরএম ষ্টিল মিলস লিমিটেড প্রতি বৎসর ৮,৬২,০০০ মে. টন বিলেট উৎপাদন করতে পারবে। যার ফলে বিএসআরএম পরিবর্তনশীল বিলেট মূল্যের উঠানামার ঝুঁকি থেকে মুক্ত হবে এবং তার উৎপাদিত পণ্যকে প্রতিযোগিতামূলক মূল্যে সরবরাহ করতে সক্ষম হবে।

বিলেট প্রকল্প এবং বিএমআরই এর পর বর্তমান কারখানার বর্ধিত ক্ষমতার জন্য দরকার হবে প্রচুর বিদ্যুৎ সরবরাহ। এইজন্য আমরা একটা কয়লা ভিত্তিক বিদ্যুৎ প্রকল্প স্থাপনের পরিকল্পনা করছি।

আমাদের প্রোডাক্ট বিক্রয় করার জন্য সারাদেশে ৬০২ জন ডিলার নিয়োগ করেছি। বিএমআরই এর পর আমাদের উৎপাদন বৃদ্ধি পেলে আমরা আমাদের পণ্যের নির্ভিন্ন ও দ্রুত ডেলিভারীর জন্য বিভিন্ন ধরনের পরিকল্পনা গ্রহণ করব। দক্ষতা বৃদ্ধির জন্য আমরা আমাদের লোকদের আভ্যন্তরীণ ও বাহ্যিক প্রশিক্ষণেরও ব্যবস্থা করব।

পরিচালনা পর্ষদের প্রতিবেদন...

পণ্য ভিত্তিক অর্জন ও ফলাফলঃ

কোম্পানি বিভিন্ন গ্রেডের পণ্য উৎপন্ন করে থাকে। স্থানীয় এবং বৈদেশিক উৎস থেকেও কোম্পানি কিছু তৈরি পণ্য সংগ্রহ করে থাকে। বিস্তারিত তথ্য নিম্নরূপ-

পণ্য সমূহ	উৎপাদন এবং ক্রয় (মে, টন)		বিক্রয় (মে, টন)	
	২০১৪	২০১৩	২০১৪	২০১৩
এংগেল ডি-বার (নিজস্ব উৎপাদন)	৪২,১১৭	১,০৬,৮১০	৭১,০৭৪	৮১,২৮০
Xtreme500W এবং অন্যান্য (ক্রয়)	৮,২৫৩	৪২,৩১৮	৫,৭৪৪	৪৫,৪৩৪
মোট	৫০,৩৭০	১,৪৯,১২৮	৭৬,৮১৮	১,২৬,৭১৪

ঝুঁকি:

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

গুরুত্বপূর্ণ ঝুঁকি সমূহ এবং আমাদের কোম্পানি কর্তৃক গ্রহীত ঝুঁকি ব্যবস্থাপনা পদ্ধতি সংযুক্তি-২ এবং আর্থিক বিবরণীর নোট-৪১ এ অন্তর্ভুক্ত করা হয়েছে।

ব্যবস্থাপনা প্রসঙ্গে:

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

ক্রেডিট রেটিং:

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

দীর্ঘকালীণ	স্বল্পকালীণ
AA-	ST-2

AA- রেটিং প্রাপ্ত প্রতিষ্ঠানগুলোকে উচ্চমানসম্পন্ন বিচার করা হয়, তারা সর্বোচ্চ নিরাপত্তায় উচ্চমানের ঋণ গ্রহীতা। এটা বুঝায় যে, কোম্পানিকে ঋণ দেওয়ার ব্যাপারে কোন বড় ধরনের ঝুঁকি নেই। ঝুঁকি একটি সংবেদনশীল বিষয় যা অর্থনৈতিক অবস্থার পরিপ্রেক্ষিতে সময়ের সাথে সাথে পরিবর্তিত হয়।

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

আমাদের কোম্পানিকে ক্রেডিট রেটিং কোম্পানি “পজিটিভ আউটলুক” হিসেবে মূল্যায়ন করেছে।

পরিচালক মন্ডলী:

১) পরিচালনা পরিষদের গঠন ও আকার:

৩১ ডিসেম্বর ২০১৪ তারিখে বোর্ডে ৫ জন সদস্য ছিলেন যাতে একজন চেয়ারম্যান, একজন ব্যবস্থাপনা পরিচালক, দুইজন পরিচালক এবং একজন ইনডিপেন্ডেন্ট পরিচালক।

পরিচালনা পর্ষদের প্রতিবেদন...

২) পরিষদ সভা ও উপস্থিতি:

এই বৎসর বোর্ড ১২ টি সভা করেছে। নিম্ন তালিকায় সভা সংখ্যা ও পরিচালকমন্ডলীর উপস্থিতির সংখ্যা দেখানো হলো ৪-

পরিচালকের নাম	পদবী	অনুষ্ঠিত মোট সভার সংখ্যা	সভায় উপস্থিতি সংখ্যা
জনাব আমীর আলী হোসাইন	চেয়ারম্যান	১২	১২
জনাব আলী হোসাইন আকবর আলী এফসিএ	ব্যবস্থাপনা পরিচালক	১২	৯
জনাব জোহাইর তাহের আলী	পরিচালক	১২	১২
মিসেস সাবিন আমীর	পরিচালক	১২	৬

পরিচালকমন্ডলীর মধ্যে যারা সভায় উপস্থিতি ছিলেন না তাঁরা যথা নিয়মে ছুটি নিয়েছেন অথবা দেশের বাইরে ছিলেন।

৩) পরিচালকবৃন্দের নিয়োগ ও পুনঃনিয়োগ:

জনাব জোহাইর তাহের আলী এবং মিসেস সাবিন আমীর পরিমেল নিয়মাবলীর ৯৭ ও ৯৮ ধারা অনুযায়ী বার্ষিক সাধারণ সভার সমাপ্তি হতে অবসর নিবেন এবং পুনঃনিয়োগের জন্য যোগ্য বিধায় তাঁরা পুনরায় নির্বাচিত হতে আগ্রহ প্রকাশ করেছেন।

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

আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি:

আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতির উন্নয়নের জন্য কোম্পানি Standard Operating System (SOP) গ্রহণ করেছে। একটি কার্যকর আভ্যন্তরীণ নিয়ন্ত্রণ নিশ্চিত করা, কোম্পানির সম্পদের সুরক্ষার জন্য এবং যুক্তিসংগত সময়ের মধ্যে সঠিক তথ্য ও উপাত্ত তৈরী করার জন্য আমরা ইতিমধ্যেই সর্বাধুনিক সফটওয়্যার Oracle eBS গ্রহণ করেছি।

আমাদের আভ্যন্তরীণ নিরীক্ষক দলে মোট ১২ জন সদস্য নিয়োজিত রয়েছেন, যারা লেনদেন সমূহ পরীক্ষা করে দেখেন এবং আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার কার্যকারীতা নিশ্চিত করেন।

নিরীক্ষা কমিটি নিয়মিত আভ্যন্তরীণ নিরীক্ষা বিভাগের দ্বারা নিরীক্ষিত প্রতিবেদন সমূহ পর্যালোচনা করে প্রয়োজনীয় ব্যবস্থা গ্রহণ করেন।

অস্বাভাবিক লাভ বা ক্ষতি:

এ বছর আমাদের কোন অস্বাভাবিক লাভ বা ক্ষতি নেই।

এ বছরের মুনাফায় গত বছরের তুলনায় গুরুত্বপূর্ণ পরিবর্তন আসার কারণ:

এ বছর বড় ধরনের একটি বিএমআরই চলার কারণে উক্ত সময়ের সকল প্রত্যক্ষ এবং অবচয় জনিত খরচ সমূহ হিসাবে আনতে হয়েছে যার ফলে এবছর আমাদের লাভ হয়েছে ১১৬.০৩ মিলিয়ন যা পূর্ববর্তী বছরে ছিল ৯৪৩.৮২ মিলিয়ন।

সংযুক্ত অন্যান্য কোম্পানির সাথে লেনদেন:

কোম্পানির সাথে সংযুক্ত পার্টির লেনদেন নিরীক্ষিত আর্থিক প্রতিবেদনের নোট ৩৭ এ Bangladesh Accounting Standard (BAS) অনুসারে বিস্তারিত বর্ণনা করা হয়েছে।

IPO বিক্রয়লব্ধ অর্থের ব্যবহার এবং IPO পরবর্তী আর্থিক ফলাফল:

IPO বিক্রয়লব্ধ অর্থ পাওয়ার পূর্বে আমরা আমাদের আভ্যন্তরীণ এবং ব্যাংক ঋণ দ্বারা বিএমআরই প্রায় শেষ করে ফেলেছি। চলতি এই সম্প্রসারণ কাজের জন্য সম্ভাব্য ব্যয় ধরা হয়েছে ৫,৮৬৩.৭০ মিলিয়ন। মোট খরচের ৩,৩৮৫.৭৮ মিলিয়ন বিভিন্ন মেয়াদী ঋণ থেকে ১,৮৮৬.৪১ মিলিয়ন নিজস্ব তহবিল থেকে এবং বাকী ৬১২.৫ মিলিয়ন IPO বিক্রয়লব্ধ অর্থ থেকে যোগান দেয়া হবে যা কিনা ১০ টাকার প্রতিটি শেয়ারে ২৫ টাকা প্রিমিয়াম সহ প্রতি শেয়ার মোট ৩৫ টাকায় ১,৭৫,০০০,০০ টি শেয়ার বিক্রয় থেকে পাওয়া গেছে। আমরা নিম্ন পছায় IPO তহবিল ব্যবহার করছি।

পরিচালনা পর্ষদের প্রতিবেদন...

তহবিলের ব্যবহার	মোট পরিমাণ (মিলিয়নে)		বাস্তবায়নের সময়সূচী
	ইউরো	টাকা	
চলতি BMRE প্রকল্প			
ক. Retention Money পরিশোধ (যন্ত্রপাতির জন্য)	০.৩৬০	৩৬.০০	এপ্রিল ২০১৫
	১.৮৪২	১৮৪.২০	সেপ্টেম্বর ২০১৫
Total	২.২০২	২২০.২০	
খ তৈরি পণ্যের গুদাম	১৬৭.৩১		IPO টাকা পাওয়ার পর ২০১৫ সালের ডিসেম্বরের মধ্যে
গ. ঋণ পরিশোধ	২০৪.০০		IPO টাকা পাওয়ার সাথে সাথে
IPO সংক্রান্ত খরচ (প্রায়)	২০.৯৯		প্রয়োজনে যখন যেভাবে দরকার হয়
IPO থেকে মোট প্রাপ্তি (নীট)	৬১২.৫		

আমরা ইতি মধ্যে ১৯ এপ্রিল, ২০১৫ তারিখে ঋণ পরিশোধের জন্য উক্ত টাকা থেকে ২০৪ মিলিয়ন টাকা ব্যবহার করেছি এবং ৩০ এপ্রিল, ২০১৫ পর্যন্ত ১০.০৯ মিলিয়ন টাকা আইপিও বাবদ খরচ করেছি।

Independent Director সহ পরিচালকদের সম্মানী:

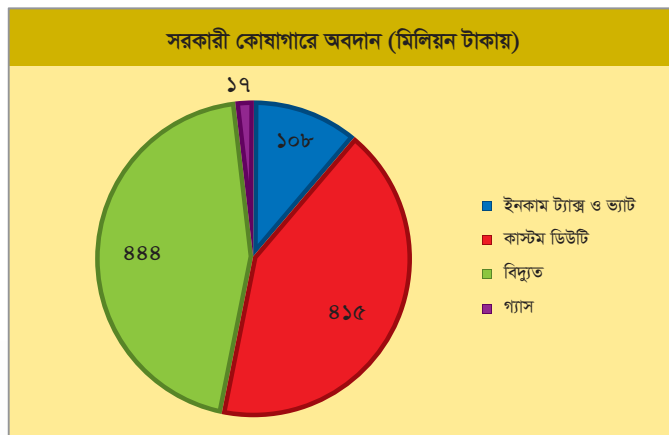
পরিচালক পর্ষদের সিদ্ধান্ত মোতাবেক কোম্পানির পরিচালকবৃন্দ কোম্পানি হতে নিয়মিত ভাতা ও সম্মানী পেয়ে থাকেন যা এই প্রতিবেদনের সাথে সংযুক্তি ও এবং হিসাব বিবরণীর নোট ৩০.০১ এ উল্লেখ করা হয়েছে।

লভ্যাংশ:

পরিচালকমন্ডলী ৩১শে ডিসেম্বর ২০১৪ সমাপ্ত বছরের জন্য ১০% নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেন। বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারগণ কর্তৃক অনুমোদন সাপেক্ষে রেকর্ড তারিখ ১৩ মে, ২০১৫ এর শেয়ার মালিকদের মধ্যে এই লভ্যাংশ বিতরণ করা হবে।

জাতীয় রাজস্ব কোষাগারে অবদান:

বিএসআরএম সরকারী রাজস্ব বৃদ্ধিতে গুরুত্বপূর্ণ অবদান রেখে যাচ্ছে। ২০১৪ সালে আমরা সব ধরনের আয়কর, মুসক ও শুল্ক আদায় এবং প্রদান করেছি। ২০১৪ সালে বিএসআরএম জাতীয় রাজস্ব কোষাগারে প্রত্যক্ষ পরোক্ষভাবে ৯৮৪.৪৮ মিলিয়ন টাকা রাজস্ব প্রদান করেছে, যা নিম্নে দেখানো হলো:-



পরিচালনা পর্ষদের প্রতিবেদন...

সামাজিক দায়বদ্ধতা:

সামাজিক দায়বদ্ধতা এমন একটি প্রতিশ্রুতি যা প্রতিষ্ঠানের কর্মচারি, তাদের পরিবার তথা স্থানীয় জনগোষ্ঠি ও সমাজের সাথে কাজ করার মাধ্যমে গড়ে ওঠা একটি স্থিতিশীল অর্থনৈতিক অবস্থা যেটা জীবন যাত্রার মান উন্নয়নের লক্ষ্যে ব্যবসায় এবং অগ্রগতি উভয় ক্ষেত্রে সহায়ক।

সামাজিক দায়বদ্ধতাকে বিএসআরএম এর মূল ব্যবসা সিদ্ধান্তসমূহে সমন্বিত করার জন্য আমরা CSR কে আমাদের ব্যবসা প্রক্রিয়ার প্রতিটি ক্ষেত্রে রেখেছি।

বিএসআরএম এর সিএসআর কর্মকাণ্ড সমূহকে তিন ভাগে বিভক্ত করা যায় যথা:

- সিএসআর প্রকল্প কর্মসূচী
- সিএসআর প্রকল্পবিহীন কর্মসূচী
- বিএসআরএম এর অভ্যন্তরে সিএসআর কর্মকাণ্ড

চলতি কিছু বিএসআরএম- সিএসআর প্রকল্প নিয়ে দেয়া হল:

- বোরহানি- বিএসআরএম স্কুল বাংলাবাজার, চট্টগ্রাম
- বিএসআরএম প্রশিক্ষণ কেন্দ্র, দুর্গাপুর, সারসাহ, যশোর
- বিএসআরএম কর্তৃক নির্মিত শহীদ মিনার, মহিলা কলেজ, চট্টগ্রাম
- বিএসআরএম বিকল্প জীবনযাত্রার মান উন্নয়ন কর্মসূচি
- মহিলাদের জন্য বিএসআরএম বিকল্প জীবনযাত্রার মান উন্নয়ন কর্মসূচী
- বিএসআরএম বৃক্ষরোপণ কর্মসূচী
- বিএসআরএম সবসময় সাহায্যের হাত প্রসারিত করে
- শহুরে এলাকায় দারিদ্র নির্মূল কর্মসূচী
- বিএসআরএম সৌর বিদ্যুত প্রকল্প

চলতি কিছু বিএসআরএম- সিএসআর প্রকল্পবিহীন কর্মসূচী নিয়ে দেয়া হল:

- শহরের ট্রাফিক ব্যবস্থায় সহায়তা
- স্বাস্থ্য সেবায় অনুদান
- শিক্ষামূলক কর্মসূচী
- কম্বল বিতরণ
- গবেষণা ও উন্নয়নমূলক কাজে সহায়তা
- বৃক্ষরোপণ কর্মসূচী
- প্রতিবন্ধী শিশুদের সহায়তা

পুরস্কার এবং স্বীকৃতি:

আমরা অতীব আনন্দের সাথে আপনাদের জানাচ্ছি যে, এই বৎসর আমরা বেশ কিছু সম্মানজনক পুরস্কার পেয়েছি। তাদের কয়েকটি নিম্নে উল্লেখ করা হল-

- বিএসআরএম স্টিলস লিমিটেড ইন্সটিটিউট অব চার্টার্ড একাউন্টেন্টস অব বাংলাদেশ কর্তৃক ঘোষিত ১৪তম আইসিএবি ন্যাশনাল এওয়ার্ডে সর্বোত্তম উপস্থাপিত বার্ষিক প্রতিবেদন ২০১৩ এর জন্য ম্যানুফেকচারিং সেক্টরে প্রথম স্থান অধিকার করেছে।
- বিএসআরএম স্টিলস লিমিটেড সর্বোত্তম উপস্থাপিত বার্ষিক প্রতিবেদনের জন্য “সার্টিফিকেট অব মেরিট” এবং সাউথ এশিয়ান ফেডারেশন অব একাউন্টেন্ট ঘোষিত কর্পোরেট গভার্নেন্স ডিসক্লোজার-২০১৩ শাখায় সার্ক এনিভার্সারি এওয়ার্ড লাভ করেছে।
- আইআই ইউসি বিজনেস এওয়ার্ড ২০১৪
- বেস্ট রড ব্র্যান্ড এওয়ার্ড ২০১৪
- স্ট্যান্ডার্ড চার্টার্ড ফাইনেন্সিয়াল গ্রুপের সিএসআর এওয়ার্ড ২০১৪
- জাপান বাংলাদেশ চেম্বার অব কমার্স এন্ড ইন্ডাস্ট্রি (জেবিসিসিআই) বিজনেস এক্সিলেন্স এওয়ার্ড ২০১৪

তথ্য প্রযুক্তি:

বর্তমান সময়ে তথ্য প্রযুক্তিকে সামাজিক এবং অর্থনৈতিক উন্নয়নের শক্তিশালী প্রভাবক হিসেবে বিবেচনা করা হয়। আধুনিক এবং সমসাময়িক তথ্য প্রযুক্তির যথাযথ ব্যবহার ছাড়া প্রত্যাশিত সাফল্য অর্জন সম্ভব নয়। প্রকৃত সময়ের সাথে তাল মিলিয়ে চলার জন্য ২০১৪ সালের ১ লা

পরিচালনা পর্ষদের প্রতিবেদন...

মার্চ আমাদের ব্যবসায়ে ইআরপি বা ওরাকল ইবিএস চালুর মধ্যে দিয়ে ইতিমধ্যে আমরা এক ধাপ এগিয়ে গিয়েছি। এখন আমরা অধিকতর দ্রুততার সাথে আমাদের ব্যবসা পরিচালনা ও ব্যবস্থাপনা করতে এবং আমাদের ক্রেতাদের সাথে যোগাযোগ করতে সক্ষম।

মানব সম্পদ ব্যবস্থাপনা:

মানব সম্পদ ব্যবস্থাপনা হল এমন এক প্রক্রিয়া যা প্রতিষ্ঠানের কর্মকর্তা কর্মচারীদের তাদের পেশাগত এবং প্রাতিষ্ঠানিক দক্ষতা বৃদ্ধিতে সহায়তা করে। বিশেষ এ কাজে অন্তর্ভুক্ত রয়েছে কর্মচারীদের প্রশিক্ষণ, কর্মদক্ষতার উন্নয়ন, দক্ষ এবং ভাল কাজের মূল্যায়ন, যথাযথ পর্যবেক্ষণ, সুসংহত পরিকল্পনা, যোগ্য কর্মী নির্বাচন এবং প্রাতিষ্ঠানিক উন্নয়ন। বিএসআরএম লিমিটেড বিভিন্ন ধরনের চাকুরীজীবী কল্যাণ পরিকল্পনার উপর দৃষ্টি দিয়ে থাকে।

বিএসআরএম লিমিটেড এর দর্শন হচ্ছে “এমন HR টিম গঠন করা যা কিনা মেধাকে মূল্যায়ন করে এবং ভবিষ্যৎ নেতা তৈরীতে সহায়তা করে।”

আচরণবিধি:

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

নিরীক্ষকগণ:

বর্তমান নিরীক্ষক মেসার্স রহমান রহমান হক, চার্টার্ড একাউন্টেন্টস (কেপিএমজি এর একটি সদস্য প্রতিষ্ঠান), ৫৩ তম এজিএম এ অবসর গ্রহণ করবেন এবং যেহেতু তারা একাধারে তিন বৎসর কোম্পানির নিরীক্ষক ছিলেন বাংলাদেশ সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) এর আদেশ নং বিএসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১০৪/এডমিন তারিখ জুলাই ২৭, ২০১১ অনুসারে তারা ২০১৫ সালের জন্য পুনঃ নির্বাচিত হবার যোগ্য নয় সুতরাং ২০১৫ সালের জন্য একজন নতুন নিরীক্ষক নিয়োগ দেয়া হবে। বোর্ডের অডিট কমিটির প্রস্তাবের ভিত্তিতে বোর্ড সাইফুল শামসুল আলম এন্ড কোম্পানি, চার্টার্ড একাউন্টেন্টস (ইউএইচওয়াই এর একটি সদস্য প্রতিষ্ঠান), ইউনিসকো সিটি সেন্টার, (নবম তলা) ৮০৭, সিডিএ এভিনিউ, নাসিরাবাদ, চট্টগ্রাম কে কোম্পানির ২০১৫ সালের জন্য ৪,২০,০০০/- টাকা পারিশ্রমিকে নিয়োগ দেওয়ার সুপারিশ করেছে।

কর্পোরেট গভার্নেন্স রিপোর্ট এবং অনুসরণ:

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

স্থিতিপত্রের তারিখ পরবর্তী ঘটনা সমূহ:

বাংলাদেশ সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশন (বিএসইসি) এর কাছ থেকে তাদের পত্র নং BSEC/CI/IPO-209/2012-849 এর মাধ্যমে আমরা গত ২২ ডিসেম্বর, ২০১৪ তারিকে IPO এর মাধ্যমে মূলধন সংগ্রহের অনুমোদন পেয়েছি। এবছর ১লা ফেব্রুয়ারি থেকে ৫ ফেব্রুয়ারি আমরা এর জন্য আবেদন গ্রহণ করেছি এবং যথাযথ প্রক্রিয়ায় ৫ই মার্চ, ২০১৫, বৃহস্পতিবার সকাল ১০ টায় স্মরনিকা কমিউনিটি সেন্টার, ১৩ লাভ লেইন চট্টগ্রাম-এ ডিপার্টমেন্ট অব সাইয়েন্স এন্ড টেকনোলজি, বুয়েট এর মাধ্যমে, ডিএসই, সিএসই, সিডিবিএল, ইস্যু ম্যানেজার, বিএসআরএম এর সম্মানিত পরিচালকবৃন্দ ও সাধারণ জনগনের উপস্থিতিতে লটারির আয়োজন করি। এপ্রিল ২৭, ২০১৫ থেকে ডিএসই, সিএসই -তে শেয়ারের বেচা কেনা শুরু হয়।

পরিচালকদের দায়িত্বের বিবৃতি:

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

ক. বাংলাদেশ স্টিল রি-রোলিং মিলস্ লিমিটেড এর ব্যবস্থাপনা পরিষদ কর্তৃক তৈরীকৃত আর্থিক প্রতিবেদন কোম্পানির সার্বিক অবস্থা, পরিচালনার ফলাফল সমূহ, নগদ প্রবাহ এবং সম্পদের পরিবর্তন ইত্যাদি যথাযথ ভাবে উপস্থাপন করে।

খ. যথাযথ হিসাব বই সংরক্ষণ করা হয়েছে।

গ. অর্থনৈতিক প্রতিবেদন তৈরী করতে যথাযথ একাউন্টিং পলিসি নিরবচ্ছিন্নভাবে প্রয়োগ করা হয়েছে এবং একাউন্টিং প্রাক্কলনগুলো যুক্তিসংগত এবং যথোপযুক্ত বিচার বিশ্লেষণের উপর ভিত্তি করে করা হয়েছে।

পরিচালনা পর্ষদের প্রতিবেদন...

ঘ. অর্থনৈতিক প্রতিবেদন তৈরীতে ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ডস (আইএএস)/ বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ডস (বিএএস)/ ইন্টারন্যাশনাল ফিনেন্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আইএফআরএস)/ বাংলাদেশ ফিনেন্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (বিএফআরএস), যেভাবে বাংলাদেশে প্রযোজ্য সেভাবে অনুসরণ করা হয়েছে এবং যে কোন ধরনের পরিবর্তন পর্যাণ্ডভাবে প্রকাশ করা হয়েছে।

ঙ. ইন্টারনাল কন্ট্রোল সিস্টেম কার্যকরভাবে প্রয়োগ করা হয়েছে এবং পর্যবেক্ষণ করা হয়েছে।

চ. একটি চলমান প্রতিষ্ঠান হিসেবে যাত্রা অব্যাহত রাখতে কোম্পানির যোগ্যতার উপর কোন সন্দেহ নাই এবং একটি চলমান প্রতিষ্ঠানের ভিত্তিতে বার্ষিক হিসাব তৈরী করা হয়েছে।

ছ. কোম্পানির পরিচালনাগত ফলাফলে বিগত বৎসর থেকে গুরুত্বপূর্ণ পরিবর্তন প্রতিবেদনে আলোকপাত করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে।

জ. বিগত ছয় বৎসরে মূল পরিচালনাগত এবং আর্থিক ফলাফল সমূহ সংযুক্তি-৪ এ উল্লেখ করা হয়েছে।

ঝ. শেয়ার ধারণের পদ্ধতি সংযুক্তি-৫ এ উল্লেখ করা হয়েছে।

ঞ. বিএসইসি এর চাহিদামত এবং কর্পোরেট গভার্নেন্সের নিয়মানুসারে কম্পাইয়েন্স স্ট্যাটাস নামে একটি প্রতিবেদন রেগুলেটরী কম্পাইয়েন্স রিপোর্ট অংশে সংযুক্ত করা হল।

ট. পরিচালকদের প্রোফাইল এবং অন্যান্য সংস্থায় তাদের অংশীদারিত্ব এবং ব্যবসায়িক স্বার্থ বোর্ড অব ডিরেক্টরস সেগমেন্টে উল্লেখ করা হয়েছে।

স্বীকৃতি:

বোর্ডের পক্ষে আমি সকল সরকারী এজেন্সিসমূহ, ব্যাংকার, আমাদের শেয়ার হোল্ডার, বিএসইসি, ডিএসই, সিএসই, সিডিবিএল, আরজেএসসি, সম্মানিত ক্রেতাবৃন্দ এবং সরবরাহকারীদের অবদান ও সহযোগিতার কথা স্মরণ করছি। সবশেষে আমি অত্র কোম্পানির সকল কর্মচারী কর্মকর্তাবৃন্দের অবদান তথা তাদের অক্লান্ত পরিশ্রমের কথা উল্লেখ করতে চাই কেননা তাঁদের অবর্তমানে এ বছর কোম্পানির গুরুত্বপূর্ণ এই সম্প্রসারণ কাজ কখনই সম্ভব হত না।

আব্দুল হাফেজ-

আমীর আলীহোসাইন
চেয়ারম্যান

SUSTAINABLE GROWTH - GREEN ENVIRONMENT, HUMAN RESOURCE AND INFORMATION TECHNOLOGY DEVELOPMENT...

BSRM Group of Companies produce and supply steel products. We have made commendable achievements in Human Resource Development, maintain high standard Pollution free Environment.

Green Environment

In Bangladesh Steel Re-Rolling Mills Limited we will install world class Water Treatment Plant (WTP) for recycling the water for reusing and to keep the environment free from pollution.

We have commissioned Air Pollution Control (APC) system in our melting unit to keep the air free from Pollution.

As a recognition of your effort to keep the environment clean and greener, one of the Billet producing plant of our group (BISCO) awarded with the “Divisional Environmental Award” by Poribesh Odhidaptar.

Human Resource Development

Our Company believes that the quality of the people plays the pivotal role in driving and making the organization success. Our professional and highly experienced team in each department enables us to maintain our quality of product, sustainable growth, efficiency in production and marketing as well as to retain our position as the market leader.

Capacity building

The vision of our company is to work as a business driver and take necessary strategies for placing the right employee with the right quality for the right job. For capacity building we also focus on identifying the successor for the key positions and developing the leaders within the organization. We regularly arrange in house and outside training for all of our staffs and foreign expatriates with a view to building competence.

Health, Safety and environment Policy

Health, safety and environment is our company's first priority. It is our core value and we follow zero tolerance to health, safety and environment violations. We have created a separate desk called HSE (Health, Safety and Environment) to oversee and take necessary measures regarding the health safety and environment. Our Group is ISO certified and obtained ISO-90001:2008 (QMS) and ISO-14001:2004 (EMS) for its compliance on HR and safety related issues.

Safety Committee:

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

Staff Succession Plan

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

Policy of the safety of records of the entity

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

Oracle Database Backup:

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

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

Disaster Recovery:

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

REGULATORY COMPLIANCE REPORT...

CORPORATE GOVERNANCE REPORT

Corporate governance refers to the structures and processes for the direction and control of companies. Sound corporate governance is a fundamental part of the culture of the company and ensures long term success. Corporate governance concerns the relationships among the management, Board of Directors, controlling shareholders, minority shareholders and other stakeholders. Good corporate governance contributes to sustainable economic development by enhancing the performance of companies. The Board of Directors of Bangladesh Steel Re-Rolling Mills Limited is firmly committed to upholding principles of sound corporate governance. The main objective of corporate governance is creation of lasting value for stakeholders. Transparency in business transaction and disclosure of information to regulatory bodies as part of its legal obligations constitute sound corporate governance. Good corporate governance also means conformity to sound ethical principles and a code of conduct in business dealings.

Board of Directors

Board of Directors is the representative and trustee of the shareholders of the company. The Board of directors of Bangladesh Steel Re-Rolling Mills Limited comprises of five members including Chairman, Managing Director and one independent director in compliance with the corporate Governance Guidelines of BSEC. Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision and safeguarding shareholders' interest.

Audit Committee

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

Audit Committee holds regular meetings on the following major issues:

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

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

Chairman of the Board and Managing Director

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

Directors' report to Shareholders

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

CORPORATE GOVERNANCE REPORT...

Chief Financial Officer, Company Secretary and Head of Internal Audit

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

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

Internal Audit and Control

Bangladesh Steel Re-Rolling Mills Limited established an Internal Audit Department consisting of professional and knowledgeable employees. Internal Audit Department directly reports to the Board of Directors.

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

External Auditors

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

Key Management Committee

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

Certification on the Compliance of Corporate Governance Guidelines of BSEC

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

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE GUIDELINE...

M.A.MALLIK & Co. CHARTERED ACCOUNTANTS

Head Office :

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

Branch Office :

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

Date:.....

Certificate on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission to the shareholders of Bangladesh Steel Re-Rolling Mills Limited

We have examined the compliance of conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by **Bangladesh Steel Re-Rolling Mills Limited** (the Company) for the year ended 31st December 2014 as stipulated in clause 7(i) of the BSEC Notification No: SEC/CMRRCD/2006-158/134/Admin/44, dated: 7th August 2012.

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

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

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

Chittagong, May 04, 2015



M. A. Mallik & Co.
Chartered Accountants

REPORT OF THE AUDIT COMMITTEE...

As per Bangladesh Securities and Exchange Commission's notification, Bangladesh Steel Re-Rolling Mills Limited has formed an Audit Committee as a sub-committee of the Board of Directors. The audit committee comprise of the following members:

1. Mr. Mono Ranjan Dey FCA - Chairman
2. Mr. Aameir Alihussain - Member
3. Mr. Zohair Taherali - Member
4. Mr. Shekhar Ranjan Kar FCA - Secretary

Terms of Reference

The terms of reference of the audit committee has been determined by the Board in accordance with the BSEC notification. The Committee is responsible to the Board of Directors and reports on its activities regularly. The Committee assists the Board of Directors in its general oversight of financial reporting, internal controls and functions relating to internal audit.

Meetings and attendance

The audit committee was formed on 24th December, 2014. The members of the audit committee met to review the report of internal audit team and the yearly financial statements of 2014. The attendance of the members at this meeting is as under:

Name of the members	No. of meetings held whilst a committee member	Meetings attended
Mr. Mono Ranjan Dey FCA	1	1
Mr. Aameir Alihussain	1	1
Mr. Zohair Taherali	1	1
Mr. Shekhar Ranjan Kar FCA	1	1

Activities of the Audit Committee:

The Audit Committee assists the Board of Directors in fulfilling effectively its oversight responsibilities for the company's accounting and financial reporting processes and internal control systems of the company. The activities of the Committee have been appended below:

- ▶ The Audit committee reviews the financial statements to ensure that these reflect true and fair view of the state of affairs of the company for the year ended December 31, 2014.
- ▶ The committee examines all relevant issues relating to the financial and other connected affairs of the Company.
- ▶ The committee monitors the financial reporting systems in place to ensure the integrity and the soundness of the information provided to the Board of Directors, Regulatory Authorities, Management and other Stakeholders.
- ▶ The committee reviews the appropriateness of accounting policies and their adherence to statutory and regulatory compliance and applicable accounting standards.
- ▶ The audit committee Identifies, analyze and monitor the risks faced by the Company and examine the adequacy, efficiency and effectiveness of internal controls and procedures in place to avoid, mitigate or transfer such risks.

REPORT OF THE AUDIT COMMITTEE...

- ▶ The audit committee reviews internal audit / inspection reports and follow-up on their findings and recommendations.
- ▶ The committee reviews the Interim Financial Statements and the Company's Annual Financial Statements prepared for disclosure, prior to submission to the Board of Directors.

Reporting of the Committee

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

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

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

On behalf of the Audit Committee

Mono Ranjan Dey
Mono Ranjan Dey FCA
Chairman of Audit Committee
April 30, 2015

STATEMENT OF CEO AND CFO ON FINANCIAL STATEMENTS...

**The Board of Directors
Bangladesh Steel Re-Rolling Mills Limited**

We certify that:-

- (i) We have reviewed financial statements for the year ended December 31, 2014 and to the best of our knowledge and belief:
 - a) these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- (ii) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or, violation of the company's code of conduct.



Alihussain Akberali FCA
Managing Director



Mohammed Reazul Kabir FCA
Head of F&A and CFO



SYDNEY HARBOR BRIDGE, SYDNEY, AUSTRALIA

Inaugurated in March 1932 and one of Australia's most widely known landmarks, the Sydney Harbor Bridge currently holds two world records: it is the widest long-span bridge and the tallest steel arch bridge in the world, being 130 meters/440 feet above the water level. The locals nicknamed the bridge "The Coat Hanger", due to its main piece of design, the arch.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BANGLADESH STEEL RE-ROLLING MILLS LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of **BANGLADESH STEEL RE-ROLLING MILLS LTD.** ("the Company") and its associates which comprise the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards, Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

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

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

Chittagong, 30 April 2015

Rahman Rahman King

BANGLADESH STEEL RE-ROLLING MILLS LTD.
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	<u>Notes</u>	<u>31.12.2014</u> <u>Taka</u>	<u>31.12.2013*</u> <u>Taka</u>
Assets			
Non-current assets:			
Property, plant and equipment	6	6,945,209,048	7,006,114,629
Intangible asset	6.02	33,099,850	-
Capital work-in-progress	7	1,893,774,755	345,062,819
Investment in associates	8.01	3,647,308,567	3,423,586,954
Other investments	8.02	82,887,944	99,527,794
Total non-current assets		12,602,280,164	10,874,292,196
Current assets:			
Inventories	9	3,524,601,809	5,889,585,061
Trade receivables	10	429,371,267	404,867,366
Other receivables	11	169,830,517	78,591,566
Due from inter companies	12	1,539,230,711	2,277,089,379
Advances and deposits	13	4,394,083,583	1,597,513,355
Short term investments	8.03	34,711,818	78,011,752
Cash and cash equivalents	14	71,908,952	99,302,648
Total current assets		10,163,738,657	10,424,961,127
Total assets		22,766,018,821	21,299,253,323
Equity and Liabilities			
Equity:			
Share capital	15	1,558,510,380	1,558,510,380
General reserve	16.01	30,170,818	30,170,818
Revaluation surplus	16.02	4,156,482,199	4,129,104,568
Retained earnings		2,758,242,239	2,553,638,275
12% Convertible coupon bond - equity component	17.05	60,881,523	-
Fair Value reserve	16.03	-	2,439,152
Total equity		8,564,287,158	8,273,863,193
Liabilities:			
Non-current liabilities			
Long term loan	17.01	4,055,997,965	1,406,182,612
Deferred tax liabilities	18	815,983,238	1,071,987,675
Total non-current liabilities		4,871,981,203	2,478,170,287
Current liabilities			
Trade payables	19	127,095,638	3,563,424,229
Short term liabilities	20	5,076,699,081	3,631,028,292
Liabilities for expenses	21	410,036,293	216,856,037
Advance against sales	22	159,856,236	101,714,671
Due to inter companies	23	2,384,259,664	2,401,210,345
Long term loan-current portion	17.01	825,947,152	492,699,556
Provision for income tax	24	31,995,903	124,274,416
Provision for WPPF and Welfare Fund	25	-	806,385
Other liabilities	26	313,860,493	15,205,912
Total current liabilities		9,329,750,460	10,547,219,843
Total liabilities		14,201,731,663	13,025,390,130
Total equity and liabilities		22,766,018,821	21,299,253,323

*Refer to Note-2.12.

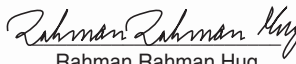
The annexed notes 1 to 47 form an integral part of these financial statements.


Managing Director


Director


Company Secretary
As per our annexed report of same date.

Chittagong, 30 April 2015


Rahman Rahman Huq
Chartered Accountants

BANGLADESH STEEL RE-ROLLING MILLS LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 Taka	2013* Taka
Revenue	27	8,049,886,582	8,602,415,008
Cost of sales	28	(7,862,344,633)	(8,102,322,738)
Gross profit		187,541,949	500,092,270
Selling and distribution costs	29	(89,871,005)	(80,668,737)
Administrative costs	30	(165,382,310)	(141,087,182)
		(255,253,316)	(221,755,919)
		(67,711,367)	278,336,351
Other income	31	8,479,824	6,652,224
Operating profit		(59,231,543)	284,988,575
Finance costs	32	(504,379,198)	(264,396,406)
Finance income	33	9,364,829	23,390,549
		(495,014,369)	(241,005,857)
Profit before tax and WPPF and Welfare Fund		(554,245,912)	43,982,718
Contribution to WPPF and Welfare Fund		-	(2,199,136)
		(554,245,912)	41,783,582
Non-operating income	34	183,667,911	169,063,732
Share of profit of associates (Net of tax)	35	383,612,872	1,089,244,645
		567,280,783	1,258,308,377
Profit before tax		13,034,871	1,300,091,959
Income tax expenses/benefits:			
Current Tax:			
Current year		(31,995,903)	(124,274,416)
Previous year		11,056,219	(6,612,039)
Deferred tax		123,938,049	(225,386,883)
		102,998,365	(356,273,338)
Net profit after tax for the year		116,033,236	943,818,621
Other comprehensive income:			
Items that will never be reclassified to profit or loss		-	-
Impairment of revalued property, plant and equipment- net of tax		(11,517,017)	-
Deferred tax on revaluation surplus of assets		103,108,425	-
		91,591,408	-
Items that are or may be reclassified to profit or loss		-	1,756,824
Available for sale financial assets- net change in fair value		-	1,756,824
Other comprehensive income, net of tax		91,591,408	1,756,824
Total comprehensive income		207,624,644	945,575,445
Earnings per share:			
Basic earnings per share	36.01	0.74	6.06
Diluted earnings per share	36.02	0.73	6.06

*Refer to Note-2.12.

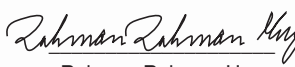
The annexed notes 1 to 47 form an integral part of these financial statements.


Managing Director


Director


Company Secretary
As per our annexed report of same date.

Chittagong, 30 April 2015


Rahman Rahman Huq
Chartered Accountants

BANGLADESH STEEL RE-ROLLING MILLS LTD.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

Share Capital	General Reserve	Revaluation surplus	Retained Earnings	12% Convertible coupon bond - equity component	Fair Value Reserve	Total
Taka	Taka	Taka	Taka	Taka	Taka	Taka
1,558,510,380	30,170,818	4,189,255,118	1,747,355,332	-	1,023,492	7,526,315,140
-	-	-	-	-	(341,164)	(341,164)
-	-	(51,796,412)	82,874,259	-	-	31,077,847
-	-	(8,354,138)	13,366,620	-	-	5,012,482
-	-	-	(233,776,557)	-	-	(233,776,557)
-	-	-	943,818,621	-	-	943,818,621
-	-	-	-	-	1,756,824	1,756,824
1,558,510,380	30,170,818	4,129,104,568	2,553,638,275	-	2,439,152	8,273,863,193
1,558,510,380	30,170,818	4,129,104,568	2,398,521,265	-	2,439,152	8,118,746,183
-	-	-	155,117,010	-	-	155,117,010
1,558,510,380	30,170,818	4,129,104,568	2,553,638,275	-	2,439,152	8,273,863,193
-	-	-	-	-	(1,483,386)	(1,483,386)
-	-	-	-	-	(955,766)	(955,766)
-	-	(61,227,047)	84,451,100	-	-	23,224,052
-	-	(2,986,730)	4,119,628	-	-	1,132,898
-	-	(11,517,017)	-	-	-	(11,517,017)
-	-	103,108,425	-	-	-	103,108,425
-	-	-	-	60,881,523	-	60,881,523
-	-	-	116,033,236	-	-	116,033,236
1,558,510,380	30,170,818	4,156,482,199	2,758,242,239	60,881,523	-	8,564,287,158

Balance as on 1 January 2013

Reclassification of fair value reserve on sale of securities

Transfer against difference in depreciation between cost and revalued amount

Transfer of revaluation surplus on sale of revalued assets

Cash dividend for the year 2012

Net profit after tax for the year 2013 as Re-stated

Increase in fair value of investment in tradable securities

Balance as on 31 December 2013 as Re-stated (Note-2.12)

Balance as on 01 January 2014 as originally published

Effect of associate's adoption of equity method

Balance as on 01 January 2014 as Re-stated (Note-2.12)

Reclassification of fair value reserve on sale of securities

Reclassification of fair value reserve on changes of classification of financial instrument (Note-8.03.02)

Transfer against difference in depreciation between cost and revalued amount

Transfer of revaluation surplus on sale of revalued assets

Impairment of revalued property, plant and equipment

Deferred tax to revaluation surplus

Issuance of 12% Convertible coupon bond

Net profit after tax for the year ended 31 December 2014

Balance as on 31 December 2014

BANGLADESH STEEL RE-ROLLING MILLS LTD.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>2014</u> <u>Taka</u>	<u>2013</u> <u>Taka</u>
a. OPERATING ACTIVITIES:		
Paid against revenue expenditure	(8,493,213,563)	(8,555,015,718)
Receipts from customers against sales	8,082,494,264	8,787,022,059
Receipt against other income	146,531,941	190,805,958
Payment for Workers' Profit participation fund	(806,385)	(4,058,024)
Payment of interest-Net	(360,915,423)	(170,392,847)
Income Tax Paid	(176,039,025)	(166,350,580)
Net cash provided by/(used in) Operating Activities	(801,948,191)	82,010,848
b. INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(226,935,645)	(95,680,881)
Acquisition of intangible asset	(33,378,000)	-
Advance for capital expenditures	(2,391,965,016)	-
Proceeds from sale of property, plant and equipment	8,298,128	33,393,389
Short term loan to affiliated companies	737,858,668	(867,616,356)
Investment	(422,500,000)	(1,397,013,883)
Proceeds from sale of investments in tradable securities and FDRs	65,236,489	157,727,397
Capital Work-in-progress	(1,548,711,936)	(433,233,750)
Dividend income	159,979,516	101,588,742
Net cash used in Investing Activities	(3,652,117,796)	(2,500,835,342)
c. FINANCING ACTIVITIES:		
Receipt/(Re-payment) of long term loan	1,515,052,183	353,715,664
Receipt from issue of 12% convertible bond	1,482,900,000	-
Loan received from /(paid to) affiliated companies and others	(16,950,681)	2,031,285,729
Dividend paid	-	(232,425,197)
Receipts of Short term loan	1,445,670,789	279,985,982
Net cash (used in)/provided by Financing Activities	4,426,672,291	2,432,562,178
Total (a+b+c)	(27,393,696)	13,737,684
Opening cash and cash equivalents	99,302,648	85,564,964
Closing cash and cash equivalents	71,908,952	99,302,648
	(27,393,696)	13,737,684

BANGLADESH STEEL RE-ROLLING MILLS LTD.
NOTES TO THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2014

1.00 REPORTING ENTITY

1.01 Company Profile

Bangladesh Steel Re-Rolling Mills Limited is a public company limited by shares is domiciled in Bangladesh. The address of the company's registered office is Ali Mansion, 1099/1207 Sadarghat Road, Chittagong, Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on December 28, 1960 vide the certificate C/186-No. 1491/92 E.P. of 1960-1961 under Companies Act 1913 (since repealed and substituted by the Companies Act 1994) as a private company limited by share. The company was converted into a public limited company on November 03, 2009 under the Companies Act 1994.

1.02 Nature of the business

The main activity of the company is to manufacture M.S. products by setting up rolling and re-rolling mills. The company had set up its Re-Rolling mill and Steel Melting Workshop (SMW previously known as Meghna Engineering Works Limited) at 147/148/149 and 78/79 Baizid Bostami Road, Nasirabad Industrial Area, Chittagong, Bangladesh respectively and commenced its commercial production from 1987 after first BMRE.

M.S. billets is manufactured from scraps and sponge iron etc. at Steel Melting Workshop (SMW) and these billets are re-rolled in the next step at Re-Rolling Mills to manufacture M.S. products. The company also deals in sale of M.S. products like angle, channel, I Beam, H Beam and ingot etc.

1.03 BMRE and suspension of production

The company has been going under expansion and modernization (BMRE) of its capacity and process of Re-rolling unit since June 2014 that is expected to be completed by June 2015. Estimated cost of BMRE is Tk. 586.37 crore.

Because of BMRE works, production of Re-rolling unit ceased from 28 May 2014 and expected to be started from July 2015 after the completion of BMRE.

1.04 Description of associates

(i) Legal form of BSRM Steels Ltd.

BSRM Steels Ltd. 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 20 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 18 January 2009. Bangladesh Steel Re-Rolling Mills Limited directly holds 31.188% of ordinary shares in BSRM Steels Ltd.

Nature of the business

The main purpose of BSRM Steels Ltd. is to manufacture M.S.products by setting up rolling and re-rolling mills. The company had set up its Rolling mill at 4 Fouzderhat Industrial Estate, Latifpur, Sitakunda, Chittagong and commenced commercial production from 01 April 2008.

(ii) Legal form of BSRM Iron & Steel Co. Ltd.

BSRM Iron & Steel Co. Ltd. (BISCO) was incorporated as a private Limited Company on 13th April, 2005, vide certificate No. CH-5415 of 2005 under the Companies Act, (No-XVIII), 1994. The Company was converted into a public limited company on March 15, 2011. The Company's Registered and Corporate Office is situated at Ali Mansion, Sadarghat Road, Chittagong. It is a subsidiary company of BSRM steels Limited that holds 95% ordinary shares in (BISCO). As a result Bangladesh Steel Re-Rolling Mills Limited indirectly holds 29.629% shares in BISCO and has significant influence over it.

Nature of the business

The principal activities of the company are manufacturing M.S. Billets of different qualities and selling the same to steel rolling mills. The company had set up its automatic steel melting plant at 202-205 Nasirabad Industrial Area, Baizid Bostami Road, Chittagong and commenced commercial production from 1st June, 2010.

(iii) Legal form of BSRM Steel Mills Ltd.

BSRM Steel Mills Ltd., was incorporated as a private limited company on 16 April 2008 vide registration # CH-6561(267)/2008 under the Companies Act, 1994 to set up one of the largest production plant in the steel industries in Bangladesh. The company was converted into public limited company on 12 November 2013. Bangladesh Steel Re-Rolling Mills Limited holds 21.76% of ordinary shares directly and 6.79% of ordinary shares indirectly in BSRM Steel Mills Ltd.

Nature of the business

The company is engaged in setting up an automatic steel melting plant for making M.S billets of different quality and sell the same to steel rolling mills. The company has not yet commenced commercial production.

2.00 BASIS OF PREPARATION

2.01 Statement of compliance

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), applicable sections of Companies Act 1994 and the Securities and Exchange Rules 1987. BFRSs comprise the following:

- (i) Bangladesh Financial Reporting Standards (BFRSs)
- (ii) Bangladesh Accounting Standards (BASs)
- (iii) Interpretations of BFRSs and BASs.

2.02 Date of authorization

These financial statements have been authorized for issue by the Board of Directors on 30 April 2015.

2.03 Regulatory compliance

The company is required to comply with amongst others, the following laws and regulations:

- (i) The Companies Act 1994
- (ii) The Securities and Exchange Ordinance 1969
- (iii) The Securities and Exchange Rules 1987
- (iv) The Income Tax Ordinance 1984
- (v) The Income Tax Rules 1984
- (vi) The Value Added Tax Act 1991
- (vii) The Value Added Tax Rules 1991
- (viii) Bangladesh Labour Act 2006

2.04 Basis of measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for investment in tradable shares and property, plant and equipment which are measured at fair value.

2.05 Functional and presentation currency

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

2.06 Statement of Cash flows

Statement of cash flows has been prepared as per BAS 7: Statement of Cash Flows using Direct Method as per the requirement of Securities and Exchange Rules 1987 and the Companies Act 1994.

2.07 Use of estimates and judgments

The preparation of financial statements in conformity with BFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

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

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

2.08 Comparative information

Comparative information has been disclosed in respect of the year 2013 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 2013 have been rearranged wherever considered necessary to ensure comparability with the current year.

2.09 Going concern

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

2.10 Reporting period

These Financial Statements covered the reporting period of one year commencing from 01 January 2014 to 31 December 2014 which is followed consistently.

2.11 Change in accounting estimates

Company reviewed the useful lives of the property, plant and equipments and made few revisions which is treated as change in estimates and accounted for prospectively according to BAS- 8.

Previously depreciation was charged for full year in the year of acquisition and no depreciation was charged in the year of disposal. But, from this year depreciation is charged from the month of acquisition and at the time of disposal depreciation is charged upto the month of disposal.

Useful lives of assets were also revised and resulted in change in rate of depreciation.

The effect of the changes in estimates resulted in a decrease of depreciation charge by Tk. 18,090,490.

2.12 Restatement of comparative figures

Comparative figures of these financial statements relating to BSRM Steels Ltd. (BSL), an equity accounted investee have been restated as comparative figures of BSL have been restated to give effect of the recognition of share of profit/(loss) of investment in associates under equity method according to BAS 28 in the financial statements of BSL.

3.00 SIGNIFICANT ACCOUNTING POLICIES

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

3.01 Property, plant and equipment (PPE)

Items of property, plant and equipment are stated at cost and re-valued amount less accumulated depreciation and accumulated impairment losses, if any.

3.01.01 Recognition and measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any cost 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 location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognised under other income/expenses in profit or loss.

3.01.02 Subsequent costs

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

3.01.03 Depreciation

Depreciation is based on the cost/revalued amount of an asset. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on diminishing balance method over the estimated useful lives of each parts of property, plant and equipment. Depreciation is charged on addition commencing from the month of acquisition upto the month of disposal. The principal annual rates are as follows.

<u>Assets</u>	<u>Rates (%)</u>	
	<u>2014</u>	<u>2013</u>
Land and land development	Nil	Nil
Plant and machineries	7.50%	7.50% - 15%
Motor vehicles	20.00%	20%
Factory building and shed	5.00%	5% - 15%
Boundary wall, drainage System, roads & pavement	10.00%	15%
Furniture and fixtures	20.00%	10%
Office equipment	20.00%	15%
IT Equipment	20.00%	15%

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

3.01.04 Revaluation of Property, plant and equipment

All property, plant and equipment of the company were revalued by M/S Hoda Vasi Chowdhury & Co., Chartered Accountants, in 2008 and 2012 considering the book value of such assets on December 31, 2006 and December 31, 2011 respectively. As per report of revaluation, net revaluation gain stands at Tk. 1,673,400,176 and Tk. 2,004,256,895 in 2008 and 2012 respectively. These revaluations have been recognized in the financial statements at the beginning of the year 2008 and 2012 respectively.

Replacement cost and net realisable value method, as applicable, have been used by the independent valuer in re-valuation of property, plant and equipment.

Difference of depreciation between revalued carrying amount and depreciation based on carrying amount as per assets' original cost has been transferred from Revaluation Reserve to Retained Earnings as shown in Statement of Changes in Equity.

3.02 Intangible asset

Intangible assets are initially recognized at cost. After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortisation and any accumulated impairment losses.

The only intangible asset of the company is ERP (software) which is amortised every month following straight line method for 10 (ten) years. The amortisation cost is charged in profit or loss.

Amortization methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

3.03 Capital work in progress

Capital work in progress consists of cost incurred for acquisition of new plant and machinery, civil structure, factory shed for warehouse, directly attributable costs etc. which were not ready for use till reporting date.

3.04 Leases

At inception of an arrangement, the company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the entity separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values.

3.04.01 Finance Lease

Leases in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

3.04.02 Operating lease

Leases that are not finance lease are considered as operating leases and the leased assets are not recognised in the company's Statement of Financial Position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

3.04.03 Leasehold land

Factory buildings of the company are situated at Nasirabad Industrial Area, Chittagong on leasehold lands measuring 7.905 acres. These lands are taken on lease for 99 years on payment of salami and renewable thereafter. These lands are duly mutated in the name of the company.

These leasehold lands are recognised as assets under property, plant and equipment. Since significant risks and rewards incidental to ownership of these assets are transferred to the company, these are covered under revaluation of assets done in 2008 and 2012. Being rights to use of these lands are of perpetual nature, no amortization of value of lands are recognised in the financial statements over the lease period.

3.05 Inventories

Inventories are measured at lower of cost and net realisable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring these inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition in accordance with BAS-2.

<u>Category</u>	<u>Valuation</u>
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.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

3.06 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.

There is no fixed company policy regarding provision for impairment loss on receivables, if any receivables are not realized within the credit period. It has been dealt with on case to case basis.

3.07 Transactions with inter companies

These represent balance amounts due to /from sister concerns which are derived from short term loan, sale/purchase of goods from time to time. Sales and purchase of goods are made on arm's length basis and interest on balances are charged at 12% per annum. These balances are unsecured but considered good and realisable.

3.08 Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

3.09 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.

3.10 Impairment

Financial assets

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

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes :

- default or delinquency by a debtor
- restructuring of an amount due to the company on terms that the company would not consider otherwise
- indications that a debtor or issuer will enter bankruptcy
- adverse changes in the payment status of borrowers or issuers
- the disappearance of an active market for a security, or
- observable data indicating that there is a measurable decrease in expected cash flows from a group of financial assets

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Financial Assets measured at Amortized cost

The company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Collective assessment is carried out by grouping together assets with similar risks characteristics.

In assessing collective impairment, the company uses historical information on the timing of recoveries and the amount of loss incurred, and makes any adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the assets' original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the company considers that there is no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available for sale financial assets

Impairment losses on available for sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available for sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss; otherwise, it is reversed through other comprehensive income.

Equity accounted investees

An impairment loss in respect of an equity accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss, is recognized in profit and loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

Non financial assets

The carrying amounts of the company's property, plant and equipments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the property, plant and equipment'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. Impairment losses, if any, are recognized in the statement of profit or loss, other comprehensive income and equity as applicable.

3.11 Employee benefit schemes

3.11.01 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.11.02 Defined contribution plan (Recognized provident fund)

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The company maintains the Recognized Provident Fund for all permanent employees at which both the company and employees contribute @ 10% of basic salary. The Employees' Provident Fund was obtained recognition from Income Tax Authority on August 05, 1975 which was effective from September 30, 1973 and is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in BAS-19.

Obligation for contribution to defined contribution plan is recognized as provident fund (PF) contribution expenses in profit or loss in the period during which services are rendered by employees. Advance against PF is recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Appropriate provision is made for Workers' Profit Participation Fund and Workers' Welfare Fund, if applicable, as per provisions of law. Currently the rate of provision is 5% on net profit before tax and WPPF and Welfare fund.

3.12 Provisions and contingencies

3.12.01 A provision is recognized in the financial statements 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.

3.12.02 Contingencies arising from claim, lawsuit, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

3.13 Earnings Per Share (EPS)

Basic Earnings:

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, non-controlling 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-36.01 to the Financial Statements).

Diluted Earnings:

Dilutive EPS is calculated taking dilutive shares into account. Effect of dilution is shown in Note-36.02.

3.14 Finance income and expenses

Interest income on FDR and STD Account has been recognized on cash basis.

Interest income/expenses on amount due to/due from inter companies has been recognized periodically.

3.15 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladesh Taka at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognized in profit or loss.

3.16 Income tax expenses

Tax expenses comprises current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax:

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years. Current tax also includes any tax arising from dividends.

Deferred tax:

Deferred tax is recognized in compliance with BAS 12: Income taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax on temporary differences between carrying amounts of investments in associates and tax bases has been recognised following the tax rates applicable for profit on disposal of investments as well as distributions from associates.

Deferred tax on revaluation surplus of lands has not been recognized in the financial statements on the ground that income tax payable at source on capital gain during registration of sale of land are generally borne by the buyer. Hence, possibility of having any income tax implications on land is very remote.

3.17 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,

there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.

The timing of the transfer of risk and rewards depends on the individual terms of the sales agreement.

3.18 Management fees

Bangladesh Steel Re-Rolling Mills Ltd., the reporting entity, entered into a management sharing agreement with BSRM Steels Ltd., an investee company, on October 15, 2005 for allowing BSRM Steels Ltd. to use its goodwill. According to the terms of the agreement, Bangladesh Steel Re-Rolling Mills Ltd. is entitled to receive Tk. 300 per MT of monthly production as management fee on monthly basis provided that BSRM Steels Ltd. has net profit in its monthly financial statements.

3.19 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying assets are recognized in profit or loss using effective interest method. Borrowing cost incurred against loan for BMRE project and interest on 12% Convertible coupon bond have been capitalized under effective interest rate method.

3.20 Interest on balance of inter companies

Interest on balances due to /due from inter companies has been recognized in the financial statements periodically. Interest @ 12% (in 2013: 15.5%) per annum is charged to these short term loan balances.

3.21 Investments in associates

An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture. The Company's investment in associates is accounted for in the Financial Statements using the Equity Method in accordance with BAS 28: 'Accounting for investment in associates'. Such investments are classified as non-current assets in the statement of financial position and the share of profit/loss of such investment is classified under as share of profit from associate in the statement of profit or loss and other comprehensive income.

The excess of company's share of net assets' value of associates over cost of investments has been recognized in profit or loss as share of associate's profit or loss during the year following the provisions of BAS-28.

Unrealized gains and losses arising from transactions with associate are eliminated against the investment to the extent of the company's interest in investee.

3.22 FINANCIAL INSTRUMENTS

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

3.22.01 Financial assets

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

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

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

At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the company's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

Investment in equity securities and debt securities are classified under at fair value through profit or loss.

Held to maturity

These assets are initially recognized at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost.

Loans and receivables comprise cash and cash equivalents, loans and trade and other receivables.

(a) Cash and cash equivalents

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

(b) Trade and other receivables

Trade and other receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at amortized cost less impairment losses due to uncollectibility of any amount so recognised.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale and are not classified in any other categories of financial assets. Generally available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs and subsequent to initial recognition at fair value and changes therein other than impairment losses are recognized in other comprehensive income and presented in the fair value reserve in equity. Financial assets which are not traded in the market have been valued at cost unless any indication of impairment in value of such financial assets exist. Cumulative gain/losses recognized in the other comprehensive income are reclassified from equity to profit or loss upon derecognition or reclassification.

3.22.02 Financial liabilities

The company initially recognises financial liabilities on the date that are originated.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

Other financial liabilities comprise loans and borrowings, bank overdrafts and trade and other payables.

(a) Trade and other payables

Trade and other payables represent the amounts due to customers for receiving goods or services. Trade and other payables are initially recognised at cost which is the fair value of the consideration received. After initial recognition these are carried at amortised cost.

(b) 12% Convertible coupon bond

These are initially recognised at cost which is the fair value. After initial recognition these are carried at amortised cost. The equity component of the Convertible Bond is recognized as per BAS 32.

(c) Other liabilities

Other liabilities represents the amounts due to various parties for receiving services. These are initially recognised at cost which is the fair value. After initial recognition these are carried at amortised cost.

3.22.03 Equity Instruments

Share capital (ordinary shares)

Ordinary shares are classified as equity.

4.00 MEASUREMENT OF FAIR VALUES

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

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

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

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

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

Property, plant and equipment

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

Equity and debt securities

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

5.00 New Standards and interpretations not yet adopted

New standards or interpretations that have been adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and effective from 01 January 2014 have duly been adopted by the company.

6.00 Property plant and equipment(PPE) for 2014

At revalued model:

Assets' category	Revalued amount			Depreciation and impairment				Carrying amount as on 31 December 2014
	Opening balance as on 1 January 2014	Addition	Disposal/ Adjustment	Closing balance as on 31 December 2014	Charged for the year	Impairment for the year	Adjustment for disposal	
	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
Land and land development	3,773,227,092	47,006,460	-	3,820,233,552	-	-	-	3,820,233,552
Plant and machineries	2,873,958,832	163,483,792	-	3,037,442,624	183,370,421	39,618,442	-	2,409,580,351
Motor vehicles	45,921,393	4,981,116	(1,794,298)	49,108,211	6,062,368	-	(634,779)	28,505,365
Factory building and shed	669,788,422	-	(12,470,698)	657,317,724	31,057,862	-	(2,170,797)	560,963,643
Boundary wall, drainage System, roads & pavement	118,702,875	-	-	118,702,875	8,240,799	-	-	85,814,512
Furniture and fixtures	15,961,642	4,596,143	-	20,557,785	3,319,494	-	-	14,767,490
Office equipment	18,824,275	5,512,477	-	24,336,752	2,881,813	-	-	16,064,002
IT Equipment	13,512,317	1,355,658	-	14,867,975	1,810,606	-	-	9,280,133
	7,529,896,848	226,935,645	(14,264,996)	7,742,567,498	236,743,363	(2,805,576)	797,358,449	6,945,209,048

At cost model

The carrying amount that would have been recognised had the assets been carried under cost model as under:

Assets' category	Cost			Depreciation and impairment				Carrying amount as on 31 December 2014
	Opening balance as on 1 January 2014	Addition	Disposal/ Adjustment	Closing balance as on 31 December 2014	Charged for the year	Impairment for the year	Adjustment for disposal	
	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.	Tk.
Land and land development	1,790,610,060	47,006,460	-	1,837,616,520	-	-	-	1,837,616,520
Plant and machineries	2,909,135,766	163,483,792	-	3,072,619,558	107,169,906	23,732,901	-	1,603,435,856
Motor vehicles	70,273,589	4,981,116	(1,284,308)	73,970,397	5,190,897	-	(451,183)	24,927,549
Factory building and shed	795,073,494	-	(8,046,456)	787,027,038	24,028,320	-	(1,539,789)	446,789,346
Boundary wall, drainage System, roads & pavement	118,702,875	-	-	118,702,875	8,240,799	-	-	85,814,512
Furniture and fixtures	30,182,296	4,596,143	-	34,778,439	3,198,609	-	-	12,346,713
Office equipment	35,317,599	5,512,477	-	40,830,076	2,653,126	-	-	15,753,387
IT Equipment	13,512,317	1,355,658	-	14,867,975	1,810,606	-	-	9,280,133
	5,762,807,996	226,935,645	(9,330,764)	5,980,412,877	152,292,263	(1,990,972)	1,944,448,861	4,035,964,016

Depreciation allocated to:

	31.12.2014	31.12.2013
	Taka	Taka
Cost of sales (Note- 28.01)	227,447,582	268,033,053
Selling and distribution costs (Note- 29.00)	928,781	1,021,659
Administrative costs (Note- 30.00)	8,387,000	10,083,473
	236,743,363	279,138,185

6.00 Property plant and equipment(PPE) for 2013 (Continued)

At revalued model:

Assets' category	Revalued amount		Depreciation		Carrying amount as on 31 December 2013
	Opening balance as on 1 January 2013	Disposal/ Adjustment	Charged for the year	Adjustment for disposal	
	Tk.	Tk.	Tk.	Tk.	Tk.
Land and land development	3,770,747,745	2,479,347	-	-	3,773,227,092
Plant and machineries	2,669,710,263	231,652,281	204,717,896	(2,055,278)	2,469,085,422
Motor vehicles	42,776,218	8,513,792	7,686,535	(1,066,522)	30,746,136
Factory building and shed	325,332,308	344,456,114	47,480,489	-	602,321,406
Boundary wall, drainage	115,315,863	3,387,012	14,677,816	-	94,055,312
System, roads & pavement					
Furniture and fixtures	12,556,124	3,425,518	1,746,753	-	13,510,841
Office equipment	16,819,422	2,004,853	1,126,233	-	13,493,338
IT Equipment	11,680,215	1,832,102	1,702,463	-	9,735,082
	6,964,938,158	597,751,019	279,138,185	(3,121,800)	7,006,114,629

At cost model

The carrying amount that would have been recognised had the assets been carried under cost model as under:

Assets' category	Cost		Depreciation		Carrying amount as on 31 December 2013
	Opening balance as on 1 January 2013	Disposal/ Adjustment	Charged for the year	Adjustment for disposal	
	Tk.	Tk.	Tk.	Tk.	Tk.
Land and land development	1,788,130,713	2,479,347	-	-	1,790,610,060
Plant and machineries	2,692,883,052	231,652,281	131,086,114	(1,154,967)	1,570,854,871
Motor vehicles	64,285,429	8,513,792	6,515,598	(486,323)	25,970,455
Factory building and shed	450,617,380	344,456,114	39,974,039	-	477,324,333
Boundary wall, drainage	115,315,863	3,387,012	14,677,816	-	94,055,312
System, roads & pavement					
Furniture and fixtures	26,776,778	3,425,518	1,276,903	-	10,969,179
Office equipment	33,312,746	2,004,853	1,030,993	-	12,894,036
IT Equipment	11,680,215	1,832,102	1,702,463	-	9,735,082
	5,183,002,176	597,751,019	196,263,926	(1,641,290)	3,992,413,328

6.01 Carrying amount of land and land development under revalued model are made up as follows:

	31.12.2014	31.12.2013
	Tk.	Tk.
Leasehold land	1,832,242,500	1,832,242,500
Freehold land	1,987,991,052	1,940,984,592
	3,820,233,552	3,773,227,092

	31.12.2014	31.12.2013
	Taka	Taka
6.02 Intangible asset		
<u>Computer Software (Oracle ERP) :</u>		
<u>Cost:</u>		
Opening balance	-	-
Addition during the year	33,378,000	-
Closing balance	33,378,000	-
<u>Amortisation:</u>		
Opening balance	-	-
Charged during the year @ 10%	278,150	-
Closing balance	278,150	-
Carrying amount	33,099,850	-
7.00 Capital work-in-progress		
Factory building and shed	1,552,521,146	285,976,700
Plant and machineries	332,834,300	58,969,638
Boundary wall, drainage System, roads & pavement	7,285,309	116,481
Office equipment	1,134,000	-
	1,893,774,755	345,062,819
These represent cost incurred for construction of building and factory shed at existing factory premises at Nasirabad Industrial Area, Chittagong.		
8.00 Investment		
Investment in associates (Note-8.01)	3,647,308,567	3,423,586,954
Other investments (Note-8.02)	82,887,944	99,527,794
Short term investments (Note-8.03)	34,711,818	78,011,752
	3,764,908,329	3,601,126,500
8.01 Investment in associates		
BSRM Steels Ltd. (BSL)	2,702,007,439	2,475,086,224
BSRM Steel Mills Ltd. (BSML)	945,301,128	948,500,730
	3,647,308,567	3,423,586,954

	2014		2013	
	BSL	BSML	Re-stated BSL	BSML
	Taka	Taka	Taka	Taka
Movement of investment in associates				
Opening balance	2,475,086,224	948,500,730	1,984,714,569	13,500,000
Addition during the year:				
Investment in associate	-	-	-	437,646,000
Share of profit/(loss) of equity accounted investee (associates)	386,492,041	(3,199,602)	590,056,141	(1,543,996)
Excess of proportionate net assets' value of associates over acquisition cost	-	-	-	498,898,726
	386,492,041	(3,199,602)	590,056,141	935,000,730
	2,861,578,265	945,301,128	2,574,770,710	948,500,730
Adjusted/ disposal during the year:				
Cash dividend received	(159,891,260)	-	(101,518,260)	-
	(159,891,260)	-	(101,518,260)	-
Unrealized profit (net) in inventory (Note-3.21)	320,433	-	1,833,774	-
Closing balance	2,702,007,439	945,301,128	2,475,086,224	948,500,730

Movement of shareholding in associate

	No. of shares			
	2014		2013	
	BSL	BSML	BSL	BSML
Opening balance	106,594,173	45,114,600	101,518,260	1,350,000
No. of shares acquired	-	-	-	43,764,600
No. of bonus share received	-	-	5,075,913	-
Closing balance	106,594,173	45,114,600	106,594,173	45,114,600
Total number of shares in associates	341,775,000	207,300,000	341,775,000	207,300,000
Percentage of holding of shares of associates by BSRM Ltd.	31.188%	21.763%	31.188%	21.763%

Summary of financial information of equity accounted investee:

Name of the investee:	BSRM Steels Ltd. (BSL)		BSRM Steel Mills Ltd. (BSML)	
	31 December 2014		31 December 2014	
Reporting date:	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Ownership	31.19%	31.19%	21.76%	21.76%
	Tk.	Tk.	Tk.	Tk.
Current assets	21,863,360,607	18,065,893,308	1,081,040,949	907,272,669
Non-current assets	10,518,105,986	10,615,513,594	13,734,734,773	5,194,648,732
Total assets	32,381,466,593	28,155,426,318	14,815,775,722	6,101,921,401
Current liabilities	22,055,775,460	19,133,580,071	1,423,352,712	834,288,912
Non-current liabilities	1,556,837,261	1,520,165,489	7,168,138,581	-
Total liabilities	23,612,612,721	20,625,119,705	8,591,491,293	834,288,912
Revenue	38,571,105,303	36,294,868,280	-	-
Other income	177,418,627	648,788,097	120,000	90,000
Expenses	(37,500,965,063)	(35,044,712,529)	(14,822,060)	(9,861,817)
Profit for the year	1,247,558,867	1,898,943,848	(14,702,060)	(9,771,817)
Profit attributable to the owners of the company	1,239,217,057	1,891,908,646	(14,702,060)	(9,771,817)
Total Comprehensive income attributable to owners of the company	1,239,217,057	1,891,908,646	(14,702,060)	(9,771,817)

The market price of the Ordinary shares of BSRM Steels Limited (BSL) was Tk. 87.70 per share on 31 December 2014. Fair value of investments in BSL has been estimated at Tk. 9,348,308,972.

Out of 106,594,173 nos. ordinary shares of BSL, 6,000,000 nos., 3,823,000 nos., 500,000 nos., 388,890 nos., 800,000 nos., 2,200,000 nos. and 27,500,000 nos. of ordinary shares are pledged against bridge finance and term loans from United Commercial Bank Ltd., IDLC Finance Ltd., IPDC Ltd., United Leasing Company Ltd., National Housing Finance and Investments Ltd., International Leasing and Financial Services Ltd. and Eastern Bank Ltd. respectively.

8.02 Other investments

Investment in non-tradable shares at cost (Note - 8.02.01)
Investments in Fixed Deposit Receipts (Note - 8.02.02)

	31.12.2014	31.12.2013
	Taka	Taka
	1,000,300	1,000,300
	81,887,644	98,527,494
	82,887,944	99,527,794
	300	300
	1,000,000	1,000,000
	1,000,300	1,000,300

8.02.01 Investment in non-tradable shares at cost

Islamic Steamship Co. Ltd.
STS Holdings Ltd.

				<u>31.12.2014</u>	<u>31.12.2013</u>
				<u>Taka</u>	<u>Taka</u>
8.02.02 Investments in Fixed Deposit Receipts					
Name of banks	Purpose	Period	Rate of interest		
BASIC Bank Ltd.	Investment	1 year	10.50%	14,620,752	13,146,744
Standard Chartered Bank	L/C Margin	1 year	7.00%	44,707,892	-
International Leasing and Financial Services Ltd.	Investment	1 year	14.50%	22,559,000	20,000,000
BD Finance Ltd.	Security	5 years	15.00%	-	15,000,000
Dhaka Bank Ltd.	Investment	2 years	11.25%	-	683,673
IPDC of Bangladesh Ltd.	Investment	2 years	12.50%	-	27,873,090
Mercantile Bank Ltd.	Security	5 years	12.50%	-	417,484
The City Bank Ltd.	Investment	1 year	12.50%	-	79,556
Fareast Finance & Investment Ltd.	Investment	1 year	11.00%	-	1,326,947
			13.50%	-	20,000,000
				81,887,644	98,527,494
8.03 Short term investments					
Investment in Tradable securities at fair value (Note - 8.03.01)				6,002,579	15,711,449
Investments in Fixed Deposit Receipts (Note - 8.03.03)				28,709,239	62,300,303
				34,711,818	78,011,752
8.03.01 Investment in Tradable securities at fair value					
ACI Zero Coupon Bond				5,534,884	10,785,320
Lafarge Surma Cement Ltd.				-	2,604,290
ACI Ltd.				5,070	1,691,676
Eastern Insurance Co. Ltd.				72,450	78,120
Pragati Life Insurance Ltd.				132,258	216,219
Progressive Life Insurance Ltd.				257,917	335,824
				6,002,579	15,711,449

8.03.02 Fair value of tradable securities

	Cost	Equivalent opening fair value	Closing fair value	Increase/ (Decrease) in Fair value
	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>	<u>Tk.</u>
ACI Zero Coupon Bond	4,443,159	5,392,660	5,534,884	142,224
ACI Ltd.	6,261	6,261	5,070	(1,191)
Eastern Insurance Co. Ltd.	179,537	73,600	72,450	(1,150)
Pragati Life Insurance Ltd.	319,606	141,120	132,258	(8,862)
Progressive Life Insurance Ltd.	497,476	245,920	257,917	11,997
	5,446,039	5,859,561	6,002,579	143,018

Management has changed its objectives for investments in tradable securities. As part of its revised objectives, some of these securities have already been sold out. Hence investments in tradable securities has been reclassified as held for trading and fair value reserve against these tradable securities has been reclassified to Profit or Loss.

8.03.03 Investments in Fixed Deposit Receipts

Name of banks	Purpose	Period	Rate of interest	<u>31.12.2014</u>	<u>31.12.2013</u>
				<u>Taka</u>	<u>Taka</u>
Pubali Bank Ltd.	L/C Margin	6 months	9.00%	8,065,177	1,640,508
Bangladesh Finance and Investment Co. Ltd.	Investment	6 months	10.50%	18,244,062	-
Habib Bank Ltd.	Investment	6 months	8.50%	2,400,000	-
AB Bank Ltd.	L/C Margin	6 months	9.00%	-	3,838,786
Dutch Bangla Bank Ltd.	L/C Margin	6 months	13.00%	-	13,987,100
Standard Chartered Bank	L/C Margin	6 months	10.00%	-	42,833,909
				28,709,239	62,300,303

	31.12.2014	31.12.2013
	Taka	Taka
9.00 Inventories		
Raw Materials-Billets	41,029,530	1,106,847,703
Raw Materials-Scraps	969,571,762	1,004,970,368
Finished Goods-Own production	1,132,905,907	2,690,985,208
Finished Goods-Imported	274,049,972	163,028,546
Finished Goods- Locally purchased	-	11,452,427
Mechanical stores	262,798,261	384,736,720
M.S. Roll	246,840,190	220,815,292
Electrical stores	268,202,265	135,962,464
General stores	31,950,347	35,825,377
Fuel and Lubricants	5,559,845	3,477,651
Consumable stores	291,693,730	131,483,305
	3,524,601,809	5,889,585,061
9.01 Quantitative movement of raw materials and finished goods	M.Ton	M.Ton
Raw Materials		
Opening balance	53,203	47,022
Add: Purchased/imported during the year	103,682	137,424
Produced by SMW	82,350	119,289
	186,032	256,713
Available for consumption	239,235	303,735
Less: Consumed /Sold/returned during the year	204,174	250,532
Closing balance	35,061	53,203
Finished Goods		
Opening balance	50,000	27,586
Add: Produced during the year	42,117	106,810
Imported/ Purchased from sister concern	8,253	42,318
	100,370	176,714
Less: Sold during the year	71,074	81,280
Sale of finished goods procured from outside	5,744	45,434
	76,818	126,714
Closing balance	23,552	50,000
10.00 Trade Receivables		
From sale of M.S. product	430,401,249	404,442,274
From sale of scrap and billet	-	425,092
	430,401,249	404,867,366
Provision for doubtful debt	(1,029,982)	-
Net trade receivables	429,371,267	404,867,366
The management believes that above receivables are good and fully realisable. Hence, no provision has been made at this stage.		
10.01 Party-wise breakup of Trade receivables		
Inter companies:		
BSRM Steels Ltd.	117,659	-
BSRM Iron & Steel Co. Ltd.	9,000	-
BSRM Logistics Ltd.	1,813,191	-
BSRM Steel Mills Ltd.	31,606,740	-
Karnapuli Engineering Works Ltd.	-	6,102
Other customers	396,854,659	404,861,264
	430,401,249	404,867,366

	31.12.2014	31.12.2013
	Taka	Taka
Ageing of Trade receivables		
Due for 3 months	275,336,499	271,198,571
Due for 3 to 6 months	59,388,309	74,582,872
Due for above 6 months	95,676,441	59,085,923
	430,401,249	404,867,366
Trade receivables- Classification by security and related party:		
i) Debts considered good and in respect of which the company is fully secured	424,822,323	399,288,440
ii) Debts considered good for which the company holds no security other than the debtors' personal security	5,578,926	5,578,926
iii) Debts considered doubtful or bad	-	-
iv) Debts due by directors or other officers of the company or debts due by firms or private companies in which any director is a partner or a director or a member	33,546,590	6,102
v) Debts due by companies under the same management	33,546,590	6,102
vi) Maximum amount due by directors or other officers of the company at any time during the year	-	-
11.00 Other receivables		
Interest receivable	119,637,204	78,496,566
Management fee receivable from BSL	50,193,313	-
Rent receivable	-	95,000
	169,830,517	78,591,566
12.00 Due from inter companies		
H Akberali & Co. Ltd.	987,106,308	1,441,905,988
BSRM Real Estates Ltd.	200,000	200,000
BSRM Recycling Industries Ltd.	21,101,264	88,004,189
BSRM Logistics Ltd.	105,828,837	182,472,398
BSRM Ispat Ltd.	302,700,375	291,700,375
BSRM Wires Ltd.	122,293,927	-
Chittagong Power Company Ltd.	-	20,295,654
East Bengal Trading & Industries Corp. Ltd.	-	100,000
BSRM Steel Mills Ltd.	-	252,410,775
	1,539,230,711	2,277,089,379

These represent short term loans given to these sister companies as and when required to meet funding requirement.

All transactions were done through account payee cheque. No amount is receivable from Directors at the reporting date.

13.00 Advances and deposits		
Advances (Note - 13.01)	4,365,107,612	1,575,465,864
Deposits (Note - 13.02)	28,975,971	22,047,491
	4,394,083,583	1,597,513,355
13.01 Advances:		
Land	2,500,000	17,282,327
Staff loan against salary	5,326,510	4,428,179
Income tax-corporate	199,127,451	136,306,623
For revenue expenses	5,568,422	68,032,134
For scrap purchase- others	125,254,170	9,132,726
For capital expenditure	2,391,965,016	-
Deferred expenses for share issue (IPO)	5,478,750	-
L/C margin	57,694,283	25,053,501
Against L/C	156,998,528	341,665,330
Share money deposit to BSRM Steel Mills Ltd. (Associate)	1,322,500,000	900,000,000
VAT current account and DEDO recoverable account	92,694,482	73,565,044
	4,365,107,612	1,575,465,864

13.02 Deposits:

Customs Authority against claim
 Ansar & VDP
 T & T and others
 Power Development Board
 Karnaphuli Gas Distribution Co. Ltd. (KGDCL)
 Bakhraabad Gas System Ltd.
 Bank guarantee to Bakhraabad Gas Systems Ltd.
 Bank guarantee to Customs authority
 Linde Bangladesh Ltd.
 Meghna Petroleum Ltd.
 WASA
 Others

31.12.2014**Taka****31.12.2013****Taka**

1,545,145	1,545,145
674,221	674,221
191,444	191,444
13,917,968	13,917,968
1,821,023	1,821,023
422,576	422,576
546,202	549,497
7,144,915	-
879,900	879,900
40,000	40,000
30,000	-
1,762,577	2,005,717
28,975,971	22,047,491

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

14.00 Cash and cash equivalents

Cash in hand (Note-14.01)
 Cash at Banks (Note-14.02)
 Fixed Deposit Receipts (Note - 14.03)

2,793,399	3,986,343
26,186,743	95,316,305
42,928,810	-
71,908,952	99,302,648

14.01 Cash in hand

Corporate office
 Factory office
 Dhaka office
 Overseas office

883,551	1,037,048
1,626,900	1,893,953
269,565	1,055,101
13,383	241
2,793,399	3,986,343

14.02 Cash at Banks:

Agrani Bank Ltd., Laldighi East Br., Ctg. - CD A/C
 Agrani Bank Ltd., Baizid Bostami Br., Ctg. - CD A/C
 Agrani Bank Ltd., Tomson Bridge Br., Comilla -CD A/C
 AB Bank Ltd., Agrabad Br., Ctg.- CD A/C
 Al - Arafah Islami Bank Ltd., Agrabad Br., Ctg. - CD A/C
 Bank Al-Falah Ltd., Agrabad Br., Ctg. - CD A/C
 Bank Al-Falah Ltd., Agrabad Br., Ctg. - STD A/C
 Bank Asia Ltd.
 BASIC Bank Ltd., Dewanhat Br., Ctg. - CD A/C
 City Bank Ltd.
 Commercial Bank of Ceylon, Agrabad Br., Ctg.- CD A/C
 Eastern Bank Ltd.
 Eastern Bank Ltd., Escrow A/C
 EXIM Bank Ltd., CDA Avenue Br., Ctg.- CD A/C
 Dhaka Bank Ltd., Jubilee Road Br., Ctg.- CD A/C
 Dutch Bangla Bank Ltd., Agrabad Br., Ctg. - CD A/C
 Dutch Bangla Bank Ltd., Jubilee Road Br.,Ctg. - CD A/C
 Habib Bank Ltd., Laldighi East Br., Ctg. - CD A/C
 HSBC Ltd., Agrabad Br. Ctg.- CD A/C
 HSBC Ltd. Kolkata
 HSBC Ltd.,- Agrabad Br., - USD Exporters FCY A/C
 IFIC Bank Ltd., Agrabad - CD A/C
 Indian Overseas Bank Ltd. (A/C No 817)
 Islami Bank Bangladesh Ltd., Jubilee Road Br., Ctg. - CD A/C
 Jamuna Bank Ltd., Khatungonj Br., Ctg. - CD A/C
 Janata Bank Ltd., Laldighi East Corporate Br., Ctg. - CD A/C
 Janata Bank Ltd. , Laldighi East Br., Ctg. - CD A/C (Old)
 Janata Bank Ltd. Agrabad Br., Ctg - CD A/C

14,996	42,195
1,544,062	2,046,212
10,125	11,275
14,239	8,546,514
987,171	916,245
73,871	11,724
20,482	21,752
204,316	-
35,421	52,806
14,260	-
12,940	14,090
1,422,727	-
3,445	-
1,156,720	641,530
5,021	6,276
53,182	45,628
55,390	25,334,452
-	6,881,725
26,952,184	3,744,901
939,368	109,310
211,450	149,942
25,936	375,563
-	1,802
102,575	4,060
820,058	82,537
85,001	1,485,767
-	1,008
-	761

	31.12.2014	31.12.2013
	Taka	Taka
Janata Bank Ltd., Local office, Dhaka CD A/C	827	1,977
Mercantile Bank Ltd., Jubilee Road Br., Ctg. - CD A/C	4,038	12,135
Mutual Trust Bank Ltd., Jubilee Road Br., Ctg. - CD A/C	3,201,143	850,951
National Bank Ltd., Jubilee Road Br. Ctg. - CD A/C	1,901,413	74,833
National Credit and Commerce Bank Ltd., Agrabad Br. Ctg. - CD A/C	(84,002,019)	47,317,362
NRB Commercial Bank Ltd.	3,816	3,816
One Bank Limited., Agrabad Br. Ctg. - CD A/C	104,204	7,532
One Bank Limited., Escrow A/C	271	-
Prime Bank Ltd., O. R. Nizam Road Br., Ctg. - CD A/C	1,810,531	4,459,483
Premier Bank Ltd., O. R. Nizam Road Br., Ctg. - CD A/C	277,692	20,605
Premier Bank Ltd., Khatungonj Br., Ctg. - CD A/C	137,380	11,531
Pubali Bank Ltd., Agrabad Br. Ctg. - CD A/C	-	33,764
Shahjalal Islami Bank Ltd., Jubilee Road Br., Ctg. - CD A/C	36,679	89,363
Social Islami Bank Ltd., Jubilee Road Br., Ctg. - CD A/C	85,532	384,974
Sonali Bank Ltd., Kalibari Br., Ctg. - CD A/C	31,026	7,526
Sonali Bank Ltd., Cable Shilpa Br., Khulna - CD A/C	-	512
Southeast Bank Ltd., CDA Avenue Br., Ctg. - CD A/C	3,539,159	2,672,422
Southeast Bank Ltd., Pahartali Br., Ctg. - CD A/C	2,876,401	1,016,782
Standard Bank Ltd., Sadarghat Br., Ctg. - CD A/C	864,062	2,576,986
Standard Chartered Bank Ltd., Agrabad Br., Ctg. - CD A/C	135,547	(17,656,904)
Standard Chartered Bank Ltd., Motijheel Br., Dhaka- CD A/C	5,476	134,745
State Bank of India, Agrabad Br., Ctg. - CD A/C	26,918	10,382
Trust Bank Ltd., CDA Avenue Br., Ctg. - CD A/C	2,348	131,852
The City Bank Ltd., Agrabad Br., Ctg. - CD A/C	-	368,029
United Commercial Bank Ltd., Escrow A/C	378,978	-
United Commercial Bank Ltd., Jubilee Road Br. Ctg. - CD A/C	60,000,381	2,257,572
	26,186,743	95,316,305

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

14.03 Fixed Deposit Receipts

<u>Name of banks</u>	<u>Purpose</u>	<u>Period</u>	<u>Rate of interest</u>		
AB Bank Ltd.	L/C Margin	3 months	9.00%	3,277,675	-
Dutch Bangla Bank Ltd.	L/C Margin	3 months	13.00%	2,065,924	-
Dhaka Bank Ltd.	Investment	3 months	8.25%	1,905,020	-
Mercantile Bank Ltd.	Security	3 months	8.50%	417,484	-
	Investment	3 months	8.00%	8,251,957	-
Bank Al-falah Ltd.	Investment	3 months	8.00%	1,000,000	-
Shahjalal Islami Bank Ltd.	Security	3 months	8.00%	2,840,000	-
	deposit against				-
Fareast Finance & Investment Ltd.	Investment	3 months	10.00%	23,170,750	-
				42,928,810	-

15.00 Share capital

Authorised capital:

500,000,000 Ordinary Shares of Tk. 10 each

5,000,000,000	5,000,000,000
5,000,000,000	5,000,000,000
643,454,910	643,454,910
643,454,910	643,454,910
271,600,560	271,600,560
1,558,510,380	1,558,510,380

Issued, Subscribed and Paid-up capital:

64,345,491 Ordinary Shares of Tk.10/- each issued in cash

64,345,491 Ordinary Shares of Tk.10/- each

fully paid-up as Bonus Shares

27,160,056 Ordinary shares of Tk. 10/- each

fully paid up (other than cash)

15.01 Shareholding position

		31.12.2014 Taka	31.12.2013 Taka
<u>Name of shareholders</u>	<u>Percentage of holding</u>	<u>Number of shares</u>	<u>Number of shares</u>
Mr. Alihussain Akberali	14.09%	21,967,130	21,967,130
Mr. Aameir Alihussain	10.95%	17,069,955	17,069,955
Mrs. Bilkis Alihussain	10.36%	16,148,581	16,143,581
Mr. Saifuddin Abbas Unwala	5.39%	8,399,000	8,399,000
Mr. Iqbal Hussain	6.97%	10,870,000	10,870,000
Mr. Abbas Jumani	6.42%	10,000,000	10,000,000
Mr. Ali Asgar Badruddin	12.83%	20,000,000	20,000,000
Mr. Zohair Taherali	3.65%	5,682,204	5,682,204
Mrs. Tehseen Zohair Taherali	3.94%	6,147,822	6,147,822
VORTEX Investments Ltd.	2.34%	3,645,890	3,645,890
Mrs. Sabeen Aameir	2.57%	4,004,600	4,004,600
Mr. Abdul Qadir Zohair	0.00%	4,600	4,600
Mrs. Munira Saif Uddin	0.01%	13,880	13,880
Mr. Md. Hussain Habib	0.00%	4,650	4,650
Mr. Faisal Iqbal Poonawala	0.00%	4,520	4,520
Mrs. Shahnaz Hussain	0.02%	35,840	35,840
H. Akberali & Co. Ltd.	16.86%	26,270,116	26,270,116
Karnafully Engineering Works Ltd.	2.57%	4,000,850	4,000,850
Mrs. Rizwana Khandwala	0.06%	101,000	101,000
Mrs. Fatema Jangbarwala	0.16%	245,000	245,000
Mr. Yusuf Nosir Jangbarwala & Batul Alibhoy Tyebkhan	0.58%	900,000	900,000
Various employees of BSRM Group	0.22%	335,400	340,400
	100%	155,851,038	155,851,038

15.02 Dividends

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

15% Cash dividend (Tk. 1.5) per qualifying ordinary share (for 2012)

-	233,776,557
-	233,776,557
155,851,038	-

During the year 2014, no amount was remitted to non-resident shareholders as dividend.

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

10% Cash dividend (Tk. 1) per qualifying ordinary share

16.00 Reserves

16.01 General reserve

The general reserve is created from time to time by transferring profits from retained earnings for appropriation purposes and to meet future known or unknown requirements. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

16.02 Revaluation reserve

Revaluation reserve relates to the revaluation of property plant and equipment (Note- 3.01.04).

16.03 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available for sale financial assets until the assets derecognised or impaired or reclassified (Note-3.22.01).

17.00 Long Term Loan

Project loan and syndicated term loan(Note- 17.03)

Other Term loan (Note- 17.04)

12% Convertible coupon bond (Note- 17.05)

2,442,667,653	592,804,276
971,266,698	1,306,077,892
1,468,010,766	-
4,881,945,117	1,898,882,168
825,947,152	492,699,556
4,055,997,965	1,406,182,612
4,881,945,117	1,898,882,168

17.01 Long term loan -Maturity analysis

Due within one year-Current portion

Due after more than one year-Long term portion

	<u>31.12.2014</u>	<u>31.12.2013</u>
	<u>Taka</u>	<u>Taka</u>
17.02 Long Term Loan- Long term portion		
One Bank Ltd. - Syndicated term loan	379,910,121	492,616,797
United Commercial Bank Ltd.- Syndicated term loan	1,955,100,178	-
Other term loan	673,967,703	913,565,815
12% Convertible coupon bond	1,047,019,963	-
	4,055,997,965	1,406,182,612
17.03 Project loan and syndicated term loan		
Agrani Bank Ltd. - Project loan (Note - 17.03.01)	-	10,820,974
One Bank Ltd. - Syndicated term loan (Note - 17.03.02)	487,567,475	581,983,302
United Commercial Bank Ltd.- Syndicated term loan (Note: 17.03.03)	1,955,100,178	-
	2,442,667,653	592,804,276

17.03.01 Terms of project loan

Lenders:

Agrani Bank Ltd. sanctioned an amount of Tk. 1,119.36 lac as project loan against BMRE and disbursed the full amount within 2nd November, 2005. Total loan amount was divided into two parts as long term loan Tk. 1,008.43 lac and interest during implementation Tk. 110.93 lac.

Total loan facilities: Tk. 1,119.36 lac.

Interest rate:

Interest rate is 12% per annum or at applicable rate as determined from time to time on half yearly basis.

Disbursement:

The first disbursement was made on 18.12.2004.

Repayments

Long term loan is being re-paid in 16 half-yearly equal installments starting from 18 June 2007.

Interest for the period of implementation is being re-paid in five equal yearly installments commencing from completion of one year from the commencement of the commercial production of the project after BMRE.

Loan period

The entire loan amount shall be re-paid by ten (10) years including grace period of two (2) years.

Securities:

- Mortgage of land area of 1.98 acre and building thereon.
- Hypothecation on all existing and proposed machineries and furniture of the project.
- Personal guarantee of all directors of the company.

Lender's covenants

Any subsequent requirement of working capital for BMRE Project shall be financed by entrepreneurs.

Purpose:

For meeting expenditure for capital machineries.

17.03.02 Terms of Syndicated term loan

Lenders:

The company entered into a syndicated loan agreement for second BMRE on May 15, 2012 with One Bank Limited, the lead arranger and 6 (Six) other Banks and Financial Institutions.

Total loan facilities: Tk. 60 crore.

Interest rate:

Interest rate is 15%-16% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement was made on September 16, 2012.

Repayments

This term loan is repayable in 60 (sixty) monthly installments after 1 (one) year of grace period.

Securities:

- i. Registered Mortgage on 827 decimals of land at Sitakunda, Chittagong along with building and structures constructed or to be constructed thereon on first ranking parri passu basis.
- ii. Fixed and floating charge over assets.
- iii. Irrevocable general power of attorney.
- iv. Demand promissory note covering full amount.

Purpose:

For acquisition of plant and machineries to enhance the production capacity to 450,000 metric tons per year, improve product quality, undertake civil construction etc. for BMRE.

17.03.03 Terms of Syndicated term loan

Lenders:

The company entered into a separate syndicated loan agreement for the BMRE on 21 June 2012 with United Commercial Bank Limited, the lead arranger and 15 (fifteen) other Banks and Financial Institutions.

Total loan facilities: Tk. 278.578 crore.

Interest rate:

Interest rate is 15.5%-17% per annum calculated on quarterly basis and variable depending on the situation of money market.

Disbursement:

The first disbursement was made on 23 November 2014.

Repayments:

This term loan is repayable in 60 (sixty) monthly installments commencing from the end of 19th month of the first draw down date.

Securities:

- i. Registered Mortgage over the project land and all civil construction thereon supported by registered General power of Attorney.
- ii. Fixed and floating charge over machinery, plant and equipment.
- iii. Floating charge over all floating assets with the power to sell.
- iv. Assignment of insurance policies along with power to collect insurance proceeds.
- v. Implementation guarantee from the Sponsors.
- vi. On demand promissory note.

Purpose:

For acquisition of plant and machineries to enhance the production capacity to 450,000 metric tons per year, improve product quality, undertake civil construction etc. for BMRE.

	<u>31.12.2014</u> <u>Taka</u>	<u>31.12.2013</u> <u>Taka</u>
17.04 Other Term Loan		
IDLC Finance Ltd.	38,240,307	140,679,742
Jamuna Bank Ltd.	7,222,403	23,151,941
Lanka Bangla Finance Ltd.	362,097,084	459,350,025
Fareast Finance & Investment Ltd.	156,255,542	186,880,733
International Leasing and Financial Services Ltd.	212,078,988	250,000,000
National Housing Finance and Investments Ltd.	79,559,225	94,855,836
Prime Bank Ltd.	70,497,577	24,480,137
United Leasing Company Ltd.	45,315,572	57,504,461
AB Bank Ltd.	-	32,997,605
IPDC of Bangladesh Ltd.	-	17,429,105
MIDAS Financing Ltd.	-	18,748,307
	971,266,698	1,306,077,892

Terms and conditions of above term loans are shown in Note-17.06.

	31.12.2014	31.12.2013
	Taka	Taka
17.05 12% Convertible coupon bond		
Proceed from issue of bond	1,500,000,000	-
Less: Cost of issuing bond	17,100,000	-
Net proceeds	1,482,900,000	-
Less: Equity component (net of transaction cost)	60,881,523	-
Liability component	1,422,018,477	-
Add: Accrued interest	45,992,289	-
Carrying amount	1,468,010,766	-
17.05.01 12% Convertible coupon bond- Liability component		
Payable/Convertible within 1 year	420,990,803	-
Payable after 1 year	1,047,019,963	-
	1,468,010,766	-

17.05.02 Details of the 12% Convertible coupon bond

Company obtained approval from BSEC vide notification ref: SEC/CMRRCD/2009-193/114/Admin/28; dated 2 October 2011 and approved Information Memorandum (IM) vide consent letter ref: SEC/CI/DS-01/2013/34; dated 9 January 2014 for issuing 20,000 nos. of Bond of Tk. 100,000 each at par to institutional investors through private placement.

Tenure:

Five (5) years

Subscription and issue:

15,000 nos. of Bond were subscribed on 27 April 2014 for Tk. 1,500 million and issued accordingly. Out of which 2,300 Nos. bond worth Tk. 230,000,000 is not convertible and 12,700 Nos. valuing 1,270,000,000 is 12% convertible.

Interest:

Interest @ 13% p.a and payable on quarterly basis.

Redemption:

Repayment will commence from the end of 2nd Year i.e. 2016 except Bond issued to SABINCO. 88% of the total issue size will be redeemed over 4 years in equal installments except for SABINCO. Bonds held by SABINCO is not convertible and full amount will be repaid without conversion to ordinary shares commencing from April 2015.

Conversion:

12% of the Bond value except SABINCO will be converted into ordinary shares @ Tk. 38 per share i.e. out of total bond issued to investors, Tk. 152,399,874 will be converted to 4,012,523 Nos. Ordinary Shares of Tk. 10 each (valued at Tk. 38) at the end of the first year. Conversion will be implemented within 30 days after the end of the first year.

Trading of converted ordinary shares:

The converted ordinary shares will become saleable for the investors after the lock-in period of 12 months from the date of conversion.

Buy back guarantee

Sponsors and the company provided a buy back guarantee to investors at Taka 57 per share applicable at the beginning of 3rd year. In case, market price of shares fall below Taka 57 when shares become saleable, investors will be given an option to sell their converted shares at Taka 57. Thirty (30) days before the lock-in ends, investors will be asked to communicate their intention in writing whether they would exercise the option or not. In case of lack of response from any investor, buy back will be the default option.

Securities:

- i) Lien on 27,500,000 nos. of shares of BSRM Steels Ltd. owned by the company in favour of the trustee (Eastern Bank Ltd.).
- ii) Personal guarantee by Mr. Alihussain Akberali, Mr. Zohair Taherali, Mr. Aameir Alihussain, Mrs. Sabeen Aameir and Mrs. Tehseen Zohair Taherali.
- iii) Corporate guarantee by H. Akberali & Co. Ltd.
- iv) Irrevocable general power of attorney to sell the shares.

17.06 Terms and conditions of other term loan

Name of banks	Amount Taka	Types of facility	Installment	Rate of interest	Securities
Fareast Finance & Investment Ltd.	156,255,542	Term loan	Monthly	16.00%	1. Lien on FDR amounting to 10% of financed amount. 2. Charge on fixed & floating assets of the company. 3. Directors' personal guarantee and Mrs. Bilkis Ali Hussain (shareholder). 4. Corporate guarantee of H Akberali & Co. Ltd. 5. Post dated cheques.
IDLC Finance Ltd.	38,240,307	Term loan	Monthly	16.00%	1. Lien on 382,300 nos. ordinary shares of BSRM Steels Ltd. 2. Directors' personal guarantee.
International Leasing and Financial Services Ltd.	212,078,988	Term loan	Monthly	16.00%	1. Directors' personal guarantee. 2. Lien on TDR of Tk. 2 crore. 3. Lien on 2,200,000 nos. of shares of BSRM Steels Ltd.
Jamuna Bank Ltd.	7,222,403	Term loan	Monthly	16.00%	1. Directors' personal guarantee. 2. Hypothecation of capital machineries.
Lanka Bangla Finance Ltd.	362,097,084	Term loan	Monthly	15.50%	1. Directors' personal guarantee. 2. Corporate guarantee of H. Akber Ali & Co. and BSRM Iron & Steel Company Ltd. 3. Floating charge on the fixed and floating assets of BSRM Ltd. 4. Post dated cheques, promissory note etc.
National Housing Finance and Investments Ltd.	79,559,225	Term loan	Monthly	16.00%	1. Directors' personal guarantee. 2. Lien on 800,000 nos. ordinary shares of BSRM Steels Ltd.
Prime Bank Ltd.	70,497,577	Term loan	Monthly	16.00%	1. Directors' personal guarantee. 2. Hypothecation of capital machineries.
United Leasing Company Ltd.	45,315,572	Term loan	Monthly	15.50%	1. Directors' personal guarantee. 2. Lien on 388,889 nos. ordinary shares of BSRM Steels Ltd. 3. Post dated cheque covering whole of the loan amount plus interest.
	971,266,698				

	31.12.2014	31.12.2013
	Taka	Taka
18.00 Deferred tax liabilities		
Opening balance	1,071,987,675	882,458,633
<u>Provided during the period:</u>		
Investments in associates	64,278,614	171,455,321
Increases in fair value of tradable securities	-	232,488
Taxable temporary difference of PPE and intangible asset (excluding land)	-	53,931,562
<u>Adjusted during the period:</u>		
Assessed business loss	(89,430,000)	-
Deductible temporary difference of PPE and intangible asset (excluding land)	(98,786,663)	-
Revaluation surplus of PPE (excluding land)	(103,108,425)	-
Deductible temporary difference of tradable securities	(232,488)	-
Adjustment for impairment of revalued PPE	(4,368,524)	-
Sale/ derecognition of revalued assets	(1,132,898)	(5,012,482)
Impact of depreciation on revaluation surplus	(23,224,052)	(31,077,847)
	(256,004,437)	189,529,042
Closing balance	815,983,238	1,071,987,675

18.01 Reconciliation of deferred tax liabilities/ (assets)

	Carrying amount	Tax base	Tax rate	Taxable/ (Deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka		Taka	Taka
Property, plant & equipment (except land)	3,158,075,346	981,011,931	27.5%	2,177,063,415	598,692,439
Deferred tax liability on investment in associates			5%-20%	-	306,720,799
Business loss			27.5%	(325,200,000)	(89,430,000)
Total deferred tax liabilities					815,983,238

19.00 Trade payables

BSRM Steels Ltd.	109,526,139	3,563,424,229
BSRM Logistics Ltd.	1,536,947	-
BSRM Recycling Industries Ltd.	3,054,330	-
Burhani Scrap Traders	5,424,145	-
Purchase of scrap from outsiders	203,335	-
Payables for direct consumables	692,685	-
Payables for iron beams	239,859	-
Payables for stores and spares	6,418,198	-
	127,095,638	3,563,424,229

20.00 Short term liabilities

Loan against Trust Receipt (LTR) (Note - 20.01)	463,611,366	1,089,112,721
Bridge Loan from United Commercial Bank Ltd.	701,476,185	530,390,716
Factoring Loan against sales invoice (Note - 20.02)	1,738,406	4,783,360
Loan against CC Pledge and Hypo (Note - 20.03)	1,412,025,427	1,125,898,695
Liability for accepted bills for payment (ABP) (Note-20.04)	1,771,812,417	513,337,980
Time Loan from Dhaka Bank Ltd.	101,127,778	-
Time Loan from Eastern Bank Ltd.	500,159,722	-
Time Loan from Trust Bank Ltd.	124,747,780	-
Time Loan from AB Bank Ltd.	-	149,108,293
Time Loan from Habib Bank Ltd.	-	100,069,444
Time Loan from One Bank Ltd.	-	118,327,083
	5,076,699,081	3,631,028,292

Terms and conditions of the above liabilities are shown in Note-47.

20.01 Loan against Trust Receipt (LTR)

	<u>31.12.2014</u> <u>Taka</u>	<u>31.12.2013</u> <u>Taka</u>
Bank Alfalah Ltd.	8,882,173	56,759,955
HSBC Ltd.	327,842,136	284,156,436
Mercantile Bank Ltd.	1,618,252	5,718,856
Prime Bank Ltd.	21,621,048	30,343,731
Pubali Bank Ltd.	14,527,442	185,157,587
Shahjalal Islami Bank Ltd.	20,808,025	74,530,100
Social Islami Bank Ltd.	68,312,290	-
Islami Bank Bangladesh Ltd.	-	259,669,880
Standard Chartered Bank Ltd.	-	105,367,500
Trust Bank Ltd.	-	2,959,142
Al-Arafah Islami Bank Ltd.	-	2,929,367
Dutch Bangla Bank Ltd.	-	13,500,292
National Credit and Commerce Bank Ltd.	-	34,860,893
One Bank Ltd.	-	33,158,982
	463,611,366	1,089,112,721

20.02 Details of Factoring Loan

United Leasing Co. Ltd. (Note - 20.02.01)

1,738,406	4,783,360
1,738,406	4,783,360

20.02.01 Terms and conditions:

- i. 80% of gross sales invoice/billed amount is paid by discounting sales invoice.
ii. Interest rate is 15% per annum along with processing and collection fees of 0.25% on the invoice amount.

Security:

Personal guarantee of directors of the company and deed of floating charge on all accounts receivables (present and future).

20.03 Loan against CC Pledge, Hypo and Overdraft

Agrani Bank Ltd. - CC (Hypo) A/C	8,178,944	68,964,095
Agrani Bank Ltd., Laldighi East Br. Ctg. - CC (Pledge) A/C	170,493,564	431,152,637
BASIC Bank Ltd. - OD A/C	6,761	187,260
Habib Bank Ltd., Laldighi Br. Ctg. - CC A/C	10,075,931	65,164,544
Jamuna Bank Ltd. - CC (Hypo) A/C	22,279,922	32,424,325
National Bank Ltd. - CC A/C (Hypo)	60,649	16,516,222
Prime Bank Ltd. - CC (Hypo) A/C	27,000,000	141,094,424
Pubali Bank Ltd., Agrabad Br., Ctg. - CC (Hypo)	60,765,929	69,779,967
Trust Bank Ltd. - OD A/C	35,625,755	14,309,721
Standard Bank Ltd. - CC (Hypo) A/C	215,274,328	200,768,429
Sonali Bank Ltd., K.C. Dey Road Br. Ctg. - CC (Hypo) A/C	15,271,704	79,718,714
Sonali Bank Ltd., Kalibari Br. Ctg. - CC (Hypo) A/C	10,201,287	5,818,357
Mercantile Bank Ltd.	166,060,947	-
Pubali Bank Ltd., OD A/C	636,148,169	-
Standard Chartered Bank Ltd.	34,581,537	-
	1,412,025,427	1,125,898,695

20.04 Liability for accepted bills for payment (ABP)

HSBC Ltd.	362,833,081	23,660,107
One Bank Limited.	32,016,615	27,804,729
Pubali Bank Ltd.	172,629,843	32,080,348
Islami Bank Bangladesh Ltd.	182,657,858	58,243,226
Prime Bank Ltd.	12,128,356	42,758,175
Standard Chartered Bank Ltd.	313,484,731	31,656,333

	<u>31.12.2014</u>	<u>31.12.2013</u>
	<u>Taka</u>	<u>Taka</u>
Dutch Bangla Bank Ltd.	39,311,673	160,152,251
Jamuna Bank Ltd.	30,447,752	-
Habib Bank Ltd.	48,109,259	-
Trust Bank Ltd.	70,266,005	-
State Bank of India	46,409,037	-
Social Islami Bank Ltd.	65,407,378	-
National Credit and Commerce Bank Ltd.	14,901,117	-
AB Bank Ltd.	162,429,838	-
Mercantile Bank Ltd.	218,779,874	-
Shahjalal Islami Bank Ltd.	-	10,444,473
IFIC Bank Ltd.	-	71,158,984
United Commercial Bank Ltd.	-	23,379,408
Dhaka Bank Ltd.	-	31,999,946
	1,771,812,417	513,337,980

21.00 Liabilities for expenses

Audit Fees	378,000	360,000
Karnaphuli Gas Distribution Co. Ltd.	418,525	2,079,848
Power Development Board for electricity (Factory)	164,902,037	133,947,055
Godown rent	102,002	133,050
C & F Bill and others	25,318,617	8,294,817
Salary & Allowances	24,149,069	23,046,708
Financial expenses	178,196,293	39,584,169
Linde Bangladesh Ltd. (formerly BOC)	245,293	317,090
BTCL	107,204	-
Stores and spares	14,302,425	-
Fuel expenses	27,428	-
Repair and maintenance	1,305,813	-
Professional expenses	40,500	-
Guest house expenses	193,000	-
Insurance expenses	205,715	-
Postage and courier expense	56,105	-
WASA	7,154	-
Others	81,113	120,102
Telephone expenses	-	191,097
Carrying charges	-	1,339,378
Medical expenses	-	782,928
Conveyance	-	14,400
Casual wages	-	1,863,868
Carriage on sales	-	4,167,277
Fees and renewals	-	614,250
	410,036,293	216,856,037

22.00 Advance against sales

	159,856,236	101,714,671
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These represent advances received from different parties against sale of finished goods. Goods have not been delivered to them within the reporting date.

	<u>31.12.2014</u> <u>Taka</u>	<u>31.12.2013</u> <u>Taka</u>
23.00 Due to inter companies		
BSRM Steels Ltd.	1,303,031,743	2,375,947,711
BSRM Iron & Steel Co. Ltd.	977,959,133	-
BSRM Steel Mills Ltd.	103,268,788	-
Karnaphuli Engineering Works Ltd.	-	6,000,000
BSRM Metals Ltd.	-	988,918
Section Steel Ind. Ltd.	-	550,000
BSRM Wires Ltd.	-	12,811,318
Bangladesh Steels Ltd.	-	4,912,398
	2,384,259,664	2,401,210,345

These balances represent short term financial arrangement availed from inter companies as and when required to meet working capital. Interest @ 12% has been charged to these balances.

All transactions were made through account payee cheques.

24.00 Provision for income tax		
Opening balance as on January 1	124,274,416	184,962,166
Provided during the period:		
Against current year	31,995,903	124,274,416
Against previous years	(11,056,279)	6,612,039
	20,939,624	130,886,455
	145,214,040	315,848,621
Less: Adjusted with advance income tax paid at source	113,218,137	191,574,205
Closing balance	31,995,903	124,274,416

Year wise Income Tax assessment status is as follows:

<u>Accounting</u> <u>year</u>	<u>Assessment year</u>	<u>Present status</u>
2008	2009-2010	Assessment of Meghna Engineering Works Ltd. is pending at High Court Division
2009-2013	2010-2011 to 2014-2015	Assessment completed
2014	2015-2016	Return due on 15 July 2015

25.00 Provision for WPPF and Welfare Fund		
Opening balance as on January 1	806,385	2,665,273
Provided during the period	-	2,199,136
	806,385	4,864,409
Less: Paid during the period with salary	806,385	4,058,024
Closing balance	-	806,385
26.00 Other liabilities		
Security Deposit	90,000	953,762
Retention Money	293,106,816	7,744,989
Income Tax deducted at source-others	4,890,860	2,564,198
VAT deducted at source	1,664,915	1,267,268
Dividend payable	203,860	1,351,360
VAT Commissioner	1,874,680	-
Liability to fixed asset suppliers	9,924,711	-
Employees' Provident Fund	2,104,651	-
Liability for other finance	-	150,000
Earnest Money	-	50,000
Income Tax deducted at source from salary	-	1,124,335
	313,860,493	15,205,912

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

	<u>31.12.2014</u> <u>Taka</u>	<u>31.12.2013</u> <u>Taka</u>
27.00 Revenue		
Local sales:		
MS Billet	3,136,164,866	433,503,520
MS Rod	4,414,682,056	7,908,049,465
Export sales (Note-27.01)	23,452,233	48,263,134
Sale of scrap and by-products	475,587,427	212,598,889
	8,049,886,582	8,602,415,008
27.01 Export sales		
Total export sales during this year was USD 300,670 for exporting of 404.49 MT goods.		
28.00 Cost of sales		
Cost of sales-own production (Note -28.01)	4,116,670,802	5,145,347,011
Cost of sales- finished goods purchased (Note - 28.02)	447,303,726	2,863,475,160
Cost of sale of scrap	339,836,906	93,500,567
Cost of sale of billet	2,958,533,199	-
	7,862,344,633	8,102,322,738
28.01 Cost of sales-own production		
Raw Materials Consumed- Billets	1,385,030,127	4,745,981,824
Add: Manufacturing Expenses:		
Direct expenses	66,568,285	74,550,985
Direct materials consumed	281,933,156	400,949,481
Factory overhead (Note - 28.03)	193,589,337	273,838,973
Power	429,858,951	596,745,125
Gas	16,333,305	27,641,127
Fuel and Lubricants	9,543,394	14,947,651
Consumption of mechanical stores	25,423,538	48,276,631
Consumption of MS Roll	3,530,736	35,896,526
Consumption electrical stores	7,152,648	18,854,670
Consumption general stores	5,213,953	5,050,395
Impairment loss of machineries	23,732,901	-
Depreciation (Note- 6.00)	227,447,582	268,033,053
	1,290,327,785	1,764,784,617
Cost of Goods Manufactured	2,675,357,912	6,510,766,441
Add: Opening stock of Finished Goods	2,690,985,208	1,325,565,778
	5,366,343,120	7,836,332,219
Less: Closing stock of Finished Goods	1,132,905,907	2,690,985,208
Goods used by the company	116,766,411	-
	1,249,672,318	2,690,985,208
Cost of sales of manufactured finished goods	4,116,670,802	5,145,347,011
28.02 Cost of sales-finished goods imported and locally purchased		
Opening stock of finished goods	174,480,973	407,252,666
Add: Finished goods imported	493,324,583	205,308,252
Finished goods locally purchased	74,430,284	2,425,395,215
	742,235,840	3,037,956,133
Less: Closing stock of finished goods	274,049,972	174,480,973
Used by the company	20,882,142	-
	294,932,114	174,480,973
	447,303,726	2,863,475,160

	<u>31.12.2014</u>	<u>31.12.2013</u>
	<u>Taka</u>	<u>Taka</u>
28.03 Factory overhead		
Salaries and allowances	119,893,208	198,010,034
Rent	8,520,850	7,612,770
Carrying charges-raw materials	12,034,967	11,065,219
Materials and finished goods handling charges	11,134,498	15,992,168
Conveyance expenses	5,934,095	8,385,209
Motor vehicle expenses	1,877,692	1,301,068
Electricity expenses	10,124,211	4,250,526
Water bill-WASA	78,050	54,423
Telephone and internet expenses	10,963	40,533
Entertainment	4,017,873	4,793,322
Travelling expenses	2,042,845	2,083,810
Factory office expenses	433,049	464,264
Fees and renewals	1,332,178	741,771
Legal and Professional expenses	10,000	18,000
General expenses	535,585	474,917
Guest house rent	878,150	1,523,280
Guest house expenses	444,544	849,285
Insurance expenses	247,719	581,561
Medical expenses	1,836,376	2,760,488
Paper and periodical	6,339	10,515
Postage and telegram	22,206	92,841
Printing & stationery	1,881,965	1,814,829
Repairs and Maintenance	9,583,601	10,319,174
Land revenue, Municipal tax	708,373	548,766
Generator expenses	-	50,200
	193,589,337	273,838,973
29.00 Selling and distribution costs		
Salary and allowances	27,639,337	23,592,672
Conveyance expenses	29,315	31,520
Communication expenses	15,011	7,653
Motor vehicle expenses	610,825	624,859
Entertainment	1,044,616	820,278
Fees and renewals	56,792	72,506
Legal and Professional fees	378,200	320,450
Medical expenses	353,650	245,694
Electricity expenses	265,202	200,350
Depreciation (Note- 6)	928,781	1,021,659
Printing and stationeries expenses	30,290	30,105
Advertisement	135,738	307,294
Brokerage and commission	1,105,818	410,255
Carriage on sales	51,966,552	50,934,483
Travelling expenses	403,448	415,501
Export charges	347,480	663,769
Bad debts	1,029,982	420,791
Godown rent	428,491	548,898
Incentive to Dealers	3,101,478	-
	89,871,005	80,668,737

	<u>31.12.2014</u>	<u>31.12.2013</u>
	<u>Taka</u>	<u>Taka</u>
30.00 Administrative costs		
Salaries and allowances	88,891,775	75,828,618
Directors' remuneration (Note - 30.01)	24,600,000	24,600,000
Rent (Office, depot and others)	5,276,849	5,420,040
Fees and renewals	6,301,330	3,175,453
Land revenue, Municipal tax	24,965	1,125
Audit fees	483,000	790,525
Conveyance expenses	1,288,112	1,417,903
Donation and subscriptions	838,570	562,336
Entertainment	3,288,715	2,109,286
General expenses	196,999	201,193
Guest house expenses	477,352	132,660
Legal expenses	842,568	589,086
Professional expenses	3,294,084	1,457,440
Motor vehicle expenses	5,102,109	4,885,647
Office expenses	2,209,478	1,555,343
Repair and maintenance	2,266,925	329,299
Postage expenses	967,593	463,909
Printing expenses	6,750	8,028
Stationery expenses	42,078	43,837
Paper and Periodicals	37,550	34,548
Telephone and internet expenses	3,630,845	3,245,429
Training expenses	281,242	254,261
Travelling expenses	2,014,556	1,945,520
Electricity expenses	1,456,406	1,086,926
Medical expenses	1,221,573	849,197
Depreciation (Note- 6.00)	8,367,000	10,083,473
Insurance expense	24,713	16,100
Amortization of intangible asset (Note- 6.02)	278,150	-
Impairment of advances	1,010,281	-
Generator and fuel expenses	660,742	-
	165,382,310	141,087,182

30.01 Directors' Remuneration

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

<u>Name</u>	<u>Gross Remuneration</u>	<u>Income Tax Deducted</u>	<u>Net Paid</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Mr. Alihussain Akberali-Managing Director	7,200,000	1,800,000	5,400,000
Mr. Aameir Alihussain-Director	4,800,000	1,200,000	3,600,000
Mr. Zohair Taherali-Director	7,200,000	1,800,000	5,400,000
Mrs. Tehseen Zohair Taherali-Director	4,800,000	1,200,000	3,600,000
Mrs. Sabeen Aameir- Director	600,000	49,500	550,500
	24,600,000	6,049,500	18,550,500

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

	<u>31.12.2014</u>	<u>31.12.2013</u>
	<u>Taka</u>	<u>Taka</u>
31.00 Other Income		
Profit on sale of motor vehicle	460,893	827,295
Miscellaneous income	11,641,116	2,873,362
Loss on disposal of building and shed	(3,622,185)	-
Profit on sale of machinery	-	2,951,567
	8,479,824	6,652,224
32.00 Finance costs		
Interest on LTR	144,813,170	158,815,914
Interest on Demand and Time loan	144,541,094	14,358,440
Interest on factoring loan	586,116	1,467,553
Interest on Overdraft	185,145,977	166,931,728
Interest on Term loan	177,090,858	206,137,552
Interest on convertible bond	127,816,338	-
Bank charges	13,351,020	6,755,340
Bank Guarantee Commission	347,683	130,774
Interest on balance due to/from inter companies-Net	(278,803,068)	(279,203,494)
Foreign currency exchange rate fluctuation gain	(10,509,990)	(10,997,401)
	504,379,198	264,396,406
33.00 Finance income		
Interest income from FDR	9,364,829	23,390,549
	9,364,829	23,390,549
34.00 Non- operating income		
Dividend income	88,257	70,482
Management fees	171,664,309	163,550,409
Profit on sale of investment in securities	6,856,561	1,482,841
Changes and reclassification of fair value of tradable securities	1,098,784	-
Rental income	3,960,000	3,960,000
	183,667,911	169,063,732
35.00 Share of profit of associate (Net of tax)		
<u>Net profit attributable to the shareholders of associates</u>		
BSL	1,239,217,057	1,891,908,647
BSML	(14,702,060)	(9,771,817)
<u>Ownership</u>		
BSL	31.19%	31.19%
BSML	21.76%	21.76%

	31.12.2014 Taka	31.12.2013 Taka
<u>Net (loss)/profit attributable to BSRM Ltd.</u>		
BSL (Note- 35.01)	386,492,041	590,056,141
BSML	(3,199,602)	(1,543,996)
<u>Excess of proportionate net asset value of associates over acquisition cost</u>		
BSML	-	498,898,726
<u>Adjustment against unrealized profit on inventories-net</u>		
BSL	320,433	1,833,774
	383,612,872	1,089,244,645

35.01 Net profit of associate attributable to BSRM Ltd.

<u>BSL</u>	Originally published as on 31.12.13 Taka	Effect of equity method adoption by associate Taka	Restated figure as on 31.12.13 Taka
Net profit attributable to the shareholders of BSL Ownership	1,394,553,917 31.19%	497,354,730	1,891,908,647 31.19%
Net profit of associate attributable to BSRM Ltd.	434,939,131	155,117,010	590,056,141

36.00 Earnings per share

36.01 Basic earnings per share (EPS)

Profit attributable to the ordinary shareholders (Taka)	116,033,236	943,818,621
Weighted Average number of shares outstanding during the year (Nos.)	155,851,038	155,851,038
Basic earnings per share (EPS)-Taka	0.74	6.06

36.02 Diluted earnings per share (DEPS)

Profit attributable to the ordinary shareholders	116,033,236	943,818,621
Number of ordinary shares outstanding during the year	155,851,038	155,851,038
Dilutive shares for 12% Convertible bond	4,010,523	-
Weighted average number of shares and non-voting ordinary shares in issue	159,861,561	155,851,038
Diluted earnings per share (DEPS)	0.73	6.06

37.00 Related party transactions

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

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

<u>Name of parties</u>	<u>Relationship</u>	<u>Nature of Transactions</u>	<u>Outstanding as on 31.12.2014</u> <u>Taka</u>	<u>Compensation</u>
H Akberali & Co. Ltd.	Sister Company and shareholder	Short term loan	987,106,308	Dr.
BSRM Wires Ltd.	-DO-	Short term loan	122,293,927	Dr.
BSRM Recycling Industries Ltd.	-DO-	Short term loan	21,101,264	Dr.
BSRM Logistics Ltd.	-DO-	Short term loan	105,828,837	Dr.
BSRM Ispat Ltd.	-DO-	Short term loan	302,700,375	Dr.
BSRM Real Estates Ltd.	-DO-	Short term loan	200,000	Dr.
BSRM Iron & Steel Co. Ltd.	Investee	Short term loan	977,959,133	Cr.
BSRM Steel Mills Ltd.	Investee	Short term loan	103,268,788	Cr.
BSRM Steels Ltd.	Investee	Short term loan	1,303,031,743	Cr.
BSRM Steels Ltd.	Investee	Purchase	109,526,139	Cr.
BSRM Logistics Ltd	Sister Company	Purchase	1,536,947	Cr.
BSRM Recycling Industries Ltd.	Sister Company	Purchase	3,054,330	Cr.
Burhani Scrap Traders	Sister Company	Purchase	5,424,145	Cr.
BSRM Steels Ltd.	Investee	Sales	117,659	Dr.
BSRM Iron & Steel Co. Ltd.	Investee	Sales	9,000	Dr.
BSRM Steel Mills Ltd.	Investee	Sales	31,606,740	Dr.
BSRM Logistics Ltd.	Sister Company	Sales	1,813,191	Dr.

37.01 Details of transactions

<u>Name of inter companies</u>	<u>Opening balances</u> <u>Taka</u>	<u>Transaction during the year</u> <u>Taka</u>	<u>Closing balances</u> <u>Taka</u>
H Akberali & Co. Ltd.	1,441,905,988 Dr.	(454,799,680)	987,106,308 Dr.
Karnaphuli Engineering Works Ltd.	6,000,000 Cr.	(6,000,000)	-
Chittagong Power Company Ltd.	20,295,654 Dr.	(20,295,654)	-
BSRM Wires Ltd.	12,811,318 Cr.	(135,105,355)	122,293,927 Dr.
BSRM Recycling Industries Ltd.	88,004,189 Dr.	(66,902,925)	21,101,264 Dr.
BSRM Iron & Steel Co. Ltd.	-	(977,959,133)	977,959,133 Cr.
Bangladesh Steels Ltd.	4,912,398 Cr.	4,912,398	-
BSRM Logistics Ltd.	182,472,398 Dr.	(76,643,561)	105,828,837 Dr.
BSRM Ispat Ltd.	291,700,375 Dr.	11,000,000	302,700,375 Dr.
BSRM Real Estates Ltd.	200,000 Dr.	-	200,000 Dr.
BSRM Steel Mills Ltd.	252,410,775 Dr.	355,679,563	103,268,788 Cr.
Section Steel Ind. Ltd.	550,000 Cr.	(550,000)	-
BSRM Metals Ltd.	988,918 Cr.	(988,918)	-
East Bengal Trading & Industries Corp. Ltd.	100,000 Dr.	(100,000)	-
BSRM Steels Ltd.	3,563,424,229 Cr.	(3,453,898,090)	109,526,139 Cr.
BSRM Recycling Industries Ltd.	-	(3,054,330)	3,054,330 Cr.
Burhani Scrap Traders	-	(5,424,145)	5,424,145 Cr.
BSRM Steels Ltd.	2,375,947,711 Cr.	(1,072,915,969)	1,303,031,743 Cr.
BSRM Logistics Ltd.	-	(1,536,947)	1,536,947 Cr.
BSRM Iron & Steel Co. Ltd.	-	9,000	9,000 Dr.
BSRM Logistics Ltd.	-	1,813,191	1,813,191 Dr.
Karnaphuli Engineering Works Ltd.	6,102 Dr.	(6,102)	-
BSRM Steels Ltd.	-	117,659	117,659 Dr.
BSRM Steel Mills Ltd.	-	31,606,740	31,606,740 Dr.

38.00 Contingent liabilities

The company had contingent liabilities at the reporting date which are as follows:

Particulars	Amount (Taka)	Present status
Against approval of value addition in 2003	-	Pending for hearing and amount of liability can not be estimated at this stage
Penalty imposed by VAT Authority in 2004	100,000	Pending before the High Court Division of Supreme Court
Demand raised by VAT Authority in 2004 for difference in selling price	536,174	
Against trade VAT in 2006	178,415	
Against percentage of wastage (4% in place of 2.50%) in 2011	-	Pending before the High Court Division of Supreme Court and liability of which can not be estimated at this stage.

38.01 Status of pending litigation with the Income Tax authority for dispute with respect to income tax liability:

Disputed amount of tax liability has already been deducted by Income Tax authority and shown as advance income tax under advance, deposits and pre-payments.

Assessment year	Unit	Amount (Tk.)	Present status
2001-2002	BSRM	4,900,000	Pending before High Court Division of Supreme Court for hearing as the company appealed against the order of Appellate Tribunal.
2009-2010	SMW	2,320,000	
		7,220,000	

38.02 L/C Liabilities

Trust Bank Ltd.
Jamuna Bank Ltd.
Dhaka Bank Ltd.
Shahjalal Islami Bank Ltd.

31.12.2014
Taka

31.12.2013
Taka

68,550,000	155,350,000
3,077,130	6,887,730
17,385,062	-
66,485,147	-
155,497,339	162,237,730

39.00 Guarantees

39.01 Bank guarantees

Bank Guarantee Against Bakhraabad Gas System
Deposit to Customs Authority against claim under appeal
Bank guarantee to Customs authority

546,202	549,497
1,545,145	1,545,145
7,144,915	-
9,236,262	2,094,642

The above margin and deposits have been included in Advance, Deposits and Pre-payments.

39.02 Corporate guarantees

The company has a policy to extend corporate guarantee for the financial arrangements of the sister companies within the group. At the reporting date, status of such guarantee was as follows:

Name of sister companies	Against	Maximum limit (in million) (Taka)	
BSRM Steels Ltd.	L/C liability	21,315	20,115
BSRM Iron and Steel Co. Ltd.	L/C liability	15,430	15,430
		36,745	35,545

40.00 Financial Instruments- Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy (Note- 4). It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note ref.	Fair value through profit or loss	Carrying amount				Fair Value			
		Held to maturity	Loans and receivables	Available for sale		Other financial liabilities	Level 1		Total
				Taka	Taka		Taka	Taka	
8.03	6,002,579	-	-	-	-	-	6,002,579	-	6,002,579
10 & 11	-	-	599,201,784	-	-	-	-	-	599,201,784
12	-	-	1,539,230,711	-	-	-	-	-	1,539,230,711
8.02	-	-	-	1,000,300	-	-	-	-	1,000,300
8.02, 8.03 & 14.03	-	-	-	153,525,693	-	-	-	-	153,525,693
14	-	-	26,186,743	-	-	-	-	-	26,186,743
	-	-	2,164,619,238	154,525,993	-	-	-	-	2,319,145,231
19 & 21	-	-	-	-	-	(537,131,931)	-	-	(537,131,931)
23	-	-	-	-	-	(2,384,259,664)	-	-	(2,384,259,664)
20	-	-	-	-	-	(5,076,699,081)	-	-	(5,076,699,081)
17	-	-	-	-	-	(4,881,945,117)	-	-	(4,881,945,117)
26	-	-	-	-	-	(313,860,493)	-	-	(313,860,493)
	-	-	-	-	-	(13,193,896,286)	-	-	(13,193,896,286)
8.03	-	-	-	15,711,449	-	-	15,711,449	-	15,711,449
10 & 11	-	-	483,458,932	-	-	-	-	-	483,458,932
12	-	-	2,277,089,379	-	-	-	-	-	2,277,089,379
8.02	-	-	-	1,000,300	-	-	-	-	1,000,300
8.02 & 8.03	-	-	-	160,827,797	-	-	-	-	160,827,797
14	-	-	95,316,305	-	-	-	-	-	95,316,305
	-	-	2,855,864,616	161,828,097	-	-	-	-	3,017,692,713
19 & 21	-	-	-	-	-	(3,780,280,266)	-	-	(3,780,280,266)
23	-	-	-	-	-	(2,401,210,345)	-	-	(2,401,210,345)
20	-	-	-	-	-	(3,631,028,292)	-	-	(3,631,028,292)
17	-	-	-	-	-	(1,898,882,168)	-	-	(1,898,882,168)
26	-	-	-	-	-	(15,205,912)	-	-	(15,205,912)
	-	-	-	-	-	(11,726,606,983)	-	-	(11,726,606,983)

31st December, 2014

Financial Assets measured at fair value:

Investments in tradable securities

Financial Assets not measured at fair value:

Trade and other receivables

Due from inter companies

Investments in non-tradable securities

Investments in FDR

Cash at bank

Financial Liabilities not measured at fair value:

Trade and other payables

Due to inter companies

Short term liabilities

Long term loan

Other liabilities

31st December, 2013

Financial Assets:

Investments in tradable securities

Financial Assets not measured at fair value:

Trade and other receivables

Due from inter companies

Investments in non-tradable securities

Investments in FDR

Cash at bank

Financial Liabilities not measured at fair value:

Trade and other payables

Due to inter companies

Short term liabilities

Long term loan

Other liabilities

41.00 Financial instruments- Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

Risk management framework

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

41.01 Credit risk

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

41.01.01 Exposure to credit risk

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

	31.12.2014	31.12.2013
	Taka	Taka
Investment in quoted shares and debt securities	6,002,579	15,711,449
Investments in non-tradable shares	1,000,300	1,000,300
Investments in FDRs (Short term & long term)	153,525,693	160,827,797
Advances and deposits	4,394,083,583	1,597,513,355
Trade and other receivables	599,201,784	483,458,932
Due from sister companies	1,539,230,711	2,277,089,379
Cash at bank	26,186,743	95,316,305
	6,719,231,393	4,630,917,517

(a) Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate. During 2014, 91.76 % (2013: 99.25%) of the company's receivables balance was with various outside parties. However, based on the company's operations there is no concentration of credit risk.

The company's management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. The company reviews clients goodwill and in some cases bank references. Customers that fails to meet the company's standard credit policy may transact with the company only on a pre-payment basis.

Ageing of trade and other receivables

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

	31.12.2014	31.12.2013
	Taka	Taka
0-90 days	445,167,016	349,790,137
91- 180 days	59,388,309	74,582,872
Over 180 days	95,676,441	59,085,923
	600,231,766	483,458,932

The management believes that the amounts except the provision made for doubtful debts are collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

(b) Due from inter companies

The carrying amount represents amount paid to one of the inter companies to meet its operational finance from time to time. The outstanding balance is redeemable including 12 % (in 2013: 15.50%) interest per annum and has no prescribed repayment schedule.

(c) Cash and cash equivalents

The company held cash at bank of Tk. 26,186,743 and FDRs of Tk. 42,928,810 at 31 December 2014 (2013: Tk. 95,316,305), which represents its maximum credit exposure on these assets. The balance with banks are maintained with both local branch of International banks and domestic scheduled banks.

(d) Guarantees

The company's policy is to provide financial guarantees only to its sister companies. At 31 December 2014 the company has a number of corporate guarantees for L/C liabilities of sister companies (refer to Note - 39.02).

41.02 Liquidity risk

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

Exposure to Liquidity risk

The following are the contractual maturities of financial liabilities:

<u>Non-derivative financial liabilities</u>	<u>Carrying amount</u>	<u>Contractual cash flows</u>			
		<u>Within 12 months</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
As at 31.12.2014					
Long term loan	4,881,945,117	825,947,152	4,055,997,965	-	4,881,945,117
Trade creditors	127,095,638	127,095,638	-	-	127,095,638
Short term liabilities	5,076,699,081	5,076,699,081	-	-	5,076,699,081
Liabilities for expenses	410,036,293	410,036,293	-	-	410,036,293
Due to inter companies	2,384,259,664	2,384,259,664	-	-	2,384,259,664
Other liabilities	313,860,493	313,860,493	-	-	313,860,493
	13,193,896,286	9,137,898,321	4,055,997,965	-	13,193,896,286
Non-derivative financial liabilities					
As at 31.12.2013					
Long term loan	1,898,882,168	492,699,556	1,406,182,612	-	1,898,882,168
Trade creditors	3,563,424,229	3,563,424,229	-	-	3,563,424,229
Short term liabilities	3,631,028,292	3,631,028,292	-	-	3,631,028,292
Liabilities for expenses	216,856,037	216,856,037	-	-	216,856,037
Due to inter companies	2,401,210,345	2,401,210,345	-	-	2,401,210,345
Provision for WPPF and Welfare Fund	806,385	806,385	-	-	806,385
Other liabilities	15,205,912	15,205,912	-	-	15,205,912
	11,727,413,368	10,321,230,756	1,406,182,612	-	11,727,413,368

41.03 Market risk

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

41.03.01 Currency risk exposure and its management

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

The Company is exposed to foreign currency risk relating to purchases, sales and other transactions which are denominated in foreign currencies. As at 31 December 2014, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currencies:

<u>Exposure to currency risk</u>	<u>31.12.2014</u>		<u>31.12.2013</u>	
	<u>US\$</u>	<u>Taka</u>	<u>US\$</u>	<u>Taka</u>
Foreign currency denominated assets:				
Cash and cash equivalents	2,709	211,450	1,921	149,942
Trade and other receivables	-	-	152,723	11,813,086
	2,709	211,450	154,644	11,963,028

Foreign currency denominated liabilities:

Liability for accepted bills for payment (ABP)	22,642,970	1,771,812,417	6,560,230	513,337,980
	22,642,970	1,771,812,417	6,560,230	513,337,980
Net exposure	22,645,679	1,772,023,867	6,714,874	525,301,008

The following significant exchange rate is applied during the period:

US dollar	78.25	78.00
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Sensitivity analysis

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

	Profit or loss		Equity- net of tax	
	<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
31 December 2014				
	Taka	Taka	Taka	Taka
USD (2% movement)	(35,432,019)	35,432,019	(23,030,813)	23,030,813
31 December 2013				
USD (2% movement)	(10,027,499)	10,027,499	(6,267,187)	6,267,187

41.03.02 Transaction risk

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

41.03.03 Economic risk

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

41.03.04 Interest risk

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

Exposure to interest rate risk

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

	2014	2013
	Taka	Taka
Fixed- rate instruments		
Financial assets	1,692,756,404	2,437,917,176
Financial liabilities	(12,342,903,862)	(7,931,120,805)
	(10,650,147,458)	(5,493,203,629)
Variable- rate instruments		
Financial assets	-	-
Financial liabilities	-	-
	-	-

41.05 Other market price risk

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

42.00 Operating lease

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

	31.12.2014	31.12.2013
	Taka	Taka
Within one year	19,603,744	9,916,144
Within 2 to 5 years	26,243,660	6,173,725
After 5 years	4,602,500	-
	50,449,904	16,089,869

43.00 Capital commitment

The company has decided to increase its production capacity to 450,000 MT from 120,000 MT per annum by modernizing its existing Re-rolling plant located at Nasirabad Industrial Area, Baizid Bostami Road, Chittagong. The entire plant will be fully automated and configured in such a way so as to maximize the output and reduce production cost. The estimated project cost stands at Tk. 5,863.7 million. Out of required amount, Tk. 600 million has been financed by One Bank Ltd.- the lead arranger and 6 (Six) other Banks and Non-Banking Financial Institutions under syndication, Tk. 2,790 million has been financed under a syndicated term loan facility arranged by UCBL as lead arranger and other 15 participants, Tk. 180 million has been financed through issue of Convertible Bond.

44.00 Production capacity

MS product- finished

Installed Capacity (In M.Ton) yearly

Production (In M.Ton)

Capacity utilized (%)

MS billet

Installed Capacity (In M.Ton) yearly

Production (In M.Ton)

Capacity utilized (%)

2014

2013

	120,000	120,000
	42,116	106,810
	35.10	89.01
	120,000	120,000
	82,350	119,290
	68.63	99.41

Production of BSRM- MS product producing Unit ceased from 28 May 2014 and after successful completion of BMRE production is expected to be started from July 2015.

45.00 Employees

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

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

-	-
749	718
749	718

46.00 Events After Reporting Date

46.01 Initial Public Offering (IPO)

After the reporting date, the company has raised a capital of Tk. 612,500,000 through issuing (IPO) 17,500,000 Nos. Ordinary Shares of Tk. 10 each valued at Tk. 35 including a premium of Tk. 25 and has been listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). Trading of the shares of the company in CSE and DSE started from 27 April 2015.

46.02 Proposed Dividend

The Board of Directors at the meeting held on 30 April 2015 has recommended 10% cash dividend for the year 2014.

S.L	NAME OF BANKS	Sanctioned limit (Figures in crore)		Rate of Interest	Nature of Security
		LTR	Time loan		
					Mortgage: 1. Plot No. 147, 148, 149 located at Nasirabad I/A measuring 2.79 Acres or 279.00 decimals of land. 2. Plot No. 3796 located at Madarbari, Chittagong measuring 0.451 acres or 40.50 decimals of land. 3. Plot No. 10 located at Agrabad Commercial Area, Chittagong measuring 1.29 Bigha or 42.57 decimals land. 4. Plot No. 9199 located at Panchlailsh R/A, Chittagong measuring 20.75 decimals Land. 5. Plot No. 1786/2330 located at Sitakunda, Bhatlary, Chittagong measuring 155.00 decimals nal land. 6. 144 located at Moliheel C/A, Dhaka measuring 11.55 decimals land. 7. Plot No. 23.25.26.29.30.2885.2584.2578.2577.22 and full of R.S plot No. 24 198.00 decimals of land located at Nasirabad, Chittagong. 8. Plot No. 8 of Block D located at Sholashahar Light I/A (Ruby Investment) measuring 325.00 decimals of land. Total Land = (279.00+43.07+20.75+155.00+11.55+198.00+325.00)=1072.37 decimals of Homestead, Factory Building and Nal Land. Post dated cheque, corporate guarantee & personal guarantee of all Directors. Post dated cheque, corporate guarantee & personal guarantee of all directors. Cross corporate guarantee, personal guarantee of all directors, hypothecation of stocks & book debts with RJSC. Personal guarantee of all directors, lien on FDR for Tk. 1.00 crore. For SOD facility hypothecation of stocks & book debts with RJSC. Hypothecation of stocks & book debts with RJSC & personal guarantee of all directors. Legal mortgage of Section Steel Ind. Ltd., Equitable mortgage of Section Steel Ind. Ltd., Corporate guarantee & personal guarantee of all directors. DP note, personal guarantee of all directors, corporate guarantee. Registered mortgage of residence at Nasirabad H/S of Mr. Allhussain Akberali. Hypothecation of stocks & book debts with RJSC. Lien on Tk. 2.00 crore FDR dated 28.02.12 of IPDC Ltd. Mortgage of 710.50 decimal land located at Sonapahar, 107.00 decimal land located at Khilmurari, 66.50 decimal land located at Sonapahar, 60.00 decimal of land located at Sonapahar, 46.00 decimal land located at Khilmurari and 56.00 decimal land located at Sonapahar, Mirasari, Chittagong. Total 1046.00 decimal land, hypothecation of stocks and book debts with RJSC. Hypothecation of stocks & book debts with RJSC & corporate guarantee, personal guarantee of all directors. Counter guarantee, personal guarantee, post dated cheque & hypothecation of stocks & book debts with RJSC. Post dated cheque, corporate guarantee & personal guarantee of all directors. Post dated cheque, corporate guarantee & personal guarantee of all directors. Post dated cheque, corporate guarantee & personal guarantee of all directors. Post dated cheque, corporate guarantee & personal guarantee of all directors. DP note, personal guarantee of all directors, corporate guarantee & registered mortgage over 2.60 acre land of Bangladesh Steels Limited. Post dated cheque, corporate guarantee & personal guarantee of all directors. Post dated cheque, corporate guarantee & personal guarantee, insurance policy. Post dated cheque, corporate guarantee & personal guarantee, 2.58 acres of land, 1) R.S Plot No.82,92,98,99,1257,101,100,87,75 Industrial Plot No: 54/55 P.S 37 1.95 Acres. 2) P.S No. 33 0.63 Areas of Land. Total= 1.95+ .63 =2.58 Acres. Gross corporate guarantee of the availing concerns & charge created on the fixed & floating assets. Mortgage of 135.47 Decimal land situated at Sitakunda, Chittagong, personal guarantee of all directors and other security documents. Gross corporate guarantee among the company & personal guarantee of all Directors and other security documents. Mortgage of 557 Decimal land for Tk. 400 million situated at Sonatichari, Sitakunda, Chittagong, post dated cheque, personal guarantee of Directors and other security documents. Corporate guarantee of H. Akberali & Co. Ltd. Post dated cheque and personal guarantee of all directors of the company. Lien on 60 lac equity shares of BSRM Steels Ltd.
1	Agrani Bank Ltd.	10.00	-	12%	58.00
2	AB Bank Ltd.	50	21.50	13.50%	-
3	Al-Arafah Islami Bank Ltd.	45.00	60.00	14.00%	-
4	Bank Al Falah Ltd.	30.00	-	13%	-
5	Basic Bank Ltd.	30.00	-	15.5%	2.00
6	Commercial Bank of Ceylon	-	-	0.00%	-
7	Habib Bank Ltd.	8.00	8.00	13.00%	3.00
8	HSBC Ltd.	190.00	-	12.5%	-
9	Islami Bank Bangladesh Ltd.	200.00	-	13.00%	-
10	Jamuna Bank Ltd.	42.00	25.00	14.00%	3.00
11	Mercantile Bank Ltd.	100.00	-	13%	50.00
12	National Bank Ltd.	125.00	-	14.50%	5.00
13	National Credit and Commerce Bank Ltd.	100.00	-	12.75%	-
14	One Bank Ltd.	100.00	30.00	13.00%	-
15	Prime Bank Ltd.	50.00	-	13.00%	15.00
16	Pubali Bank Ltd	50.00	-	14%	25.00
17	Standard Bank Ltd.	-	-	13.00%	40.00
18	Standard Chartered Bank Ltd.	255.00	-	12.50%	3.00
19	Shahjalal Islami Bank Ltd.	100.00	15.00	13.00%	-
20	Social Islami Bank Ltd.	60.00	20.00	14.00%	-
21	Sonali Bank Ltd.	50.00	-	14.5%	10.00
22	Trust Bank Ltd.	75.00	30.00	14.00%	8.00
23	Dhaka Bank	45.00	40.00	13.00%	-
24	Dutch Bangla Bank Ltd.	75.00	-	13.00%	-
25	IFC Bank Ltd.	90.00	15.00	13.50%	-
26	United Commercial Bank Ltd.	30.00	20.00	13.00%	50.00
TOTAL		1,910.00			272.00

EVENTS AND IMAGES...



Senior officials of Dhaka Stock Exchange Limited (DSE) and BSRM Ltd. along with Mr. Aameir Alihussain, Chairman of the Company were present at the trading ceremony of BSRM Ltd. on 27th April 2015 at DSE.



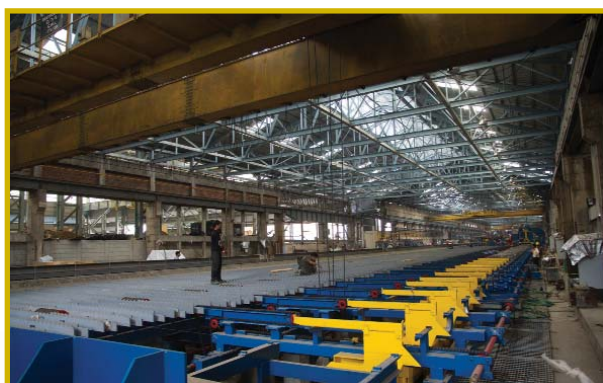
Mr. Swapan Kumar Bala FCMA, Managing Director of Dhaka Stock Exchange Limited (DSE) and Mr. Aameir Alihussain, Chairman of BSRM Ltd. kick off the ceremony of share trading at DSE by ringing bell.



Lottery for allotment of IPO shares of BSRM Ltd. conducted under the direct supervision of BUET.



Main entrance of factory of BSRM Ltd.

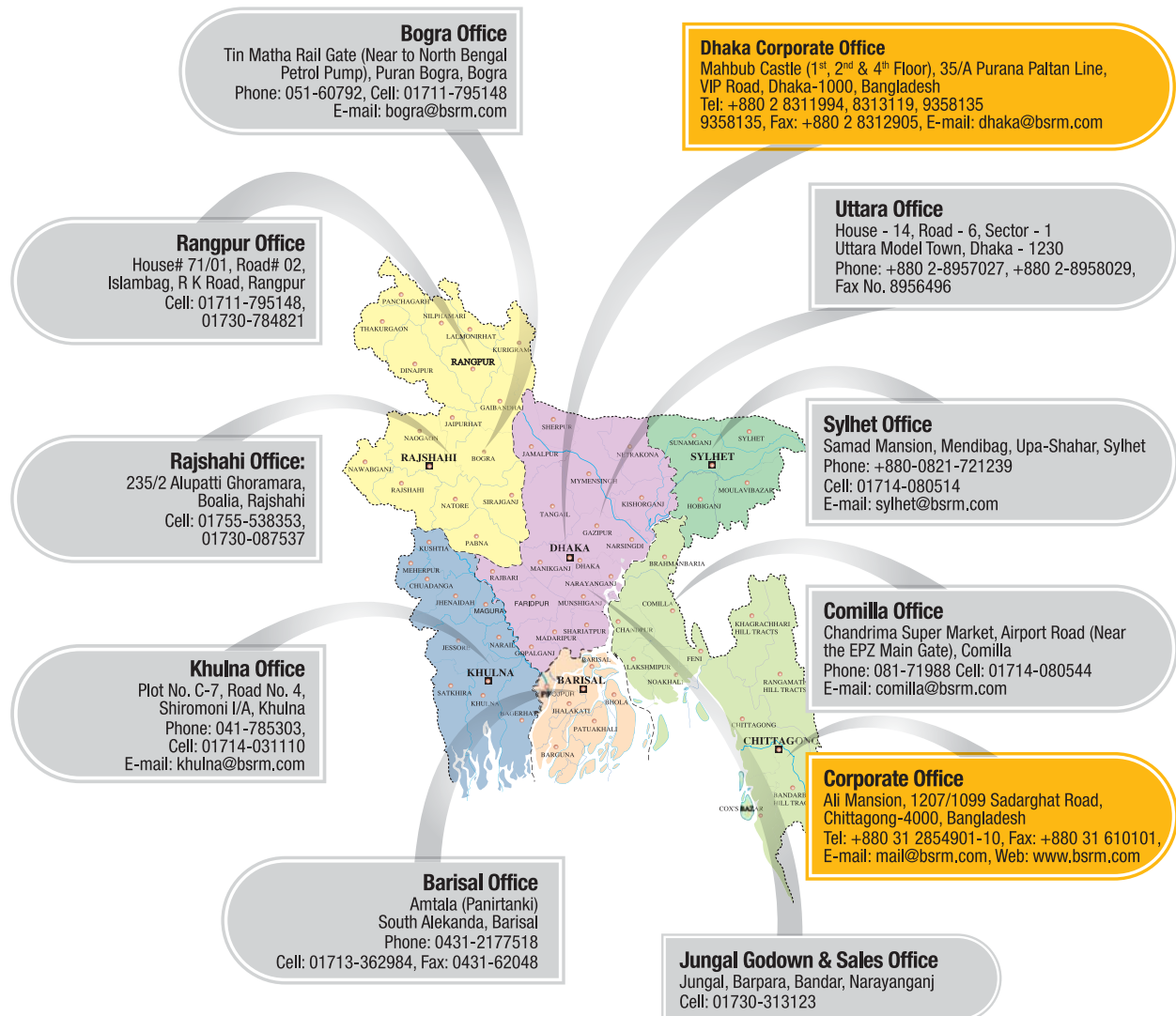


Cooling Bed area under BMRE project.



Furnace area under BMRE project.

BSRM OFFICE MAP...



Bangladesh Steel Re-Rolling Mills Limited

Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chittagong.

PROXY FORM

I/We(Name)

of(Address)

a Shareholder of Bangladesh Steel Re-Rolling Mills Limited ("the company") hereby appoint,

Mr. /Ms.(Name)

of(Address)

as my /our proxy, to attend on my/our behalf at the 53rd Annual General Meeting (AGM) of the Company to be held on June 15, 2015 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

Dated this----- day of -----2015.

Signature of the Shareholder
Folio /BO ID No:

Dated -----

Signature of the Proxy
Folio/BD ID No:

Dated -----

Signature of the witness

Note: The Proxy Form, duly filled in and stamped, must be deposited at the Registered Office of the Company, Ali Mansion, 1207/1099 Sadarghat Road, Chittagong not later than 48 hours before the time fixed for the holding of the meeting.

Signature Verified

Authorized Signature
Bangladesh Steel Re-Rolling Mills Limited



Bangladesh Steel Re-Rolling Mills Limited

Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chittagong.

ATTENDANCE SLIP

I hereby record my presence at the 53rd Annual General Meeting of Bangladesh Steel Re-Rolling Mills Limited on June 15, 2015.

Name -----

BO ID

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

Signature

Signature Verified

Authorized Signature
Bangladesh Steel Re-Rolling Mills Limited



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

