

TRUST BEYOND STEEL



ANNUAL REPORT 2018-2019

BANGLADESH STEEL RE-ROLLING MILLS LIMITED

BANGLADESH
STEEL RE-ROLLING
MILLS LIMITED

ANNUAL REPORT 2018-19



BSRM
building a safer nation

PREFACE

TRUST BEYOND STEEL

For over 67 years, BSRM has provided superior, trusted and reliable steel products to build both national mega structures and homes for the people. But BSRM is trusted and relied upon by people everywhere not just for steel, but for its service beyond steel - in building not just foundations and walls, but hearts and minds, cities and communities and ultimately, the nation itself.

From bringing light to people's homes to providing safe drinking water, from vocational training to making roads safer for everyone using them, from planting trees to reducing emissions and recycling to protect the environment, BSRM continues to serve the people in building a better, safer nation for today and for the future.

This service beyond steel to the people of this nation is why BSRM is trusted and relied upon by everyone – from the builders of the tallest mega structures to those building homes for their loved ones, and even among those people who have never used their steel.

LETTER OF TRANSMITTAL

Date: November 24, 2019

Valued Shareholders of Bangladesh Steel Re-Rolling Mills Limited
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Annual Report for the year ended 30th June, 2019

Dear Sir (s),

We are pleased to enclose herewith a copy of the Annual Report of **Bangladesh Steel Re-Rolling Mills Limited** together with the Audited Financial Statements, Consolidated Financial Statements, Report of the Board of Directors and Auditors' Report thereon for the year ended 30th June 2019 for your information and records.

Sincerely yours,



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

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EMPOWERING VULNERABLE WOMEN

Near the Indian border lies the remote village of Sharsha Upazilla, far from Jessore. Women and girls there are at constant risk of being trafficked under false pretenses and subjected to inhuman levels of treatment, often causing them to take their own lives. BSRM has become a blessing to such women by establishing the BSRM Foundation Training Center, where these women have become self-dependent through training in various skills that enable them to earn a living. This sense of self-worth and self-confidence has given them a new lease on life.



WHO ARE WE?

Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) is the oldest Steel re-rolling mill in Bangladesh. With four manual rolling mills, we stepped out for our journey in 1952 as the first ever steel mill in Bangladesh.

Today, Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) is the largest merchant steel re-rolling mill in Bangladesh. This mill is capable of producing high quality Reinforcing Steel and other steel products such as Channel, Angle, Square-Bar, etc. We have introduced another product "BSRM Centura", a coated rebar that resists Chloride induced corrosion and prevents rusting. As we started our commercial operation in December 09, 2015 after BMRE, within a period of 4 years, our production capacity has reached 700,000 M. Ton.

BSRMLTD owns another unit called "Steel Melting Works (SMW)" which is producing Billets for BSRMLTD with a capacity of 150,000 M. Ton per annum.

Presently, BSRMLTD is holding 31.19% shares of its associate company BSRM Steels Limited and 44.97% shares of its subsidiary company BSRM Steel Mills Limited. In addition, BSRMLTD has another subsidiary company BSRM (Hong Kong) Limited which is based in Hong Kong.

DIVIDING ROADS TO ENSURE SAFETY

Road safety is a huge concern for the people of Bangladesh. In order to help make roads safer, BSRM has manufactured road dividers, distributing them throughout the nation. This not only makes the roads safer for both people and transportation, it helps the traffic police organize and maintain traffic on the road.



OVERALL STRATEGIC OBJECTIVES

- To produce High Quality steel Products

- To Reduce the Cost of Production

- To Optimize Production Capacity

- To Ensure Maximum
Satisfaction of the Customer

- To Recruit and Develop Workforce

- To Ensure Adequate Corporate
Governance & Compliance

ENSURING SAFE DRINKING WATER

In the hill tracts of Adarshagram in Jaintapur Sylhet, drinking water was once a luxury. Every day children had to climb 400 feet to fetch safe and clean water for their families from the only source available – until BSRM stepped in. Partnering with the NGO Thengamara Mohila Sabuj Sangha (TMSS-RES), BSRM has set up a 15,000 liter-capacity solar pump with water reservoir at the top of the hill. Now mothers from 300 different families can look after their infant children, fetch the water and do household work while the older children can go to school.



OUR VISION

WE AT BSRM GROUP ASPIRE TO...

- Maintain our leadership position in the steel industry by producing the best quality steel products, continuously enhancing customer satisfaction and becoming a reliable business partner of our customers and suppliers.
- Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization.
- Protect the interest of our shareholders through sustainable growth and value creation.
- Preserve the trust of all our stakeholders by adopting ethical business practices.
- Support the society through Corporate Social Responsibility initiatives.

OUR VALUES

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

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

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

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

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

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

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

LIGHTING THE WAY FOR FAMILIES TO PROSPER

In the hill tracts of Sylhet, many homes are not within the reach of government-facilitated gridlines. To help provide electricity to these areas, BSRM has set up the Solar Light Program in Jaintapur, Sylhet, where 40 households now have access to light, leading to increased opportunities for education, lower fuel costs, sufficient light arrangements for the safety of women and children, reduced health hazards and better quality of living.



CODE OF CONDUCT

BSRMLTD has always adopted the best, ethical and most transparent business practices to ensure fairness, honesty and integrity in all aspects of our dealings.



We always acknowledge and fulfill our obligations to carry out responsibilities towards the society and offer our best services to all of our stakeholders and treat everyone with equity and honor.

SAVING THE ENVIRONMENT THROUGH ZERO EMISSIONS

Gaseous fumes from steel production contain large amounts of extremely harmful suspended solid particles. To tackle this problem, BSRM has implemented Japanese Air Pollution Control (APC) technology that captures the fumes and filters out the solid particles, releasing only clean air with Zero Pollution into the atmosphere.



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: Shares of BSRM Steels Limited, the flagship company of BSRM Group was listed with the country's premier bourses Dhaka Stock Exchange (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. as on 18th January 2009.

2012

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

2013

A syndicated term loan of US Dollar 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.

2014

Oracle e-BE-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.

2015

1. Capacity of BSRM Steels Limited enhanced from 600,000 MT to 700,000 MT per annum.
2. Introduced a new product - "**BSRM Maxima**"
3. Capacity of Bangladesh Steel Re-Rolling Mills increased from 120,000 MT to 540,000 MT per annum which is the first and largest merchant mill in Bangladesh.
4. Listing of Bangladesh Steel Re-Rolling Mills Limited with the stock exchanges (DSE & CSE).

2016-17

1. For first time in the history of BSRM Group, sales of MS Products has crossed one million M. ton in the year of 2016.
2. BSRM Steel Mills Limited, a largest billet making plant in the country started commercial production in June 2016.
3. **BSRM Ultima** -a landmark innovation of BSRM is introduced first time in Bangladesh.
4. EPOXY coated bars for corrosion free structure -**CENTURA** is introduced.

2018-19

BSRM Steels Limited has commenced another melting plant for producing MS billet on April 16, 2019. The capacity of the plant is 430,000 M. Ton which is situated at Sonapahar, Mirsharai, Chattogram.

WHAT'S NEXT?

A state-of-the-art Galvanized Iron (GI) wire, LRPC wire, Welding Electrode and CO2 wire manufacturing plant in the name of BSRM Wires Limited is under construction.

HELPING THE DIFFERENTLY ABLED

The Center for the Rehabilitation for the Paralyzed (CRP) works with the aim of establishing equal opportunities, rights and participation for people with disabilities.

BSRM became associated with CRP to support children with special needs.

BSRM and CRP jointly provide training and arrange employment to the disabled for a better and safer life.



ACCOLADES FOR BSRM GROUP OF COMPANIES

QUALITY EXCELLENCE AWARD



National Productivity and Quality Excellence Award 2017

NATIONAL EXPORT AWARD



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

BEST BRAND AWARD



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

PRESIDENT'S AWARD



President's Award for Industrial Development 2014

HIGHEST TAX PAYER AWARD



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

ACCOLADES FOR BSRM GROUP OF COMPANIES

ICSB NATIONAL AWARD



ICSB National Award, Gold 2015

ICAB NATIONAL AWARD



16th ICAB National Award for
Best Presented Annual Report 2015

ICSB NATIONAL AWARD



Certificate of ICSB National Award 2015

SAFA AWARD



Certificate of Merit from SAFA 2015

ICAB NATIONAL AWARD



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

ACCOLADES FOR BSRM GROUP OF COMPANIES

ENVIRONMENT AWARD



Divisional Environment Award 2013

CONSUMER AWARD



Best Electricity Consumer Award 2015

CSR AWARD



5th Standard Chartered-Financial Express
CSR Award 2014

EXCELLENCE AWARD



Mercantile Bank Excellence Award 2015

BEST ENTERPRISE AWARD



Best Enterprise of the year 2010

JBCCI AWARD



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

CORPORATE AND CONTACT INFORMATION

COMPANY NAME

Bangladesh Steel Re-Rolling Mills Limited

DATE OF INCORPORATION

28th December, 1960

DATE OF COMMERCIAL OPERATION

1961

SHARE CAPITAL

Authorized capital

BD Tk. 500.00 Crore

Paid Up Capital

BD Tk. 236.07 Crore

BORAD OF DIRECTORS

Mr. Alihussain Akberali FCA, **Chairman**

Mr. Aameir Alihussain, **Managing Director**

Mr. Zohair Taherali, **Director**

Mrs. Sabeen Aameir, **Director**

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

COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA

AUDIT COMMITTEE

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

Mr. Aameir Alihussain, **Member**

Mr. Zohair Taherali, **Member**

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

NOMINATION & REMUNERATION COMMITTEE (NRC)

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

Mr. Aameir Alihussain, **Member**

Mrs. Sabeen Aameir, **Member**

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

MANAGEMENT COMMITTEE

Tapan Sengupta, **Deputy Managing Director**

Kazi Anwar Ahmed, **GM Corporate Affairs & Dhaka Corporate Office**

Shekhar Ranjan Kar FCA, **GM Finance & Accounts and Company Secretary**

Sunil Kumar Das, **General Manager India Office**

Jamil Ahmed, **General Manager Human Resources**

Mohammad Imtiaz Uddin Chowdhury, **DGM Sales & Marketing**

Sanjoy Kumar Ghosh, **Senior Manager Supply Chain Management**

AUDITOR

Rahman Rahman Huq

Chartered Accountants

MM Trade Center (13th Floor) 78, Agrabad C/A, Chattogram.

LOCATIONS

CORPORATE OFFICE

Ali Mansion, 1207/1099 Sadarghat Road,

Chattogram, Bangladesh.

Tel: +880 31 2854901-10, Web: www.bsrm.com

PLANT

Re-Rolling Unit: 147-149, Nasirabad I/A,

Baizid Bostami Road, Chattogram.

Tel: +88 031 683053, 683164, 683094

Steel Melting Works Unit: 78/79, Nasirabad I/A,

Baizid Bostami Road, Chattogram.

Tel: +88 031 681487, 683536

OVERSEAS OFFICE

Hong Kong Office:

BSRM (Hong Kong) Limited

Suite-9, 29th Floor, Pacific Plaza, 410,

Des Voeux Road West, Hong Kong.

Kolkata, India:

Block B, 12th Floor, Shantiniketan Building, 8 Camac Street,

Kolkata-700017, Tel:033-65290455, Fax: 033-24633378.

Agartala, India:

Khejurbagan (New-Capital Complex)

Ward No-2, House NO- 020851 PO: Kathalbagan,

PS: New Capital Complex, West Tripura, India.

CORPORATE AND CONTACT INFORMATION

DHAKA CORPORATE OFFICE

Nasir Uddin Tower, 4th Floor
Bir Uttam Samsul Alam Road, 104/1 Kakrail,
Dhaka-1000. Tel: +88 02 8300591-95
Fax: +88 02 8300590, Email: dhaka@bsrm.com

UTTARA OFFICE

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

REGIONAL OFFICES

Sylhet

Jhornar Par Road, Kumar Para, Sylhet.
Tel: 0821-721239, 01714080514
Fax: 0821-2832751
Email: sylhet@bsrm.com

Bogura

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

Cumilla

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

Khulna

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

Barishal

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

Narayangonj

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

Rajshahi

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

Rangpur

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

Benapole

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

Mirsharai

Sonaphar, Zorargonj, Mirsarai, Chattogram.
Tel: 01714-084358.

Mymensingh

Dag No 109, Mouja-Chorkhai, Jamtali, Charkhai Sadar,
Mymensingh. Tel: 0177-7764600

Cox's Bazar

S.K Tower, 2nd floor, Taraboinarchora Khurushkul Road,
Coxs bazar. Tel: 01730-014986

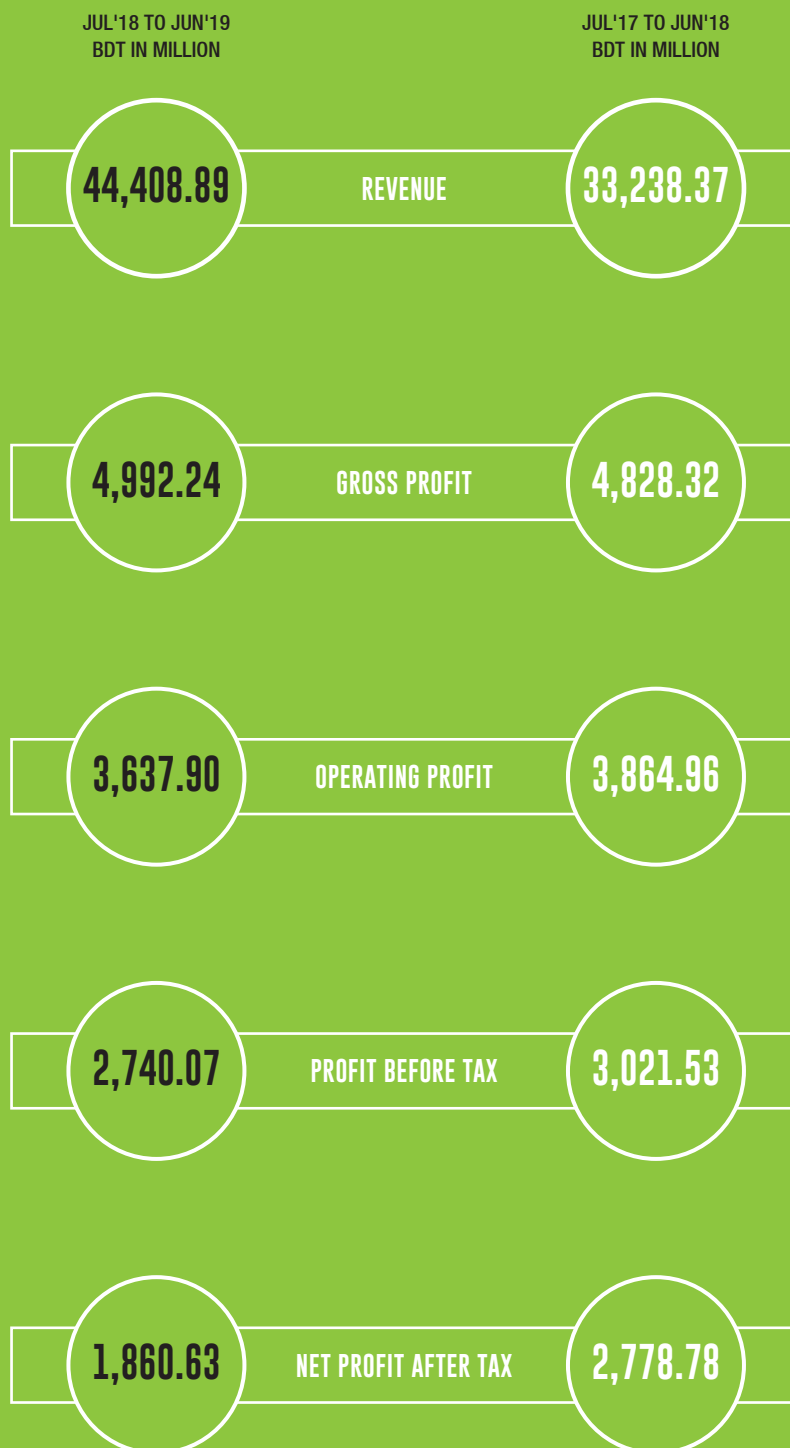
Gazipur

Bagdad Tanzania Tower, 3rd Floor, Tangail Road,
Chandona Chowrasta, Gazipur
Mobile: 01714-105052, 01755-545711

Narshingdi

Ripon Tower (1st Floor)
House # 492, Titas Gas Office Road, Chinishpur, Narsingdi.
Mobile: 01713-108206

PERFORMANCE AT A GLANCE



EARNINGS PER SHARE

JUL'18 TO JUN'19
BD TK/SHARE

7.88

JUL'17 TO JUN'18
BD TK/SHARE

11.77

NAV PER SHARE

JUL'18 TO JUN'19
BD TK/SHARE

97.46

JUL'17 TO JUN'18
BD TK/SHARE

63.70

NOCF PER SHARE

JUL'18 TO JUN'19
BD TK/SHARE

2.81

JUL'17 TO JUN'18
BD TK/SHARE

(8.78)

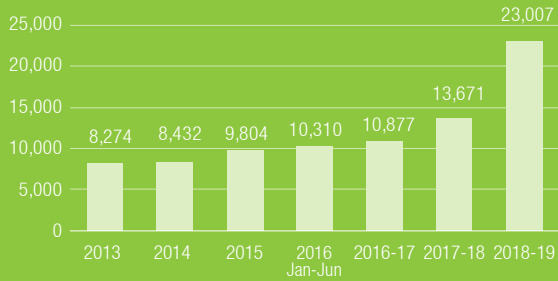
KEY FINANCIAL HIGHLIGHTS

Taka in Million

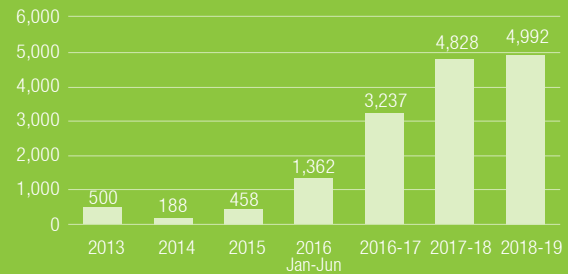
Particulars	2018-19	2017-18	2016-17	2016 Jan-Jun	2015	2014	2013
Assets Employed							
Non- Current Assets	28,711.60	19,869.20	19,451.03	18,507.25	18,165.60	12,602.28	10,874.29
Net Current Assets	958.70	764.53	(5,007.24)	(3,647.94)	(3,224.78)	833.99	(122.26)
Total Assets Employed	29,670.30	20,633.72	14,443.79	14,859.31	14,940.82	13,436.27	10,752.03
Financed by							
Share Capital	2,360.68	2,146.07	1,950.98	1,950.98	1,773.62	1,558.51	1,558.51
Share Premium	511.97	511.97	511.97	511.97	511.97	-	-
Revaluation Reserve	12,151.48	3,974.79	4,019.43	4,067.38	4,078.45	4,156.48	4,131.54
General Reserve & Others	30.17	75.83	75.83	75.83	75.83	75.83	30.17
Retained Earnings	7,953.07	6,962.74	4,318.59	3,703.63	3,363.80	2,640.98	2,553.64
Shareholder's Equity	23,007.37	13,671.41	10,876.80	10,309.79	9,803.67	8,431.80	8,273.86
Long Term Borrowings	3,871.52	5,442.34	2,077.99	3,272.58	4,167.99	4,056.00	1,406.18
Defined Benefit obligations - Gratuity	231.91	196.16	157.13	142.43	128.57	120.00	.00
Deferred Tax Liability	2,559.50	1,323.81	1,331.86	1,134.51	840.59	828.47	1,071.99
Total Capital Employed	29,670.30	20,633.72	14,443.79	14,859.31	14,940.82	13,436.27	10,752.03
Operational Results							
Revenue	44,408.89	33,238.37	23,648.93	9,713.86	7,801.98	8,049.89	8,602.42
Gross Profit	4,992.24	4,828.32	3,236.93	1,362.03	458.01	188.25	500.09
Profit from Operation	3,637.90	3,864.96	2,571.90	1,057.78	207.15	(66.17)	284.99
Profit before Interest, Taxes & Depreciation Allowances	5,437.66	5,704.00	3,465.31	1,807.55	1,771.83	737.85	1,822.44
Profit before Tax	2,740.07	3,021.53	1,197.26	893.74	936.59	6.09	1,300.09
Profit after Tax	1,860.63	2,778.78	756.52	588.65	827.67	109.09	943.82
Ratios							
Gross Profit Ratio - %	11.24%	14.53%	13.69%	14.02%	5.87%	2.34%	5.81%
Net Profit Ratio - %	4.19%	8.36%	3.20%	6.06%	10.61%	1.36%	10.97%
EBITDA margin to Sales - %	12.24%	17.16%	14.65%	18.61%	22.71%	9.17%	21.19%
Return on Shareholders Equity - %	8.09%	20.33%	6.96%	5.71%	8.44%	1.29%	11.41%
Return on Capital Employed - %	6.27%	13.47%	5.24%	3.96%	5.54%	0.81%	8.78%
Current Ratio - Times	1.04	1.04	0.75	0.78	0.73	1.09	0.99
Quick/Acid test Ratio - Times	0.33	0.34	0.28	0.35	0.31	0.71	0.43
Inventory Turnover Ratio - Times	2.66	2.11	2.43	1.35	1.71	1.67	1.52
Total Assets Turnover Ratio - Times	0.85	0.83	0.68	0.31	0.29	0.35	0.40
Earning Per Share (EPS) - Taka	7.88	11.77	3.53	3.02	4.78	0.70	6.06
Price/ Earning (PE) Ratio - Times	9.00	8.33	38.13	48.94	27.53	-	-
Price/ Equity Ratio - Times	7.09	9.80	13.46	14.78	13.16	-	-
Dividend Per Share (DPS) - Taka	2.50	2.00	2.00	-	1.50	1.00	-
Dividend Pay out Ratio	0.32	0.17	0.57	-	0.31	1.43	-
Dividend Cover Ratio	3.15	6.47	1.94	-	3.11	0.70	-
Net Assets Value Per Share (NAV) -Taka	97.46	63.70	55.75	52.84	55.28	54.10	53.09
Net Operating Cash Flow Per Share - Taka	2.81	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)	0.53
Debt Equity Ratio - Times	1.28	1.92	2.18	2.08	1.75	1.70	1.57
Interest Coverage Ratio	2.26	2.47	1.64	2.48	2.36	1.42	5.92
Market Price Per Share - Taka	70.90	98.00	134.60	147.80	131.60	-	-
Market Capitalization - (Taka Million)	16,737.00	21,031.53	26,260.15	28,835.44	23,340.78	-	-
Contribution to National Exchequer (Taka Million)	3,109.00	3,274.91	3,638.74	1,867.95	1,644.59	1,183.52	1,167.70
Average Number of Employees	1,280	922	887	863	816	749	718

KEY PERFORMANCE INDICATOR

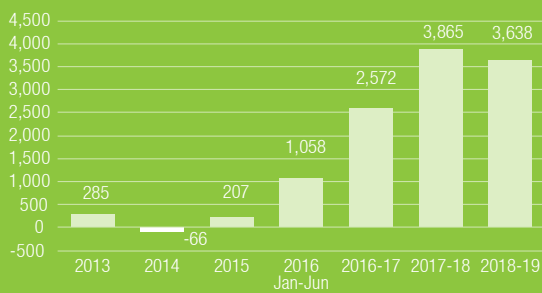
Shares Holder's Equity (Taka in Million)



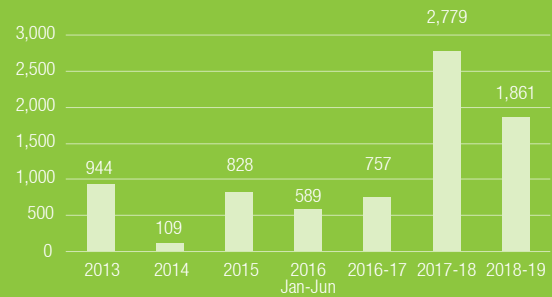
Gross Profit (Taka in Million)



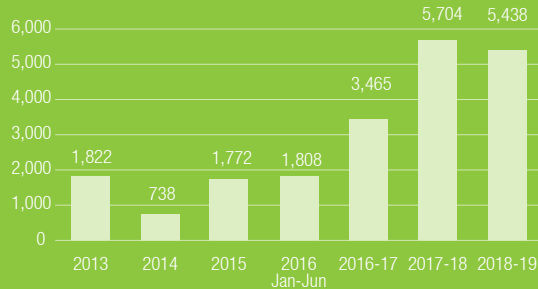
Operating Profit (Taka in Million)



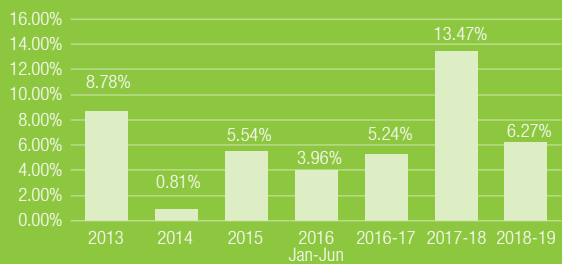
Net Profit After Tax (Taka in Million)



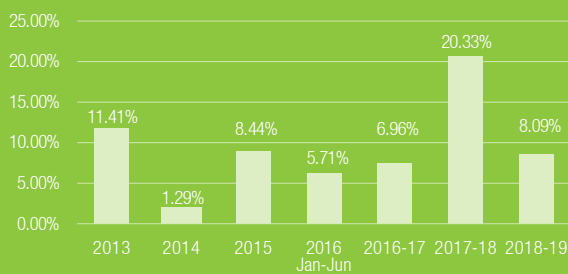
EBITDA (Taka in Million)



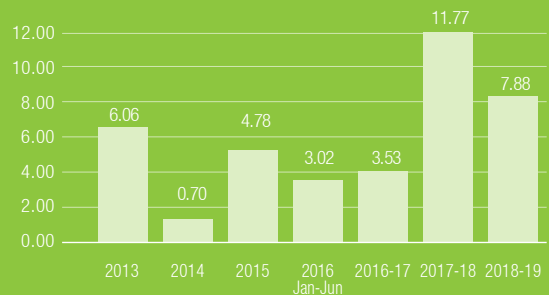
Return On Capital Employed



Return on Shareholders' Equity

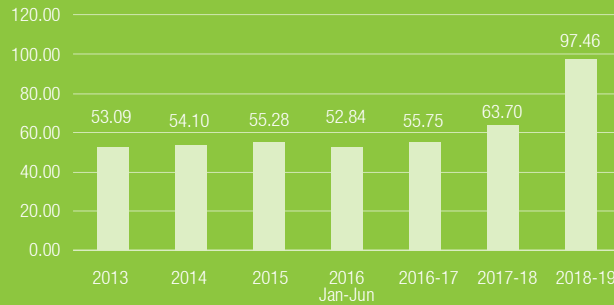


Earning Per Share (Taka)

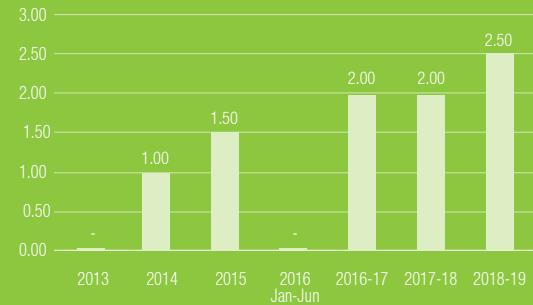


KEY PERFORMANCE INDICATOR

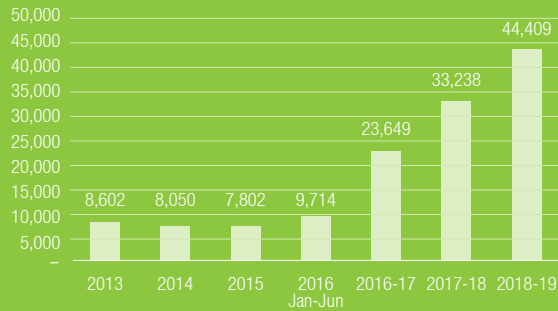
Net Assets Value Per Share (In Taka)



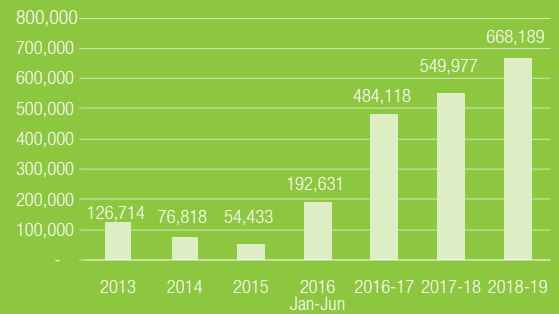
Dividend Per Share (In Taka)



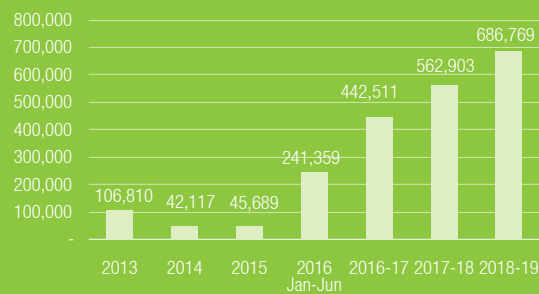
Turnover/Sales (Taka in Million)



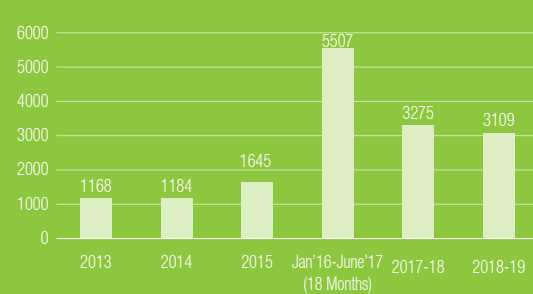
Sales (QTY in MT)



Production (QTY in MT)



Contribution to National Exchequer (Taka in Million)



VALUE ADDED STATEMENT

Value Added:

Revenue

Other Income

Less : Paid to suppliers for materials and services

Distributed as follows:

EMPLOYEES

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

PROVIDERS OF FINANCE

GOVERNMENT

DIVIDEND

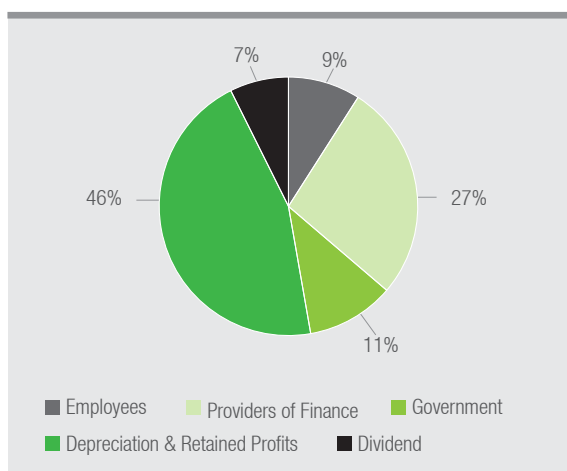
RETAINED FOR REINVESTMENT & FUTURE GROWTH

Depreciation & Amortization

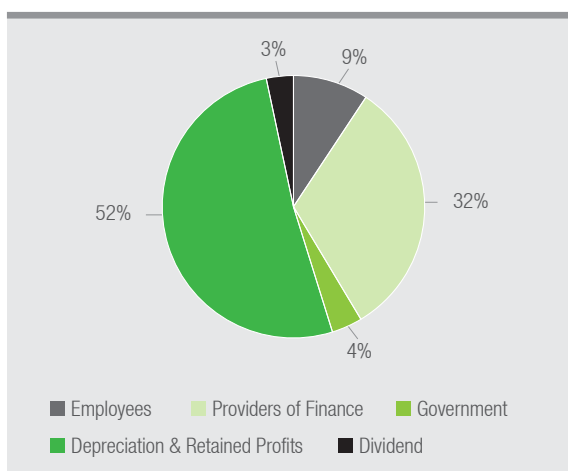
Retained Profit

Jul'18-Jun'19 TK	%	Jul'17- Jun'18 TK	%
44,408,886,970		33,238,371,404	
2,993,777,733		257,938,369	
47,402,664,703		33,496,309,773	
39,397,333,142		27,082,865,486	
8,005,331,561	100	6,413,444,287	100
724,163,545	9.05	596,932,481	9.31
2,178,030,884	27.21	2,058,370,269	32.09
879,430,637	10.99	242,754,851	3.79
590,170,590	7.36	214,607,488	3.34
4,371,795,656	54.61	3,112,665,089	48.53
694,360,594	8.67	735,660,842	11.47
2,939,175,311	36.72	2,565,118,356	40.00
3,633,535,905	45.39	3,300,779,198	51.47
8,005,331,561	100.00	6,413,444,287	100

2018-19



2017-18



PRODUCTS & MARKETS

BSRMLTD is the country's first and only merchant rolling mill capable of rolling construction reinforcing steel in diameters from 8mm to 50mm. The steel bars all conform to the U.K. Standard BS 4449 grade 500C and the national standard BDS ISO 6935-2 Grade 500CWR. The bars from 8mm to 20mm are used for general purpose construction of residential and commercial buildings. Higher diameters from 25mm to 50mm are used in high rise buildings and bridge piers.

**BAR
BUNDLE
STACKS**



**ANGLES
BUNDLE
STACKS**



It also manufactures structural steel such as Angles in sizes from 25mmx25mmx3mm to 100mmx100mmx12mm and Channels 75mmx40mmx5mm to 125mmx65mmx8mm. The Angles and Channels conform to the national standard BDS ISO 630 Grade 345 and U.S. standard ASTM 572 Grade 50. Angles are used in trusses of factory buildings, telecommunication towers and power transmission towers. Channels are used in the fabrication of truck and trailer bodies and in the construction of steel buildings.

Both the BSRM products enjoy a high degree of acceptance among customers due to the high quality of the products and excellent delivery services. The products are distributed through an elaborate chain of BSRM Dealers in divisional towns and cities of the country.

In 2016 BSRM launched a new product known as Centura, which is an Epoxy Coated Reinforcing (ECR). This coated bar is for use in the construction of infrastructures and buildings in the coastal zones of the country. It is a well known fact, saline water rapidly corrodes steel. Concrete structures designed to last 50 year rapidly deteriorate in under 10 years. ECR can easily combat this corrosion by providing an inert layer of epoxy film which is completely impervious to chloride ion penetration.



New Products & Services:

A) XTREME B500DWR:

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

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

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

FEATURES OF XTREME B500DWR:

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

B) BSRM FAST BUILD SERVICE CENTRE:

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

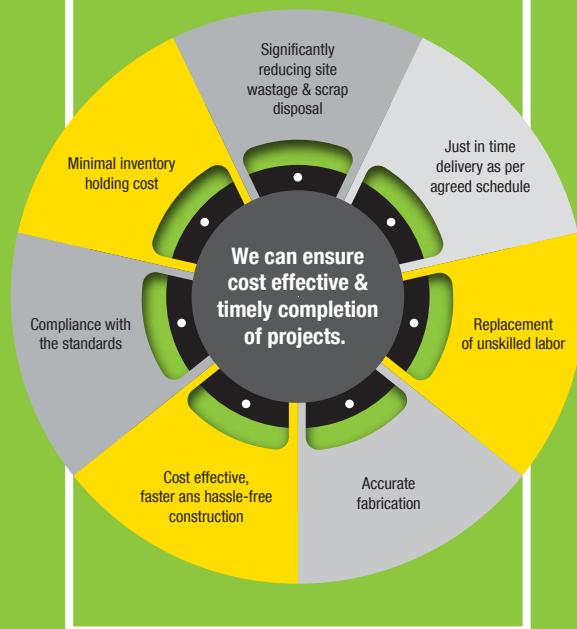
BSRM Fast Build strongly follows the Bangladesh National Building Code and ACI to deliver all these customized rebar solutions. The main purpose of this service is to provide simplified rebar solutions by ensuring compliance with regulations, safe & cost effectiveness.

The Benefits of BSRM Fast Build Service Center:

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



BENEFITS OF BSRM FAST BUILD CUT & BEND SERVICE



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

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

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

Mr. Aameir Alihussain
**MANAGING
DIRECTOR**

Mrs. Sabeen Aameir
DIRECTOR

Mr. Alihussain Akberali FCA
CHAIRMAN

Mr. Zohair Taherali
DIRECTOR

Mr. Mono Ranjan Dey FCA
**INDEPENDENT
DIRECTOR**



BOARD OF DIRECTORS



MR. ALIHUSSAIN AKBERALI FCA
CHAIRMAN

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

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

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

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



MR. AAMEIR ALIHUSSAIN
MANAGING DIRECTOR

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

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

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

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

BOARD OF DIRECTORS



MR. ZOHAIR TAHERALI
DIRECTOR

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

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

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



MR. MONO RANJAN DEY FCA
INDEPENDENT DIRECTOR

Mr. Mono Ranjan Dey FCA is a Qualified Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB). He possesses 3 decades of experience in internal and external audit and assurance, developing internal control system, company related matters and taxation and VAT.

He is a Managing Partner of the reputed Chartered Accountancy firm MRH Dey & Co. He is the Chairman of the Audit Committee and Nomination & Remuneration Committee of the Company.



MRS. SABEEN AAMEIR
DIRECTOR

Mrs. Sabeen Aameir, an MBA from LUMS University, has been directly involved in Administrative & Human Resource aspects of the company. She is also actively guiding the Corporate Social Responsibility (CSR) activities of the group.

As a member of the Board of Directors, she is applying her far-sighted thoughts to resolve the matters in the Board and also concentrating on the development of Human Resource Management 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	Mr. Mono Ranjan Dey FCA
BSRM Steels Limited	Chairman	Managing Director	Director	---	---
BSRM Wires Limited	Managing Director	Director	Chairman	---	---
BSRM Recycling Industries Limited	Managing Director	Director	Chairman	---	---
Chittagong Power Company Ltd.	Chairman & Managing Director	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	---	Independent 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	Chairman & Managing Director	Director	Director	---	---
Karnafully Engineering Works Limited	Chairman	Director	Managing Director	---	---
Section Steel Industries Limited	Managing Director	Chairman	---	---	---
Arco Industries Limited	Director	Director	Managing Director	---	---
BSRM (Hon Kong) Limited	---	Director	Director	---	---

SPREADING THE LIGHT OF EDUCATION IN SLUM

Burhani BSRM School was established in 2006 in a densely populated slum area of Baizid Bustami, Chittagong to provide free education to underprivileged children. The school provides free education (Nursery to Grade 8), free books, extra coaching, computer training, sports arts facilities and uniforms. After passing grade 8, BSRM supports these students financially to continue their study in other schools for pursuing higher education. At present the school has 516 students. BSRM Foundation also provides stipend to scholar students for graduation and extends its hand for employment support.



ORGANOGRAM



KEY MANAGEMENT

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

ADVISERS

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

NOTICE OF THE 57TH ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of shareholders of **Bangladesh Steel Re-Rolling Mills Limited** will be held on **Thursday, December 19, 2019** at 12:00 PM at Shoronika Community Center, 13, Love Lane, Chattogram to transact the following business and to adopt necessary resolutions:

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

By order of the Board



Shekhar Ranjan Kar FCA

General Manager (F&A) and Company Secretary

Chattogram
November 07, 2019

Notes

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



**ALIHUSSAIN
AKBERALI FCA**
CHAIRMAN

LETTER FROM THE CHAIRMAN

“The future is of great opportunities, BSRM is ready to play significant role”

Dear Shareholders,

I am honored to welcome you to the 57th Annual General meeting of Bangladesh Steel Re-Rolling Mills Limited. It is my privilege to present the Annual Report for 2018-19 as the Chairman of the Board of the Company.

Bangladesh Steel Re-Rolling Mills Limited is one of the most iconic industries in the country. Being in business for over six decades, I humbly express my gratitude to all of whom who contributed to this epic journey.

The year 2018-2019 was a challenging one for us. Despite many internal and external challenges, we have significantly increased our productivity by upgrading technology and are constantly pushing our boundaries to become a cost efficient production plant in all aspects. This is to ensure our competitiveness and we don't lag behind.

The economic growth of Bangladesh has been epochal this year with an impressive 8.13% growth in GDP for the FY 2018-19. The Government has taken many confident decisions to increase the infrastructural development by undertaking a number of huge projects. From self-financed Padma Bridge to Metro-Rail project, the country is ready to enter the next era in infrastructural development. The government has also drawn up a master plan to establish 100 Economic Zones in the country to facilitate industrialization and attracting foreign investments. Steel industry is doubtlessly a significant contributor to the GDP growth. Now the installed capacity in the steel sector is 8 Million M. Ton and consumption is 7.5 Million M. Ton. The industry size is around Tk. 50,000 Crore (Ref: The Daily Star, April 28, 2019). BSRM has great opportunity to play a pioneering role in this regard.

This year, Bangladesh Steel Re-Rolling Mills Limited achieved a net profit of BDT 1,861 Million and a sales of BDT 44,408.90 Million which is 33.61% higher than last year. We have successfully produced 686,769 M. Ton which marked a 22 % increase over last year.

Our Associate and Subsidiary companies have also attained a new pinnacle of production and profitability that contributed significantly to our profit.

The Revenue of BSRM Steels Limited reached BDT. 61,060 Million, this year from BDT 48,289 Million last year. But due to high price of raw materials, Net profit after tax has slightly reduced to BDT 1,728.13 Million, this year from BDT 1800.80 Million, last year. The second melting plant of BSRM Steels Limited has started commercial production from April 15, 2019. This plant is capable of producing 430,000 M. Ton MS Billets

per annum. The billet producing subsidiary Company BSRM Steel Mills Limited has produced 913,241 M. Ton MS Billets which is the record production for the Company.

We have started operating in Hong Kong through another subsidiary company BSRM (Hong Kong) Limited. We have also set our footprint in Kenya as an investor and for a few years we are operating in Kolkata, India. To be specific, we are steadily stepping outside the border to attain global success.

This year we have contributed to the durability of coastal construction by selling our Epoxy Coated MS Rod 'BSRM Centura'. We have done and are still undertaking awareness programs on Earthquake safety and producing the safer steel 'BSRM Ultima' that are specially built to counter earthquake shocks. We have proudly been part of some of the massive national infrastructure projects namely Padma Bridge, Dhaka-Mawa 4 Lane project, Ruppur Nuclear Power plant, Meghna Bridge etc. All of these projects' managements have put their trusts on our steels for the safest possible construction.

We are continuing our socio economic footprint by actively participating in many Corporate Social Responsibility activities throughout the year. We are supporting Slum kids with free education through BSRM Burhani School in Chattogram. Our Medical center at Mirsharai - BSRM Foundation Medical & Diagnostic Center has been serving more than 2500 patients every year. We are training our unemployed young people through our training center – BSRM Technical Training center and also aiding them with job placements. Besides all these core activities, we are also working shoulder to shoulder with different local and foreign NGOs to help our society to build a better future.

I would like to express my special and humble gratitude to all the customers and shareholders for having faith in us. We are moving forward every single day. I believe with your support and trust, we are going to achieve greater heights in future.

I convey my special gratitude to all stakeholders of this company our employees, suppliers, regulatory bodies, financiers, bankers, auditors for their continuous support. I am confident that with your steadfast support BSRM will continue to achieve excellence in the coming years Insha Allah.

Allah Hafiz
Sincerely Yours



Alihussain Akberali, FCA
Chairman

চেয়ারম্যান-এর বার্তা

“আগামীর দিন অমিত সম্ভাবনাময়, গুরুত্বপূর্ণ ভূমিকা রাখতে বিএসআরএম প্রস্তুত”

প্রিয় শেয়ারহোল্ডারগণ,

বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেডের ৫৭তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগত জানাতে পেরে আমি সম্মানিত। ২০১৮-১৯ সালের বার্ষিক প্রতিবেদনটি কোম্পানির বোর্ডের চেয়ারম্যান হিসাবে উপস্থাপন করা আমার সৌভাগ্য।

বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড ছয় দশকেরও বেশি সময় ধরে এই দেশে ব্যবসা চালিয়ে যাচ্ছে এবং এটি দেশের অন্যতম খ্যাতনামা একটি প্রতিষ্ঠান, আমি এই সফলযাত্রায় যারা অবদান রেখেছেন তাদের সকলের প্রতি বিনীতভাবে কৃতজ্ঞতা প্রকাশ করছি।

২০১৮-২০১৯ সালটি আমাদের জন্য চ্যালেঞ্জিং ছিল। অনেক অভ্যন্তরীণ এবং বাহ্যিক চ্যালেঞ্জ সত্ত্বেও, আমরা প্রযুক্তিগত উন্নতি সাধনের মাধ্যমে আমাদের উৎপাদনক্ষমতা উল্লেখযোগ্যভাবে বৃদ্ধি করেছি এবং ক্রমাগত আমাদের সীমাবদ্ধতাগুলো কাটিয়ে ব্যয়-ব্যবস্থাপনায় দক্ষ একটি প্ল্যান্ট-এ পরিণত হচ্ছি। আমরা যেন প্রতিযোগিতায় পিছিয়ে না পড়ি তা এটা নিশ্চিত করবে।

২০১৮-১৯ অর্থবছরে বাংলাদেশের অর্থনৈতিক ব্যাপক উন্নতি হয়েছে যার প্রমাণ জিডিপিতে ৮.১৩% প্রবৃদ্ধি। সরকার অবকাঠামোগত উন্নয়ন বাড়াতে প্রচুর বড় প্রকল্প হাতে নিয়েছে। নিজস্ব-অর্থায়নে নির্মিতব্য পদ্মা সেতু থেকে মেট্রো-রেল প্রকল্প পর্যন্ত, অবকাঠামোগত উন্নয়নের নতুন যুগে প্রবেশের জন্য দেশ প্রস্তুত। শিল্পায়নে সহযোগিতা ও বিদেশী বিনিয়োগ আকৃষ্ট করার জন্য সরকার দেশে ১০০টি অর্থনৈতিক অঞ্চল প্রতিষ্ঠার একটি মাস্টার প্ল্যানও তৈরি করেছে। জিডিপি প্রবৃদ্ধিতে ইম্পাত শিল্প নিঃসন্দেহে একটি গুরুত্বপূর্ণ অবদানকারী। ইম্পাত খাতের বর্তমান উৎপাদনক্ষমতা ৮ মিলিয়ন মেট্রিক টন এবং ব্যবহার ৭.৫ মিলিয়ন মেট্রিক টন। শিল্পের আকার প্রায় ৫০,০০০ কোটি টাকা (রেফ: দি ডেইলি স্টার, এপ্রিল ২৮, ২০১৯)। বিএসআরএমের এক্ষেত্রে অগ্রণী ভূমিকা পালনের দুর্দান্ত সুযোগ রয়েছে।

এ বছর বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেডের অর্জিত নিট মুনাফা ১,৮৬১ মিলিয়ন টাকা এবং বিক্রয় হয়েছে ৪৪,৪০৮.৯০ মিলিয়ন টাকা যা গত বছরের তুলনায় ৩৩.৬১% বেশি। আমরা সফলভাবে ৬৮৬,৭৬৯ মেট্রিক টন উৎপাদন করেছি যা গত বছরের তুলনায় ২২% বেশি।

আমাদের সহযোগী ও সহায়ক কোম্পানিগুলিও উৎপাদন ও লাভজনকতার এক নতুন শিখর অর্জন করেছে যা আমাদের মুনাফায় উল্লেখযোগ্য অবদান রেখেছে।

বিএসআরএম স্টিলস লিমিটেড-এর আয় গত বছরের ৪৮,২৮৯ মিলিয়ন টাকা থেকে বেড়ে এ বছর ৬১,০৬০ মিলিয়ন টাকা হয়েছে। তবে কাঁচামালের দাম বেশি হওয়ায় কর পরবর্তী নিট মুনাফা কিছুটা কমেছে, যা গত বছর ছিল ১৮০০.৮০ মিলিয়ন টাকা তা এ বছর ১৭২৮.১৩ মিলিয়ন টাকায় নেমে এসেছে। বিএসআরএম স্টিলস লিমিটেড-এর দ্বিতীয় মেক্টিং প্ল্যান্ট গত ১৫ এপ্রিল, ২০১৯ থেকে বাণিজ্যিক উৎপাদন শুরু করেছে। এই প্ল্যান্ট বছরে ৪৩০,০০০ মেট্রিক টন এমএস বিলেট উৎপাদন করতে সক্ষম। বিলেট উৎপাদনকারী সাবসিডিয়ারি কোম্পানি, বিএসআরএম স্টিল মিলস লিমিটেড, ৯১৩,২৪১ মেট্রিক টন এমএস বিলেট উৎপাদন করেছে যা এই কোম্পানির রেকর্ড উৎপাদন।

আমরা আরেকটি সাবসিডিয়ারি কোম্পানি বিএসআরএম (হংকং) লিমিটেডের মাধ্যমে হংকংয়ে ব্যবসা শুরু করেছি। ইতিমধ্যে আমরা কেনিয়াতে বিনিয়োগ করেছি এবং কয়েক বছর ধরে আমরা ভারতেও ব্যবসার কার্যক্রম অব্যাহত রেখেছি। সুনির্দিষ্টভাবে বলতে গেলে, আমরা বৈশ্বিক সাফল্য অর্জনের জন্য সীমানার বাইরে পা রাখছি।

এই বছর আমরা আমাদের ইপোক্সি-কোটেড এমএস রড ‘বিএসআরএম সেঞ্চুরা’ বিক্রি করে উপকূলীয় নির্মাণের স্থায়ীতে অবদান রেখেছি। আমরা ভূমিকম্পে সুরক্ষা নিয়ে সচেতনতা বাড়াতে কাজ করে যাচ্ছি এবং ভূমিকম্প সহনীয় নিরাপদ ইম্পাত ‘বিএসআরএম আর্লিটমা’ উৎপাদন করছি। আমরা বেশ কয়েকটি বিশাল জাতীয় অবকাঠামোগত প্রকল্প, যেমন: পদ্মা সেতু, ঢাকা-মাওয়া ৪ লেন প্রকল্প, রূপপুর পারমাণবিক বিদ্যুৎকেন্দ্র, মেঘনা সেতু ইত্যাদিতে অবদান রাখতে পেরে গর্বিত। সবচেয়ে নিরাপদ নির্মাণের সম্ভাবনা নিশ্চিত করতে এই প্রকল্পগুলির পরিচালকবৃন্দ আমাদের ইম্পাতের উপর তাদের আস্থা রেখেছেন।

চেয়ারম্যান-এর বার্তা

আমরা বছরজুড়ে নানা কর্পোরেট সামাজিক দায়বদ্ধতার ক্রিয়াকলাপের সাথে সক্রিয়ভাবে অংশগ্রহণ করে আমাদের আর্থ-সামাজিক ছাপ রেখে যাচ্ছি। আমরা চট্টগ্রামের বিএসআরএম বুরহানী স্কুলের মাধ্যমে বস্তির শিশুদের বিনামূল্যে শিক্ষা দানে সহায়তা করছি। মিরসরাইয়ে আমাদের মেডিকেল সেন্টার - বিএসআরএম ফাউন্ডেশন মেডিকেল অ্যান্ড ডায়াগনস্টিক সেন্টার প্রতিবছর ২৫০০ এরও বেশি রোগীকে সেবা দিচ্ছে। আমরা আমাদের বেকার যুবকদেরকে আমাদের প্রশিক্ষণ কেন্দ্র-বিএসআরএম টেকনিক্যাল ট্রেনিং সেন্টারের মাধ্যমে প্রশিক্ষণ দিচ্ছি এবং তাদের চাকরি পেতে সহায়তা করছি। এই সমস্ত মৌলিক ক্রিয়াকলাপের পাশাপাশি আমরা আমাদের দেশের জন্য আরও উন্নত ভবিষ্যৎ গড়ে তুলতে বিভিন্ন দেশী এবং বিদেশী এনজিওর সাথে কাঁধে কাঁধ মিলিয়ে কাজ করছি।

আমাদের প্রতি বিশ্বাস রাখার জন্য আমি সকল গ্রাহক এবং শেয়ারহোল্ডারের প্রতি আমার বিশেষ এবং নম্র কৃতজ্ঞতা প্রকাশ করতে চাই। আমরা প্রতিদিন এগিয়ে চলেছি। আমি মনে করি আপনাদের সমর্থন এবং বিশ্বাসের জোরে আমরা ভবিষ্যতে আরও উন্নতি করব। আমি এই কোম্পানির সকল স্টেকহোল্ডার, কর্মচারী, সরবরাহকারী, নিয়ন্ত্রক সংস্থা, ফিন্যান্সার্স, ব্যাংকারস,

অডিটরদের কাছে তাদের অবিচ্ছিন্ন সহায়তার জন্য বিশেষ কৃতজ্ঞতা জানাই।

আমার বিশ্বাস আপনাদের অবিচল সমর্থনের কারণে বিএসআরএম আগামী বছরগুলিতেও শ্রেষ্ঠত্ব অর্জন করতে থাকবে, ইনশাআল্লাহ।

আল্লাহ হাফিজ

আন্তরিকভাবে আপনাদের,



আলিহোসাইন আকবরআলী এফসিএ
চেয়ারম্যান

A professional headshot of Aameir Ali Hussain, a middle-aged man with dark hair, wearing a dark suit, white shirt, and a patterned tie. The portrait is framed by a large, light green circular arc. In the top right corner, there is a dark blue circular badge containing his name and title in white text.

**AAMEIR
ALIHUSSAIN**
MANAGING DIRECTOR

MESSAGE FROM THE MANAGING DIRECTOR

“BSRM is actively taking part in massive transition of our Economy”

Dear Shareholders,

I humbly welcome you all to the 57th Annual General Meeting of Bangladesh Steel Re-Rolling Mills Limited. It is my immense pleasure to present you with the operational and financial highlights of Bangladesh Steel Re-Rolling Mills Limited for the year ended in June 2019. As per the guideline of BSEC, we have uploaded our annual report in our web site www.bsrm.com. I believe all of you have seen it already.

Operating Performance:

Our operating performance of this year was one of the most satisfactory achievements for us so far. For the year 2018-19, we have attained a new heights of production of 686,769 M. Ton which is 22% higher than the last year's production. Our MS billet production from the melting unit has also seen a successful increase this year securing a smooth supply of raw materials for our rolling unit.

We are standing right now on a verge of greater economic transition. The GDP growth of Bangladesh Economy for the FY 2018-19 has reached a historical figure of 8.13%. This shows how actively and quickly the country is moving forward with economic development. It has never seen such a pace of development since the inception of this country. This indicates the future is going to be even more challenging and of greater opportunities. Being a leader of the steel industry, BSRM is confident of playing an active and impactful role in this greater transition of our economy.

I, on behalf of the board, would like to express my sincere gratitude to all the customers who have made BSRM the ultimate steel of our country. Had it not been for your choice, we would not have been where we are today.

A glimpse of our operating and financial performance is appended below for your review:

		July to June, 2019	July to June, 2018	July to June, 2017
Production of MS Finished products	M. Ton	686,769	562,903	442,511
Sales MS Finished products	M. Ton	666,236	549,955	503,705
Production of MS Billets	M. Ton	174,660	150,331	152,702
Sales in Amount	Tk.	44,408,886,970	33,238,371,404	23,648,933,383
Cost of Goods Sold	Tk.	39,416,646,035	28,410,052,631	20,411,999,681
Gross Profit (GP)	Tk.	4,992,240,935	4,828,318,773	3,236,933,702
Gross Profit %	%	11.24%	14.53%	13.69%
Net Profit (NP) after Tax	Tk.	1,860,634,923	2,778,779,562	756,515,074
Net Profit %	%	4.19%	8.36%	3.20%
EPS	Tk.	7.88	11.77	3.53
Net Assets Value (NAV)	Tk.	23,007,371,996	13,671,408,540	10,876,800,965
NAV Per Share	Tk.	97.46	63.70	55.75
Net Operating Cash Flow Per Share	Tk.	2.81	(8.78)	(11.38)

I am happy to report that the company has generated positive cash flow of Tk. 2.81 per share this year.

You are already informed that your Company is holding 44.97% shares in BSRM Steel Mills Limited which is supplying a major portion of billets to the Company. If the BSRM Steel Mills Limited is merged with Bangladesh Steel Re-Rolling Mills Limited then it will be convenient to formulate long term strategic plans, operate both the mills with optimum capacity, efficiency and reduce the complexity of taxation and other regulatory issues. The liquidity position will be better and the interest cost burden will also be reduced. Hence, we have decided to merge BSRM Steel Mills Limited with Bangladesh Steel Re-Rolling Mills Limited subject to the consent from shareholders and approval from the Honorable High Court Division of the Supreme Court of Bangladesh.

I would like to express my humble thanks to all our shareholders, valued financier & bankers, Regulatory bodies, Bangladesh Securities and Exchange Commission, CSE & DSE, National Board of Revenue for their tireless support and cooperation.

I am pretty sure your kind support and association will fuel our productivity, profitability, and prosperity at a greater level in the near future.

Thank You



Aameir Alihussain
Managing Director

ব্যবস্থাপনা পরিচালক-এর বার্তা

“আমাদের অর্থনীতির দুর্দান্ত পালাবদলে সক্রিয় অবদান রাখছে বিএসআরএম”

প্রিয় শেয়ারহোল্ডারবৃন্দ,
বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর ৫৭তম বার্ষিক সাধারণ সভায় আমি আনন্দের সাথে আপনাদের সবাইকে স্বাগত জানাচ্ছি। বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর ২০১৯ সালের জুনে সমাপ্ত বছরের উৎপাদন এবং আর্থিক কার্যক্রমের উল্লেখযোগ্য দিকগুলো আপনাদের সামনে উপস্থাপন করতে পেরে আমি অত্যন্ত আনন্দিত। বিএসইসি-এর নিয়মানুসারে আমরা আমাদের বার্ষিক প্রতিবেদন www.bsrm.com - এই ওয়েব সাইটে আপলোড করেছি। আমি মনে করি আপনারা এরই মধ্যে আমাদের বার্ষিক প্রতিবেদনটি দেখেছেন।

অপারেটিং পারফরম্যান্স:

আমাদের এই বছরের অপারেটিং পারফরম্যান্স আমাদের জন্য এখন পর্যন্ত সবচেয়ে সন্তোষজনক অর্জনগুলোর মধ্যে একটি। ২০১৮-১৯ অর্থবছরে আমরা ৬৮৬,৭৬৯ মেট্রিক টন উৎপাদন করেছি যা গত বছরের তুলনায় ২২% বেশি। আমাদের মেল্টিং ইউনিটে এবছর এম এস বিলেট উৎপাদন বেশ বৃদ্ধি পেয়েছে। ফলে রোলিং ইউনিটে নিরবচ্ছিন্ন কাঁচামাল সরবরাহ নিশ্চিত করা গেছে।

আমি আপনাদের জানাতে পেরে খুবই খুশি যে, কোম্পানিতে এ বছর শেয়ার প্রতি ২.৮১ টাকার নগদ অর্থের ইতিবাচক প্রবাহ হয়েছে।

আপনাদেরকে ইতিমধ্যে অবহিত করা হয়েছে যে, আপনাদের কোম্পানির বিএসআরএম স্টিল মিলস লিমিটেড-এ ৪৪.৯৭% শেয়ার রয়েছে যা কোম্পানিকে বড় মাত্রায় বিলেট সরবরাহ করেছে। বিএসআরএম স্টিল মিলস লিমিটেডকে বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর সাথে একীভূত করা হলে দীর্ঘমেয়াদী কৌশলগত পরিকল্পনা প্রণয়ন সহজ হবে, সর্বোত্তম উৎপাদনক্ষমতা ও দক্ষতা সহকারে উভয় মিলকে পরিচালনা করা যাবে এবং কর এবং অন্যান্য আইনি সমস্যাগুলির জটিলতা হ্রাস পাবে। তারল্য অবস্থান আরও ভাল হবে এবং সুদের ব্যয়ের বোঝাও হ্রাস পাবে। সেহেতু, আমরা বিএসআরএম স্টিল মিলস লিমিটেডকে বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর সাথে, অংশীদারদের সম্মতি এবং বাংলাদেশের সুপ্রিম কোর্টের মাননীয় হাইকোর্ট বিভাগের অনুমোদন সাপেক্ষে, একীভূত করার সিদ্ধান্ত নিয়েছি।

আমাদের অপারেটিং এবং আর্থিক পারফরম্যান্সের একটি নমুনা আপনাদের পর্যালোচনার জন্য নীচে সংযুক্ত করা হয়েছে:

		জুলাই ১৮ থেকে জুন ১৯	জুলাই ১৭ থেকে জুন ১৮	জুলাই ১৬ থেকে জুন ১৭
এমএস পণ্যের উৎপাদন	মেট্রিক টন	৬৮৬,৭৬৯	৫৬২,৯০৩	৪৪২,৫১১
উৎপাদিত এমএস পণ্যের বিক্রয়	মেট্রিক টন	৬৬৬,২৩৬	৫৪৯,৯৫৫	৫০৩,৭০৫
এমএস বিলেট-এর উৎপাদন	মেট্রিক টন	১৭৪,৬৬০	১৫০,৩৩১	১৫২,৭০২
বিক্রয়ের পরিমাণ	টাকা	৪৪,৪০৮,৮৮৬,৯৭০	৩৩,২৩৮,৩৭১,৪০৪	২৩,৬৪৮,৯৩৩,৩৮৩
বিক্রিত পণ্যের ব্যয়	টাকা	৩৯,৪১৬,৬৪৬,০৩৫	২৮,৪১০,০৫২,৬৩১	২০,৪১১,৯৯৯,৬৮১
মোট লাভ (জিপি)	টাকা	৪,৯৯২,২৪০,৯৩৫	৪,৮২৮,৩১৮,৭৭৩	৩,২৩৬,৯৩৩,৭০২
মোট লাভ %	%	১১.২৪%	১৪.৫৩%	১৩.৬৯%
করের পরে নিট মুনাফা (এনপি)	টাকা	১,৮৬০,৬৩৪,৯২৩	২,৭৭৮,৭৭৯,৫৬২	৭৫৫,৫১৫,০৭৪
নিট মুনাফা %	%	৪.১৯%	৮.৩৬%	৩.২০%
ইপিএস	টাকা	৭.৮৮	১১.৭৭	৩.৫৩
নিট সম্পদের মূল্য (এনএভি)	টাকা	২৩,০০৭,৩৭১,৯৯৬	১৩,৬৭১,৪০৮,৫৪০	১০,৮৭৬,৮০০,৯৬৫
শেয়ার প্রতি এনএভি	টাকা	৯৭.৪৬	৬৩.৭০	৫৫.৭৫
শেয়ার প্রতি নিট অপারেটিং নগদ প্রবাহ	টাকা	২.৮১	(৮.৭৮)	(১১.৩৮)

ব্যবস্থাপনা পরিচালক-এর বার্তা

আমরা এখন বৃহত্তর অর্থনৈতিক প্রবৃদ্ধির দ্বারপ্রান্তে দাঁড়িয়ে আছি। ২০১৮-১৯ অর্থবছরে, ইতিহাসে প্রথমবারের মত, বাংলাদেশের অর্থনীতির জিডিপি প্রবৃদ্ধি ৮.১০% হয়েছে। এটি দেখায় যে দেশটি কতটা সক্রিয়ভাবে এবং দ্রুততার সাথে অর্থনৈতিক উন্নয়নের দিকে এগিয়ে চলেছে। এদেশের সূচনালগ্ন থেকে এ পর্যন্ত কখনও এ ধরনের উন্নয়নের গতি দেখা যায়নি। এ থেকে বোঝা যায় ভবিষ্যৎ আরও চ্যালেঞ্জ ও বৃহত্তর সুযোগ নিয়ে আসছে। ইম্পাত শিল্পের নেতৃত্বে থাকার কারণে, বিএসআরএম আমাদের অর্থনীতির বৃহত্তর পালাবদলে সক্রিয় ও কার্যকর ভূমিকা নেওয়ার ব্যাপারে আত্মবিশ্বাসী।

আমি বোর্ডের পক্ষ থেকে, সকল গ্রাহকের প্রতি আন্তরিক কৃতজ্ঞতা জানাতে চাই কারণ তারা বিএসআরএম-কে দেশের চূড়ান্ত ইম্পাত হিসেবে গড়ে তুলেছে। আপনারা যদি না চাইতেন তবে আমরা কখনোই আজকের এই অবস্থানে আসতে পারতাম না।

আমি আমাদের সকল শেয়ারহোল্ডার, মূল্যবান ফিন্যান্সার ও ব্যাংকার, নিয়ন্ত্রক সংস্থা, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, সিএসই এবং ডিএসই, জাতীয় রাজস্ব বোর্ডের সকলকে তাদের অক্লান্ত সমর্থন ও সহযোগিতার জন্য বিনীতভাবে ধন্যবাদ জানাতে চাই।

আমি নিশ্চিত যে আপনারদের সমর্থন এবং সহযোগিতা নিকট ভবিষ্যতে আমাদের আরও বৃহত্তর পর্যায়ে উৎপাদনশীলতা, লাভজনকতা এবং সমৃদ্ধি বাড়িয়ে তুলতে সাহায্য করবে।

ধন্যবাদ,



আমীর আলিহোসাইন
ব্যবস্থাপনা পরিচালক

SAVING ENVIRONMENT THROUGH WATER RECYCLING

As part of the responsibility towards environment, BSRM factories are equipped with sustainable technologies which are using advanced water and air pollution control systems. Conserving and recycling the used water in manufacturing process is BSRM's core aspirational value. The Water Treatment Plants installed in our rolling mills ensure that 100% of process water is recycled indefinitely. It has helped to recycle 3,73,700 cubic meters of used water and achieved zero water wastage record.

Beyond making steel, this is one of many initiatives to build people's trust in us.



DIRECTORS' REPORT

Respected Shareholders,

On behalf of the Board of Directors of Bangladesh Steel Re-Rolling Mills Limited, I am honored, glad and excited to present you the 57th Report of the Board of Directors for the year ended June 30, 2019.

Industry outlook and possible future developments in the industry:

According to the report of IMF, now Bangladesh is among the three fastest growing economies in the world. Bangladesh's GDP growth is now more than 8%. Increasing population, low labour cost, rapid urbanization, fast industrialization and infrastructure projects will continue to support the country's growth which is expected to remain on a high level for the foreseeable future.

According to Asian Development Bank, Bangladesh stands on top of all the South-Asian countries in 2019 GDP Growth rate, beating the second on the table - India by 0.8% margin. The population living below poverty line has dropped significantly to 24.3% in 2016 from 31.5% in 2010 and it is continuing to drop as economic solvency and purchasing power of people are increasing. Bangladesh has made remarkable progress in reducing poverty, supported by sustained economic growth.

The economic boom has encompassed nearly all the sectors of the country. The agriculture sector has seen rise in Rice production at 3.5% compared to last year with a significant drop in import amount. Now Bangladesh is self-sufficient in food production. Overall export has reached a 13.4% rise compared to last year, most of which were contributed by Textile, Agricultural, Plastic and Pharmaceutical products. According to ADB report, The BOP deficit has also declined from \$5.4 billion to \$4.3 in first seven months of 2019. Net foreign direct investment (FDI) increased by 42.9% with investment in power, food and textile sector.

Bangladesh economy is projected to maintain a strong growth backed by structural reform. To maintain such economic growth, Bangladesh needs huge investment in power, textile, industry, sea ports, roads and bridges. We hope by 2030 Bangladesh will become one of the largest economies in the world.

Due to construction boom and implementation of mega projects demand for quality MS products has increased sharply.

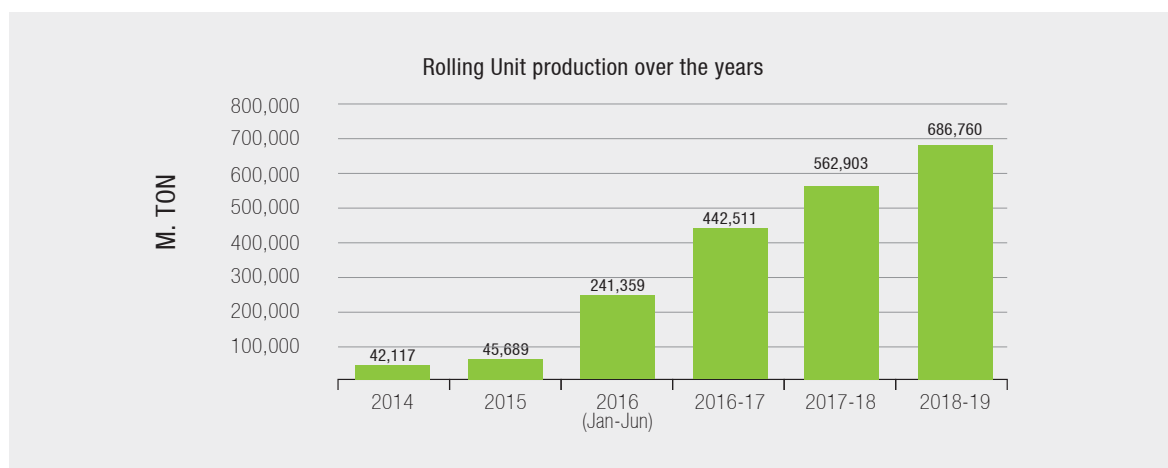
The Steel industry of Bangladesh is almost Tk 50,000 crore industry. Our Country's production capacity is 8 million M. ton. Now around 40 rolling mills are active in Bangladesh. In the past few years a good number of steel and re-rolling mills were set up in Bangladesh. Now some big plants are operating here such as BSRM, AKS, RSRM, GPH Ispat. BSRM is holding 25% of market shares. Most of the big rolling plants have melting units to produce MS billets. Recently, BSRM Steels Limited has commissioned another melting plant to produce MS Billets with a capacity of 4.3 lakh M. Ton.

Still there are opportunities for expansion in steel sectors because at present per capita steel consumption is lower than global average. Now per capita consumption in Bangladesh is 45 kg whereas the global average is 208 kg. In India per capita steel consumption is 65 Kg and in Japan it is 1000 KG. Moreover, there are some mega projects are under construction, a number of mills, factories, roads and bridges are to be constructed in near future. New economic zones are also new avenues for quality steel consumption.

Operating and financial performance of Bangladesh Steel Re-Rolling Mills Limited:

Rolling Unit:

During the year 2018-19 the Rolling plant produced 686,769 M. Ton MS product. Proper planning, uninterrupted production and technical efficiency made it possible. Production has increased by 22% compared to last year. In the last year production was 562,903 M.Ton.



Rolling Unit

Particulars	2018-19	2017-18	2016-17	2016 (Jan-Jun)	2015	2014
Installed Capacity (M. Ton)	540,000	540,000	450,000	225,000	120,000	120,000
Production (M. Ton)	686,769	562,903	442,511	241,359	45,689	42,117
Capacity Utilization (%)	127%	104%	98%	107%	38%	35%
Sales of Own Product (M. Ton)	649,982	536,864	470,937	192,631	54,433	76,818

Melting Unit

Melting unit produces billets mainly for internal consumption. The Steel Melting Works (SMW) achieved its target.

Particulars	2018-19	2017-18	2016-17	2016 (Jan-Jun)	2015	2014
Installed Capacity (M. Ton)	150,000	150,000	135,000	67,500	135,000	120,000
Production (M. Ton)	174,657	150,331	152,702	66,422	128,022	82,350
Capacity Utilization (%)	116%	100%	113%	98%	95%	69%
Sales & Consumed in Re-Rolling Unit (M. Ton)	174,533	150,947	152,901	66,122	127,553	86,872

The company purchased required billets mainly from its subsidiary Company BSRM Steel Mills Limited at a competitive price.

Sales

The sales of BSRM Group of Companies crossed one million M. Ton for consecutive third year in 2018-19. The portion of BSRMLTD was 668,189 M. Ton which is 19.71% higher than that of last year. The sale of 2017-18 was 550,083 M. Ton.

Segment wise or product wise performance:

Particulars	Production & Procurement (M. Ton)				Sales (M. Ton)			
	2018-19	2017-18	2016-17	2016 (Jan-Jun)	2018-19	2017-18	2016-17	2016 (Jan-Jun)
Xtreme 500W, Angle, Channel (Own Product)	686,769	562,903	442,511	241,359	651,935	536,970	470,937	183,174
Imported & Locally Procured Items	21,977	11,437	37,275	14,784	16,254	13,113	32,768	9,457
Total	708,746	574,340	479,786	256,143	668,189	550,083	503,705	192,631

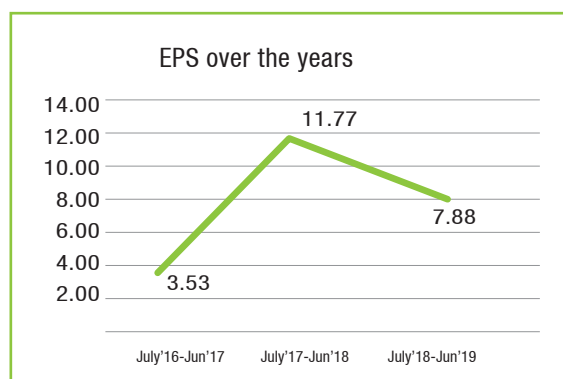
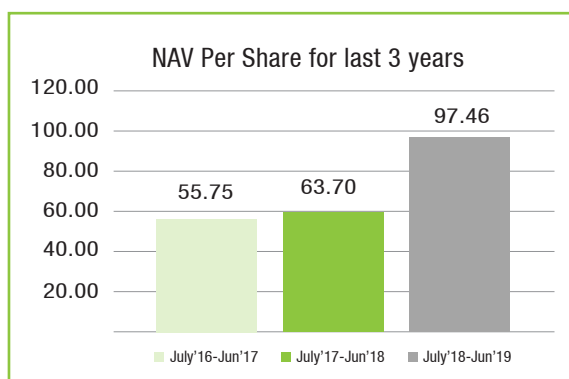
Financial performance:

The Company had Sales of Tk. 44,409 million in the year 2018-19 against 33,238 million in 2017-18, representing a 34% increase from the last year. The Gross profit stood Tk. 4,992 million that was Tk. 4,828 million in the last year. The gross profit ratio is 11.24% in the year 2018-19 against 14.53% in 2017-18.

Sales in terms of quantity have increased by 21 %. Whereas Gross profit has increased by 3.40%. Due to increase in billet price and other production cost, gross profit ratio declined.

If we review the statement of Profit and loss account, we note that, the shares of profit from equity accounted investees was

1,060.71 Million which was Tk. 983.55 Million in last year. In this year the subsidiary Company-BSRM Steel Mills Limited earned a net profit of Tk. 1,175. 31 million and the associate Company-BSRM Steels Limited earned net profit of Tk. 1,728.12 million. The Net Asset Value per share (NAV) of the Company has been increasing consistently which is a very positive sign of growth and prosperity of the Company. In this year the NAV per share is 97.46 which was Tk. 63.70 last year. In this year the Company has revalued its lands which significantly contributes in sharp increase of NAV. EPS has declined to Tk. 7.88 per share from 11.77 per share because of decrease in Non-Operating income and increase in Selling and Distribution costs and deferred tax. We have shown it by the following graphs and tables.

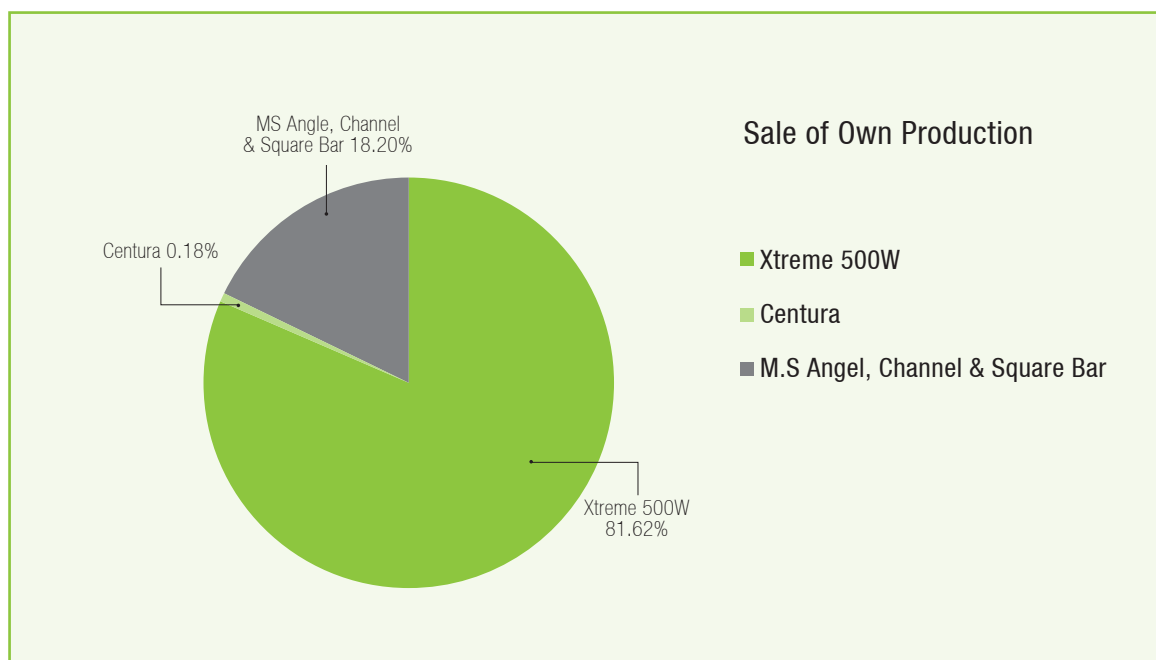


Financial Performance:	Amount in BDT in million					
Particulars	2018-19	2017-18	2016-17	2016 (Jan-Jun)	2015	2014
	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.
Sales	44,408.89	33,238.37	23,648.93	9,713.86	7,801.98	8,049.89
Gross Profit	4,992.24	4,828.32	3,236.93	1,362.03	458.01	188.25
Profit before non-operating income, interest, taxes, WPPF & WWF	3,637.90	3,864.96	2,571.90	1,057.78	207.15	(66.17)
Non Operating Income	41.30	123.21	113.90	472.73	1,357.07	567.28
Less: Interest, WPPF & WWF	(1,999.85)	(1,950.19)	(1,618.89)	(636.77)	(627.63)	(495.01)
Add/(Less): Tax expenses & Provision for income tax	(879.43)	(242.75)	(440.75)	(305.08)	(108.92)	102.99
Net Profit	1,860.63	2,778.78	756.52	588.65	827.67	109.09
Earnings Per Share (EPS)(Tk.)	7.88	11.77	3.53	3.02	4.78	0.70
Net Asset Value Per Share (Tk.)	97.46	63.70	55.75	52.84	55.28	54.1
Net operating Cash Flow Per Share (Tk.)	2.81	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)

Other Financial Performance:	Amount in BDT in million					
Particulars	2018-19	2017-18	2016-17	2016 (Jan-Jun)	2015	2014
	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.
Paid Up Capital	2,360.68	2,146.07	1,950.98	1,950.98	1,773.62	1,558.51
Share Holders' Equity	23,007.37	13,671.41	10,876.80	10,309.79	9,803.66	8,431.80
Current Liabilities	22,883.32	19,310.98	20,107.12	16,865.68	11,999.23	9,329.75
Non-current Liabilities	6,662.92	6,962.32	3,566.99	4,549.52	5,137.16	5,004.46
Addition To Fixed Assets & Cwip	314.89	701.34	756.02	813.34	8,421.03	1,775.63
Operating Cash Flow	664.16	(1,884.73)	(2,220.57)	(688.88)	(1,801.95)	(846.76)

Product wise Performance:

Out of 651,935 M. Ton sales, Xtreme 500W was 532,102 Ton which is 82% of own product sales. M.S Angel, Channel & Square Bar sales was 1,18,651 M. Ton. Centura sales was 1,182 M. Ton in this year. During the year, the company sold 16,254 M. Ton of imported items like H Beam, I Beam, Channel, angel, MS Plate etc. Some locally produced goods and billets were also sold during the year.



Operations of Subsidiary Companies:

- BSRM Steel Mills Limited
- BSRM (Hong Kong) Limited

BSRM Steel Mills Limited:

BSRM Steel Mills Limited has been set up to produce MS Billets to averse the risk of potential loss from volatile billet prices in the international market. Currently BSRM Ltd is holding 44.97% equity shares of the Company. Annual

capacity of this plant is 862,500 M.Ton. This company started commercial production in June 2016. Most of the billets produced by this company has been consumed by BSRM Steels Limited. It had very impressive performance during 2018-19. It has earned 1,175 Million Net profit after tax in this year. The total production of the Company was 913,241 M. Ton this year which means that, it utilized 106% of the capacity. A summary has been given on its operational and financial performance.

Particulars	Unit	2018-19	2017-18	2016-17
Production Qty	MT	913,241	860,543	588,536
Capacity utilization	%	106%	99.83%	68.28%
Net Profit/(Loss) after Tax	Taka	1,175,311,103	938,269,829	(890,929,343)
EPS	Taka	2.98	2.38	(2.26)
NAV	Taka	34.57	15.63	15.51

BSRM (Hong Kong) Limited:

A subsidiary company of Bangladesh Steel Re-Rolling Mills Limited has been incorporated in Hong Kong, namely BSRM (Hong Kong) Limited. This new subsidiary will assist the parent Company in the following ways:

- Sourcing raw materials from China.
- Carrying out prompt inspection of spare parts, machineries etc to be imported from China to Bangladesh for BSRM Group.
- Trading of steel and other goods.

Mr. Aameir Alihussain and Mr. Zohair Taherali has been

appointed as the Director of the Company. The Company has started its operation with limited arena and hopefully the company will expand its operation in 2019-20.

Operations of Associated Company:-

BSRM Steels Limited

BSRM Steels Limited another Public limited Company of BSRM Group of Companies which is listed with two stock exchanges in Bangladesh. Currently, BSRMLTD is holding 31.19% shares in BSRM Steels Limited. A brief financial and operating performance of the Company has been appended below:

Operational Performance of BSRM Steels Limited

Particulars	July'18 to June'19	July'17 to June'18	July'16 to June'17	Jan'16 to Jun'16	2015	2014
Installed Capacity (M. Ton)	700,000	700,000	700,000	700,000	700,000	600,000
Production (M. Ton)	758,405	727,034	681,061	362,254	602,832	623,918
Capacity Utilization (%)	108.34%	103.9%	97.3	103.50	99.5	104
Sales (M. Ton)	756,820	710,995	692,504	373,747	604,513	679,803

Financial Performance of BSRM Steels Limited

Particulars	Amount in BDT in million					
	July'18 to June'19	July'17 to June'18	July'16 to June'17	Jan'16 to Jun'16	2015	2014
	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.
Sales	61,060.15	48,289.93	37,996.41	17,265.18	32,316.10	38,535.94
Gross Profit	5,051.91	4,879.17	4,557.30	3,114.69	4,368.65	2,807.32
Profit before interest, taxes, WPPF & WWF	3,369.05	3,180.65	3,273.60	2,379.86	3,257.93	1,892.83
Less: Interest, WPPF & WWF	(1,328.76)	(1,120.19)	(417.23)	(246.38)	(739.29)	(378.95)
Add/(Less): Profit on Bargain Purchase	-	10.20	-	-	-	-
Add/(Less): Share of profit/(loss) of associate	297.97	237.88	(225.87)	(18.56)	75.31	(3.20)
Less: Tax expenses & Provision for income tax	(610.13)	(507.74)	(655.07)	(801.61)	(512.07)	(424.47)
Net Profit	1,728.12	1,800.80	1,705.41	1,313.32	2,081.88	1,086.21
Actuarial (Loss)/Gain	-	(3.40)	-	-	-	-
Total Comprehensive Income	8,425.54	1,797.40	1,705.41	1,313.32	2,081.88	1,086.21
EPS (Tk.)	4.60	4.79	4.98	3.84	6.09	3.18

During the year of 2017-18 the company has merged with its Subsidiary Company- BSRM Iron & Steel Co. Ltd. with effect from 1st October, 2017. This company is capable to produce 225,000 M. Ton billets in a year. Another, melting plant to produce 430,000 M. Ton billets annually has commissioned in April, 2019 at Sonaphar, Mirshari, Chattogram.

The Board has decided to merge BSRMLTD with BSRM Steel Mills Limited subject to consent of shareholders and approval from the Honorable High Court Division of Supreme court of Bangladesh, which will ensure optimum utilization of capacity, reduce complexity of VAT & Tax, reduce operating expenses, proper use of human resources and ease of other regulatory issues.

BSRM Service center:

BSRMLTD has commissioned a state-of-the-art reinforcement processing plant. Total estimated annual capacity of the project is 14,400 MT of Cut & Bent Rebar, 2,880 MT of Stirrup & 48,000 MT of Mesh. This customized solutions will decrease wastage significantly in addition to reducing extra

space requirements for the customers for storing construction materials. It will also reduce delay in construction, faulty fabrication, pilferage, laborious works at customer's site and will increase quality of the construction works. This new plant will have positive impact on the profitability of the Company.

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, and regular analysis of market, economic scenario and robust policies to cope with the challenges. Recently BSRM Group has developed Enterprise Risk Management (ERM) Frame work and Guidelines. Under this policy a Risk Register has been prepared and a dedicated team is regularly monitoring potential risks, assess them, ensure precautionary and corrective measures to address them.

A summary of the significant risks and the way of managing risks adopted by our company is included in Annexure-1 and Note -49 of the Financial Statements.

Risk Management & Control Environment:

Detail discussed in Annexure 1A.

A Discussion on Cost of Goods Sold, GP Margin and NP Margin:

It has been discussed in Annexure- 2.

Extra-ordinary gain or loss:

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

Related Party Transactions:

All transactions with related parties have been made on a commercial basis. Details of the related party transactions have been disclosed under note 25 & 36 of the financial statements as per IFRS/BFRS.

Significant variance in the quarterly and Annual Financial Statements:

Bangladesh Steel Re-Rolling Mills Limited Separate Statement of Profit or Loss and Other Comprehensive Income						
	For the Year		For the Period			
Particulars	July'18 to June'19	July'17 to June'18	April'19 to June'19	Jan'19 to March'19	Oct'18 to Dec'18	July'18 to Sept'18
Production	686,769	562,903	167,712	180,243	189,908	148,906
Sales	666,236	549,955	195,757	196,954	154,357	119,171
Revenue	44,409	33,238	13,024	13,026	10,223	8,137
Cost of sales	(39,417)	(28,410)	(11,552)	(11,576)	(9,169)	(7,119)
Gross profit	4,992	4,828	1,471	1,449	1,053	1,018
Profit before tax	2,740	3,022	993	829	422	497
Income tax expenses						
Current year	(317)	(306)	(120)	(47)	(84)	(66)
Previous year	(39)	72	-	-	(38)	-
Deferred tax	(523)	(9)	(299)	(109)	(55)	(60)
Total income tax expense	(879)	(243)	(420)	(157)	(177)	(126)
Profit after tax	1,861	2,779	573	672	245	371
Basic earnings per share (Tk.)	7.88	11.78	2.42	2.85	1.04	1.57

Due to fluctuation in raw material price and sales value per M.Ton, profitability of the Company fluctuated quarter to quarter. Deferred tax has been increased substantially in this year as compared to the last year due to land revaluation of the Company, its associate and subsidiary.

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 7.02 of Financial Statements.

Board of Directors:

i. Composition and size of the Board:

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

ii. Board Meeting and attendance:

The Board met 8 times during the period from July 1, 2018 to June 30, 2019. Following table shows the attendance of directors in the meeting.

Name of the Directors	Position	No. of meeting held during the Period	No. of Meeting Attended
Mr. Alihussain Akberali, FCA	Chairman	8	7
Mr. Aameir Alihussain	Managing Director	8	8
Mr. Zohair Taherali	Director (Nominated Director of H. Akberali & Co. Limited)	8	7
Mrs. Sabeen Aameir	Director	8	7
Mr. Mono Ranjan Dey FCA	Independent Director	8	6

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

iii. Details of Directors being re-appointed:

Mr. Zohair Taherali (Nominated Director of H. Akberali & Co. Limited) and Mrs. Sabeen Aameir will retire by rotation at the conclusion of this AGM as per Articles of Association of the Company and being eligible they offer themselves for re-appointment.

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

Significant deviations in operating results compared to last year:

There is no such deviation in operating results.

Management Discussion and Analysis:

A management discussion and analysis signed by Managing Director regarding the Companies operation and position along with a brief discussion of changes in the financial statements has been attached in Annexure-D.

Credit Rating:

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

Long Term	Short Term
AA	ST-3

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

"ST-3" indicates high certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.

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

Internal Control system:

The Board of Directors ensures that the Group has an effective internal control system which ensures that the assets of the Company are safeguarded and appropriate systems are in place to minimize and detect fraud, errors and other irregularities. The Company has adopted Standard Operating Procedures (SOP) for the betterment of internal control

system. To generate accurate data and information within reasonable time frame, we have already commissioned most modern software called Enterprise Resource Planning (ERP). The Company has established a separate internal audit department to ensure internal control and compliance in place. On the other hand, Audit Committee regularly monitors and review the reports generated by the internal audit department and takes corrective measures.

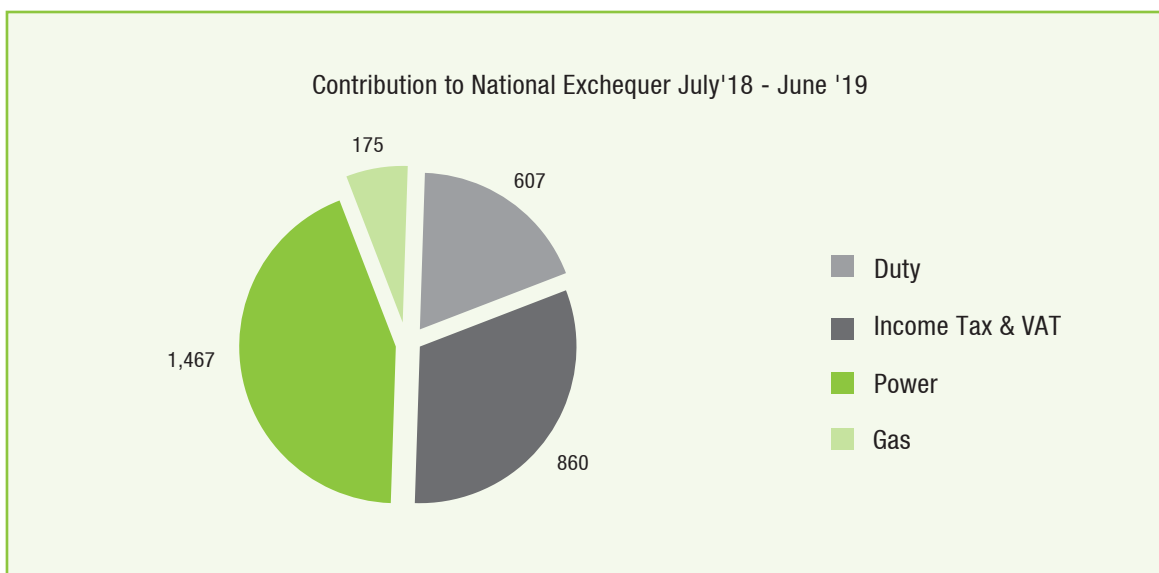
Dividend:

- The Directors of your Company recommended 25% cash dividend for the year ended June 30, 2019. In the previous year the Company declared 10% Stock and 10% Cash dividend.
- The retained fund will be utilized to pay off high rated loans and to meet working capital and operational expenses.

Contribution to National Exchequer:

BSRM is paying and facilitating collection of Government's revenue. During the period of July 18 to June 2019, we have paid, collected & deposited a significant amount of

Income Tax, VAT and Duties in time. During this period, BSRMLTD collected and contributed Tk. 3,109 million to the government exchequer along with utility bill which is appended below:



Corporate Social Responsibilities:

BSRM's commitment to connect business decisions to ethical, social and environmental concerns remains to be one of the strongest value of the Company. During 2018-19, your company has been contributing to the welfare of the community, research & development and for protection of environment. Details of CSR have been described in the chapter of Corporate Social Responsibilities in page 93 of Annual Report.

Award and Recognition:

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

1. National Productivity and Quality Excellence Award-2017
2. National Export Trophy – (BSRM Steels Ltd.) for 2013-14, 2014-15, 2016-17
3. Certificate of admiration from Ministry of Expatriates Welfare and Overseas Employment of Government Republic of Bangladesh at 4th National Development Fair 2018.
4. President's Award for Industrial Development 2014 in the category of Large Scale Industry.
5. Prestigious award for "Excellence in Supply Chain Relationship Management & Logistic Management" from Bangladesh Supply Chain Management Society.
6. ICAB National Awards for Best Presented Annual Reports for the year 2012, 2013, 2015 & Certificate of Merit for the year 2014, 2015.
7. Certificate of Merit from South Asian Federation of Accountants (SAFA) in 2012, 2013 & 2015 – (BSRM Steels Ltd.)
8. ICSB National Gold Award for best Corporate Governance Excellence 2015 – (BSRMLTD).
9. Awarded Tax Card from NBR for highest tax payment in 2016-17 – (BSRM Steels Ltd.)
10. Best Brand of Bangladesh in Steel Category in 2011, 2013, 2014, 2015 & 2016 & 2017 – (BSRM Group)
11. Best Enterprise of the year 2010 – (BSRM Group)
12. D & B Corporate Awards 2010 & 2012 – (BSRM Steels Ltd)
13. Pride of Chittagong (Chattagramer Ahonkar) 2012. (Mr. Alihussain Akberali FCA)
14. Divisional Environment Award 2013 – (BISCO Ltd.)

15. 5th Standard Chartered-Financial Express CSR Award – (BSRM Group)
16. Japan Bangladesh Chamber of Commerce & Industry (JBCCI) Awards in 2014. – (BSRMLTD)
17. ICSB National Award (Silver Award) for Corporate Governance Excellence 2014. – (BSRM Steels Ltd)
18. Best Electricity Consumer (Industry) award for the year 2015 (BSRMLTD)
19. Mercantile Bank Awards (Industry & Commerce) for the year 2015. (BSRM Group).

Information Technology:

Standing on the age of digitalization and technological advancement, engagement to customers and stakeholders requires greater emphasis on mastering Information Technology. BSRM has implemented a strong and up-to-date IT set up, that continuously ensures required information to be extracted from E-business solution at any point of time to mitigate risks and develop financial performance. Our IT team has developed customer-friendly windows that allow them to order, complain, query through an automated system within the shortest possible time. Details of Information technology are set out in the Chapter 'Sustainable Growth' in Page No. 97 in this report.

Human Resource Management:

As one of the visions of BSRM is "Be an employer of choice, with focus on nurturing talent and developing future leaders of the organization", BSRM takes pride in developing a successful, dynamic and competent set of human assets. As we believe our visions and values are only achievable through the placement of the right person at the right place, we have effectively established a sound Human Resource saga that consists of mind-blowing stories of equal opportunity, continuous learning and development, relentless industry relation and molding skilled workforce. Details of Human Resource are set out in the Chapter 'Sustainable Growth' in Page No. 96 in this report.

Code of Conduct:

The Nomination & Remuneration Committee (NRC) determined the code of conducts for Board of Directors of the Company which have been posted on the web site of the company. All the Directors have signed as acceptance to its compliance.

Auditors:

Present auditor Rahman Rahman Huq, Chartered Accountants, MM Trade Centre (13th Floor), 78 Agrabad C/A, Chittagong will retire in 57th AGM and being eligible to conduct audit for the year 2019-20 they have conveyed their willingness to accept for re-appointment for this period. The Board has recommended Rahman Rahman Huq, Chartered Accountants, MM Trade Centre (13th Floor), 78 Agrabad C/A, Chattogram as the Statutory Auditor for the year ended on June 30, 2020 subject to the approval of shareholders in the next Annual General Meeting.

Professional Accountant for Compliance of Corporate Governance:

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

Reporting and Compliance of Corporate Governance:

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

Subsequent Events:

There is no reportable subsequent event after the date of Financial Position and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation. However, the Board has decided to merge BSRMLTD with its subsidiary BSRM Steel Mills Limited.

Directors' Responsibilities Statements:

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

- a) The Financial Statements prepared by the management of BSRMLTD 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 have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standard(IAS)/Bangladesh Accounting Standards(BAS)/International Financial Reporting Standards(IFRS) / Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- e) The system of internal controls sounds in design and has been effectively implemented and monitored.
- f) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- g) 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.
- 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.
- l) There was no declaration of bonus share or stock dividend as interim dividend.


Acknowledgements:

I want to dedicate a moment of utmost gratitude to all the honorable shareholders, bankers, Registrar of Joint Stock Companies, National Board of Revenue, and other Governing bodies for continuously supporting us throughout our journey. Without their dedicated and heartiest co-operation, reaching new horizon of business excellence wouldn't have been possible.

I am very delighted to offer my heartfelt appreciations and respect to our management team and workforces for their commitment and hard work. It's the excellent exemplary team work that kept us moving beyond possibilities.

We are endlessly pushing our limits to achieve efficiency and profitability to the maximum level. We need your support and association to build a better and safer nation.

Stay safe,



Aameir Alihussain
Managing Director

পরিচালকমন্ডলীর প্রতিবেদন

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর পরিচালনা পর্ষদের পক্ষ থেকে ৩০ জুন, ২০১৯ সালে শেষ হওয়া বছরের জন্যে তৈরি করা ৫৭তম পরিচালনা পর্ষদ প্রতিবেদন আপনাদের সামনে উপস্থাপন করতে পেরে আমি গর্বিত এবং আনন্দিত।

শিল্পখাতের বিদ্যমান পরিস্থিতি ও শিল্পে ভবিষ্যতের সম্ভাব্য উন্নয়ন:

আন্তর্জাতিক মুদ্রা তহবিল(আইএমএফ)-এর মতে, বর্তমানে বাংলাদেশ বিশ্বের তিনটি দ্রুত বর্ধনশীল অর্থনীতির মধ্যে একটি। বাংলাদেশের জিডিপি প্রবৃদ্ধি এখন ৮% এরও বেশি। দেশের প্রবৃদ্ধি হার ক্রমবর্ধমান জনসংখ্যা, স্বল্প শ্রম ব্যয়, দ্রুত নগরায়ন, দ্রুত শিল্পায়ন এবং অবকাঠামোর উন্নয়ন প্রকল্পের দরুন বেড়ে চলেছে এবং এটি অদূর ভবিষ্যতেও অব্যাহত থাকবে বলে আশা করা হচ্ছে।

এশীয় উন্নয়ন ব্যাংকের মতে, ২০১৯ সালের প্রবৃদ্ধির হারে দক্ষিণ-এশিয়ার দেশগুলোর মধ্যে বাংলাদেশ শীর্ষে রয়েছে এবং এই টেবিলে দ্বিতীয় স্থান অধিকারী ভারত ০.৮% ব্যবধানে পিছিয়ে আছে। দারিদ্রসীমার নিচে বসবাসকারী জনসংখ্যার হার ২০১০-এর ৩১.৫% থেকে ২০১৬-তে ২৪.৩%-এ নেমে এসেছে এবং অর্থনৈতিক স্বচ্ছলতা এবং ক্রয় ক্ষমতার ক্রমাগত বৃদ্ধির কারণে এ হার আরও কমে থাকবে। টেকসই অর্থনৈতিক প্রবৃদ্ধির সহায়তায় দারিদ্র্যহাসে বাংলাদেশ উল্লেখযোগ্য অগ্রগতি করেছে।

অর্থনৈতিক অগ্রগতি দেশের প্রায় সব খাতকে প্রভাবিত করেছে। কৃষিখাতে গত বছরের তুলনায় এ বছর চালের উৎপাদন ৩.৫% বেড়েছে এবং একইসাথে আমদানির পরিমাণ উল্লেখযোগ্য হারে কমেছে। এখন বাংলাদেশ খাদ্য উৎপাদনে স্বনির্ভর। গত বছরের তুলনায় সামগ্রিক রপ্তানি ১৩.৪% বৃদ্ধি পেয়েছে, যার বেশিরভাগই হয়েছে টেক্সটাইল, কৃষি, প্লাস্টিক এবং ফার্মাসিউটিক্যাল পণ্যে। এডিবি'র প্রতিবেদন অনুসারে, ২০১৯ সালের প্রথম সাত মাসে, বিওপি ঘাটতি ৫.৪ বিলিয়ন ডলার থেকে কমে দাঁড়িয়েছে ৪.৩ বিলিয়ন ডলারে। বিদ্যুৎ, খাদ্য ও বস্ত্র খাতের বিনিয়োগসহ সামগ্রিক বিদেশী বিনিয়োগ (এফডিআই) ৪২.৯% বৃদ্ধি পেয়েছে।

বাংলাদেশের অর্থনীতির প্রবৃদ্ধি কাঠামোগত সংস্কারের কারণে আরও বাড়বে বলে ধারণা করা হচ্ছে। এ জাতীয় অর্থনৈতিক প্রবৃদ্ধি ধরে রাখতে বাংলাদেশের বিদ্যুৎ, টেক্সটাইল, শিল্প, সমুদ্র বন্দর, রাস্তা ও

সেতুগুলিতে বিপুল বিনিয়োগ প্রয়োজন। আমরা আশা করি, ২০৩০ সালের মধ্যে বাংলাদেশ বিশ্বের বৃহত্তম অর্থনীতিগুলোর একটিতে পরিণত হবে।

নির্মাণশিল্পের দ্রুত বিকাশ এবং মেগা প্রকল্পের বাস্তবায়নের কারণে মানসম্পন্ন এমএস পণ্যের চাহিদা তীব্রভাবে বেড়েছে।

বাংলাদেশের ইস্পাত শিল্প প্রায় ৫০,০০০ কোটি টাকার শিল্প। আমাদের দেশের উৎপাদন ক্ষমতা ৮ মিলিয়ন মেট্রিক টন। এখন বাংলাদেশে প্রায় ৪০টি রোলিং মিল সক্রিয় রয়েছে। বিগত কয়েক বছরে বাংলাদেশে বেশ কয়েকটি ইস্পাত এবং রি-রোলিং মিল স্থাপন করা হয়েছে। এখন কিছু বড় প্ল্যান্ট এখানে চালু রয়েছে যেমন বিএসআরএম, একেএস, আরএসআরএম, জিপিএইচ ইস্পাত। বিএসআরএম-এর মার্কেট শেয়ার ২৫%। বড় বড় রোলিং প্ল্যান্টগুলির বেশিরভাগের এমএস বিলেট তৈরির জন্য মেল্টিং ইউনিট রয়েছে। সম্প্রতি, বিএসআরএম স্টিলস লিমিটেড এমএস বিলেট উৎপাদন করতে চার লক্ষ তিরিশ হাজার মেট্রিক টন ক্ষমতাসম্পন্ন আরও একটি মেল্টিং প্ল্যান্ট স্থাপন করেছে।

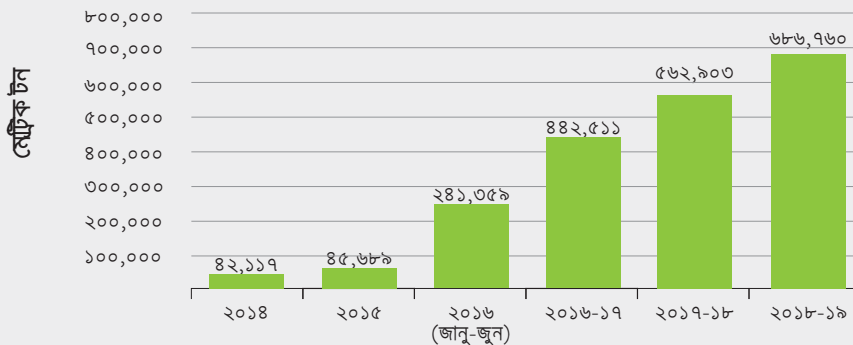
এখনও ইস্পাত খাতগুলিতে সম্প্রসারণের সুযোগ রয়েছে কারণ বর্তমানে ইস্পাতের মাথাপিছু ব্যবহার বিশ্বব্যাপী গড়ের তুলনায় কম। এখন বাংলাদেশে ইস্পাতের মাথাপিছু ব্যবহার ৪৫ কেজি যেখানে বিশ্বব্যাপী গড় ২০৮ কেজি। ভারতে ইস্পাতের মাথাপিছু ব্যবহার ৬৫ কেজি এবং জাপানে তা ১০০০ কেজি। তদুপরি, বেশ কয়েকটি মেগা প্রকল্প নির্মাণাধীন রয়েছে এবং অদূর ভবিষ্যতে আরো মিল, কারখানা, রাস্তা ও সেতু নির্মাণ করা হবে। নতুন অর্থনৈতিক অঞ্চলগুলিকেও ইস্পাত ব্যবহার করা হবে।

বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর পরিচালন ও আর্থিক ফলাফল পর্যালোচনা:

রোলিং ইউনিট:

২০১৮-১৯ সালে রোলিং প্ল্যান্ট ৬৮৬,৭৬৯ মেট্রিক টন এমএস পণ্য উৎপাদন করেছে। সুষ্ঠু পরিকল্পনা, নিরবচ্ছিন্ন উৎপাদন আর কারিগরি দক্ষতার ফলেই এটা সম্ভব হয়েছে। গত বছরের তুলনায় এ বছর উৎপাদন বেড়েছে ২২%। গত বছরের উৎপাদন ছিলো ৫৬২,৯০৩ মেট্রিক টন।

রোলিং ইউনিটের বার্ষিক উৎপাদন চিত্র



রোলিং ইউনিট

বিবরণ	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫	২০১৪
উৎপাদনক্ষমতা (মেট্রিক টন)	৫৪০,০০০	৫৪০,০০০	৪৫০,০০০	২২৫,০০০	১২০,০০০	১২০,০০০
উৎপাদন (মেট্রিক টন)	৬৮৬,৭৬৯	৫৬২,৯০৩	৪৪২,৫১১	২৪১,৩৫৯	৪৫,৬৮৯	৪২,১১৭
উৎপাদনক্ষমতার ব্যবহার (%)	১২৭%	১০৪%	৯৮%	১০৭%	৩৮%	৩৫%
উৎপাদিত পণ্যের বিক্রয় (মেট্রিক টন)	৬৪৯,৯৮২	৫৩৬,৮৬৪	৪৭০,৯০৭	১৯২,৬৩১	৫৪,৪৩৩	৭৬,৮১৮

মেল্টিং ইউনিট

মেল্টিং ইউনিট মূলত অভ্যন্তরীণ ব্যবহারের বিল্ট প্রস্তুত করে। স্টিল মেল্টিং ওয়ার্কস (এসএমডব্লিউ) নির্দিষ্ট লক্ষ্যমাত্রা পূরণে সফল হয়েছে।

বিবরণ	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫	২০১৪
উৎপাদনক্ষমতা (মেট্রিক টন)	১৫০,০০০	১৫০,০০০	১৩৫,০০০	৬৭,৫০০	১৩৫,০০০	১২০,০০০
উৎপাদন (মেট্রিক টন)	১৭৪,৬৫৭	১৫০,৩৩১	১৫২,৭০২	৬৬,৪২২	১২৮,০২২	৮২,৩৫০
উৎপাদনক্ষমতার ব্যবহার (%)	১১৬%	১০০%	১১৩%	৯৮%	৯৫%	৬৯%
বিক্রয় ও রি-রোলিং ইউনিটে ব্যবহার	১৭৪,৫৩৩	১৫০,৯৪৭	১৫২,৯০১	৬৬,১২২	১২৭,৫৫৩	৮৬,৮৭২

কোম্পানি প্রয়োজনীয় বিল্ট মূলত সহায়ক কোম্পানি বিএসআরএম- স্টিল মিলসএর নিকট হতে সুলভ মূল্যে ক্রয় করেছে।

বিক্রয়:

২০১৮-১৯ সালে ধারাবাহিকভাবে তৃতীয়বারের মত বিএসআরএম গ্রুপ অব কোম্পানিস-এর বিক্রয় দশ লক্ষ মেট্রিক টন ছাড়িয়ে গেছে। এর মধ্যে বিএসআরএম লিমিটেড-এর বিক্রয় ৬৬৮,১৮৯ মেট্রিক টন, যা গত বছরের তুলনায় ১৯.৭১% বেশি। ২০১৭-১৮ সালে বিক্রয় ছিল ৫৫০,০৮৩ মেট্রিক টন।

বিভাগ বা পণ্য অনুযায়ী উৎপাদন ও বিক্রয়:

বিবরণ	উৎপাদন ও ক্রয় (মেট্রিক টন)				বিক্রয় (মেট্রিক টন)			
	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)
এক্সট্রিম ৫০০ডব্লিউ, অ্যাপ্লে, চ্যানেল (নিজস্ব উৎপাদিত)	৬৮৬,৭৬৯	৫৬২,৯০৩	৪৪২,৫১১	২৪১,৩৫৯	৬৫১,৯৩৫	৫৩৬,৯৭০	৪৭০,৯০৭	১৮৩,১৭৪
আমদানীকৃত ও দেশ থেকে সংগৃহীত পণ্য	২১,৯৭৭	১১,৪৩৭	৩৭,২৭৫	১৪,৭৮৪	১৬,২৫৪	১৩,১১৩	৩২,৭৬৮	৯,৪৫৭
সর্বমোট	৭০৮,৭৪৬	৫৭৪,৩৪০	৪৭৯,৭৮৬	২৫৬,১৪৩	৬৬৮,১৮৯	৫৫০,০৮৩	৫০৩,৭০৫	১৯২,৬৩১

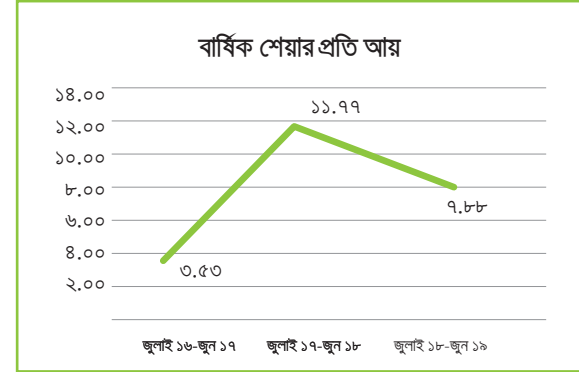
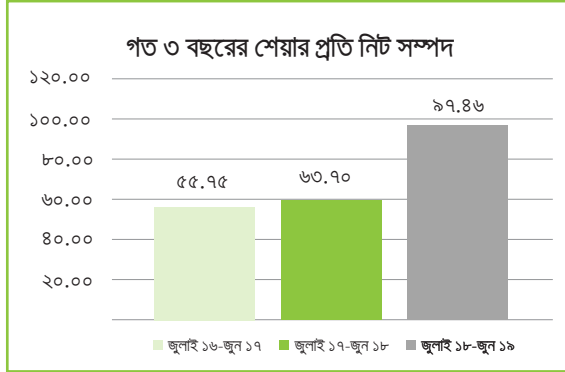
আর্থিক পর্যালোচনা:

২০১৮-১৯ সালে কোম্পানির মোট বিক্রয়ের পরিমাণ ছিল ৪৪,৪০৯ মিলিয়ন টাকা, যা ২০১৭-১৮ সালের ৩৩,২০৮ মিলিয়ন টাকার বিক্রয় থেকে ৩৪% বেশি। মোট মুনাফা ছিল ৪,৯৯২ মিলিয়ন টাকা যা গত বছর ছিল ৪,৮২৮ মিলিয়ন টাকা। মোট মুনাফার হার, যা ২০১৭-১৮ সালে ১৪.৫৩% ছিল তা ২০১৮-১৯ সালে ১১.২৪%-এ নেমেছে।

পরিমাণের হিসেবে বিক্রয় বৃদ্ধি পেয়েছে ২১%। যেখানে মোট লাভ বেড়েছে ৩.৪০%। বিলেটের মূল্য এবং উৎপাদনের ব্যয় বাড়ায় মোট মুনাফার হার কমেছে।

লাভ-ক্ষতির বিবরণী পর্যালোচনা করলে আমরা দেখতে পারি যে, ইকুইটি শেয়ারে বিনিয়োগকারীদের লাভ ১০৬০.৭১ মিলিয়ন

টাকা, যা গত বছর ছিল ৯৮৩.৫৫ মিলিয়ন টাকা। এই বছর সহায়ক কোম্পানি বিএসআরএম-স্টিল মিলস-এর নিট মুনাফা ১,১৭৫.৩১ মিলিয়ন টাকা এবং সহযোগী কোম্পানি বিএসআরএম স্টিলস লিমিটেড-এর নিট মুনাফা ১,৭২৮.১২ মিলিয়ন টাকা। কোম্পানির শেয়ার প্রতি সম্পদ (এনএভি) ধারাবাহিকভাবে বেড়ে চলেছে যা কোম্পানির প্রবৃদ্ধি ও উন্নয়নের জন্য ইতিবাচক লক্ষণ। এবছর এনএভি শেয়ার প্রতি ৯৭.৪৬ টাকা যা ৬৩.৭০ টাকা ছিল। এ বছর কোম্পানি তার মালিকানাধীন জমির পুনর্মূল্যায়ন করেছে যার কারণে এনএভি-এর এই দৃশ্যমান বৃদ্ধি ঘটেছে। নন-অপারেটিং আয়ের হ্রাস, বিক্রয় ও বিতরণ ব্যয় বৃদ্ধি, এবং বিলম্বিত কর বৃদ্ধি পাওয়ায় শেয়ার প্রতি আয় ১১.৭৭ টাকা থেকে ৭.৮৮ টাকায় নেমে এসেছে। যা নিচের গ্রাফ ও টেবিলগুলিতে দেখানো হয়েছে।

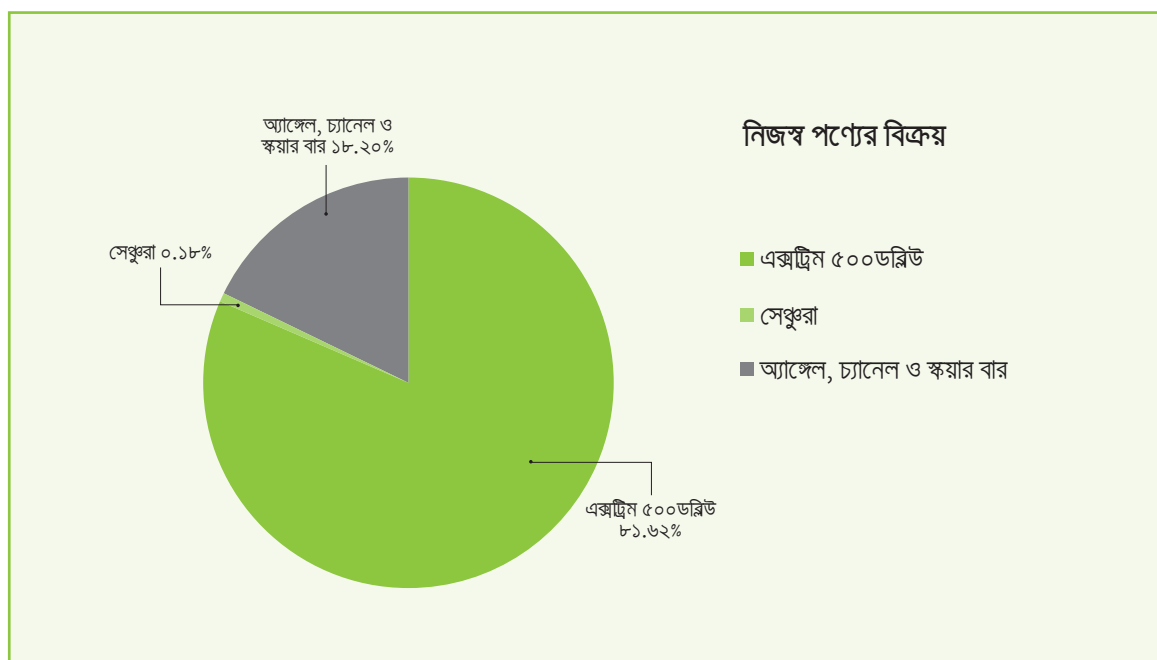


আর্থিক পর্যালোচনা	মিলিয়ন টাকা					
বিবরণ	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫	২০১৪
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
বিক্রয়	৪৪,৪০৮.৮৯	৩৩,২০৮.৩৭	২৩,৬৪৮.৯৩	৯,৭১৩.৮৬	৭,৮০১.৯৮	৮,০৪৯.৮৯
মোট মুনাফা	৪,৯৯২.২৪	৪,৮২৮.৩২	৩,২৩৬.৯৩	১,৩৬২.০৩	৪৫৮.০১	১৮৮.২৫
নন-অপারেটিং ইনকাম, সুদ, কর, ডব্লিউপিপি ও ডব্লিউএফ বাদে লাভ	৩,৬৩৭.৯০	৩,৮৬৪.৯৬	২,৫৭১.৯০	১,০৫৭.৭৮	২০৭.১৫	(৬৬.১৭)
নন-অপারেটিং ইনকাম	৪১.৩০	১২৩.২১	১১৩.৯০	৪৭২.৭৩	১,৩৫৭.০৭	৫৬৭.২৮
বাদ: সুদ, ডব্লিউপিপি ও ডব্লিউএফ	(১,৯৯৯.৮৫)	(১,৯৫০.১৯)	(১,৬১৮.৮৯)	(৬৩৬.৭৭)	(৬২৭.৬৩)	(৪৯৫.০১)
যোগ/(বাদ): আয়কর ও আয়কর সঞ্চিতি	(৮৭৯.৪৩)	(২৪২.৭৫)	(৪৪০.৭৫)	(৩০৫.০৮)	(১০৮.৯২)	১০২.৯৯
নিট মুনাফা	১,৮৬০.৬৩	২,৭৭৮.৭৮	৭৫৬.৫২	৫৮৮.৬৫	৮২৭.৬৭	১০৯.০৯
শেয়ার প্রতি আয় (টাকা)	৭.৮৮	১১.৭৭	৩.৫৩	৩.০২	৪.৭৮	০.৭
শেয়ার প্রতি সম্পদ (টাকা)	৯৭.৪৬	৬৩.৭০	৫৫.৭৫	৫২.৮৪	৫৫.২৮	৫৪.১
শেয়ার প্রতি নিট নগদ অর্থপ্রবাহ (টাকা)	২.৮১	(৮.৭৮)	(১১.৩৮)	(৩.৫৩)	(১০.১৬)	(৫.৪৩)

অন্যান্য আর্থিক পর্যালোচনা	মিলিয়ন টাকা					
বিবরণ	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭	২০১৬ (জানু-জুন)	২০১৫	২০১৪
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
পরিশোধিত মূলধন	২,৩৬০.৬৮	২,১৪৬.০৭	১,৯৫০.৯৮	১,৯৫০.৯৮	১,৭৭০.৬২	১,৫৫৮.৫১
শেয়ারহোল্ডারের ইকুইটি	২০,০০৭.৩৭	১০,৬৭১.৪১	১০,৮৭৬.৮০	১০,৩০৯.৭৯	৯,৮০৩.৬৬	৮,৪৩১.৮০
চলতি দায়	২২,৮৮০.৩২	১৯,৩১০.৯৮	২০,১০৭.১২	১৬,৮৬৫.৬৮	১১,৯৯৯.২০	৯,৩২৯.৭৫
দীর্ঘমেয়াদী দায়সমূহ	৬,৬৬২.৯২	৬,৯৬২.৩২	৩,৫৬৬.৯৯	৪,৫৪৯.৫২	৫,১০৭.১৬	৫,০০৪.৪৬
স্থায়ী সম্পদ ও সিডব্লিউআইপি-তে সংযোজন	৩১৪.৮৯	৭০১.৩৪	৭৫৬.০২	৮১৩.৩৪	৮,৪২১.০৩	১,৭৭৫.৬৩
পরিচালন নগদ প্রবাহ	৬৬৪.১৬	(১,৮৮৪.৭৩)	(২,২২০.৫৭)	(৬৮৮.৮৮)	(১,৮০১.৯৫)	(৮৪৬.৭৬)

পণ্যভিত্তিক বিবরণী:

মোট ৬৫১,৯৩৫ মেট্রিক টন বিক্রয়ের মধ্যে এক্সট্রিম ৫০০ডব্লিউ-এর বিক্রয় ৫৩২,১০২ মেট্রিক টন, যা নিজস্ব পণ্য বিক্রয়ের ৮২%। এছাড়া এ বছর এমএস অ্যাপ্লে, চ্যানেল ও স্কয়ার বার-এর বিক্রয় ছিলো ১১৮,৬৫১ মেট্রিক টন এবং সেপুগুরা বিক্রয় ছিলো ১,১৮২ মেট্রিক টন। এ বছরে কোম্পানির এইচ বিম, আই বিম, চ্যানেল অ্যাপ্লে, এমএস প্লেট ইত্যাদি আমদানিকৃত পণ্যের বিক্রয় ছিলো ১৬,২৫৪ মেট্রিক টন। এছাড়া দেশে প্রস্তুত অন্যান্য কিছু পণ্য এবং বিলেটও বিক্রয় হয়েছে।



সাবসিডিয়ারি কোম্পানির কার্য বিবরণী:

- বিএসআরএম স্টিল মিলস লিমিটেড
- বিএসআরএম (হংকং) লিমিটেড

বিএসআরএম স্টিল মিলস লিমিটেড

বিশ্ববাজারে অস্থিতিশীল বিল্ট মূল্যের কারণে সম্ভাব্য ক্ষতি থেকে রক্ষা পেতে দেশেই এমএস বিল্ট প্রস্তুতের উদ্দেশ্যে বিএসআরএম স্টিল মিলস লিমিটেড প্রতিষ্ঠিত হয়েছে। বর্তমানে বিএসআরএম লিমিটেড এই কোম্পানির ৪৪.৯৭% ইকুইটি

শেয়ার নিয়ন্ত্রণ করে। এই প্ল্যান্টের বার্ষিক উৎপাদনক্ষমতা ৮৬২,৫০০ মেট্রিক টন। ২০১৬ সালের জুন মাসে এই কোম্পানি বাণিজ্যিকভাবে উৎপাদন শুরু করে। এখানে উৎপাদিত বিল্টের সিংহভাগ বিএসআরএম স্টিলস লিমিটেড ক্রয় করে। কোম্পানির ২০১৮-১৯ সালের সাফল্য সম্ভাবজনক ছিল। এ বছরে কোম্পানির কর পরবর্তী আয় ১,১৭৫ মিলিয়ন টাকা। কোম্পানির এ বছরের উৎপাদন ৯১৩,২৪১ মেট্রিক টন, অর্থাৎ উৎপাদনক্ষমতার ১০৬%। কোম্পানির পরিচালন ও আর্থিক বিবরণ সংক্ষেপে নিচে উল্লেখ করা হল।

বিবরণ	একক	২০১৮-১৯	২০১৭-১৮	২০১৬-১৭
উৎপাদন পরিমাণ	মেট্রিক টন	৯১৩,২৪১	৮৬০,৫৪৩	৫৮৮,৫৩৬
উৎপাদনক্ষমতার ব্যবহার	%	১০৬%	৯৯.৮৩%	৬৮.২৮%
করপরবর্তী নিট লাভ (ক্ষতি)	টাকা	১,১৭৫,৩১১,১০৩	৯৩৮,২৬৯,৮২৯	(৮৯০,৯২৯,৩৪৩)
শেয়ার প্রতি আয়	টাকা	২.৯৮	২.৩৮	(২.২৬)
শেয়ার প্রতি সম্পদের মূল্য	টাকা	৩৪.৫৭	১৫.৬৩	১৫.৫১

বিএসআরএম (হংকং) লিমিটেড:

হংকং-এ বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড-এর সহায়ক কোম্পানি হিসেবে বিএসআরএম (হংকং) লিমিটেড প্রতিষ্ঠা করা হয়েছে। এই নতুন সহায়ক কোম্পানি নিম্নলিখিত উপায়ে মূল কোম্পানিকে সহায়তা করবে:

- চায়না থেকে কাঁচামাল সংগ্রহ
- চায়না থেকে আমদানিকৃত বিএসআরএম গ্রুপ-এর খুচরা যন্ত্রাংশ, মেশিনারি ইত্যাদির দ্রুত পরিদর্শন কার্যক্রম সম্পাদন
- স্টিল ও অন্যান্য পণ্যের বাণিজ্য সম্পাদন

কোম্পানির নিয়োগপ্রাপ্ত পরিচালকবৃন্দ হলেন জনাব আমির আলীহোসাইন এবং জনাব জোহাইর তাহেরআলী। এই কোম্পানির কার্যক্রম সীমিত আকারে শুরু হয়েছে এবং ২০১৯-২০ সালে এটি আরও বিস্তারলাভ করবে বলে আশা করা হচ্ছে।

সহযোগী কোম্পানির কার্যক্রম:

বিএসআরএম স্টিলস লিমিটেড

বিএসআরএম স্টিলস লিমিটেড বিএসআরএম গ্রুপের আরেকটি পাবলিক লিমিটেড কোম্পানি যা দেশের দুটি স্টক এক্সচেঞ্জ-এ তালিকাভুক্ত। বর্তমানে বিএসআরএম লিমিটেড, বিএসআরএম স্টিলস লিমিটেড এর ৩১.১৯% শেয়ার নিয়ন্ত্রণ করে। নিচে সংক্ষিপ্তাকারে কোম্পানির কার্যক্রম ও আর্থিক বিবরণী দেওয়া হলো:

পরিচালন পর্যালোচনা -বিএসআরএম স্টিলস লিমিটেড

বিবরণ	জুলাই ১৮ থেকে জুন ১৯	জুলাই ১৭ থেকে জুন ১৮	জুলাই ১৬ থেকে জুন ১৭	জানু ১৬ থেকে জুন ১৬	২০১৫	২০১৪
উৎপাদনক্ষমতা (মেট্রিক টন)	৭০০,০০০	৭০০,০০০	৭০০,০০০	৭০০,০০০	৭০০,০০০	৬০০,০০০
উৎপাদন (মেট্রিক টন)	৭৫৮,৪০৫	৭২৭,০৩৪	৬৮১,০৬১	৩৬২,২৫৪	৬০২,৮৩২	৬২৩,৯১৮
ব্যবহৃত উৎপাদনক্ষমতা (%)	১০৮.৩৪%	১০৩.৯%	৯৭.৩	১০৩.৫০	৯৯.৫	১০৪
বিক্রয় (মেট্রিক টন)	৭৫৬,৮২০	৭১০,৯৯৫	৬৯২,৫০৪	৩৭৩,৭৪৭	৬০৪,৫১৩	৬৭৯,৮০৩

আর্থিক পর্যালোচনা -বিএসআরএম স্টিলস লিমিটেড

বিবরণ	মিলিয়ন টাকায়					
	জুলাই ১৮ থেকে জুন ১৯	জুলাই ১৭ থেকে জুন ১৮	জুলাই ১৬ থেকে জুন ১৭	জানু ১৬ থেকে জুন ১৬	২০১৫	২০১৪
	টাকা	টাকা	টাকা	টাকা	টাকা	টাকা
বিক্রয়	৬১,০৬০.১৫	৪৮,২৮৯.৯০	৩৭,৯৯৬.৪১	১৭,২৬৫.১৮	৩২,৩১৬.১০	৩৮,৫৩৫.৯৪
মোট মুনাফা	৫,০৫১.৯১	৪,৮৭৯.১৭	৪,৫৫৭.৩০	৩,১১৪.৬৯	৪,৩৬৮.৬৫	২,৮০৭.৩২
লাভ (সুদ, কর, ডব্লিউপিপি ও ডব্লিউএফ এর পূর্বে)	৩,৩৬৯.০৫	৩,১৮০.৬৫	৩,২৭৩.৬০	২,৩৭৯.৮৬	৩,২৫৭.৯০	১,৮৯২.৮৩
বাদ: সুদ, ডব্লিউপিপিএফ ও ডব্লিউডিউএফ	(১,৩২৮.৭৬)	(১,১২০.১৯)	(৪১৭.২৩)	(২৪৬.৩৮)	(৭৩৯.২৯)	(৩৭৮.৯৫)
যোগ/(বাদ) : বারগেইন পারচেজ-এ মুনাফা	-	১০.২০	-	-	-	-
যোগ/(বাদ): সহযোগি কো. লাভ বা ক্ষতির অংশ	২৯৭.৯৭	২৩৭.৮৮	(২২৫.৮৭)	(১৮.৫৬)	৭৫.৩১	(৩.২০)
বাদ: আয়কর ও আয়কর সঞ্চিতি	(৬১০.১৩)	(৫০৭.৭৪)	(৬৫৫.০৭)	(৮০১.৬১)	(৫১২.০৭)	(৪২৪.৪৭)
নিট মুনাফা	১,৭২৮.১২	১,৮০০.৮০	১,৭০৫.৪১	১,৩১৩.৩২	২,০৮১.৮৮	১,০৮৬.২১
একচুরিয়াল (ক্ষতি)/লাভ	-	(৩.৪০)	-	-	-	-
মোট সমন্বিত আয়	৮,৪২৫.৫৪	১,৭৯৭.৪০	১,৭০৫.৪১	১,৩১৩.৩২	২,০৮১.৮৮	১,০৮৬.২১
শেয়ার প্রতি আয় (টাকা)	৪.৬০	৪.৭৯	৪.৯৮	৩.৮৪	৬.০৯	৩.১৮

২০১৭-১৮ সালে কোম্পানি সাবসিডিয়ারি প্রতিষ্ঠান বিএসআরএম আয়রন অ্যান্ড স্টিল কো. লি.-এর সাথে একীভূত হয়েছে যা ১ অক্টোবর ২০১৭ সালে কার্যকর হয়। কোম্পানির বর্তমান উৎপাদনক্ষমতা বছরে ২২৫,০০০ মেট্রিক টন বিল্ট। বার্ষিক ৪৩০,০০০ মেট্রিক টন বিল্ট উৎপাদনে সক্ষম আরেকটি মেল্টিং প্ল্যান্ট প্রতিষ্ঠার কাজ এপ্রিল, ২০১৯ হতে চটগ্রামের মিরসরাইয়ের সোনাপাহাড়ে চলছে।

শেয়ারহোল্ডারদের অনুমতিক্রমে এবং মহামান্য উচ্চ আদালতের অনুমোদনের মাধ্যমে পরিচালকমন্ডলী বিএসআরএম লিমিটেড এবং বিএসআরএম স্টিল মিলস লিমিটেডকে একীভূত করার সিদ্ধান্ত নিয়েছেন। এই একীভূতকরণ নিশ্চিত করবে উৎপাদন ক্ষমতার সর্বোত্তম সদ্ব্যবহার, কমিয়ে আনবে মূল্য ও আয়কর এর জটিলতা, ট্রাস করবে পরিচালন ব্যয়, নিশ্চিত করবে মানব সম্পদের সঠিক ব্যবহার, আর সহজ করে তুলবে অন্যান্য আইনগত নিয়ন্ত্রণ-এর ব্যাপারগুলোও।

বিএসআরএম সার্ভিস সেন্টার

বিএসআরএম লিমিটেড একটি অত্যাধুনিক রিইনফোর্সমেন্ট প্রোসেসিং প্ল্যান্ট চালু করেছে। প্রকল্পের মোট আনুমানিক বার্ষিক উৎপাদনক্ষমতা কটি অ্যান্ড বেকট রিবারের জন্য ১৪,৪০০ মেট্রিক টন, স্ট্রিপের জন্য ২,৮৮০ মেট্রিক টন এবং মেশের জন্য ৪৮,০০০ মেট্রিক টন। এই কাস্টমাইজড সমাধানগুলি নির্মাণ সামগ্রী সংরক্ষণের জন্য গ্রাহকদের অতিরিক্ত স্থানের

প্রয়োজনীয়তা ট্রাস করার পাশাপাশি উল্লেখযোগ্যভাবে অপচয় ট্রাস করবে। এটি গ্রাহকের নির্মাণ কাজের বিলম্ব, ত্রুটি, জালিয়াতি, প্রয়োজনীয় শ্রম ট্রাস করবে এবং নির্মাণ কাজের মান বাড়িয়ে তুলবে। এই নতুন প্ল্যান্টটি কোম্পানির লাভজনকতার উপর ইতিবাচক প্রভাব ফেলবে।

ঝুঁকি ও উদ্বেগসমূহ:

ঝুঁকি মূল্যায়ন ও প্রশমন কার্যক্রম যেকোনো ব্যবসার অবিচ্ছেদ্য অংশ। পরিচালনা পর্ষদ নিয়মিতভাবে আমাদের লাভজনকতা এবং টেকসই প্রবৃদ্ধি অর্জনের পথে যেসব ঝুঁকি এবং হুমকি আসতে পারে সেগুলো নির্ণয়, পর্যবেক্ষণ ও মূল্যায়ন করে থাকেন। আমাদের ঝুঁকি ব্যবস্থাপনার ক্ষমতা, শক্তিশালী পরিচালন কাঠামো, তথ্য ব্যবস্থা এবং চ্যালেঞ্জ মোকাবেলায় বাজার, অর্থনৈতিক পরিস্থিতি এবং বলিষ্ঠ নীতিসমূহের নিয়মিত বিশ্লেষণ দ্বারা সমর্থিত। সম্প্রতি বিএসআরএম গ্রুপ সার্বিকভাবে এন্টারপ্রাইজ রিস্ক ম্যানেজমেন্ট (ইআরএম) ফ্রেমওয়ার্ক ও গাইডলাইন প্রস্তুত করেছে। এর নীতিমালা অনুযায়ী ঝুঁকি নিবন্ধন ব্যবস্থা প্রস্তুত করা হয়েছে এবং একটিদল নিয়মিত নিবিড়ভাবে সম্ভাব্য ঝুঁকি পর্যবেক্ষণ ও মূল্যায়ন করছে এবং পূর্ব সতর্কতা ও প্রশমনের উপায় বের করার জন্যে কাজ করছে।

উল্লেখযোগ্য ঝুঁকিসমূহ এবং সেগুলো প্রশমনের বিষয়ে কোম্পানি নির্ধারিত পদ্ধতিসমূহ আর্থিক প্রতিবেদনের অ্যানেক্সার-১ এবং নোট-৪৯-এ বর্ণিত আছে।

ঝুঁকি ব্যবস্থাপনা ও নিয়ন্ত্রণ

বিস্তারিত বিবরণ অ্যানেক্সার-১এ।

বিক্রিত পণ্যের মূল্য, মোট লাভ মার্জিন ও নিট লাভ মার্জিন:

বিস্তারিত বিবরণ অ্যানেক্সার-২।

অপ্রত্যাশিত/আশাতিত লাভ বা ক্ষতি

এ বছর কোন আশাতিত লাভ বা ক্ষতি হয়নি।

সংশ্লিষ্ট পক্ষের লেনদেনসমূহ:

সংশ্লিষ্ট পক্ষের সাথে করা সকল লেনদেন বাণিজ্যিক ভিত্তিতে করা হয়েছে। আইএফআরএস/বিএফআরএস অনুযায়ী আর্থিক বিবরণীর নোট ২৫ ও ৩৬-এ সংশ্লিষ্ট পক্ষের লেনদেনসমূহের বিস্তারিত তথ্য প্রকাশিত হয়েছে।

ত্রৈমাসিক এবং বার্ষিক আর্থিক ফলাফলের মধ্যকার উল্লেখযোগ্য বিচ্যুতি:

বাংলাদেশ স্টিল রি-রোলিং মিলস লিমিটেড পৃথক লাভ/ক্ষতির বিবরণী ও অন্যান্য সার্বিক আয়						
	বার্ষিক		ত্রৈমাসিক			
বিবরণ	জুলাই ১৮ থেকে জুন ১৯	জুলাই ১৭ থেকে জুন ১৮	এপ্রিল ১৯ থেকে জুন ১৯	জানুয়ারি ১৯ থেকে মার্চ ১৯	অক্টোবর ১৮ থেকে ডিসেম্বর ১৮	জুলাই ১৮ থেকে সেপ্টেম্বর ১৮
উৎপাদন	৬৮৬,৭৬৯	৫৬২,৯০০	১৬৭,৭১২	১৮০,২৪০	১৮৯,৯০৮	১৪৮,৯০৬
বিক্রয়	৬৬৬,২০৬	৫৪৯,৯৫৫	১৯৫,৭৫৭	১৯৬,৯৫৪	১৫৪,০৫৭	১১৯,১৭১
আয়	৪৪,৪০৯	৩০,২০৮	১০,০২৪	১০,০২৬	১০,২২০	৮,১০৭
বিক্রয় ব্যয়	(৩৯,৪১৭)	(২৮,৪১০)	(১১,৫৫২)	(১১,৫৭৬)	(৯,১৬৯)	(৭,১১৯)
মোট মুনাফা	৪,৯৯২	৪,৮২৮	১,৪৭১	১,৪৪৯	১,০৫০	১,০১৮
কর- পূর্ব মুনাফা	২,৭৪০	৩,০২২	৯৯০	৮২৯	৪২২	৪৯৭
আয়কর ব্যয়						
বর্তমান বছর	(৩১৭)	(৩০৬)	(১২০)	(৪৭)	(৮৪)	(৬৬)
বিগত বছর	(৩৯)	৭২	-	-	(৩৮)	-
বিলম্বিত কর	(৫২০)	(৯)	(২৯৯)	(১০৯)	(৫৫)	(৬০)
মোট আয়কর ব্যয়	(৮৭৯)	(২৪০)	(৪২০)	(১৫৭)	(১৭৭)	(১২৬)
ট্যাক্স বাদ মুনাফা	১,৮৬১	২,৭৭৯	৫৭০	৬৭২	২৪৫	৩৭১
সাধারণ ইপিএস(টাকা)	৭.৮৮	১১.৭৮	২.৪২	২.৮৫	১.০৪	১.৫৭

কাঁচামালের ক্রয়মূল্য এবং মেট্রিক টন প্রতি বিক্রয়মূল্যের উঠানামার কারণে, কোম্পানির মুনাফাও প্রান্তিক থেকে প্রান্তিকে ওঠানামা করেছে। কোম্পানি, এর সহযোগী ও সহায়ক কোম্পানির মালিকানাধীন জমির দাম বৃদ্ধি পাওয়ায় গত বছরের তুলনায় এই বছর বিলম্বিত কর যথেষ্ট পরিমাণে বৃদ্ধি পেয়েছে।

স্বতন্ত্র পরিচালকসহ পরিচালকবৃন্দের পারিশ্রমিক:

বোর্ডের সিদ্ধান্ত অনুযায়ী পরিচালকদের বেতন দেওয়া হয়েছে এবং পরিচালকদের বেতনের বিস্তারিত প্রতিবেদন আর্থিক বিবরণীর নোট ৭.০২ ও অ্যানেক্সার-৩-এ সংযুক্ত করা হয়েছে।

পরিচালনা পর্ষদ:

১. পর্ষদের গঠন ও আকার:

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

২. পর্ষদের সভা ও উপস্থিতি:

১ জুলাই ২০১৮ থেকে ৩০ জুন ২০১৯-এর মধ্যে পরিচালনা পর্ষদের মোট ৮টি সভা অনুষ্ঠিত হয়। সভায় পরিচালকবৃন্দের উপস্থিতির বিবরণ নিম্নে দেয়া হলো।

পর্ষদ সদস্যের নাম	পদবী	বছরে অনুষ্ঠিত সভা সংখ্যা	সভায় উপস্থিতির সংখ্যা
জনাব আলীহোসাইন আকবরআলী এফসিএ	চেয়ারম্যান	৮	৭
জনাব আমির আলীহোসাইন	ব্যবস্থাপনা পরিচালক	৮	৮
জনাব জোহাইর তাহেরআলী	পরিচালক (এইচ আকবরআলী অ্যান্ড কো.লি.-এর মনোনীত পরিচালক)	৮	৭
মিসেস সাবীন আমির	পরিচালক	৮	৭
বাবু মনোরঞ্জন দে এফসিএ	স্বতন্ত্র পরিচালক	৮	৬

সভায় অনুপস্থিত সদস্যগণ ছুটিতে ছিলেন অথবা দেশের বাইরে ছিলেন।

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

ক) কোম্পানি গঠনতন্ত্রের অনুচ্ছেদ ৯৭ ও ৯৮ অনুসারে জনাব জোহাইর তাহেরআলী (এইচ আকবরআলী এন্ড কো. লি.-এর মনোনীত পরিচালক) এবং মিসেস সাবীন আমির এই এজিএম-এর শেষে পর্যায়ক্রমিকভাবে পদত্যাগ করবেন এবং যোগ্যতার ভিত্তিতে পুনঃনিয়োগের জন্য নিজেদেরকে মনোনীত করবেন।

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

আগের বছরের তুলনায় কার্যক্রমের ফলাফলে উল্লেখযোগ্য বিচ্যুতি:

কার্যক্রমের ফলাফলে এ ধরনের কোন বিচ্যুতি নেই।

ব্যবস্থাপনা আলোচনা ও বিশ্লেষণ:

কোম্পানির আর্থিক বিবৃতিতে পরিবর্তনের সংক্ষিপ্ত আলোচনার পাশাপাশি কোম্পানির পরিচালনা ও অবস্থান সম্পর্কিত ব্যবস্থাপনা পরিচালক দ্বারা স্বাক্ষরিত একটি ব্যবস্থাপনা আলোচনা এবং পর্যালোচনা অ্যানেক্সার-ডি তে সংযুক্ত করা হলো।

ক্রেডিট রেটিং:

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

দীর্ঘমেয়াদি	স্বল্পমেয়াদি
AA	ST-3

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

‘ST-3’ সঠিক সময়ে ঋণ পরিশোধের নিশ্চয়তা নির্দেশ করে। তারল্য উৎপাদকসমূহ শক্তিশালী এবং উন্নত মৌলিক প্রতিরক্ষা উৎপাদক দ্বারা সমর্থিত। ঝুঁকির উপাদান খুবই সামান্য।

ক্রেডিট রেটিং কোম্পানির মূল্যায়নে আমাদের কোম্পানি ‘স্থিতিশীল পরিস্থিতি’র কোম্পানির মধ্যে অন্তর্ভুক্ত।

অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা:

পরিচালনা পর্ষদ নিশ্চিত করছেন যে এই গ্রুপে একটি কার্যকর অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা রয়েছে যা কোম্পানির সম্পদের সুরক্ষা করে এবং প্রতারণা, ত্রুটি এবং অন্যান্য অনিয়ম হ্রাস করে এবং সনাক্ত করে। অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থার উন্নতির জন্য কোম্পানি স্ট্যান্ডার্ড অপারেটিং পদ্ধতি (এসওপি) গ্রহণ করেছে।

যুক্তিসঙ্গত সময়সীমার মধ্যে সঠিক তথ্য ও উপাত্ত তৈরি করতে আমরা ইতিমধ্যে সর্বাধুনিক এক্সারপ্রাইজ রিসোর্স প্ল্যানিং (ইআরপি) চালু করেছি। অভ্যন্তরীণ নিয়ন্ত্রণ ও প্রতিপালন নিশ্চিত করার লক্ষ্যে কোম্পানি একটি আলাদা অভ্যন্তরীণ অডিট বিভাগ সৃষ্টি করেছে। অন্যদিকে, অডিট কমিটি নিয়মিতভাবে অভ্যন্তরীণ অডিট বিভাগের প্রতিবেদন পর্যালোচনা করে এবং সংশোধনমূলক ব্যবস্থা গ্রহণ করে।

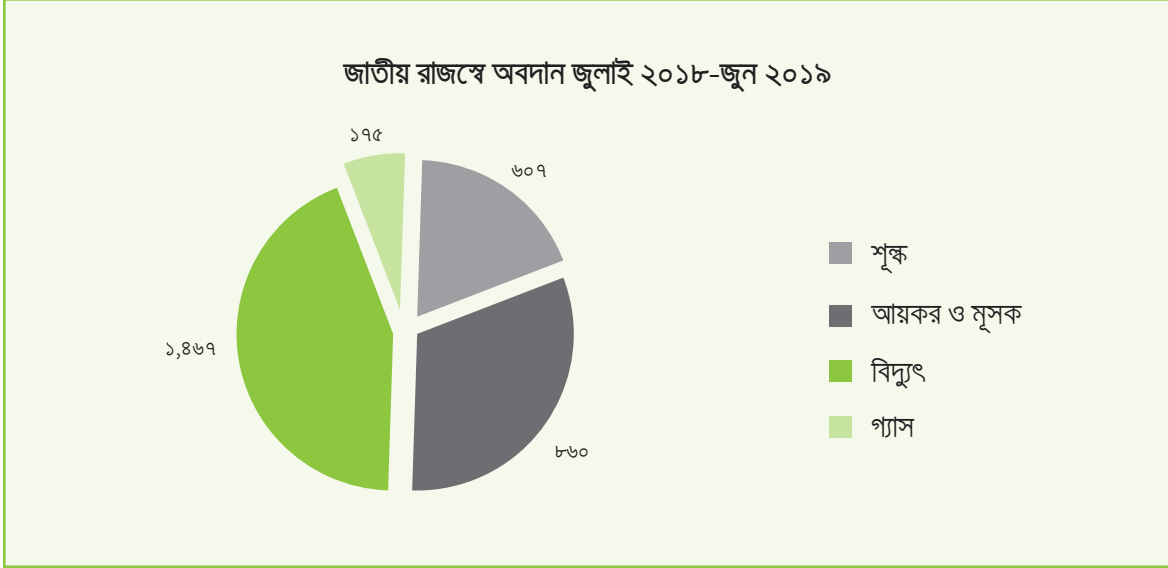
লভ্যাংশ:

- আপনার কোম্পানির পরিচালক পর্ষদ ৩০ জুন, ২০১৯-এ শেষ হওয়া বছরের জন্য শেয়ার প্রতি ২৫% নগদ লভ্যাংশ প্রদানের পরামর্শ দিয়েছেন। গত বছর কোম্পানি শেয়ারপ্রতি ১০% স্টক ও ১০% ক্যাশ লভ্যাংশ প্রদানের ঘোষণা করেছিলো।
- সঞ্চিত তহবিল উচ্চসুদের ঋণ পরিশোধে এবং মূলধন এবং পরিচালনা ব্যয় মেটাতে ব্যবহার করা হবে।

জাতীয় রাজস্বে অবদান

বিএসআরএম সরকারী রাজস্ব প্রদান এবং সংগ্রহের ব্যবস্থা সহজ করতে সহায়তা করে আসছে। জুলাই '১৮ থেকে জুন '১৯-এ আমরা যথাসময়ে উল্লেখযোগ্য পরিমাণে আয়কর,

মুসক এবং শুল্ক পরিশোধ, সংগ্রহ এবং জমা করেছি। এই সময়ে, বিএসআরএম লিমিটেড ৩,১০৯ মিলিয়ন টাকা সরকারি রাজস্বে যোগান দিয়েছে যার মধ্যে ইউটিলিটি বিল অন্তর্ভুক্ত, যা নিম্নে সংযুক্ত করা হলো:



কর্পোরেট সামাজিক দায়িত্ব:

ব্যবসায়িক সিদ্ধান্তের সাথে নৈতিক, সামাজিক এবং পরিবেশগত উন্নয়নমূলক চিন্তার সমন্বয় করার প্রতিশ্রুতি বিএসআরএম-এর অন্যতম শক্তিশালী ভিত্তি। ২০১৮-১৯ সালব্যাপী আপনাদের কোম্পানি সমাজের কল্যাণে, গবেষণা এবং উন্নয়নে এবং পরিবেশ রক্ষায় কাজ করেছে। বিএসআরএম সংক্রান্ত কাজের বিবরণ বার্ষিক প্রতিবেদনের ৯৩ পৃষ্ঠায় কর্পোরেট সামাজিক দায়িত্বসমূহ অধ্যায়-এ বর্ণিত হয়েছে।

পুরস্কার এবং স্বীকৃতি:

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

- ১। ন্যাশনাল প্রোডাক্টিভিটি এন্ড কোয়ালিটি এক্সিলেন্স অ্যাওয়ার্ড-২০১৭
- ২। ২০১৩-১৪, ২০১৪-১৫, ২০১৬-১৭ সালের জাতীয় রপ্তানিটুফি অর্জন (বিএসআরএম স্টিলস লি.)
- ৩। ২০১৮ সালে অনুষ্ঠিত ৪র্থ জাতীয় উন্নয়ন মেলায় গণপ্রজাতন্ত্রী বাংলাদেশ সরকারের প্রবাসী কল্যাণ ও বৈদেশিক কর্মসংস্থান মন্ত্রণালয়ের কাছ থেকে প্রশংসাপত্র লাভ।
- ৪। ২০১৪ সালে শিল্পোন্নয়নে বিশেষ অবদান রাখায় ভারি শিল্প বিভাগে রাষ্ট্রপতি পুরস্কার অর্জন- (বিএসআরএম স্টিলস লিমিটেড)

- ৫। বাংলাদেশ সাপ্লাই চেইন ম্যানেজমেন্ট সোসাইটির পক্ষ থেকে সম্মানজনক 'এক্সিলেন্স ইন সাপ্লাই চেইন রিলেশনশিপ ম্যানেজমেন্ট অ্যান্ড লজিস্টিক ম্যানেজমেন্ট' পুরস্কার অর্জন
- ৬। প্রদর্শিত সেরা বার্ষিক প্রতিবেদন হিসেবে ২০১২, ২০১৩ ও ২০১৫ সালে আইসিএবি জাতীয় পুরস্কার ও ২০১৪ ও ২০১৫ সালে মেধাসনদ অর্জন
- ৭। ২০১২, ২০১৩ ও ২০১৫ সালে সাউথ এশিয়ান অ্যাকাউন্টেন্টস ফেডারেশন (সাফা)-এর মেধাসনদ অর্জন (বিএসআরএম স্টিলস লি.)
- ৮। ২০১৫ সালে সেরা কর্পোরেট গভর্ন্যান্স এক্সিলেন্স-এর জন্য আইসিএসবি ন্যাশনাল গোল্ড অ্যাওয়ার্ড অর্জন
- ৯। ২০১৬-১৭ সালে সর্বোচ্চ করদাতা হিসেবে জাতীয় রাজস্ব বোর্ড-এর ট্যাক্স কার্ড অর্জন (বিএসআরএম স্টিলস লি.)
- ১০। স্টিল ক্যাটাগরিতে ২০১১, ২০১৩, ২০১৪, ২০১৫, ২০১৬, এবং ২০১৭ সালের সেরা ব্র্যান্ড হিসেবে পুরস্কৃত (বিএসআরএম গ্রুপ)
- ১১। ২০১০ সালের বেস্ট এন্টারপ্রাইজ অব দ্য ইয়ার (বিএসআরএম গ্রুপ)
- ১২। ডি অ্যান্ড বি কর্পোরেট অ্যাওয়ার্ড ২০১০ ও ২০১২ (বিএসআরএম স্টিলস লি.)
- ১৩। ২০১২ সালে আলীহোসেন আকবরআলী এফসিএ "প্রাইড অফ চিটাগাং (চট্টগ্রামের অহংকার)" উপাধিতে ভূষিত।
- ১৪। বিভাগীয় পরিবেশ পুরস্কার ২০১৩ (বিসকো লি.)

- ১৫। ৫ম স্ট্যান্ডার্ড চার্টার্ড-ফাইন্যান্সিয়াল এক্সপ্রেস সিএসআর পুরস্কার (বিএসআরএম গ্রুপ)
- ১৬। ২০১৪ সালে জাপান-বাংলাদেশ চেম্বার অব কমার্স এন্ড ইন্ডাস্ট্রি (জেবিসিসিআই) পুরস্কার (বিএসআরএম লি.)
- ১৭। ২০১৪ সালে সেরা কর্পোরেট গভর্ন্যান্স এক্সিলেন্স-এর জন্য আইসিএসবি ন্যাশনাল সিলভার অ্যাওয়ার্ড অর্জন (বিএসআরএম স্টিলস লি.)
- ১৮। ২০১৫ সালে সর্বোচ্চ বিদ্যুৎ ভোক্তা (শিল্পখাত) পুরস্কার (বিএসআরএম লি.)
- ১৯। ২০১৫ সালে মার্কেটাইল ব্যাংক পুরস্কার (শিল্প ও বাণিজ্য) অর্জন (বিএসআরএম গ্রুপ)

তথ্য প্রযুক্তি

ডিজিটাইজেশন এবং প্রযুক্তিগত অগ্রগতির এ যুগে গ্রাহক এবং স্টেকহোল্ডারদের সাথে সম্পৃক্ত থাকার জন্য তথ্য প্রযুক্তিতে দক্ষতা বাড়ানোর উপর অধিক গুরুত্ব দেওয়া প্রয়োজন। বিএসআরএম একটি শক্তিশালী ও যুগোপযোগী আইটি কাঠামো গঠন করেছে, যা ঝুঁকি হ্রাস করতে এবং আর্থিক কর্মক্ষমতা বিকাশের জন্য প্রয়োজনীয় সকল তথ্য যেন যে কোনও সময়ে ই-বিজনেস সলিউশন থেকে নেয়া যায় তা নিশ্চিত করে। আমাদের আইটি টিম গ্রাহক-বান্ধব উইন্ডো তৈরি করেছে যার মাধ্যমে তারা স্বল্পতম সময়ের মধ্যে একটি স্বয়ংক্রিয় সিস্টেমের মাধ্যমে অর্ডার, অভিযোগ, অনুসন্ধান করতে পারেন। এই প্রতিবেদনের ‘টেকসই প্রবৃদ্ধি’ অধ্যায়ে ৯৭ পৃষ্ঠায় তথ্য-প্রযুক্তি সংক্রান্ত কাজের বিস্তারিত বিবরণ লিপিবদ্ধ রয়েছে।

মানবসম্পদ ব্যবস্থাপনা

বিএসআরএম-এর একটি দর্শন হলো ‘মেধার প্রতিপালন ও প্রতিষ্ঠানের ভবিষ্যৎ নেতৃত্ব গঠনে গুরুত্ব দেওয়ার মাধ্যমে পছন্দের চাকরিদাতা প্রতিষ্ঠানে পরিণত হওয়া’, ফলে বিএসআরএম একটি সক্ষম, বৈচিত্রপূর্ণ ও কর্মদক্ষ জনশক্তি গড়ে তুলতে পারায় অত্যন্ত গর্বিত। যেহেতু আমরা বিশ্বাস করি যে, আমাদের দর্শন এবং মূল্যবোধ কেবল সঠিক জায়গায় সঠিক ব্যক্তি স্থাপনের মাধ্যমেই অর্জনযোগ্য, আমরা কার্যত একটি মানবসম্পদ গাঁথা রচনা করেছি যা সমান সুযোগ, নিরবচ্ছিন্ন শিক্ষা এবং বিকাশ, শিল্পের সকলের সাথে সম্পর্ক স্থাপন এবং সুদক্ষ কর্মী গড়ে তোলার দারুণ সব গল্প নিয়ে গঠিত। প্রতিবেদনের ৯৬ পৃষ্ঠায় ‘টেকসই প্রবৃদ্ধি’ অধ্যায়ে মানবসম্পদের বিস্তারিত বিবরণ লিপিবদ্ধ রয়েছে।

আচরণ বিধি

মনোনয়ন ও পারিশ্রমিক কমিটি (এনআরসি) কোম্পানির পরিচালনা পর্ষদের জন্য নির্দিষ্ট আচরণ বিধি প্রণয়ন করেছে যা কোম্পানির ওয়েবসাইটে দেওয়া আছে। সকল পরিচালক এই আচরণ বিধির অনুকূলে স্বাক্ষর করেছেন।

অডিটরবৃন্দ:

বর্তমান অডিটর রহমান রহমান হক, চার্টার্ড অ্যাকাউন্ট্যান্টস, এমএম ট্রেড সেন্টার (১৪ তলা), ৭৮, আগ্রাবাদ বা/এ, চট্টগ্রাম, ৫৭তম বার্ষিক সাধারণ সভা শেষে অবসরে যাবেন এবং উপযুক্ততার ভিত্তিতে ২০১৯-২০ বছরের অডিট পরিচালনার জন্য পুনঃনিয়োগের ইচ্ছা ব্যক্ত করেছেন। পরিচালনা পর্ষদ রহমান রহমান হক, চার্টার্ড অ্যাকাউন্ট্যান্টস, এমএম ট্রেড সেন্টার (১৪ তলা), ৭৮, আগ্রাবাদ বা/এ, চট্টগ্রামকে আগামী ৩০ শে জুন ২০২০ সালে সমাপনী বছরের সংবিধিবদ্ধ অডিটর হিসেবে নিয়োগের সুপারিশ করেছেন, যা আগামী বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারদের অনুমোদনের জন্য অপেক্ষমান।

কর্পোরেট গভর্ন্যান্স-এর কমপ্লায়েন্স-এর জন্য পেশাদার অ্যাকাউন্ট্যান্ট:

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

প্রতিবেদন ও কর্পোরেট গভর্ন্যান্স-এর কমপ্লায়েন্স:

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

পরবর্তী কার্যক্রম

ফাইন্যান্সিয়াল পজিশন-এর পর থেকে এই প্রতিবেদনের তারিখ পর্যন্ত এমন কোন উল্লেখযোগ্য কার্যক্রম নেই যার ফলে এই প্রতিবেদনের আর্থিক বিবরণীর ব্যবহারকারীদের উপযুক্ত মূল্যায়ন করার ক্ষমতা প্রভাবিত হবে। তবে বোর্ড বিএসআরএম লিমিটেডকে তার সহায়ক সংস্থা বিএসআরএম স্টিল মিলস লিমিটেডের সাথে একীভূত করার সিদ্ধান্ত নিয়েছে।

পরিচালকের দায়িত্বসমূহের বিবৃতি:

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

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

খ) কোম্পানির বুকস্ অব অ্যাকাউন্ট যথাযথভাবে সংরক্ষণ করা হয়েছে।

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

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

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

চ) নিয়ন্ত্রণকারী শেয়ারহোল্ডারদের দ্বারা বা তাদের হিতে করা কোন কার্যক্রম যেন ক্ষুদ্র শেয়ারহোল্ডারদের স্বার্থে আঘাত না লাগে তা নিশ্চিত করা হয়েছে।

ছ) কোম্পানির পরিচালনা এবং অবিরত হবার সক্ষমতা নিয়ে বিন্দুমাত্র সন্দেহ নেই এবং একটি অবিরত প্রতিষ্ঠানের ভিত্তিতেই বার্ষিক হিসাব তৈরি করা হয়েছে।

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

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

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

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

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

কৃতজ্ঞতা স্বীকার:

আমি সকল সম্মানিত শেয়ারহোল্ডার, ব্যাংকার, রেজিস্ট্রার অফ জয়েন্ট স্টক কোম্পানিস, জাতীয় রাজস্ব বোর্ড এবং অন্যান্য গভর্নিং বডিসমূহকে সর্বদা আমাদের পাশে থাকার জন্য অশেষ কৃতজ্ঞতা ও ধন্যবাদ জানাচ্ছি। তাদের আন্তরিক সহযোগিতা ও সমর্থন ছাড়া ব্যবসায়িক প্রগতির নতুন দিগন্তে পৌঁছানো আমাদের পক্ষে সম্ভবপর হত না।

আমি আমাদের ব্যবস্থাপনা দল এবং সকল কর্মকর্তা-কর্মচারীকে তাদের পরিশ্রম ও নিষ্ঠার জন্য ধন্যবাদ জানাতে পেরে অত্যন্ত আনন্দিত। তাদের দলবদ্ধ চেষ্টা আমাদেরকে সকল প্রত্যাশার উর্ধ্বে নিয়ে এসেছে।

আমরা সর্বোচ্চ দক্ষতা ও মুনামা নিশ্চিত করার লক্ষ্যে সর্বাঙ্গিক প্রচেষ্টা চালিয়ে যাচ্ছি। আরও উন্নত ও নিরাপদ জাতি গঠনের জন্য আমাদের আপনারদের সকলের সমর্থন ও সহযোগিতা প্রয়োজন।

নিরাপদে থাকুন,

আমীর আলিহোসাইন
ব্যবস্থাপনা পরিচালক

BANGLADESH STEEL RE-ROLLING MILLS LIMITED DECLARATION OF CEO AND CFO

Date: September 16, 2019

The Board of Directors
Bangladesh Steel Re-Rolling Mills Limited
Ali Mansion, 1207/1099 Sadarghat Road,
Chattogram.

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

Dear Sirs,

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

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

In this regard, we also certify that:-

- (i) We have reviewed financial statements for the year ended **30th June 2019** and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These financial statements collectively present true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Aameir Alihussain
Managing Director



Mohammed Reazul Kabir FCA
AGM & Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE CODE

M.A.MALLIK & Co. CHARTERED ACCOUNTANTS

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

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

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

Report to the Shareholders of Bangladesh Steel Re-Rolling Mills Limited on compliance on the Corporate Governance Code

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

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

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

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

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

Place: Chattogram
Dated: September 30, 2019




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

CORPORATE GOVERNANCE COMPLIANCE REPORT

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

(Report under condition No: 9)

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

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

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	✓		
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓		
3	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
4	BOARD OF DIRECTORS' COMMITTEE			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	AUDIT COMMITTEE			
5(1)	Responsibility to the Board of Directors.			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee.			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)	Role of Audit Committee			
	The Audit Committee shall:-	✓		
5(5)(a)	oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	report on conflicts of interests;			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	NOMINATION AND REMUNERATION COMMITTEE (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	✓		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.	✓		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	✓		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	EXTERNAL OR STATUTORY AUDITORS			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(ix)	any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	MAINTAINING A WEBSITE BY THE COMPANY			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

MANAGEMENT DISCUSSION AND ANALYSIS ON COMPANY'S POSITION AND OPERATION

The financial and operating results of the Company are very impressive during the year 2018-19. The profitability, performance, liquidity of the Company are gradually improving. We are focusing on sustainability and efficiency. The Company's overall position has been reflected in the Financial Statements which has been prepared following all generally accepted accounting principles. The overall company's position and future planning, methods of financial statement preparation have been summarized below:

a. Preparation of Financial Statements:

These financial statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow Statement in accordance with the applicable International Accounting Standards and International Financial Reporting Standards.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances.

b. Changes in Accounting policies and Estimations:

The Company is holding 44.97% of ordinary shares of BSRM Steel Mills Limited. This company has been treated as Subsidiary Company and included in the Consolidated Financial Statements according to BFRS-10: "Consolidated Financial Statements" to ensure better presentation as per BFRS.

c. Financial performance and position of the Company:

After BMRE in 2015, the Company has started commercial production in December 2015. Now its production has crossed 6.86 lacs M. Ton annually. The Net Profit after tax is Tk. 1860.63 Million in this year. Cash flow position is also improving. Now the operating cash flow stood Tk. 2.81 per share which was Tk. (8.78) per share in 2017-18.

Financial performance:

In the year 2018-19, Sales stood Tk. 44,408.88 million which is 33.61% higher than last year. In this year average selling price has increased. The Gross profit stood Tk. 4,992.24 million in the current year which was Tk. 4,828.32 million in the last year. The Gross profit ratio is 11.24% in the year 2018-19 which was 14.53% in 2017-18. 668,189 M. Ton finished goods has been sold in this year.

Shares of profit from associate company were 1060.71 Million which was Tk. 983.55 Million in the last year. It is increased because our Subsidiary Company –BSRM Steel Mills Limited has attained its maximum efficiency.

Financial Performance:

Amount in BDT in million

Particulars	2018-19	2017-18	2016-17	2016 (Jan-Jun)	2015	2014	2013
	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.	BD Tk.
Sales	44,408.88	33,238.37	23,648.93	9,713.86	7,801.98	8,049.89	8,602.42
Gross Profit	4,992.24	4,828.32	3,236.93	1,362.03	458.01	188.25	500.09
Net Profit	1,860.63	2,778.78	756.52	588.65	827.67	109.09	943.82
Earnings Per Share (EPS) (Tk.)	7.88	11.77	3.53	3.02	4.78	0.7	6.06
Net Asset Value Per Share (Tk.)	97.46	63.70	55.75	52.84	55.28	54.1	53.09
Net operating Cash Flow Per Share (Tk.)	2.81	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)	0.53

Total Production was 686,769 M. Ton (including Epoxy coated bar) and sales was 668,189 M. Ton this year. In this year billet production was 174,657 M. Ton against rated capacity of 150,000 M. Ton.

d. Financial performance and position with peer industries:

Now the annual steel market demand is 8 Million M. Ton which may be reached to 18 Million by 2030. Most of the local Companies in this industry are increasing their capacity. These Companies are also increasing their capacity for billet productions

Bangladesh Steel Re-Rolling Mills Limited (BSRM)

Taka in Million

Operational Results:	July'18- June'19	July'17- June'18	July'16- June'17	Jan'16- June'16	2015	2014
Revenue	44,409	33,238	23,457	9,713	7,801	8,049
Gross Profit	4,992	4828	3,215	1,362	458	188
Profit after Tax	1,860	2778	756	588	827	109
EPS (Tk.)	7.88	11.77	3.88	3.02	4.78	0.07
Net Assets Value (NAV) (Tk.)	97.46	63.7	55.75	52.84	55.28	54.1
Net Operating Cash Flow (Tk.)	2.81	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)

GPH Ispat Limited (GPH)

Taka in Million

Operational Results:	2018-19*	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue	1152.35	9923.41	7,839	5,743	5,988	4,687
Gross Profit	1507.71	1602.54	1,373	960	901	867
Profit after Tax	563.76	643.59	571	289	292	269
EPS (Tk.)	1.57	1.97	1.83	2.65	2.34	2.35
Net Assets Value (NAV) (Tk.)	16.92	16.89	16.15	15.45	16.4	16.25
Net Operating Cash Flow (Tk.)	1.51	1.12	3.83	0.41	4.67	2.77

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

BSRM Steels Limited

Taka in Million

Operational Results:	July'18- June'19	July'17- June'18	July'16- June'17	Jan'16- June'16	2015	2014
Revenue	61,060.15	48,289.93	37,996.41	17,265.18	32,316.10	38,535.94
Gross Profit	5,051.91	4,879.17	4,557.30	3,114.69	4,368.65	2,807.32
Profit after Tax	1,728.13	1,800.80	1,705.41	1,313.32	2,081.88	1,086.21
EPS (Tk.)	4.60	5.27	4.98	3.84	6.09	3.18
Net Assets Value (NAV) (Tk.)	55.58	37.48	34.03	27.42	26.57	21.93
Net Operating Cash Flow (Tk.)	(12.43)	2.90	1.07	9.05	16.87	(8.76)

Ratanpur Steel Re-Rolling Mills Limited (RSRM)**Taka in Million**

Operational Results:	2018-19*	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue	5,903.02	7,659.68	7,489	5,377	5,503	4,766
Gross Profit	955.81	1,276.99	1,257	650	549	465
Profit after Tax	558.83	713.46	7,077	271	272	154
EPS (Tk.)	5.52	7.05	8.18	3.45	4.36	5.24
Net Assets Value (NAV) (Tk.)	49.42	44.74	44.6	41.06	45.63	58.93
Net Operating Cash Flow (Tk.)	0.78	1.00	2.08	1.45	(15.17)	2.89

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

e. Global and Local Economic Scenario:

According to Asian Development Bank, Bangladesh holds the top position in GDP growth among all the countries of South Asia. The GDP has already crossed 8% this year which is likely to increase more in near future. The growth is expected to take Bangladesh to a top position among 75 countries by 2030. According to a report from HSBC, by 2030, China will continue to lead the global growth of Economy. As Bangladesh is expected to become a \$700 billion Economy in 2030, this massive growth in Economy is associated with huge development in infrastructure of Bangladesh, which opens the door for substantial boom in steel industry.

f. Risk and mitigation:

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

g. Future planning:

BSRM Group is planning to sell 16.75 lac M. Ton in the coming year. Out of this, around 7.50 lac M. Ton will be supplied by BSRM Ltd. Moreover, we are trying to explore markets in the eastern parts of India. To ensure imports of raw materials and spares at competitive price and to reduce lead time, we have set up a Subsidiary Company in Hong Kong. We are also planning to set up a rolling mill through a Joint Venture in Kenya.



Aameir Alihussain
Managing Director

RISK FACTORS AND CONCERNS

1. Business Risks

a) Risks associated with sourcing of Raw Materials

Bangladesh Steel Re-Rolling Mills Limited (BSRMLTD) was heavily dependent for its basic raw materials-MS Billets on international market up to June 2016. In case of billet price fluctuation in the international market, the company suffered and its profitability was also affected.

To meet the challenge, a separate company “BSRM Steel Mills Limited” has commissioned in June 2016 to produce 862,000 M. Ton MS billet per year which significantly reduce outside dependency. Steel Melting Unit of BSRMLTD can also supply 150,000 M. Ton Billet per year. Now BSRM Ltd is also procuring billets from BSRM Steels Limited (unit BISCO). Moreover, a new billet producing unit under BSRM Steels Limited with capacity of 430,000 M. Ton per has already started its operation.

b) Risks associated with Power Supply

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

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

2. Market Risks

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

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

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

Interest Rates

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

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

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

Foreign Exchange Fluctuations

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

We are hugely involved with Foreign Trade i.e. Import & Export and thus we are also exposed to Foreign Currency Risks. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains and losses in our income statement as incurred. We also maintain foreign currency account in which export collection is directly deposited and we can meet foreign currency payment requirements. In the year 2018-19 company has not been affected due to Foreign Currency fluctuation. Further, as a mitigation plan we plan to purchase USD in advance based on the market situation.

Competition and Economic conditions

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

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

3. Technology Related Risks

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

4. Environmental Risks

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

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

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

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

We firmly believe that-ZERO can save life.

ENTERPRISE RISK MANAGEMENT AND CONTROL ENVIRONMENT

Enterprise Risk Management framework

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

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

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

BSRM's enterprise risk management framework is directed to enable management to effectively deal with uncertainty and associated risks and opportunities, enhancing the capacity to build value. The Steps are:

- Promoting risk awareness throughout the BSRMLTD as well as BSRM Group of Companies.
- Defining risk appetite
- Identifying and managing multiple and cross-enterprise risks
- Identifying risk management team with clearly defined roles and responsibilities
- Formalizing risk response decisions
- Reducing operational surprises and losses

- Formalising a process for identifying opportunities arising out of risk situations
- Improving deployment or more efficient use of capital and resources

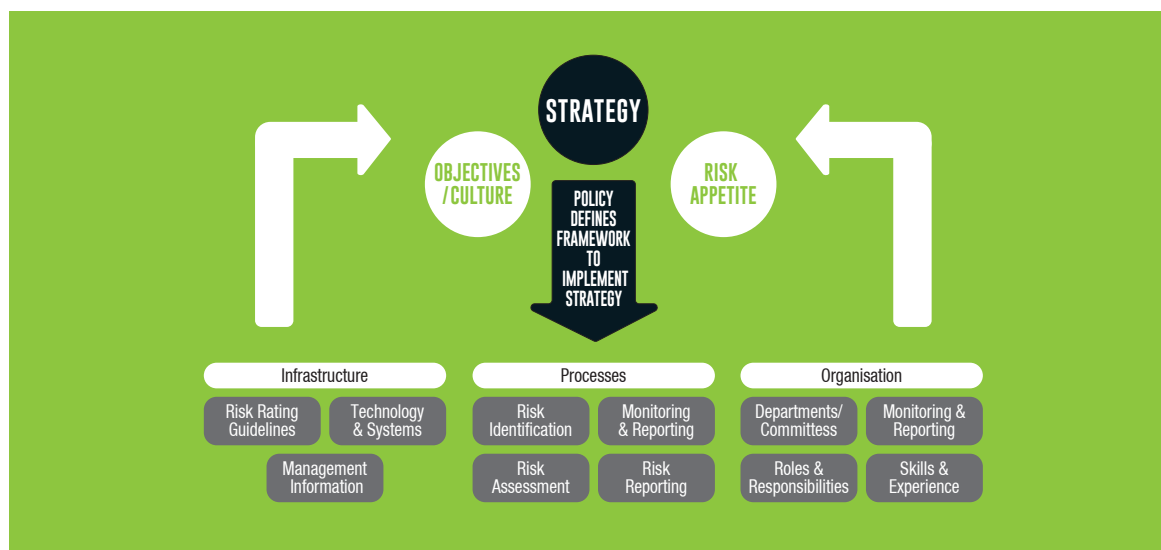
ERM helps BSRMLTD in managing risks in a proactive manner towards achieving its business objectives, performance & profitability targets and prevent loss of resources. BSRM's ERM is directed to help ensure effective reporting and compliance with laws and regulations, avoid damage to the entity's reputation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

Key principles of ERM Framework

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

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

BSRM's Risk Management Framework comprises of:



Risk Management Methodology of BSRM:

Risk

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

Risk Management as a process

The process of Risk Management deals with how the organization

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

Risk Management Guidelines

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

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

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



Disclosure of Risk Reporting:

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

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

DISCUSSION ON COST OF GOODS SOLD, GP MARGIN AND NP MARGIN

COST OF GOODS SOLD COGS

Cost of goods sold (COGS) is the expense a company incurs in order to manufacture, create, and 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.

During the year 2018-2019 Cost of goods sold (COGS) was Tk. 39,416 million against Tk. 28,410 million of 2017-2018

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 2018-19 Gross Profit Margin was 11.24% which was 14.53% in 2017-18. Due to increase in billet price and other cost of production gross profit margin has declined.

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 & WWF

Net profit has stood Tk. 1,860.63 Million which was Tk. 2,778.77 Million in 2017-18. Net profit decreased as Selling and Marketing expenses & deferred tax has increased as well as Other Non-operating income also declined this year.

REMUNERATION PAID TO DIRECTORS IN 2018-19

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

Remuneration Paid to Directors in 2018-19

Name	2018-19			2016-17		
	Attendance Fee	Gross Remuneration	Total Paid	Attendance Fee	Gross Remuneration	Total Paid
Mr. Alihussain Akberali FCA	17,250	28,800,000	28,817,250	34,500	22,800,000	22,834,500
Mr. Aameir Alihussain	23,000	22,800,000	22,823,000	34,500	16,800,000	16,834,500
Mr. Zohair Taherali	28,750	13,200,000	13,228,750	25,875	13,200,000	13,225,875
Mrs. Sabeen Aameir	17,250	6,000,000	6,017,250	8,625	6,000,000	6,008,625
Mr. Mono Ranjan Dey FCA	276,000	-	276,000	143,750	-	143,750
Total	362,250	70,800,000	71,162,250	247,250	58,800,000	59,047,250

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 6 YEARS

		2018-19	2017-18	2016-17	2016 Jan-Jun	2015	2014	2013
Production (Qty)	MT	686,769	562,903	442,511	241,359	45,689	42,116	106,810
% of Production Growth	%	22.00%	27.21%	83.34%	-	8.48%	(60.57%)	13.47%
Sales (Qty)	MT	668,189	549,977	503,705	192,631	54,433	76,818	126,714
% of Sales Growth (Qty)	%	21.49%	9.19%	161.49%	-	(29.14%)	(39.38%)	(33.88%)
Turnover	MLN Tk	44,408.88	33,238.37	23,648.93	9,713.86	7,801.98	8,049.89	8,602.42
Gross Profit	MLN Tk	4,992.24	4,828.32	3,236.93	1,362.03	458.01	188.25	500.09
Gross Profit %	%	11.24%	14.53%	13.69%	14.02%	5.87%	2.34%	5.81%
Earnings before Non Operating Income, interest, WPP&WF and Tax	MLN Tk	3,637.90	3,864.96	2,571.90	1,057.78	207.15	(66.17)	284.99
	%	8.19%	11.63%	10.88%	10.89%	2.66%	(0.82%)	3.31%
Non-Operating Income	MLN Tk	41.30	123.21	113.90	359.36	1,357.07	567.28	1,258.31
Net Profit after tax	MLN Tk	1,860.63	2,778.78	756.52	588.65	827.67	109.09	943.82
	%	4.19%	8.36%	3.20%	6.06%	10.61%	1.36%	10.97%
Earnings Per Share (EPS)	Tk	7.88	11.77	3.53	3.02	4.78	0.70	6.06
Current Ratio (Times)		1.04	1.04	0.75	0.78	0.73	1.09	0.99
Net Asset Value	MLN Tk	23,007.37	13,671.41	10,876.80	10,309.79	9,803.67	8,431.80	8,273.86
Net Asset Value Per Share	Tk	97.46	63.70	55.75	52.84	55.28	54.10	53.09
Net operating Cash Flow Per Share	Tk	2.81	(8.78)	(11.38)	(3.53)	(10.16)	(5.43)	0.53
Paid -up Capital	Cröre Tk	236.06	214.60	195.09	195.09	177.36	155.851	155.851

THE PATTERN OF SHAREHOLDINGS

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

Name	No of Shares Held	
	As on 30 th June 2019	As on 30 th June 2018
H. Akberali & Co. Limited	31,786,839	28,897,127
Karnafully Engineering Works Limited	5,325,130	4,841,028
Total	37,111,969	33,738,155

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

Name	Relation	No of Shares Held	
		As on 30 th June 2019	As on 30 th June 2018
Mr. Alihussain Akberali FCA	Chairman	29,238,249	26,580,227
Mr. Aameir Alihussain	Managing Director	22,720,109	20,654,645
Mr. Zohair Taherali (Nominated Director of H.Akberali & Co. Ltd)	Director	31,786,839	28,897,127
Mrs. Sabeen Aameir	Director	5,330,122	4,845,566
Mrs. Tehseen Zohair Taherali	Wife of Mr. Zohair Taherali	8,182,750	7,438,864
Mrs. Bilkis Alihussain	Wife of Mr. Alihussain Akberali FCA	21,493,760	19,539,782
Mr. Abdul Qadir Zohair	Son of Mr. Zohair Taherali	6,122	5,566
Mr. Shekhar Ranjan Kar FCA	GM (F&A) and Company Secretary	23,310	12,100
Mr. Mohammed Reazul Kabir FCA	AGM and CFO	2,442	2,220

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

Name	Relation	No of Shares Held	
		As on 30 th June 2019	As on 30 th June 2018
Mr. Tapan Sengupta	Deputy Managing Director	24,610	15,100
Mr. Kazi Anwar Ahmed	General Manager- Corporate Affairs & Dhaka Corporate Office	13,310	12,100
Mr. Mohindar Singh Hanspal	General Manager Rolling	Nil	Nil
Mr. Anil Kumar Chhabra	Senior Manager Production	Nil	Nil
Mr. Md. Nizamul Haque	Deputy General Manager Plant Operation	Nil	Nil

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

Name	Relation	No of Shares Held	
		As on 30 th June 2019	As on 30 th June 2018
Mr. Alihussain Akberali FCA	Chairman	29,238,249	26,580,227
H. Akberali & Co. Limited	Affiliated Company	31,786,839	28,897,127

INNOVATIVE USE OF BYPRODUCTS FOR A GROWING NATION

Demand for construction materials are growing day by day; the limited resources of construction materials are proving to be a challenge for Bangladesh. Using natural stone, granite or bricks causes massive damage to the environment as well. Being the country's no. 1 steel expert,

BSRM believes in going green through recycling and reusing waste materials. Keeping this philosophy in mind, BSRM has innovated a way of reusing slag, a by-product of steel making. This slag is being used as an alternative for natural stone and sand in the construction of a highway in Manikgonj.



CORPORATE SOCIAL RESPONSIBILITIES

BSRM GROUP CSR VISION

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

BSRM GROUP CSR PRINCIPLES

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

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

BSRM GROUP CSR PLAN

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

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

2018-2019 BSRM CSR Philanthropic Initiatives

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



School Children Milk programme (SCMP), Gaibandha November 2018

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

BSRM has partnered with Gana Unnayan Kendra (GUK), a reputed NGO in Gaibandha who has agreed to become a sponsor partner of the Joint Venture and implement the project. SCMP is a sustainable venture having long-term benefits. Starting as a pilot project if becomes successful, the scope and area will be scaled up, in the same district and beyond.



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

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





BSRM Tree Plantation (BTP) Bangladesh

October, 2018

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



BSRM Khulna BTP

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



BSRM Jungal - Narayanganj BTP



Genius Scholarship Program, Bangladesh

April, 2019

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

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

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



BSRM – Uttaran Water Project, Shatkhira

April, 2019

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



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



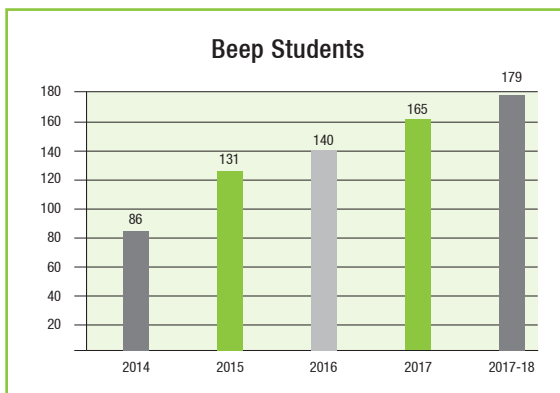
BSRM Employee Education Programme (BEEP)

January 2014

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



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



BSRM Employees: Mr. Julel with children

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



Mr. Dulal Mia with son

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

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

Green Environment

We are using world class Water Treatment Plant (WTP) for recycling the water to keep the environment free from pollution.

The Company has also commissioned Air Pollution Control (APC) system in melting factory to keep the air free from Pollution. In the same way, we are going to implement a rain water harvesting project for our new billet casting plant at Mirsarai. It will have positive impact on the environment.

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

Human Resources Function

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

We at BSRM, always welcome candidates from different disciplines with adequate experience to join us. Our Talent Acquisition team works hard to search for talent for a role on basis of the required competencies. We are an equal opportunity employer where every candidate is judged by their self ability to perform certain job. Our unbiased approach made us an Employer of Choice. We aspire to align our people with our vision and values and make them a key factor for success in business transformation and change process.

Here at BSRM, we believe people join us for a career, not for a job. Our KPI based performance management system helps people to be accountable for their roles and find out their weak areas to develop. It helps us to identify the high

performer for a bigger role within the group. Talent Management team strives to maintain a performance based culture, identifying critical positions, finding out the possible successors and helping them develop to future leadership.

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

A large number of skilled workforces are working with us to produce the best quality of steel for our customers. We are committed to give our people a safe and compliant workplace. Our Industrial Relation team works closely with our Plant Human Resources to make sure that our people have a place to talk and they must feel their concerns are attended. We pay attention to give a work life balance and engagement to our people. Employee Engagement programs are rolled out to not only engage employees but also develop employee ethics through positive motivation and promote a work environment that is characterised by fair treatment of staff, open communication, personal accountability, trust and mutual respect.

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

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

We work together, and we achieve together.

Information Technology

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

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

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

IMPROVING LIVELIHOODS IN CHAR AREAS

The Char Livelihoods Program (CLP) has been working with extremely poor inhabitants living on islands (chars) in north-western part of Bangladesh including Fulchar, Gaibandha, Shariakandi and Kurigram. Household water collection – for drinking and other purposes - was a crucial problem for the inhabitants of these areas and was mainly carried out by the female members of families and their children. It is for this reason that BSRM has aligned with 6 NGOs and installed 114 shallow tube-wells. As a result 4,500 people, including school-going children of around 1,000 households, are enjoying the benefits of this project.



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 a creation of lasting value for stakeholders. Transparency in the business transaction and disclosure of information to regulatory bodies as part of its legal obligations and 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 assists the Board of Directors in ensuring that the financial statements reflect the true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business. The Committee reports to the Board of Directors. Its duties and responsibilities are clearly outlined in writing.

Audit Committee holds regular meetings on the following major issues:

- To review the financial statements (consolidated and separate) and reporting process and monitor the choice of accounting policies and principles;
- To review the business risk management;
- To review the internal audit assessment;
- To oversee the good corporate practices;
- To review the adequacy of internal control system/ audit function etc.

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

Nomination and Remuneration Committee (NRC):

Bangladesh Steel Re-Rolling Mills Limited has an Nomination and Remuneration Committee (NRC) as a sub-committee of the Board of Directors. This committee will assist the Board of Directors in formulation of the nomination criteria or policy to determine qualifications, experiences, remuneration and independence of directors and top level of executives. The NRC is comprising of three members including one Independent Director.

A separate report of the Nomination and Remuneration 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 Officer.

Directors' Report to Shareholders

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

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

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

Internal Audit and Control

Bangladesh Steel Re-Rolling Mills Limited established an Internal Audit Department consisting of professional and knowledgeable employees headed by Head of Internal audit & Compliance. 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, area of risk 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 Companies Act 1994. The company also conforms to the requirement of Bangladesh Securities and Exchange Commission (BSEC) in

appointing external auditors. External Auditors are not engaged to perform any of the tasks other than external /statutory audit.

Subsidiary Company

Board of Directors of BSRM Steel Mills Limited- Subsidiary of Bangladesh Steel Re-Rolling Mills is also constituted in the line with the guidelines of BSEC as per Corporate Governance Code. Independent Director of holding company is also Director of subsidiary company. Minutes of the Board of Directors' meeting of subsidiary company are reviewed by the Board of holding company. The Audit Committee of Bangladesh Steel Re-Rolling Mills Limited (holding company) also reviews the financial statements of subsidiary company.

Key Management Committee

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

Certification on Compliance on the Corporate Governance Code of BSEC:

A certificate regarding compliance of conditions of Corporate Governance Code of the Bangladesh Securities and Exchange Commission issued by M.A. Mallik & Co., Chartered Accountants is included in **Annexure-B** in this Annual Report.

REPORT OF THE AUDIT COMMITTEE FOR THE PERIOD FROM JULY 2018 TO JUNE 2019

The Audit Committee of **Bangladesh Re-Rolling Mills Limited** is pleased to submit the following report on the activities of year 2018-19:

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

The Committee:

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

Mr. Mono Ranjan Dey FCA	Chairman
Mr. Aameir Alihussain	Member
Mr. Zohair Taherali	Member
Mr. Shekhar Ranjan Kar FCA	Secretary

Terms of References:

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

Role of Audit Committee:

Role of Audit Committee of **Bangladesh Re-Rolling Mills Limited** are appended below:

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

Activities of the Audit Committee for the year under report:

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

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

Re-Appointment of Auditors:

The Audit Committee has recommended the Board to re-appoint existing external auditor of the Company- Rahman Rahman Huq, Chartered Accountants, MM Trade Centre (13th Floor), 78 Agrabad C/A, Chattogram, the representative firm of KPMG in Bangladesh for the position of statutory auditor for the year 2019-2020.

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

On behalf of the Audit Committee

Mono Ranjan Dey

Mono Ranjan Dey FCA

Chairman

Date:- September 16, 2019

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE (NRC) FOR THE PERIOD FROM JULY 2018 TO JUNE 2019

The Nomination and Remuneration Committee (NRC) of **Bangladesh Steel Re-Rolling Mills Limited** is pleased to submit the following report on the activities for the year 2018-19:

Formation of NRC:

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

The Nomination and Remuneration Committee (NRC) of **Bangladesh Steel Re-Rolling Mills Limited** is comprised of the following members:

Mr. Mono Ranjan Dey FCA	Chairman
Mr. Aameir Alihussain	Member
Mrs. Sabeen Aameir	Member
Mr. Shekhar Ranjan Kar FCA	Secretary

Terms of Reference:

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

Role of the NRC:

- NRC Shall be independent and responsible or accountable to the Board and to the shareholders;
- To oversee, among others, the following matters and make report with recommendation to the Board:
 - (i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

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

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

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

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

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

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

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

Meeting of NRC:

During this reporting period the Committee met in June 20, 2019. The NRC of **Bangladesh Steel Re-Rolling Mills Limited** carried out the following activities during the year 2018-2019:

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

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

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

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

The Committee reviewed the following activities of the Company:

- a) Organization Structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement.

- b) Pay structure for each job level based on education, experience, and competency.
- c) A target based on-line Performance Management System to evaluate performance of employees. Yearly Increment, Promotion of individual, etc.
- d) Employee Benefit Policy to attract the job seekers and retain internal talents.
- e) Succession planning of the company to have our future leaders ready according to the requirements.
- f) Ensuring extensive training and development plan for the individual or group of people.
- g) A transparent recruitment and selection policy where competent candidates get hired.
- h) Practicing a clear career path system for employees which reflect in Organization Structure.

Appreciation:

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

Mono Ranjan Dey

Mono Ranjan Dey FCA

Independent Director and Chairman of NRC

Dated: 16th September, 2019

CERTIFICATE OF MEMBERSHIP OF BAPLC



PLANTING TREES TO PROTECT THE ENVIRONMENT

BSRM aims to achieve sustainable development without degrading the environment. To contribute in building a green environment, BSRM has planted more than 10,000 trees around its factories. BSRM has also entered into a contract with Green Hut, a tree plantation program spanned between Karnaphuli EPZ and BSRM group of companies. The project supports maintenance of the ecological balance and purification of air.





AUDITOR'S REPORT & FINANCIALS

FOR THE YEAR ENDED ON
JUNE 30, 2019

BANGLADESH STEEL RE-ROLLING MILLS LIMITED AND ITS SUBSIDIARY

AUDITOR'S REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED JUNE 30, 2019

**Rahman Rahman Huq**

Chartered Accountants
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Independent auditor's report**To the shareholders of Bangladesh Steel Re-Rolling Mills Limited****Report on the Audit of the Consolidated and Separate Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of Bangladesh Steel Re-Rolling Mills Limited and its subsidiaries ("the Group") as well as the separate financial statements of Bangladesh Steel Re-Rolling Mills Limited ("the Company") which comprise the consolidated and separate statement of financial position as at 30 June 2019, and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and the separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition - sale of goods	
Refer to note 4 and 50.18	
The key audit matter	How the matter was addressed in our audit
Revenue recognition has significant and wide influence on financial statements. Revenue is recognised when the amounts and the related costs are reliably measured, and the performance obligation is completed through passing of control to the customers. Revenue from the sale of goods is recognized when the company has delivered products to the customers at the shipping point and control has passed. The sales of the Company are derived from factories and various depots located across the country with relatively transactions of small amounts. As a result, to obtain sufficient audit evidence, magnitude of audit work and resource are required.	Our audit procedures in this area included, among others: - We understood, evaluated and validated the key controls related to the Group's and Company's sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through cash receipts and customers' outstanding balances. - We tested the completeness of journal entries compared to financial statements and whether if there is any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers.

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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E-mail dhaka@kpmg.com
Internet www.kpmg.com/bd



Rahman Rahman Huq
Chartered Accountants

Revenue recognition - sale of goods (continued)	
Refer to note 4 and 50.18	
The key audit matter	How the matter was addressed in our audit
<p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirming the acceptance of the products were provided by numerous customers based in different locations. There is a risk of differences between the timing of acceptance of the products by the Company's customers and when revenue was recorded. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the proper reporting periods.</p>	<ul style="list-style-type: none"> - We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and challans. In addition, we confirmed certain customers' receivable balances at the reporting date, selected on a sample basis by considering the amounts outstanding with those customers. - Furthermore, we tested the sales transactions recognized shortly before and after the reporting date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct reporting periods.
Revaluation of Land	
Refer to note 17.04	
The key audit matter	How the matter was addressed in our audit
<p>The Board of Directors of the company appointed "ACNABIN, Chartered Accountants" as independent external valuator to conduct the valuation of "Land" of the Company as of 30 June 2019.</p> <p>The valuation has been conducted using the fair market value method as this is most commonly and appropriate for valuation of such class of assets. After having completed all the tasks, fair market value of lands owned by the Company as of 30 June 2019 has been estimated BDT at 7,441,664,394 resulting in net revaluation gain of BDT 3,480,930,388.</p> <p>Due to the high level of judgement involved in estimating the fair value of land and significant carrying amount of the asset and liabilities associated with revaluation of land, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Assessment and discussion of management's process for the valuation exercise and appointment of the external valuer. We also assessed the competence, independence and integrity of the external valuers. - Assessing the methodologies used and the appropriateness of the key assumptions used in valuation based on our knowledge of the industry; - Checking, on a sample basis, the accuracy and relevance of the input data used; and - Reviewing the disclosures included in the notes to the consolidated and the separate financial statements.



Rahman Rahman Huq
Chartered Accountants

Recognition and measurement of deferred taxes	
Refer to note 33.00 and 50.15	
The key audit matter	How the matter was addressed in our audit
<p>The company recognizes deferred taxes relating to property, plant and equipment (including revalued assets), investments in subsidiaries and associate, employee benefits, convertible bond, unabsorbed depreciation etc. which are very complex in nature.</p> <p>As such accounting for deferred taxes involves management judgment in developing estimates of tax exposures and contingencies in order to assess the adequacy of tax provision. Hence, we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Assessed the design, implementation and operating effectiveness of key controls in respect of the Group's and the Company's process of recognition of deferred taxes; - Using our own tax specialists to evaluate the tax bases and Group's tax strategy. - Assessed the accuracy and completeness of deferred tax; and - Evaluating the adequacy of the financial statements disclosures, including disclosures of assumptions, judgements and sensitivities.
Impairment of investments in subsidiaries and associates	
Refer to note 20 and 50.08	
The key audit matter	How the matter was addressed in our audit
<p>The company has investments in subsidiaries and associate as at 30 June 2019. Changes in business environment could have a significant impact on the valuation of these investments. These long-term investments are tested for impairment periodically. If triggers of impairment exist, the recoverable amounts of the investment in subsidiaries or associate are adjusted for any impairment loss. The impairment loss is recognised in the statement of profit and loss.</p> <p>In view of the significance of the investments and the above, we consider impairment assessment of investment to be a significant key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Assessed the design implementation and operating effectiveness of key controls in respect of the Group's and Company's impairment review process including the review and approval of forecasts and valuation models; - Evaluated reasonableness of the valuation assumptions used by management through reference to external market data; - Evaluated past performances where relevant and assessed historical accuracy of the forecast produced by management; and - Enquired and challenged management on the commercial strategy associated with the products to ensure that it was consistent with the assumptions used in estimating future cash flows.



Rahman Rahman Huq
Chartered Accountants

Valuation of inventories	
Refer to note 23 and 50.06	
The key audit matter	How the matter was addressed in our audit
Inventory is carried in the financial statements at the lower of cost and net realisable value. The exercise for the assessment of the net realisable value involves the use of judgement and assumptions that may vary depending on technological and socio-economical conditions and is therefore considered a significant key audit matter.	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none">- Corroborating on a sample basis that items on the stock ageing listing by items were classified in the appropriate ageing bracket;- Assessing the appropriateness of the provision percentages applied to each item and challenged the assumptions made by the Directors on the extent to which old inventory can be sold through various channels;- Considering the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current year; and- We have also considered the adequacy of the Group's and the Company's disclosures in respect of the levels of provisions against inventory.

Valuation of Property, plant and equipment	
Refer to note 17 and 50.03	
The key audit matter	How the matter was addressed in our audit
<p>The company has large amount and numbers of property, plant and equipment items. Due to technological and time obsolescence the impairment may exists.</p> <p>Management has concluded that there is no impairment in respect all assets. This conclusion required significant management judgment. Hence we considered this to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none">- Assessing the consistency of methodologies used for depreciating the assets;- Checking, on a sample basis , the accuracy and relevance of the accounting of PPE by management; and- For selected samples, performing physical observation to assess management's determination on whether the equipment is obsolete, and testing the assumptions used in estimating recoverable amount, such as estimated useful life and replacement cost.- Examined management's periodic review of property, plant and equipment for determination of impairment and obsolescence.



Rahman Rahman Huq
Chartered Accountants

Assessment of litigations and related disclosures of contingent liabilities	
Refer to note 42 and 50.13	
The key audit matter	How the matter was addressed in our audit
<p>As at 30 June 2019 the company has exposures towards litigations relating to various matters as set out in the aforesaid notes.</p> <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognized or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.</p> <p>As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement related legal advice including those relating to interpretation of laws/regulations it is considered to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - We understood assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; - We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee; - We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations made in the financial statements; - We used our own experts to gain an understanding and to evaluate the disputed tax matters; - We considered external legal opinions, where relevant, obtained by management; - We met with the company's internal and external legal counsel to understand the interpretation of laws/regulations considered by the management in their assessment relating to a material litigation; and - We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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



Rahman Rahman Huq
Chartered Accountants

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Rahman Rahman Huq
Chartered Accountants

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Adeeb H. Khan.

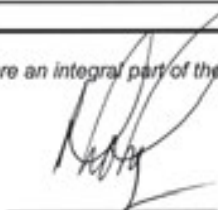
Chattogram, 16 September 2019

Bangladesh Steel Re-Rolling Mills Limited and its subsidiaries
Consolidated statement of financial position

In Taka	Note	30 June 2019	30 June 2018
ASSETS			
Non-current assets			
Property, plant and equipment	17.a	40,456,183,600	31,736,877,702
Intangible assets	19.a	33,578,997	39,762,082
Equity-accounted investees	20.a	6,519,497,141	3,994,597,901
Other investments	21.a	116,814,404	122,190,354
Non-current assets		47,126,074,142	35,893,428,038
Current assets			
Short term investment	22.a	1,870,010,619	1,367,141,161
Inventories	23.a	21,136,511,183	23,438,884,798
Trade and other receivables	24.a	7,037,546,023	8,193,143,601
Current account with related companies	25.a	7,557,196,642	2,576,514,730
Advances and deposits	26.a	5,555,116,505	4,348,160,534
Cash and cash equivalents	27.a	784,729,223	779,433,146
Current assets		43,941,110,195	40,703,277,970
Total Assets		91,067,184,337	76,596,706,008
Equity			
Share capital	28	2,360,682,360	2,146,074,880
Share premium		511,970,250	511,970,250
General reserve		30,170,818	30,170,818
Revaluation reserve		12,151,476,723	3,974,789,370
Retained earnings		7,953,071,845	6,962,742,079
12% Convertible coupon bond-equity component		-	45,681,142
Equity attributable to owners of the company		23,007,371,996	13,671,408,539
Non- controlling interests		7,501,147,279	3,392,628,051
Total equity		30,508,519,275	17,064,036,591
Liabilities			
Long term borrowings- non current portion	30.a	5,009,574,426	8,305,438,361
Defined benefit obligations - Gratuity	31.a	277,642,800	226,378,396
Deferred tax liability	33.a	4,864,351,787	2,965,622,218
Non-current liabilities		10,151,569,013	11,497,438,975
Current liabilities			
Trade payables	34.a	3,073,930,880	1,216,553,373
Short term borrowings	35.a	38,152,951,121	39,794,968,536
Current account with related companies	36.a	6,324,923,395	4,919,172,515
Advance against sales	37.a	585,464,772	320,121,941
Liabilities for expenses	38.a	1,088,289,284	958,520,190
Current tax liability	32.a	629,221,563	349,888,115
Provision for WPPF and Welfare Fund	39.a	194,369,665	209,125,156
Other liabilities	40.a	357,945,369	266,880,612
Current liabilities		50,407,096,049	48,035,230,441
Total liabilities		60,558,665,062	59,532,669,416
Total equity and liabilities		91,067,184,337	76,596,706,008

The annexed notes 1 to 50 and Annexure A are an integral part of these consolidated financial statements.


Managing Director


Director


Company Secretary

As per our annexed report of same date.



Auditor

Chattogram, 16 September 2019

Bangladesh Steel Re-Rolling Mills Limited and its subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

<i>In Taka</i>	<i>Note</i>	2019	2018
Revenue	4.a	83,115,330,837	68,924,014,793
Cost of sales	5.a	(74,929,056,166)	(60,776,859,390)
Gross profit		8,186,274,671	8,147,155,404
Selling and distribution costs	6.a	(1,003,243,509)	(642,538,845)
Administrative costs	7.a	(537,997,027)	(453,954,329)
Other operating income	8.a	10,693,138	41,622,424
Operating profit		6,655,727,273	7,092,284,654
Finance costs	9.a	(3,603,660,751)	(3,784,269,909)
Finance income	10.a	644,385,384	567,603,149
Net finance costs		(2,959,275,367)	(3,216,666,760)
Non-operating income	11.a	74,574,067	146,993,971
Profit before WPPF and Welfare Fund		3,771,025,973	4,022,611,865
Contribution to WPPF and Welfare Fund	39.a.i	(194,369,665)	(209,125,156)
Share of profit of equity accounted investee, net of tax	12.03	538,975,826	561,639,421
Profit before tax		4,115,632,134	4,375,126,130
Income tax expenses:			
Current tax:			
Current year		(640,308,835)	(352,186,805)
Previous year		(39,018,388)	72,155,315
Deferred tax		(931,867,456)	(799,954,269)
Total income tax expense		(1,611,194,679)	(1,079,985,759)
Profit after tax		2,504,437,455	3,295,140,371
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		430,147	(154,523)
Share of other comprehensive income of associate		-	(1,057,931)
		430,147	(1,212,454)
Items that will not be reclassified to profit or loss			
Revaluation of land (net of tax)		3,286,504,483	-
Revaluation of property, plant and equipment (Subsidiary's portion), net of tax		6,295,673,651	-
Revaluation of property, plant and equipment (Associate's portion), net of tax	12.04	2,088,818,434	-
Deferred tax against increase in carrying amount of investment in equity accounted investees for revaluation of land		(529,084,465)	-
Deferred tax on interest - 12% Convertible bond		1,028,632	2,158,736
		11,142,940,735	2,158,736
Other comprehensive income for the year, net of tax		11,143,370,882	946,282
Total comprehensive income		13,647,808,337	3,296,086,653
Profit attributable to:			
Owners of the company		1,860,634,923	2,778,779,562
Non-controlling interests		643,802,532	516,360,809
		2,504,437,455	3,295,140,371
Total comprehensive income attributable to:			
Owners of the company		9,539,289,109	2,779,725,843
Non-controlling interests		4,108,519,228	516,360,809
		13,647,808,337	3,296,086,653
Earnings per share			
Basic earnings per share (Taka)	13.a	7.88	11.77

The annexed notes 1 to 50 and Annexure A are an integral part of these consolidated financial statements.


Managing Director


Director


Company Secretary

As per our annexed report of same date.


Auditor

Chattogram, 16 September 2019

Bangladesh Steel Re-Rolling Mills Limited and its subsidiaries
Consolidated statement of changes in equity
For the year ended 30 June 2019

In Taka	Attributable to owners of the company						12% convertible coupon bond equity component			Non-controlling interests	Total	Total
	Share capital	Share premium	General reserve	Revaluation reserve	Retained earnings							
Balance as on 1 July 2017	1,950,977,170	511,970,250	30,170,818	4,019,434,561	4,318,587,024		45,661,142	10,876,800,966	2,876,267,242		13,753,068,208	
10% stock dividend paid for 2017	195,097,710	-	-	-	(195,097,710)		-	-	-	-	-	-
Transfer against difference in depreciation between cost and revalued amount	-	-	-	(44,435,847)	59,247,796		-	14,811,949	-	-	14,811,949	
Share of other comprehensive income of associate	-	-	-	-	(1,057,931)		-	(1,057,931)	-	-	(1,057,931)	
Exchange differences on translation of foreign operations	-	-	-	-	(154,523)		-	(154,523)	-	-	(154,523)	
Deferred tax to interest on 12% Convertible coupon bond	-	-	-	-	2,158,736		-	2,158,736	-	-	2,158,736	
Transfer of revaluation surplus on sale of revalued assets	-	-	-	(209,344)	279,126		-	69,781	-	-	69,781	
Profit after tax for the year	-	-	-	-	2,778,779,562		-	2,778,779,562	516,360,809		3,295,140,371	
Balance as at 30 June 2018	2,146,074,880	511,970,250	30,170,818	3,974,789,370	6,963,742,079		45,661,142	13,671,408,539	3,392,628,051		17,064,036,590	
Balance as on 01 July 2018	2,146,074,880	511,970,250	30,170,818	3,974,789,370	6,963,742,079		45,661,142	13,671,408,539	3,392,628,051		17,064,036,590	
10% stock dividend paid for 2018	214,607,480	-	-	-	(214,607,480)		-	-	-	-	-	-
10% cash dividend paid for 2018	-	-	-	-	(214,607,496)		-	(214,607,496)	-	-	(214,607,496)	
Transfer against difference in depreciation between cost and revalued amount	-	-	-	(29,277,502)	39,036,803		-	9,759,301	-	-	9,759,301	
Revaluation of land, net of tax	-	-	-	3,286,504,483	-		-	3,286,504,483	-	-	3,286,504,483	
Share of other comprehensive income of associate, net of tax	-	-	-	2,088,818,434	-		-	2,088,818,434	-	-	2,088,818,434	
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	1,417,671		-	1,417,671	-	-	1,417,671	
Transfer of equity component to retained earnings on redemption of convertible bond	-	-	-	-	45,661,142		(45,661,142)	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	430,147		-	430,147	-	-	430,147	
Deferred tax for interest on 12% Convertible coupon bond	-	-	-	-	1,028,632		-	1,028,632	-	-	1,028,632	
Transfer of revaluation surplus on sale of revalued assets	-	-	-	(314,917)	419,889		-	104,972	-	-	104,972	
Deferred tax against increase in carrying amount of investment in equity accounted investees for revaluation of land	-	-	-	-	(529,084,465)		-	(529,084,465)	-	-	(529,084,465)	
Profit after tax for the year	-	-	-	-	1,860,634,923		-	1,860,634,923	643,802,532		2,504,437,455	
Revaluation of property, plant and equipment of subsidiary	-	-	-	2,830,956,955	-		-	2,830,956,955	3,464,716,696		6,295,673,651	
Balance as at 30 June 2019	2,360,682,360	511,970,250	30,170,818	12,151,476,723	7,963,071,845		-	23,007,371,996	7,501,147,279		30,508,519,275	

The annexed notes 1 to 50 and Annexure A are an integral part of these consolidated financial statements.



Bangladesh Steel Re-Rolling Mills Limited and its subsidiaries
Consolidated statement of cash flows

For the year ended 30 June 2019

<i>In Taka</i>	2019	2018
a. Cash flows from operating activities		
Cash receipts from customers	84,637,253,302	63,757,454,865
Cash payments to suppliers and employees	(71,894,994,356)	(67,266,313,323)
Income tax paid	(399,527,794)	(1,180,299,067)
Interest paid	(2,990,644,919)	(3,335,408,458)
Net cash from operating activities	9,352,086,233	(8,024,565,983)
b. Cash flows from investing activities		
Acquisition of Property, plant and equipment	(355,349,994)	(571,022,662)
Addition to CWIP	(305,977,251)	(723,862,772)
Disposal of Property, plant and equipment	434,141,871	7,133,483
Increase/ (Decrease) in short term and other investments	(497,493,508)	(986,245,103)
Investment at BMS Steel Limited (JV)	(2,281,500)	-
Dividend income	106,594,191	159,891,260
Net cash used in investing activities	(620,366,191)	(2,114,105,795)
c. Cash flows from financing activities		
(Repayments) / Receipts of long term Loans	(3,295,863,935)	2,489,812,304
Dividend Paid	(214,607,496)	(545,563)
Short Term Borrowings/repayment	(1,642,017,415)	12,422,631,404
Loan to/ from Related Companies	(3,574,931,033)	(4,517,447,847)
Net cash from financing activities	(8,727,419,879)	10,394,450,298
d. Net (decrease)/ increase in cash and cash equivalents (a+b+c)	4,300,164	255,778,521
e. Opening cash and cash equivalents	779,433,146	523,654,626
Effect of movements in exchange rates on cash and cash equivalents held	995,913	-
f. Closing cash and cash equivalents (d+e)	784,729,223	779,433,146

The annexed notes 1 to 50 and Annexure A are an integral part of these consolidated financial statements.



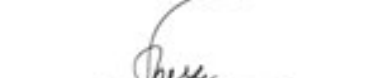
Bangladesh Steel Re-Rolling Mills Limited
Separate statement of financial position

In Taka	Note	30 June 2019	30 June 2018
ASSETS			
Property, plant and equipment	17.00	15,932,131,109	12,958,556,023
Intangible assets	19.00	18,413,720	21,797,061
Investment in subsidiaries and associate	20.00	12,644,244,186	6,766,652,548
Other investments	21.00	116,814,404	122,190,354
Non-current assets		28,711,603,419	19,869,195,986
Short term investment	22.00	146,794,158	50,220,680
Inventories	23.00	16,195,612,684	13,442,320,054
Trade and other receivables	24.00	3,570,813,232	2,356,392,380
Current account with related companies	25.00	985,977,512	1,537,959,598
Advances and deposits	26.00	2,181,266,067	1,983,627,504
Cash and cash equivalents	27.00	761,556,711	704,983,780
Current assets		23,842,020,364	20,075,503,997
Total Assets		52,553,623,783	39,944,699,984
Equity			
Share capital	28.00	2,360,682,360	2,146,074,880
Share premium		511,970,250	511,970,250
General reserve	29.01	30,170,818	30,170,818
Revaluation reserve	29.02	12,151,476,721	3,974,789,368
Retained earnings		7,953,071,847	6,962,742,081
12% Convertible coupon bond-equity component		-	45,661,142
Total equity		23,007,371,996	13,671,408,539
Liabilities			
Long term borrowings- non current portion	30.00	3,871,516,258	5,442,343,709
Defined benefit obligations - Gratuity	31.00	231,907,679	196,162,000
Deferred tax liability	33.00	2,559,502,570	1,323,809,318
Non-current liabilities		6,662,926,507	6,962,315,027
Trade payables	34.00	3,440,380,026	1,116,279,307
Short term borrowings	35.01	9,448,628,917	9,742,889,798
Current portion of long term borrowings	35.08	1,957,378,523	2,210,082,751
Current account with related companies	36.00	6,264,184,395	4,919,172,515
Advance against sales	37.00	550,450,921	290,873,624
Liabilities for expenses	38.00	483,789,338	409,572,284
Current tax liability	32.00	306,310,048	303,624,779
Provision for WPPF and Welfare Fund	39.00	93,997,289	115,677,749
Other liabilities	40.00	338,205,823	202,793,610
Current liabilities		22,883,325,280	19,310,976,417
Total liabilities		29,546,251,787	26,273,291,444
Total equity and liabilities		52,553,623,783	39,944,699,984

The annexed notes 1 to 50 and Annexure A are an integral part of these separate financial statements.


Managing Director


Director


Company Secretary
As per our annexed report of same date.

Chattogram, 16 September 2019


Auditor



Bangladesh Steel Re-Rolling Mills Limited
Separate Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2019

In Taka	Note	2019	2018
Revenue	4	44,408,886,970	33,238,371,403
Cost of sales	5	(39,416,646,035)	(28,410,052,631)
Gross profit		4,992,240,935	4,828,318,773
Selling and distribution costs	6	(992,027,229)	(638,538,849)
Administrative costs	7	(389,512,421)	(358,897,564)
Other operating income	8	27,201,418	34,078,718
Operating profit		3,637,902,703	3,864,961,078
Finance costs	9	(2,178,030,884)	(2,058,370,269)
Finance income	10	272,176,315	223,859,651
Net finance costs		(1,905,854,569)	(1,834,510,618)
Non-operating Income	11	41,303,446	123,213,261
Profit before WPPF and Welfare Fund		1,773,351,580	2,153,663,721
Contribution to WPPF and Welfare Fund	39	(93,997,289)	(115,677,749)
Share of profit of equity accounted investees, net of tax	12	1,060,711,269	983,548,441
Profit before tax		2,740,065,560	3,021,534,413
Income tax expenses:			
Current tax:			
Current year	32.02	(317,397,320)	(305,923,469)
Previous year		(38,957,630)	72,155,315
Deferred tax	33	(523,075,687)	(8,986,697)
Total income tax expenses		(879,430,637)	(242,754,851)
Profit after tax		1,860,634,923	2,778,779,562
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Share of other comprehensive income of associate		-	(1,057,931)
Exchange differences on translation of foreign operations		430,147	(154,523)
		430,147	(1,212,454)
Items that will not be reclassified to profit or loss			
Revaluation of land (net of tax)		3,286,504,483	-
Revaluation of land (Subsidiary's portion) net of tax		2,830,956,955	-
Revaluation of land (Associate's portion) net of tax	12.04	2,088,818,434	-
Deferred tax against increase in carrying amount of investment in equity accounted investees for revaluation of land	33	(529,084,465)	-
Deferred tax on interest - 12% Convertible bond		1,028,632	2,158,736
		7,678,224,039	2,158,736
Other comprehensive income for the year, net of tax		7,678,654,186	946,282
Total comprehensive income		9,539,289,109	2,779,725,844
Earnings per share			
Basic earnings per share (Taka)	13.01	7.88	11.77

The annexed notes 1 to 50 and Annexure A are an integral part of these separate financial statements.


Managing Director


Director


Company Secretary

As per our annexed report of same date.


Auditor

Chattogram, 16 September 2019



Bangladesh Steel Re-Rolling Mills Limited
Separate statement of changes in equity
For the year ended 30 June 2019

	Share capital	Share premium	General reserve	Revaluation reserve	Retained earnings	12% Convertible coupon bond-equity component	Total
<i>In Taka</i>							
Balance as on 1 July 2017	1,950,977,170	511,970,250	30,170,818	4,019,434,561	4,318,587,024	45,661,142	10,876,800,966
10% stock dividend paid for 2017	195,097,710	-	-	-	(195,097,710)	-	-
Transfer against difference in depreciation between cost and revalued amount	-	-	-	(44,435,847)	59,247,796	-	14,811,947
Share of other comprehensive income of associate	-	-	-	-	(1,057,931)	-	(1,057,931)
Exchange differences on translation of foreign operations	-	-	-	-	(154,523)	-	(154,523)
Deferred tax to interest on 12% Convertible coupon bond	-	-	-	-	2,158,736	-	2,158,736
Transfer of revaluation surplus on sale of revalued assets	-	-	-	(209,346)	278,128	-	68,782
Profit after tax for the year	-	-	-	-	2,778,779,561	-	2,778,779,561
Balance as at 30 June 2018	2,146,074,880	511,970,250	30,170,818	3,974,789,368	6,962,742,081	45,661,142	13,671,408,538
Balance as on 01 July 2018	2,146,074,880	511,970,250	30,170,818	3,974,789,368	6,962,742,081	45,661,142	13,671,408,538
10% stock dividend paid for 2018	214,607,480	-	-	-	(214,607,480)	-	-
10% cash dividend paid for 2018	-	-	-	-	(214,607,496)	-	(214,607,496)
Transfer against difference in depreciation between cost and revalued amount	-	-	-	(29,277,602)	39,036,803	-	9,759,201
Revaluation of land, net of tax	-	-	-	3,286,504,483	-	-	3,286,504,483
Share of other comprehensive income of equity accounted investees	-	-	-	4,919,775,389	-	-	4,919,775,389
Transfer of Deferred Tax to Retained Earnings by the equity accounted investees due to excess depreciation between cost and revalued model	-	-	-	-	1,417,671	-	1,417,671
Transfer of equity component to retained earnings on redemption of convertible bond	-	-	-	-	45,661,142	(45,661,142)	-
Exchange differences on translation of foreign operations	-	-	-	-	430,147	-	430,147
Deferred tax for interest on 12% Convertible coupon bond	-	-	-	-	1,028,632	-	1,028,632
Transfer of revaluation surplus on sale of revalued assets	-	-	-	(314,917)	419,889	-	104,972
Deferred tax against increase in carrying amount of investment in equity accounted investees for revaluation of land	-	-	-	-	(529,084,465)	-	(529,084,465)
Profit after tax for the year	-	-	-	-	1,860,634,923	-	1,860,634,923
Balance as at 30 June 2019	2,360,682,360	511,970,250	30,170,818	12,151,476,721	7,953,071,847	-	23,007,371,996

The annexed notes 1 to 50 and Annexure A are an integral part of these separate financial statements.



Bangladesh Steel Re-Rolling Mills Limited
Separate statement of cash flows

<i>In Taka</i>	For the year ended 30 June 2019	2019	2018
a. Cash flows from operating activities			
Cash receipts from customers	43,454,043,415	33,058,844,622	
Receipt against other income	67,711,435	154,978,348	
Cash payments to suppliers, employees and advance tax	(40,606,759,688)	(33,200,548,759)	
Income tax paid	(353,203,700)	(74,736,944)	
Interest paid	(1,897,633,252)	(1,823,265,815)	
Net cash from operating activities	664,158,211	(1,884,728,548)	
b. Cash flows from investing activities			
Acquisition of Property, plant and equipment	(126,281,636)	(210,008,725)	
Costs increased against Capital work-in-progress	(65,842,183)	(129,956,372)	
Disposal of Property, plant and equipment	5,876,121	4,914,980	
Increase in short term and other investments	(91,197,528)	(22,398,283)	
Investment at BMS Steel Limited (JV)	(2,281,500)	-	
Dividend income	106,594,191	159,891,260	
Net cash used in investing activities	(173,132,534)	(197,557,141)	
c. Cash flows from financing activities			
(Repayment) / Receipt of Long term loans	(1,823,541,678)	4,178,494,292	
Dividend paid	(214,607,496)	(545,563)	
Receipt/(Repayment) of short term borrowings	(294,260,881)	563,294,407	
Loan to/from related companies	1,896,993,966	(2,465,582,127)	
Net cash from financing activities	(435,416,089)	2,275,681,009	
d. Net increase/(decrease) in cash and cash equivalent (a+b+c)	55,609,588	193,375,321	
e. Opening cash and cash equivalents	704,983,780	511,608,459	
Effect of movements in exchange rates on cash and cash equivalents held	963,343	-	
f. Closing cash and cash equivalents (d+e)	761,556,711	704,983,780	

The annexed notes 1 to 50 and Annexure A are an integral part of these separate financial statements.



1.00 Reporting entity**1.01 Legal form of the entity**

Bangladesh Steel Re-Rolling Mills Limited is a public company limited by shares is domiciled in Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on 28 December 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 03 November 2009 under the Companies Act 1994. The Company is listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) as a publicly quoted company. Trading of the shares of the company started in two stock exchanges from 27 April 2015.

The company has 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, Chattogram, Bangladesh respectively and commenced commercial production from 1987 after first BMRE. The principal place of business is located at Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh.

Nature of the business

The main activity of the company is to manufacture M.S. products by setting up rolling and re-rolling mills. M.S. billets are manufactured from scraps and sponge iron etc. at Steel Melting Works (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.

1.02 Branch office of the company

The company is maintaining branch offices at Kolkata & Agartala, India with approval from Reserve Bank of India vide letter no Ref: FC.CO.FID/455/10.83.493/2014 Dated 28 October 2014 and FE.CO.FID/1707/10.83.493/2014-15 Dated April 24, 2015 respectively. The branch offices are allowed to enjoy short term against SBDC as approved by Bangladesh Bank vide letter Ref No-FEPD(Import policy)/117/2015-11287 Dated December 30,2015 which was renewed on December 14,2016 vide their letter Ref: FEPD (Import policy)/117/2016/10636. Kolkata Branch office is now doing business of export/Import.

1.03 BSRM Steel Mills Limited- subsidiary

BSRM Steel Mills Limited, 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 steels sector in Bangladesh. The company was converted into public limited company on 12 November 2013. Bangladesh Steel Re-Rolling Mills Limited holds 44.97% of ordinary shares directly and 7.91% of ordinary shares indirectly in BSRM Steel Mills Limited. The Financial Statements of this subsidiary company is included in the Consolidated Financial Statements according to IFRS 10 - "Consolidated Financial Statements".

The principal activities and nature of business of the company are:

- i) To set up an automatic steel melting plant for making M.S billet of different qualities and sell the same to steel rolling mills,
- ii) To set up an automatic steel rolling and re-rolling mills for manufacturing of iron products and steel materials of all types including other activities as mentioned in the Memorandum and Articles of Association.

The company has set up an induction furnace based scrap melting plant at Sonapahar, Mirsarai, Chattogram to produce M.S. billets and commenced commercial production from 16 June 2016.

1.04 BSRM (Hong Kong) Limited- subsidiary

BSRM (Hong Kong) Limited was incorporated on 30 May 2018 in Hong Kong as a private company limited by shares. Registered office of the company is in Hong Kong. The company has share capital of HKD 1 (1 share) which is owned by Bangladesh Steel Re-Rolling Mills Limited.



1.05 BSRM Steels Limited- associate

BSRM Steels Limited was incorporated on 20 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 Limited and Chittagong Stock Exchange Limited 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 31.19% of ordinary shares in BSRM Steels Limited.

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

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

1.06 BMS Steel Limited - Joint Venture Company

BMS Steel Limited was incorporated on 18 December 2018 in Kenya as a private limited company. Registered office of the company is in Nairobi, Kenya. The company has share capital of KES 3,000,000,000 (3,000,000 share) out of which 100 ordinary shares are issued. The parties to the JV company are Bangladesh Steel Re-Rolling Mills Limited (holding 18%), Vortex Investments Limited (holding 22%), MMD Steel Limited (holding 30%), and Safal Investments (Mauritius) Limited (holding 30%). The company is yet to commence operation. Later on the company issued 14,900 numbers of shares on pro-rata basis.

2.00 Basis of accounting

2.01 Statement of compliance

These Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flow Statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987.

2.02 Basis of reporting

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

2.03 Other regulatory compliances

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

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax Act, 1991
- iv) The Value Added Tax Rules, 1991
- v) The Customs Act, 1969
- vi) Bangladesh Labour Law, 2006
- vii) The Securities and Exchange Ordinance, 1969
- viii) The Securities and Exchange Rules, 1987, etc.



Notes to the separate and consolidated financial statements (continued)

2.04 Basis of measurement

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

2.05 Going concern

The group and the company have adequate resources to continue operation in foreseeable future (except otherwise stated). For this reason, Management continues to adopt going concern basis in preparing the Financial Statements. The current revenue generations and resources of the group and the company provide sufficient fund to meet the present requirements of existing business and operations.

2.06 Reporting period

The separate financial statements of the company and the consolidated financial statements of the group cover twelve months from 01 July 2018 to 30 June 2019 which is followed consistently since 2016.

2.07 Authorization for issue

These financial statements have been authorized for issue by the Board of Directors on 16 September 2019.

2.08 Consistency

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

2.09 Comparative information

Comparative information has been disclosed in respect of 2018 in accordance with IAS-1: Presentation of financial statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements. Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.

2.10 Functional and presentation currency

These Financial Statements are prepared in Bangladesh Taka, which is the functional currency of the group and the company. All financial information presented in Taka has been rounded off to the nearest integer except when otherwise indicated.

2.11 Current versus non-current classification

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

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period and
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period and
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group and the company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.



Notes to the separate and consolidated financial statements (continued)

3.00 Use of estimates and judgements

The preparation of the Financial Statements in conformity with IAS and IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements, Assumptions and estimation uncertainties

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

• Note	17.00	Property, plant and equipment
• Note	19.00	Intangible assets
• Note	23.00	Inventories
• Note	24.00	Trade and other receivables
• Note	31.00	Provision for gratuity
• Note	32.00	Current tax liability
• Note	33.00	Deferred tax liability
• Note	40.00	Other liabilities
• Note	42.00	Contingent liabilities

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or liability, the entity uses market observable data as far as possible.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

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

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

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



Notes to the separate and consolidated financial statements (continued)

4.00 Revenue

See accounting policy in note 50.18.

<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	4.01	43,179,134,742	32,765,853,549
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		1,495,114,363	546,702,882
Less: Intracompany sales		(265,362,135)	(74,185,028)
		44,408,886,970	33,238,371,403

4.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	2019	2018
Local sales	4.02	42,079,142,906	31,579,566,377
Export sales	4.03	711,649,543	964,133,541
Sales of Scrap and By-product		388,342,293	222,153,631
		43,179,134,742	32,765,853,549

4.01-A Revenue streams

<i>In Taka</i>	Note	2019	2018
Revenue from contracts with customers		43,179,134,742	32,765,853,549
		43,179,134,742	32,765,853,549

4.01-B Disaggregation of revenue from contracts with customers

<i>In Taka</i>		2019	2018
Primary geographical markets			
Bangladesh		43,093,444,972	32,747,114,677
China		74,529,445	3,844,973
India		6,517,168	14,893,900
South korea		4,643,157	-
		43,179,134,742	32,765,853,550
Major products lines or services			
Xtreme 500		33,856,157,326	26,938,831,690
M. S. Products		8,188,452,714	4,971,405,236
By Product & Scrap		388,342,293	296,217,194
H & I Beam		276,218,046	352,662,816
Others		469,964,363	206,736,614
		43,179,134,742	32,765,853,550
Timing of revenue recognition			
Products transferred at a point in time		43,179,134,742	32,765,853,549
		43,179,134,742	32,765,853,549

4.01-C Contract balances

<i>In Taka</i>		2019	2018
Receivables, which are included in 'trade and other receivables'	24.02	3,312,279,860	2,081,633,455
Contract liabilities	37.00	550,450,921	290,873,624

4.02 Local sales

<i>In Taka</i>		2019	2018
MS Billet		167,452,637	332,265,090
MS Rod		41,911,690,269	31,247,301,287
		42,079,142,906	31,579,566,377



Notes to the separate and consolidated financial statements (continued)

4.03 Export sales

<i>In Taka</i>	2019	2018
Xtreme 500W	606,902,200	826,968,416
M.S Angel	21,576,148	32,354,996
M.S Channel	383,489	348,600
MS Square Bar	715,260	1,767,322
By Products	82,072,446	101,675,705
MS Plate	-	1,018,502
	711,649,543	964,133,541

Export sales of finished products during 01 July 2018 to 30 June 2019 was USD 7,440,466 against exporting of 10,238.01 Metric Ton and it was USD 10,489,909.71 against exporting of 16,347.38 Metric Ton of goods during 01 July 2017 to 30 June 2018.

4.a Consolidated revenue

<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited	4.00	44,408,886,970	33,238,371,403
BSRM Steel Mills Limited		53,407,280,472	45,888,262,116
BSRM (Hong Kong) Limited		5,129,183	-
Less: Intra group sales		(14,705,965,788)	(10,202,618,726)
		83,115,330,837	68,924,014,793

5.00 Cost of sales

<i>In taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	5.01	38,249,913,808	27,989,442,643
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		1,409,775,208	494,795,016
Adjustment for portion of unrealized profit (PURP)-subsidiary		2,459,337	-
Adjustment for portion of unrealized profit (PURP)-associate		19,859,817	-
Less: Intracompany sales		(265,362,135)	(74,185,028)
		39,416,646,035	28,410,052,631

5.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	2019	2018
Cost of sales- own production	5.02	36,942,405,271	26,868,402,945
Cost of sales-finished goods procured and sold	5.03	1,127,128,391	767,311,350
Cost of sales-scrap and others		16,319,769	50,126,966
Cost of sales-billet		164,060,377	303,601,382
		38,249,913,808	27,989,442,643



Notes to the separate and consolidated financial statements (continued)

5.02 Cost of sales-own production

<i>In Taka</i>	Note	2019	2018
Opening stock of raw materials-scrap		1,045,893,575	1,007,910,921
Add: Purchase during the year		8,084,936,815	5,132,536,631
		9,130,830,390	6,140,447,552
Less: Cost of scrap and others sales		(16,319,769)	(50,126,966)
Less: Closing stock of raw materials-scrap	23.01	(2,172,557,571)	(1,045,893,575)
Raw materials consumed-scrap		6,941,953,050	5,044,427,011
Add: Factory overhead- Melting Unit	5.05.01	1,780,835,176	1,475,225,562
Cost of Billet Manufactured		8,722,788,226	6,519,652,573
Add: Opening stock of billet		32,111,528	53,290,332
Stock of billet available		8,754,899,754	6,572,942,905
Less: Cost of billet sale		(164,060,377)	(303,601,382)
Less: Closing stock of billet		(38,976,977)	(32,111,528)
Billet Transferred to re-rolling unit		8,551,862,400	6,237,229,995
Add: Opening stock of billet		5,439,107,713	3,774,442,338
Add: Purchase during the year		27,378,439,884	22,357,268,169
Less: Closing stock of billet		(4,217,424,626)	(5,439,107,713)
Billet consumed		37,151,985,371	26,929,832,789
Add: Cost of packing materials		137,261,823	68,304,680
Add: Factory overhead- Rolling Unit	5.05.02	2,033,470,975	1,930,251,690
Cost of Production of finished goods		39,322,718,169	28,928,389,159
Add: Opening stock of finished goods		4,871,552,108	2,812,080,104
Less: Closing stock of finished goods		(7,242,677,339)	(4,871,552,108)
Goods available for sale		36,951,592,938	26,868,917,155
Less: Own use		(9,187,667)	(514,210)
Cost of sales - own production		36,942,405,271	26,868,402,945

5.03 Cost of sales-finished goods procured and sold

<i>In Taka</i>	Note	2019	2018
Opening stock of finished goods		269,293,231	391,870,646
Add: Finished goods imported		521,771,843	377,136,858
Add: Finished goods purchased locally		774,031,149	272,180,165
Available for sale/consumption		1,565,096,223	1,041,187,669
Less: Closing stock of finished goods	23.01	(430,566,294)	(269,293,231)
Less: Goods used by the company		(7,401,538)	(4,583,088)
Cost of sales-finished goods procured and sold		1,127,128,391	767,311,350



Notes to the separate and consolidated financial statements (continued)

5.04 Quantitative movement of inventories

<i>In Metric ton</i>	2019	2018
Raw Materials :		
Opening balance (Scrap)	34,325	38,679
Add: Purchased/imported during the year	221,414	160,968
Total available	255,739	199,647
Less: Closing Stock (Scrap)	(65,420)	(34,325)
Consumed /Sold/returned during the year	190,318	165,322
Billet Manufactured (Melting unit)	174,657	150,331
Add: Opening stock of billet	667	1,283
Stock of billet available	175,324	151,614
Less: Billet sale	(3,311)	(6,755)
Less: Closing stock of billet	(791)	(667)
Billet Transferred to Re-Rolling Unit	171,222	144,192
Add: Opening stock of billet (Rolling unit)	108,831	99,082
Add: Purchase during the year	501,293	441,895
Less: Closing stock of billet (Rolling unit)	(81,328)	(108,831)
Billet consumed	700,018	576,337
Finished Goods:		
Opening stock of finished goods	95,698	71,441
Add: Produced during the year	686,769	562,903
Add: Imported/purchased during the year	21,977	11,437
Less: Closing stock of finished goods	(136,255)	(95,698)
Sold/consumed during the year	668,189	550,083

5.05 Factory overhead

<i>In Taka</i>	Note	2019	2018
Factory overheads- Melting Unit	5.05.01	1,780,835,176	1,475,225,562
Factory overheads- Rolling Unit	5.05.02	2,033,470,975	1,930,251,690
		3,814,306,151	3,405,477,252

5.05.01 Factory overheads- Melting Unit

<i>In Taka</i>	Note	2019	2018
Salaries and allowances		191,293,164	145,983,488
Carrying charges-raw materials		242,765	327,535
Consumption electrical stores		11,439,335	8,732,687
Consumption general stores		3,418,768	1,929,555
Consumption of mechanical stores		41,036,585	30,656,733
Conveyance expenses		3,368,116	2,805,393
Depreciation	17.01	150,600,367	153,185,276
Direct expenses		115,021,416	81,047,869
Direct materials consumed		228,813,096	167,158,438
Electricity expenses		1,382,386	875,509
Entertainment		2,003,014	1,931,669
Fees and renewals		396,395	463,540
Fuel and lubricants		7,026,204	6,312,507
Gas		6,353,719	6,219,290
Guest house expenses		102,212	118,541
Guest house rent		54,600	75,075
Insurance expenses		1,062,849	884,566
Materials and finished goods handling charges		19,533,162	26,448,957
Medical expenses		1,234,833	472,515
Motor vehicle expenses		2,059,046	1,883,370
Postage and telegram		1,153	692
Power (factory)		971,021,305	813,439,178
Printing and stationery		1,783,770	2,598,066
Rent		8,391,000	7,934,000
Repairs and maintenance		12,640,095	13,010,018
Travelling expenses		363,206	586,443
Water bill-WASA		192,615	140,862
Factory office expenses		-	3,790
		1,780,835,176	1,475,225,562



Notes to the separate and consolidated financial statements (continued)

5.05.02 Factory overheads- Rolling Unit

<i>In Taka</i>	Note	2019	2018
Salaries and allowances		233,236,979	181,028,885
Carrying charges-raw materials		267,710	118,690
Consumption electrical stores		33,982,951	23,226,055
Consumption general stores		3,112,493	2,321,975
Consumption of mechanical Stores		211,907,125	142,786,113
Conveyance expenses		4,968,720	4,741,555
Depreciation	17.01	498,041,804	533,526,867
Other materials consumed		2,619,191	17,626,008
Electricity expenses		8,247,425	7,608,975
Entertainment		3,871,472	3,856,350
Fees and renewals		1,917,728	2,182,307
Fuel and lubricants		84,531,262	258,933,319
Gas		168,672,403	98,862,209
Guest house expenses		284,784	325,105
Guest house rent		2,560,720	2,635,410
Insurance expenses		6,696,624	5,593,819
Materials and finished goods handling charges		252,990,788	198,766,676
Medical expenses		2,256,975	1,266,591
Motor vehicle expenses		870,224	1,136,176
Paper and periodical		15,558	17,603
Postage and telegram		6,306	8,267
Power (factory)		477,419,632	403,935,640
Printing and stationery		4,087,622	3,269,336
Rent		11,037,372	10,788,072
Repairs and Maintenance		18,892,860	13,604,413
Travelling expenses		957,757	1,314,374
Water bill-WASA		16,590	64,238
Consumption of MS Roll		-	10,706,082
Factory office expenses		-	580
		2,033,470,975	1,930,251,690

5.a Consolidated cost of sales

<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited	5.00	39,416,646,035	28,410,052,631
BSRM Steel Mills Limited		50,210,586,831	42,569,425,485
BSRM (Hong Kong) Limited		4,779,185	-
Unrealized profit elimination		(2,459,337)	-
Portion of unrealized profit (PURP)		5,469,240	-
Less: Intra group elimination		(14,705,965,788)	(10,202,618,726)
		74,929,056,166	60,776,859,390



Notes to the separate and consolidated financial statements (continued)

6.00 Selling and distribution costs

<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	6.01	992,027,229	638,538,849
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		992,027,229	638,538,849

6.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	2019	2018
Salary and allowances		115,858,673	91,239,807
Advertisement		89,294,999	1,620,490
Sales promotion expenses		12,048,013	530,041
Bad debts		898,809	358,759
Brokerage and commission		305,696,518	74,406,629
Marketing expenses		19,831,129	4,861,530
Carriage on sales		247,424,522	305,385,563
Telephone expenses		1,656	1,854
Conveyance expenses		190,520	115,380
Depreciation	17.01	41,126,730	36,942,442
Electricity expenses		8,062,163	8,270,056
Entertainment		3,358,411	15,515
Finished goods handling charges		39,164,732	26,392,160
Export charges		3,578,860	4,278,152
Gratuity expenses		5,577,670	3,417,141
Repair & Maintenance		120,301	1,078,213
Fees and renewals		64,325	71,662
Godown rent		4,498,752	3,805,857
Medical expenses		770,080	324,750
Motor cycle expenses		6,969,795	4,989,064
Printing and stationeries expenses		4,904,031	372,926
Royalty expenses		79,815,365	69,130,359
Testing charges		959,762	36,657
Travelling expenses		1,811,413	893,842
		992,027,229	638,538,849

6.02 The trademark 'Xtreme 500W' has been registered in the name of 'H. Akberali & Co. Limited' (HACL) from the department of Patents, Designs and Trademark of Government of Bangladesh under section 20(2) of the Trademark Act 2009. The company is paying royalty to HACL @ Tk. 150 per MT on its sold quantity from 01 January 2016 according to Trademark License Agreement between the Company and HACL effective from the aforesaid date.

6.a Consolidated selling and distribution cost

<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited	6.00	992,027,229	638,538,849
BSRM Steel Mills Limited		11,216,280	3,999,996
BSRM (Hong Kong) Limited		-	-
		1,003,243,509	642,538,845



Notes to the separate and consolidated financial statements (continued)

7.00 Administrative costs

<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	7.01	334,115,173	325,564,635
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		55,397,248	33,332,929
		389,512,421	358,897,564

7.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	2019	2018
Salaries and allowances		166,103,133	145,108,913
Directors' remuneration	7.02	70,800,000	58,800,000
Advertisement Expenses		569,824	480,372
Audit fees		770,500	540,500
Board meeting expenses		304,750	273,125
Conveyance expenses		423,888	507,529
Insurance expenses		23,288	22,288
CSR expenses		17,500,624	21,774
Depreciation	17.01	4,591,693	8,624,915
Amortization	19.02	3,383,341	3,383,341
Donation and subscriptions		445,844	145,800
Entertainment		5,344,025	4,781,628
Fees and renewals		6,611,966	9,977,974
General expenses		582,545	254,179
Generator and fuel expenses		253,961	200,963
Gratuity expenses		12,093,926	30,154,247
Guest house expenses		661,547	569,383
Land revenue, Municipal tax		2,168,026	955,612
Legal expenses		867,239	754,144
Medical expenses		2,383,924	1,620,028
Motor vehicle expenses		8,827,617	7,850,105
Office expenses		20,740	18,407
Paper and Periodicals		12,846	6,528
Postage expenses		430,741	355,915
Printing expenses		570,309	786,487
Professional expenses		6,140,076	9,383,778
Rent (Office, depot and others)		7,931,256	6,224,296
Repair and maintenance		1,033,529	1,081,560
Stationery expenses		4,420	41,193
Telephone expenses		2,142,574	2,046,585
Internet expenses		1,517,800	1,470,000
Training expenses		2,360,252	2,011,245
Travelling expenses		5,750,043	3,978,798
Utility expenses		1,488,926	1,770,724
		334,115,173	325,564,635

7.02 Directors' remuneration

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

<i>In Taka</i>	2019		
Name	Gross Remuneration	Income Tax Deducted	Net Paid
Mr. Alihussain Akberali-Chairman	28,800,000	8,640,000	20,160,000
Mr. Aameir Alihussain-Managing Director	22,800,000	6,840,000	15,960,000
Mr. Zohair Taherali-Director	13,200,000	3,960,000	9,240,000
Mrs. Sabeen Aameir- Director	6,000,000	1,500,000	4,500,000
	70,800,000	20,940,000	49,860,000

In addition to remuneration, directors avail company vehicles for transportation purposes. These key management personnel are not entitled to any other benefits. No amount is lying as receivable from the directors.



Notes to the separate and consolidated financial statements (continued)

7.a Consolidated administrative cost			
<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited	7.00	389,512,421	358,897,564
BSRM Steel Mills Limited		139,188,788	95,056,765
BSRM (Hong Kong) Limited		9,295,818	-
		537,997,027	453,954,329
8.00 Other operating income			
See accounting policy in note 50.20.			
<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	8.01	27,201,418	34,078,718
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		27,201,418	34,078,718
8.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
<i>In Taka</i>		2019	2018
Late payment charge		5,294,199	6,229,977
Other item sales		21,113,790	25,535,110
Gain/(loss) on sale of PPE		793,429	2,313,631
		27,201,418	34,078,718
8.a Consolidated other operating income			
<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited	8.00	27,201,418	34,078,718
BSRM Steel Mills Limited		(16,508,280)	7,543,706
		10,693,138	41,622,424
9.00 Finance costs			
See accounting policy in note 50.19.			
<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	9.01	2,170,163,371	2,056,115,400
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		7,867,513	2,254,870
		2,178,030,884	2,058,370,269
9.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
<i>In Taka</i>	Note	2019	2018
Interest on LATR		39,305,398	21,405,572
Interest on Demand and Time loan		395,878,531	382,218,973
Interest on Overdraft		172,983,823	212,240,676
Interest on Term loan		818,557,846	539,790,425
Interest on Convertible bond		42,927,030	86,787,032
Bank charges		8,361,765	36,077,803
Bank Guarantee Commission		2,144,399	114,096
Agency fee		4,025,000	3,964,034
Interest on balance due to inter companies		691,284,551	753,672,187
Foreign currency exchange rate fluctuation (gain)/loss	9.02	(5,304,972)	19,844,602
		2,170,163,371	2,056,115,400
9.02 Foreign currency exchange gain/(loss)			
<i>In Taka</i>		2019	2018
Realized foreign currency transaction loss/(gain)		(1,727,559)	18,901,345
Unrealized foreign currency translation loss/(gain)		(3,577,413)	943,257
		(5,304,972)	19,844,602

Foreign currency transaction gain/ loss

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

Foreign currency translation gain/loss

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



Notes to the separate and consolidated financial statements (continued)

9.a Consolidated finance costs			
<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited	9.00	2,178,030,884	2,058,370,269
BSRM Steel Mills Limited		1,425,266,911	1,725,899,640
BSRM (Hong Kong) Limited		362,956	-
		3,603,660,751	3,784,269,909
10.00 Finance income			
See accounting policy in note 50.19.			
<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	10.01	272,176,315	223,859,651
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		272,176,315	223,859,651
10.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
<i>In Taka</i>		2019	2018
Interest Income on STD		11,505	33,086
Interest income from FDR		32,250,308	17,629,863
Interest on balance due from inter companies		239,914,502	206,196,702
		272,176,315	223,859,651
10.a Consolidated finance income			
<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited	10.00	272,176,315	223,859,651
BSRM Steel Mills Limited		372,209,069	343,743,498
BSRM (Hong Kong) Limited		-	-
		644,385,384	567,603,149
11.00 Non- operating income			
<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	11.01	41,303,446	123,213,261
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		41,303,446	123,213,261
11.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
<i>In Taka</i>		2019	2018
Management fees		25,358,593	109,055,533
Changes in fair value of tradable securities	22.03	218,653	(44,272)
Rental income		15,722,000	14,202,000
Dividend income		4,200	-
		41,303,446	123,213,261
11.a Consolidated non- operating income			
<i>In Taka</i>	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited	11.00	41,303,446	123,213,261
BSRM Steel Mills Limited		30,725,070	23,780,710
BSRM (Hong Kong) Limited		2,545,551	-
		74,574,067	146,993,971



Notes to the separate and consolidated financial statements (continued)

12.00 Share of (loss)/profit of equity accounted investees (Net of tax)			
<i>In Taka</i>	Note	2019	2018
Share of profit of subsidiary (BSML)	12.01	528,498,668	421,909,020
Share of profit of subsidiary (BSRM HK)	12.02	(6,763,225)	-
Share of profit of associate (BSL)	12.03	538,975,826	561,639,421
		1,060,711,269	983,548,441
12.01 Share of profit of subsidiary (BSML)			
<i>In Taka</i>		2019	2018
Net profit attributable to the shareholders' of BSML		1,175,311,103	938,269,829
Percentage of holding		44.97%	44.97%
Net profit attributable to BSRM Ltd.		528,498,668	421,909,020
		528,498,668	421,909,020
12.02 Share of profit of subsidiary (BSRM HK)			
<i>In Taka</i>		2019	2018
Net (loss) attributable to the shareholders' of BSML		(6,763,225)	-
Percentage of holding		100.00%	-
Net (loss) attributable to BSRM Ltd.		(6,763,225)	-
		(6,763,225)	-
12.03 Share of profit of associate (BSL)			
<i>In Taka</i>		2019	2018
Net profit attributable to the shareholders' of BSL		1,728,128,824	1,800,795,558
Percentage of holding		31.19%	31.19%
Net profit attributable to BSRM Ltd.		538,975,826	561,639,421
		538,975,826	561,639,421
12.04 Share of other comprehensive income of associate (BSL) (Net of tax)			
<i>In Taka</i>		2019	2018
Other comprehensive income attributable to the shareholders' of BSL		6,697,419,758	(3,392,066)
Percentage of holding		31.19%	31.19%
Other comprehensive income attributable to BSRM Ltd.		2,088,818,434	(1,057,931)
		2,088,818,434	(1,057,931)
13.00 Earnings per share (EPS)			
See accounting policy in note 50.21.			
13.01 Basic EPS			
<i>In Taka</i>		2019	2018
Profit attributable to the ordinary shareholders (Taka)		1,860,634,923	2,778,779,562
Number of ordinary shares at the year end		236,068,236	214,607,488
Weighted Average no. of shares outstanding during the year (Nos.)		236,068,236	236,068,236
Basic EPS (Taka)		7.88	11.77

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



Notes to the separate and consolidated financial statements (continued)

13.a Consolidated earnings per share (CEPS)

<i>In Taka</i>	2019	2018
Net profit after tax attributable to owners of the company (Taka)	1,860,634,923	2,778,779,562
Number of ordinary shares at the period end	236,068,236	214,607,488
Weighted Average number of ordinary shares outstanding during the year (Nos.)	236,068,236	236,068,236
Consolidated earnings per share (CEPS) (Taka)	7.88	11.77

EPS for the year 2018 has been restated based on the new weighted average number of ordinary shares in accordance with IAS 33.

14.00 Net Asset Value Per Share (NAV)

<i>In Taka</i>	2019	2018
Total assets	52,553,623,783	39,944,699,984
Total liabilities	29,546,251,787	26,273,291,444
Net asset value (NAV)	23,007,371,996	13,671,408,540
Number of ordinary shares outstanding during the year	236,068,236	214,607,488
Net asset value per share (NAV) per share	97.46	63.70

14.a Consolidated net asset value per share (CNAV)

<i>In Taka</i>	2019	2018
Total assets	91,067,184,337	76,596,706,008
Total liabilities	60,558,665,062	59,532,669,416
Consolidated net asset value (CNAV)	30,508,519,275	17,064,036,592
Less: Non-controlling interest	(7,501,147,279)	(3,392,628,051)
Assets attributable to owners of the company	23,007,371,996	13,671,408,541
Number of ordinary shares outstanding during the year	236,068,236	214,607,488
Consolidated net asset value per share (CNAV) per share	97.46	63.70

15.00 Net operating cash flow per share

<i>In Taka</i>	2019	2018
Net operating cash flow	664,158,211	(1,884,728,548)
Number of ordinary shares outstanding during the year	236,068,236	214,607,488
Net operating cash flow per share	2.81	(8.78)

15.a Consolidated net operating cash flow per share

<i>In Taka</i>	2019	2018
Net operating cash flow	9,352,086,233	(8,024,565,983)
Number of ordinary shares outstanding during the year	236,068,236	214,607,488
Net operating cash flow per share	39.62	(37.39)



Notes to the separate and consolidated financial statements (continued)

16.00 Reconciliation of net income with cash flows from operating activities:

<i>In Taka</i>	2019	2018
Net profit before tax	2,740,065,560	3,021,534,413
Adjustments to reconcile net income with cash flows from operating activities:		
Amortization	3,383,341	3,383,341
Gain/(loss) on sale of PPE	(793,429)	(2,313,631)
Depreciation	694,360,594	732,277,500
Unrealized foreign currency translation loss/(gain)	(963,344)	-
Share of (loss)/profit of equity accounted investee, net of tax	(1,060,711,269)	(983,548,441)
	(364,724,107)	(250,201,231)
(Increase)/Decrease in Current Assets:		
Inventories	(2,753,292,630)	(4,011,886,784)
Trade and other receivables	(1,214,420,852)	(220,800,787)
Advances and deposits	(197,638,563)	(269,525,758)
Increase/(Decrease) in Current Liabilities:		
Trade payables	2,324,100,719	(315,522,802)
Other Liabilities	135,412,213	(30,936,610)
Defined benefit obligations - Gratuity	35,745,679	39,027,665
Advance against sales	259,577,297	44,323,642
Liabilities for expenses	74,217,055	135,692,225
Provision for WPPF and Welfare Fund	(21,680,460)	48,304,424
	(1,357,979,542)	(4,581,324,786)
Income tax paid	(353,203,700)	(74,736,944)
Net cash flow from operating activities	664,158,211	(1,884,728,548)

16.a Consolidated reconciliation of net income with cash flows from operating activities:

<i>In Taka</i>	2019	2018
Net profit before tax	4,115,632,134	4,375,126,130
Reconciliation of net income with cash flows from operating activities		
Amortization	6,183,085	6,183,085
Gain/(loss) on sale of PPE	15,714,851	(2,307,321)
Depreciation	1,522,977,374	1,510,277,222
Unrealized foreign currency translation loss/(gain)	(995,913)	-
Share of (loss)/profit of equity accounted investee, net	(538,975,826)	(561,639,421)
	1,004,903,571	952,513,565
(Increase)/Decrease in Current Assets:		
Inventories	2,302,373,615	(6,456,934,987)
Trade and other receivables	1,155,597,578	(5,196,308,784)
Advances and deposits	(1,206,955,971)	(250,920,302)
Increase/(Decrease) in Current Liabilities:		
Trade payables	1,857,377,507	(500,670,194)
Other Liabilities	91,064,757	(215,448,659)
Defined benefit obligations - Gratuity	51,264,404	28,120,984
Advance against sales	265,342,831	65,680,010
Liabilities for expenses	129,769,094	211,656,875
Provision for WPPF and Welfare Fund	(14,755,491)	142,918,448
	4,631,078,323	(12,171,906,611)
Income tax paid	(399,527,794)	(1,180,299,067)
Net cash flow from operating activities	9,352,086,233	(8,024,565,983)



Notes to the separate and consolidated financial statements (continued)

17.00 Property, plant and equipment (PPE) - revalued model

See accounting policy in note 50.03.

In Taka	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	17.01	15,931,499,429	12,957,871,954
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		631,680	684,069
		15,932,131,109	12,958,556,023

17.01 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Land and Land development	Plant and Machinery	Motor Vehicles	Factory Building & Shed	Boundary wall, road & pavements	Furniture and fixtures	Office Equipment	Computer & IT Equipment	Under construction	Total
At revaluation										
Balance as at 01 July 2017	3,938,501,502	7,301,402,105	46,827,461	2,958,969,643	142,149,876	36,795,371	36,688,229	19,685,499	387,667,390	14,868,687,076
Additions	16,662,327	189,032,934	13,170,862	296,192,001	62,026,932	637,607	2,597,918	3,317,842	117,699,958	701,338,379
Disposal/ transfer	-	-	(6,129,655)	-	-	(392,451)	(119,671)	(58,309)	(379,642,896)	(386,342,971)
Balance as at 30 June 2018	3,955,163,829	7,490,435,039	53,868,668	3,255,161,644	204,176,808	37,040,527	39,169,476	22,945,032	125,724,462	15,183,682,484
Balance as at 01 July 2018	3,955,163,829	7,490,435,039	53,868,668	3,255,161,644	204,176,808	37,040,527	39,169,476	22,945,032	125,724,462	15,183,682,484
Revaluation of land	3,480,930,388	-	-	-	-	-	-	-	-	3,480,930,388
Additions	5,570,177	148,185,745	5,172,754	34,100,416	48,639,982	4,446,445	1,501,097	1,435,084	65,842,183	314,893,883
Disposal/ transfer	-	(8,485,881)	(1,378,069)	-	-	(114,591)	(750,479)	(1,297,902)	(122,753,510)	(134,780,432)
Balance as at 30 June 2019	7,441,664,394	7,630,134,903	57,663,353	3,289,262,060	252,816,790	41,372,381	39,917,094	23,082,214	68,813,135	18,844,726,323
Accumulated depreciation										
Balance as at 01 July 2017	-	1,001,877,427	28,754,203	356,517,916	60,196,208	19,294,649	19,521,760	12,427,267	-	1,498,589,430
Charged for the year	-	495,544,571	8,266,538	193,171,018	17,236,920	6,766,594	7,292,483	3,999,376	-	732,277,500
Adjustment for disposal	-	-	(4,796,277)	-	-	(107,546)	(82,817)	(69,762)	-	(5,056,401)
Balance as at 30 June 2018	-	1,497,421,997	32,224,465	549,688,934	77,433,128	25,953,697	26,731,426	16,356,881	-	2,225,810,529
Balance as at 01 July 2018	-	1,497,421,997	32,224,465	549,688,934	77,433,128	25,953,697	26,731,426	16,356,881	-	2,225,810,529
Charged for the year	-	502,791,968	6,560,479	157,613,886	15,153,820	5,036,244	5,080,956	2,123,241	-	694,360,594
Adjustment for disposal	-	(3,824,023)	(1,214,943)	-	-	(55,164)	(607,453)	(1,242,646)	-	(6,944,230)
Balance as at 30 June 2019	-	1,996,389,942	37,570,001	707,302,820	92,586,948	30,934,776	31,204,929	17,237,476	-	2,913,226,893
Carrying amount										
As at 30 June 2018	3,955,163,829	5,993,013,041	21,644,203	2,705,472,709	126,743,690	11,086,830	12,435,050	6,588,150	125,724,462	12,957,871,954
As at 30 June 2019	7,441,664,394	5,633,744,960	20,093,351	2,581,959,239	160,229,842	10,437,605	8,712,165	5,844,738	68,813,135	15,931,499,429
Depreciation allocation:										
In Taka										
Cost of sales									2019	2018
Selling & distribution costs									648,642,171	686,712,144
Administrative costs									41,126,730	36,942,442
									4,591,693	8,622,915
Total									694,360,594	732,277,501



Notes to the separate and consolidated financial statements (continued)

17.02 Property, plant and equipment (PPE) - cost model				
In Taka		Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO		17.03	10,490,721,469	10,958,567,690
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch			631,680	684,069
			10,491,353,149	10,959,251,759

17.03 Bangladesh Steel Re-Rolling Mills Limited-HO

In Taka	Land and land development	Plant and Machinery	Motor Vehicles	Factory Building and shed	Boundary wall, Road & pavements	Furniture and Fixtures	Office Equipment	Computer & IT Equipment	Under construction	Total
At cost										
Balance as at 01 July 2017	1,955,894,469	8,149,849,895	76,029,612	3,088,678,957	142,149,876	51,031,756	53,686,725	19,685,499	387,667,390	13,924,664,179
Additions	16,662,327	189,032,934	13,170,862	296,192,001	62,026,932	637,607	2,597,918	3,317,842	117,699,958	701,338,379
Disposal/ transfer	-	-	(5,500,858)	-	-	(392,451)	(119,671)	(58,309)	(379,642,896)	(385,714,174)
Balance as at 30 June 2018	1,972,546,796	8,338,882,829	83,699,616	3,384,870,958	204,176,808	51,276,912	56,164,972	22,945,032	125,724,462	14,240,288,384
Balance as at 01 July 2018	1,972,546,796	8,338,882,829	83,699,616	3,384,870,958	204,176,808	51,276,912	56,164,972	22,945,032	125,724,462	14,240,288,384
Additions	5,570,177	148,185,745	5,172,754	34,100,416	48,639,982	4,446,445	1,501,097	1,435,084	65,842,183	314,893,883
Disposal/ transfer	-	(8,065,992)	(1,378,069)	-	-	(114,591)	(750,479)	(1,297,902)	(122,763,610)	(134,360,543)
Balance as at 30 June 2019	1,978,116,973	8,479,002,582	87,494,301	3,418,971,374	252,816,790	55,608,766	56,915,590	23,082,214	68,813,135	14,420,821,724
Accumulated depreciation										
Balance as at 01 July 2017	-	1,850,268,509	48,847,205	575,162,519	60,196,208	33,914,624	32,931,071	12,427,255	-	2,613,747,391
Charged for the year	-	470,636,363	5,640,704	163,154,359	17,236,920	6,402,950	5,959,032	3,999,376	-	673,029,704
Adjustment for disposal	-	-	(4,796,277)	-	-	(107,546)	(82,817)	(69,762)	-	(5,056,401)
Balance as at 30 June 2018	-	2,320,904,872	49,691,632	738,316,878	77,433,128	40,210,028	38,807,287	16,356,869	-	3,281,720,694
Balance as at 01 July 2018	-	2,320,904,872	49,691,632	738,316,878	77,433,128	40,210,028	38,807,287	16,356,869	-	3,281,720,694
Charged for the year	-	478,400,167	6,141,658	143,512,790	15,153,820	5,036,244	4,955,872	2,123,241	-	655,323,791
Adjustment for disposal	-	(3,824,023)	(1,214,943)	-	-	(55,164)	(607,453)	(1,242,646)	-	(6,944,230)
Balance as at 30 June 2019	-	2,795,481,016	54,618,346	881,829,668	92,586,948	45,191,107	43,155,706	17,237,464	-	3,930,100,256
Carrying amount										
As at 30 June 2018	1,972,546,796	6,017,977,957	34,007,985	2,646,554,080	126,743,680	11,066,884	17,357,685	6,588,162	125,724,462	10,958,567,690
As at 30 June 2019	1,978,116,973	5,683,521,566	32,875,955	2,537,141,706	160,229,842	10,417,658	13,759,884	5,844,750	68,813,135	10,490,721,469



Notes to the separate and consolidated financial statements (continued)

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

In Toka	Land and Land development	Plant and Machinery	Motor Vehicles	Factory Building & Shed	Boundary wall, Road & pavements	Furniture and Fixtures	Office Equipment	Computer & IT Equipment	Under construction	Total
At revaluation										
Balance as at 01 July 2017	7,559,572,437	18,590,581,487	80,127,210	6,456,674,345	1,199,779,493	69,639,698	92,884,104	30,525,091	971,004,496	35,050,788,371
Additions	68,893,584	600,039,981	13,170,862	855,309,079	68,299,416	40,106,695	52,069,600	7,558,947	381,352,345	2,086,800,507
Disposal/ transfer	-	(2,030,000)	(10,604,655)	-	-	(736,589)	(119,671)	(58,309)	(1,140,359,953)	(1,153,909,177)
Balance as at 30 June 2018	7,628,466,021	19,188,691,478	82,693,417	7,311,983,424	1,268,078,909	109,009,804	144,834,033	38,025,728	211,996,888	35,983,679,701
Balance as at 01 July 2018	7,628,466,021	19,188,691,478	82,693,417	7,311,983,424	1,268,078,909	109,009,804	144,834,033	38,025,728	211,996,888	35,983,679,701
Revaluation of land	10,030,848,587	-	-	-	-	-	-	-	-	10,030,848,587
Additions	19,530,414	368,627,179	5,172,764	71,473,405	69,825,802	5,844,947	5,619,186	4,709,020	305,977,251	856,779,959
Disposal/ transfer	(447,942,744)	(26,999,986)	(3,384,426)	-	-	(114,591)	(750,479)	(1,297,902)	(176,968,608)	(657,458,736)
Balance as at 30 June 2019	17,230,902,278	19,530,218,671	84,481,745	7,383,456,829	1,337,904,711	114,740,160	149,702,740	41,436,846	341,005,531	46,213,849,511
Accumulated depreciation										
Balance as at 01 July 2017	-	1,904,826,729	47,456,326	549,911,122	155,876,507	32,101,380	39,837,102	16,844,008	-	2,745,853,174
Charged for the year	-	1,073,751,001	11,489,450	328,296,671	52,664,039	15,807,332	21,977,337	6,646,228	-	1,510,632,068
Adjustment for disposal	-	(1,161,487)	(7,914,968)	-	-	(454,188)	(82,817)	(69,762)	-	(9,683,232)
Balance as at 30 June 2018	-	2,977,416,232	51,030,808	877,207,793	208,540,546	47,454,524	61,731,622	23,420,474	-	4,246,801,999
Balance as at 01 July 2018	-	2,977,416,232	51,030,808	877,207,793	208,540,546	47,454,524	61,731,622	23,420,474	-	4,246,801,999
Charged for the year	-	1,105,302,344	9,128,720	310,325,659	51,318,370	18,364,064	23,627,722	4,916,333	-	1,522,983,212
Adjustment for disposal	-	(6,992,737)	(3,221,300)	-	-	(55,164)	(607,453)	(1,242,646)	-	(12,119,301)
Balance as at 30 June 2019	-	4,075,725,839	66,938,229	1,187,533,452	259,858,916	65,763,423	84,751,891	27,094,161	-	5,757,665,910
Carrying amount										
As at 30 June 2018	7,628,466,021	16,211,175,245	31,662,609	6,434,775,630	1,059,538,363	61,555,280	83,102,411	14,605,254	211,996,888	31,736,877,702
As at 30 June 2019	17,230,902,278	15,454,492,832	27,543,516	6,195,923,376	1,078,045,795	48,976,737	64,950,849	14,342,685	341,005,531	40,456,183,600



Notes to the separate and consolidated financial statements (continued)

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

In Taka	Note	2019	2018
Bangladesh Steel Re-Rolling Mills Limited-HO	17.03	10,490,721,469	10,958,567,690
BSRM Steel Mills Limited		16,048,643,598	16,485,442,007
BSRM (Hong Kong) Limited		590,525	-
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	17.a.ii	26,539,955,592	27,444,009,697
		631,580	684,069
		26,540,587,372	27,444,693,766

17.a.ii Bangladesh Steel Re-Rolling Mills Limited-HO, BSRM Steel Mills Limited and BSRM (Hong Kong) Limited

In Taka	Land and land development	Plant and Machinery	Motor Vehicles	Factory Building and shed	Boundary wall, Road & pavements	Furniture and Fixtures	Office Equipment	Computer & IT Equipment	Under construction	Total
At cost										
Balance as at 01 July 2017	3,284,075,732	19,439,029,287	109,329,361	6,586,383,659	1,199,779,493	83,876,083	109,882,600	30,525,091	971,004,496	31,813,885,802
Additions	68,893,584	600,039,981	13,170,862	855,309,079	68,299,416	40,106,695	52,069,600	7,558,947	381,352,345	2,086,800,508
Disposal	-	(2,030,000)	(9,975,858)	-	-	(736,589)	(119,671)	(58,309)	(1,140,359,953)	(1,153,280,380)
Balance as at 30 June 2018	3,352,969,316	20,037,039,268	112,524,365	7,441,692,738	1,268,078,909	123,246,189	161,832,529	38,025,729	211,996,888	32,747,405,930
Balance as at 01 July 2018	3,352,969,316	20,037,039,268	112,524,365	7,441,692,738	1,268,078,909	123,246,189	161,832,529	38,025,729	211,996,888	32,747,405,930
Additions	19,530,414	368,627,179	5,172,754	71,473,405	69,825,802	5,844,947	5,619,186	4,709,020	305,977,251	866,779,959
Disposal	(79,983,141)	(26,590,097)	(3,384,426)	-	-	(114,591)	(750,479)	(1,297,902)	(176,968,608)	(289,069,244)
Balance as at 30 June 2019	3,292,536,590	20,379,086,350	114,312,692	7,513,166,143	1,337,904,711	128,976,545	166,701,236	41,436,847	341,005,531	33,315,126,645
Accumulated depreciation										
Balance as at 01 July 2017	-	2,753,217,811	67,549,327	767,555,725	155,876,507	46,721,355	53,246,413	16,843,996	-	3,861,011,134
Charged for the year	-	1,048,842,793	8,863,616	298,280,012	52,664,039	15,443,688	20,643,886	6,646,228	-	1,451,384,262
Adjustment for disposal	-	(1,161,497)	(7,914,968)	-	-	(454,188)	(82,817)	(69,762)	-	(9,683,232)
Balance as at 30 June 2018	-	3,600,859,107	68,497,975	1,065,835,737	208,540,546	61,710,855	73,807,482	23,420,462	-	5,302,712,164
Balance as at 01 July 2018	-	3,600,859,107	68,497,975	1,065,835,737	208,540,546	61,710,855	73,807,482	23,420,462	-	5,302,712,164
Charged for the year	-	1,080,910,543	8,709,899	296,224,564	51,318,370	18,364,064	23,502,638	4,916,333	-	1,483,946,410
Adjustment for disposal	-	(6,992,737)	(3,221,300)	-	-	(55,164)	(807,453)	(1,242,646)	-	(12,119,301)
Balance as at 30 June 2019	-	4,674,816,913	73,986,574	1,362,060,300	259,858,916	80,019,755	96,702,667	27,094,149	-	6,774,539,273
Carrying amount										
As at 30 June 2018	3,352,969,316	16,236,140,161	44,026,390	6,375,857,001	1,059,538,363	61,535,334	88,025,047	14,605,267	211,996,888	27,444,693,766
As at 30 June 2019	3,292,536,590	15,504,269,437	40,326,119	6,151,105,842	1,078,045,795	48,956,790	69,998,569	14,342,699	341,005,531	26,540,587,372



Notes to the separate and consolidated financial statements (continued)

17.04 Revaluation of property, plant and equipment

All the revaluations made against property, plant and equipment are summarized below:

Revaluation period	Class of assets revalued	Valuation method	Effective date	Valuer	Recognized into FS	Net revaluation gain
2008	All Property, plant and equipment	Replacement cost and net realizable value method	31-Dec-08	Hoda Vasi Chowdhury & Co., Chartered Accountants.	Beginning of 2008	1,673,400,176
2012			31-Dec-12		Beginning of 2012	2,004,256,895
2019*	Land and land developments	Net realizable value/fair market value method	30-Jun-19	ACNABIN, Chartered Accountants.	30 June 2019	3,480,930,388

* Summary of the revaluation report provided by valuer has been enclosed in Annexure-A.

Replacement cost and net realizable value method, as applicable, have been used by the independent valuer in revaluation 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.

18.00 Details of under construction assets (Capital work in progress)

See accounting policy in note 50.04.

30 June 2019				
<i>In Taka</i>	Opening balance	Incurred during the year	Capitalized	Closing balance
Factory building and shed	28,856,069	19,070,511	(32,235,208)	15,691,372
Plant and machineries	54,729,004	34,791,022	(41,840,820)	47,679,206
Boundary wall, drainage System, roads and pavement	42,101,889	11,423,796	(48,639,982)	4,885,703
Motor vehicles	37,500	-	(37,500)	-
IT Equipment	-	556,854	-	556,854
	125,724,462	65,842,183	(122,753,510)	68,813,135
30 June 2018				
<i>In Taka</i>	Opening balance	Incurred during the year	Capitalized	Closing balance
Factory building and shed	269,408,551	49,771,774	(290,324,256)	28,856,069
Plant and machineries	58,430,315	23,463,713	(27,165,024)	54,729,004
Boundary wall, drainage System, roads and pavement	59,314,830	42,101,889	(59,314,830)	42,101,889
Furniture and fixtures	200,034	-	(200,034)	-
Motor vehicles	-	2,362,582	(2,325,082)	37,500
Office Equipment	61,160	-	(61,160)	-
IT Equipment	252,500	-	(252,500)	-
	387,667,390	117,699,958	(379,642,886)	125,724,462

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

18.a Consolidated under construction assets (capital work in progress)

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	18.00	68,813,135	125,724,462
BSRM Steel Mills Limited		272,192,396	86,272,426
		341,005,531	211,996,888



Notes to the separate and consolidated financial statements (continued)

19.00 Intangible assets

See accounting policy in note 50.05.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	19.01	18,413,720	21,797,061
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		18,413,720	21,797,061

19.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Computer Software (Oracle ERP)	19.02	18,413,720	21,797,061
		18,413,720	21,797,061

19.02 Intangible assets schedule

<i>In Taka</i>	Computer Software (Oracle ERP)
Cost	
Opening balance on 1 July 2017	33,833,413
Additions	-
Closing balance on 30 June 2018	33,833,413
Opening balance on 1 July 2018	33,833,413
Additions	-
Closing balance on 30 June 2019	33,833,413
Accumulated amortization	
Opening balance on 1 July 2017	8,653,011
Add: Amortized during the year	3,383,341
Closing balance on 30 June 2018	12,036,352
Opening balance on 1 July 2018	12,036,352
Add: Amortized during the year	3,383,341
Closing balance on 30 June 2019	15,419,693
Carrying amount on 30 June 2018	21,797,061
Carrying amount on 30 June 2019	18,413,720

19.a Consolidated intangible assets

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	19.00	18,413,720	21,797,061
BSRM Steel Mills Limited		15,165,277	17,965,021
		33,578,997	39,762,082

20.00 Investment in subsidiaries and associate

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Subsidiary company			
BSRM Steel Mills Limited (BSML)	20.01	6,131,510,260	2,772,054,637
BSRM (Hong Kong) Limited (BSRM HK)	20.01	(6,763,215)	10
Joint-Venture			
BMS Steel Limited (BMS)	20.01	2,281,500	-
Associate company			
In associate company-BSRM Steels Limited (BSL)	20.01	6,517,215,641	3,994,597,901
		12,644,244,186	6,766,652,548



Notes to the separate and consolidated financial statements (continued)

20.01 Movement of Investment in Associate and Subsidiary

In Taka	30 June 2019			
	BSL	BSML	BSRM HK	BMS
Opening balance	3,994,597,901	2,772,054,637	10	-
Investment made	-	-	-	2,281,500
Addition/adjustments during the year:				
Share of profit / (loss) of equity accounted	538,975,826	528,498,668	(6,763,225)	-
Share of other comprehensive income (revaluation of land-net of tax)	2,088,818,434	2,830,956,955	-	-
Transfer of Deferred Tax to Retained Earnings due to excess depreciation between cost and revalued model of equity accounted investees	1,417,671	-	-	-
Cash dividend received	(106,594,191)	-	-	-
Closing balance	6,517,215,641	6,131,510,260	(6,763,215)	2,281,500

In Taka	30 June 2018			
	BSL	BSML	BSRM HK	BMS
Opening balance	3,593,907,671	2,350,145,618	-	-
Investment made	-	-	10	-
Addition/adjustments during the year:				
Share of profit / (loss) of equity accounted Investees	561,639,421	421,909,020	-	-
Share of other comprehensive income	(1,057,931)	-	-	-
Effect of revaluation and deferred tax on retained earnings of associates	-	-	-	-
Cash dividend received	(159,891,260)	-	-	-
Closing balance	3,994,597,901	2,772,054,637	10	-

20.02 Investment in subsidiary company- BSRM Steel Mills Limited (BSML)

BSRM Limited holds 52.88% equity interest in BSRM Steel Mills Limited since 2015 that consists of 44.97% direct holding (177,364,600 Ordinary shares of Tk. 10 each) and 7.91% indirect investment through investment in associate (BSL) at the reporting date. BSRM Limited and BSRM Steel Mills Limited are being operated under common control.

Although the company directly holds less than 50% voting share of BSRM Steel Mills Limited, but taking the indirect holding and common control into consideration management has determined that the company controls BSML and considered it as a subsidiary.

Summary of financial information of subsidiary:

In Taka	30 June 2019	30 June 2018
Non-current assets	24,538,627,142	18,796,286,699
Current assets	21,096,466,389	21,288,220,141
Total assets	45,635,093,531	40,084,506,840
Share capital	3,944,354,000	3,944,354,000
Retained earnings	1,470,739,725	(72,550,981)
Revaluation reserve	8,220,573,719	2,292,879,671
Total equity	13,635,667,444	6,164,682,690
Non-current liabilities	3,488,642,506	4,535,123,950
Current liabilities	28,510,783,581	29,384,700,200
Total liabilities	31,999,426,087	33,919,824,150
Total Equity & Liabilities	45,635,093,531	40,084,506,840
Net Assets Value (NAV) per share	34.57	15.63
Revenue	53,407,280,472	45,888,262,116
Other operating and non-operating income/(Loss)	386,425,859	375,067,914
Expenses	(52,618,395,228)	(45,325,060,201)
Other comprehensive income for the year	6,295,673,651	-
Total comprehensive income for the year	7,470,984,754	938,269,829



Notes to the separate and consolidated financial statements (continued)

20.03 Investment in associate company- BSRM Steels Limited (BSL)

BSRM Limited has 31.19% equity interest in BSRM Steels Limited (BSL) i.e. 117,253,590 Ordinary Shares of Tk. 10 each. BSRM Steels Limited has been considered as an equity accounted investee of the company and has been accounted for according to IAS 28: Investments in Associates and Joint Ventures. Reporting date of BSL is 30 June.

Summary of financial information of associate:

<i>In Taka</i>	30 June 2019	30 June 2018
Non-current assets	26,793,863,440	13,995,010,582
Current assets	39,014,321,356	31,685,544,730
Total assets	65,808,184,796	45,680,555,312
Share capital	3,759,525,000	3,417,750,000
Retained earnings	9,196,763,654	6,777,298,362
Revaluation reserve	7,940,930,965	2,613,852,170
Equity attributable to owners of the company	20,897,219,619	12,808,900,532
Non-controlling interest	-	-
Shareholders' equity	20,897,219,619	12,808,900,532
Non-current liabilities	11,022,783,557	3,072,279,686
Current liabilities	33,888,181,620	29,799,375,094
Total liabilities	44,910,965,177	32,871,654,780
Total Equity & Liabilities	65,808,184,796	45,680,555,312
Net Assets Value (NAV) per share	55.58	37.48
	30 June 2019	30 June 2018
Revenue	61,060,152,014	48,289,925,736
Other income	1,328,202,815	1,290,257,134
Expenses	(60,660,226,005)	(47,779,387,312)
Profit for the year	1,728,128,824	1,800,795,558
Non-controlling interest	-	-
Profit attributable to the owners of the company	1,728,128,824	1,800,795,558
Other comprehensive income	6,697,419,758	(3,392,066)
Total Comprehensive Income attributable to owners of the company	8,425,548,581	1,797,403,492

The market price of the Ordinary shares of BSRM Steels Limited (BSL) was Tk. 57.80 per share on 30 June 2019. Fair value of investments in BSL for 117,253,590 numbers of share has been estimated at Tk. 6,777,257,502.

Out of 117,253,590 nos. ordinary shares of BSL, 3,000,000 nos., 8,000,000 nos., 2,562,112 nos., 10,000,000 nos. of ordinary shares are pledged against bridge finance and term loans from IPDC Limited, South Bangla Agriculture and Commerce Bank Limited, One Bank Limited, Prime Bank Limited respectively.

20.04 Investment in subsidiary company- BSRM (Hong Kong) Limited

The company has incorporated a fully owned new subsidiary company in Hong Kong on 30 May 2018.

The paid up capital of this subsidiary company was 1 Hong Kong Dollar i.e. Tk. 10 on the reporting date.

20.a Consolidated equity-accounted investees

<i>In Taka</i>	Note	30 June 2019	30 June 2018
BSRM Steel Limited (BSL)	20.01	6,517,215,641	3,994,597,901
BMS Steel Limited (BMS)	20.01	2,281,500	-
		6,519,497,141	3,994,597,901

21.00 Other investments

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	21.01	116,814,404	122,190,354
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		116,814,404	122,190,354



Notes to the separate and consolidated financial statements (continued)

21.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Investment in non-tradable shares at cost	21.02	1,000,300	1,000,300
Investments in fixed deposits receipts	21.03	115,814,104	121,190,054
		116,814,404	122,190,354

21.02 Investment in non-tradable shares at cost

<i>In Taka</i>	30 June 2019	30 June 2018
Islamic Steamship Co. Limited	300	300
STS Holdings Limited	1,000,000	1,000,000
	1,000,300	1,000,300

21.03 Investments in fixed deposits receipts

<i>In Taka</i>	Tenure	Purpose	Rate of Interest	30 June 2019	30 June 2018
Mercantile Bank Ltd.	1 year	Guarantee	7%-8%	4,176,632	3,902,725
Standard Chartered Bank Ltd.	1 year	L/C Margin	7.00%	54,984,914	51,777,310
State Bank of India	1 year	L/C Margin	7.00%	2,098,598	2,009,070
IFIC Bank Ltd.	1 year	L/C Margin	7.50%	5,389,129	5,068,718
International Leasing and Financial Services Limited	1 year	Security deposit	12.50%	32,553,234	29,961,232
Fareast Finance and Investment Limited	1 year	Security deposit	10.00%	16,611,597	28,471,000
				115,814,104	121,190,054

21.a Consolidated other investments

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	21.00	116,814,404	122,190,354
BSRM Steel Mills Limited		-	-
		116,814,404	122,190,354

22.00 Short term investment

See accounting policy in note 50.09.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	22.01	146,794,158	50,220,680
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		146,794,158	50,220,680

22.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Investment in tradeable securities at fair value	22.02	582,176	363,523
Investments in fixed deposit receipts	22.04	146,211,982	49,857,158
		146,794,158	50,220,680

22.02 Investment in tradable securities at fair value

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Opening balance		363,523	407,795
Sold during the year		-	-
Change in fair value of tradable securities	22.03	218,653	(44,272)
Closing balance		582,176	363,523



Notes to the separate and consolidated financial statements (continued)

22.03 Fair Value of Tradable Securities

<i>In Taka</i>	Cost	Fair Value as at 30 June 2018	Fair Value as at 30 June 2019	Increase/ (Decrease)
Eastern Insurance Co. Limited	179,550	56,490	94,080	37,590
Pragati Life Insurance Limited	497,480	151,810	232,834	81,024
Progress Life Insurance Limited	319,605	155,223	255,262	100,039
	996,635	363,523	582,176	218,653

22.04 Investments in fixed deposit receipts

<i>In Taka</i>	Tenure	Purpose	Rate of Interest	30 June 2019	30 June 2018
Al-Arafah Islami Bank Ltd.	6 months	L/C Margin	6.23% to 6.7%	790,721	12,978,529
Commercial Bank of Ceylon PLC	6 months	L/C Margin	7.00%	24,602,661	21,225,454
Habib Bank Ltd.	6 months	L/C Margin	8.50%	5,085,483	1,782,382
Pubali Bank Ltd.	6 months	L/C Margin	6.00%	55,834,184	7,711,265
State Bank of India	6 months	L/C Margin	7.50%	1,388,596	1,308,727
Shahjalal Islami Bank Ltd.	6 months	L/C Margin	7.00%	800,000	
The City Bank Limited	6 months	Investment	6.00%	53,927,475	1,350,801
Lanka Bangla Finance Ltd.	6 months	Security deposit	8.75-9.50%	3,782,862	3,500,000
				146,211,982	49,857,158

22.a Consolidated short term investment

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	22.00	146,794,158	50,220,680
BSRM Steel Mills Limited		1,723,216,461	1,316,920,481
		1,870,010,619	1,367,141,161

23.00 Inventories

See accounting policy in note 50.06.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	23.01	16,190,515,654	13,413,810,986
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		27,416,184	28,509,068
Portion of unrealized profit (PURP)- Associate	5.00	(19,859,817)	-
Portion of unrealized profit (PURP)- Subsidiary	5.00	(2,459,337)	-
		16,195,612,684	13,442,320,054

23.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>		30 June 2019	30 June 2018
Raw Material	Qty, Metric Ton	Amount Taka	Amount Taka
Raw Materials-Billets	82,119	4,256,401,602	5,471,219,241
Raw Materials-Scraps	65,420	2,172,557,571	1,300,710,930
	147,539	6,428,959,173	6,771,930,172
Work-in-process		-	-
Finished Goods			
Finished Goods-Own production	127,263	7,242,677,339	4,871,752,108
Finished Goods-Procured	8,993	430,566,294	269,293,231
	136,255	7,673,243,633	5,141,045,339
Stores and Spares			
Mechanical stores		1,096,860,781	816,334,488
M.S. Roll		145,208,878	165,793,081
Electrical stores		410,876,693	338,353,155
General stores		32,883,427	5,870,807
Consumable stores		385,659,531	157,457,641
		2,071,489,310	1,483,809,171
Fuel and lubricants		16,823,538	17,026,304
		16,190,515,654	13,413,810,986



Notes to the separate and consolidated financial statements (continued)

23.a Consolidated inventories

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	23.00	16,195,612,684	13,442,320,054
BSRM Steel Mills Limited		4,943,908,402	9,996,564,744
Unrealized profit elimination (added as subsidiaries portion which was deducted in separate FS)		2,459,337	-
Portion of unrealized profit (PURP)		(5,469,240)	-
		21,136,511,183	23,438,884,798

24.00 Trade and Other Receivables

See accounting policy in note 50.09.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	24.01	3,421,648,147	2,275,689,106
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		149,165,085	80,703,274
		3,570,813,232	2,356,392,380

24.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Trade Receivables	24.02	3,312,279,860	2,081,633,455
Other Receivables	24.04	109,368,287	194,055,651
		3,421,648,147	2,275,689,106

The directors believe that the above receivables are good and realizable.

24.02 Trade Receivables

<i>In Taka</i>	Note	30 June 2019	30 June 2018
BSRM Steels Limited		1,941,826	323,190
BSRM Wires Limited		4,959,660	-
BSRM Logistics Limited		-	-
BSRM Steel Mills Limited		1,605,001	-
H. Akberali & Co. Limited		23,068	-
Other Parties	24.03	3,304,841,307	2,082,401,267
		3,313,370,862	2,082,724,457
Less: Provision for doubtful debt		(1,091,002)	(1,091,002)
		3,312,279,860	2,081,633,455

24.03 Out of these receivables, there are pending litigations against 28 parties having receivables of Tk. 24,206,181. These receivables are secured by Post dated cheques. The Company's exposure to customers is diversified and no single customer contributes more than 3% of the outstanding receivables as on 30 June 2019.

24.04 Other Receivables

<i>In Taka</i>	30 June 2019	30 June 2018
Interest Receivables	46,891,023	69,625,880
DEDO and Others Receivables	62,477,264	124,429,771
	109,368,287	194,055,651

24.05 Ageing of trade receivables is as follows

<i>In Taka</i>	30 June 2019	30 June 2018
Not yet due	1,872,137,060	899,811,797
Less than 3 months	977,638,876	908,438,860
Over 3 months but less than 6 months	241,478,963	147,040,570
Over 6 months	222,115,963	127,433,230
	3,313,370,862	2,082,724,457

24.a Consolidated trade and other receivables

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	24.00	3,570,813,232	2,356,392,380
BSRM Steel Mills Limited		3,944,372,052	5,837,890,746
BSRM (Hong Kong) Limited		5,815,493	-
Less: Intra group receivables		(483,454,754)	(1,139,525)
		7,037,546,023	8,193,143,601



Notes to the separate and consolidated financial statements (continued)

25.00 Current account with related companies

<i>In Taka</i>	30 June 2019	30 June 2018
BSRM Logistics Limited	184,817,888	155,419,888
BSRM Wires Limited	245,140,516	70,388,950
Chittagong Power Company Limited	23,537,926	24,485,176
H. Akberali & Co. Limited	14,212,187	289,250,865
BSRM Steel Mills Limited	508,809,637	659,306,643
BSRM (Hong Kong) Limited (BSRM HK)	9,459,358	-
BSRM Ispat Limited	-	328,365,077
BSRM Steels Limited	-	-
BSRM Real Estates Limited	-	8,143,000
East Bengal Trading & Industries Corporation Limited	-	2,600,000
Section Steel Industries Limited	-	-
	985,977,512	1,537,959,598

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

25.a Consolidated current account with related companies

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	25.00	985,977,512	1,537,959,598
BSRM Steel Mills Limited		7,089,488,125	1,697,861,774
Less: Intra group elimination		(518,268,995)	(659,306,643)
		7,557,196,642	2,576,514,730

26.00 Advances and deposits

See accounting policy in note 50.09.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	26.01	2,116,330,575	1,964,252,622
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		64,935,492	19,374,882
		2,181,266,067	1,983,627,504

26.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Advances	26.02	2,070,751,948	1,916,648,428
Deposits	26.03	45,578,627	47,604,194
		2,116,330,575	1,964,252,622

26.02 Advances

<i>In Taka</i>	30 June 2019	30 June 2018
For capital expenditure	146,402,193	75,959,496
For revenue expenses	52,879,331	28,180,130
For scrap purchase and others	9,253,395	12,346,684
For store and spares	49,192,092	80,689,344
Godown rent	892,637	1,047,645
Income tax	1,165,851,084	1,158,206,639
L/C margin	39,149,169	32,855,498
Land	352,492,039	326,937,906
Staff loan against salary	4,310,962	6,059,325
VAT current account	223,406,514	102,891,447
Western Marine Shipyard Limited	20,000,000	20,000,000
Advance tax (VAT)	6,922,532	-
Against L/C	-	70,919,218
Preliminary expenses	-	555,096
	2,070,751,948	1,916,648,428



Notes to the separate and consolidated financial statements (continued)

26.03 Deposits

<i>In Taka</i>	30 June 2019	30 June 2018
Bangladesh Ansar and VDP	373,993	373,993
Bank guarantee to Customs authority	2,592,101	1,997,161
Bureau of Indian Standard	2,418,000	2,418,000
Customs Authority against claim	552,890	55,000
Karnaphuli Gas Distribution Co. Limited (KGDCL)	21,932,805	21,932,805
Linde Bangladesh Limited	879,900	879,900
Meghna Petroleum Limited	40,000	40,000
Others	1,648,126	1,786,227
Power Development Board	13,949,368	13,933,368
T & T and others	191,444	191,444
WASA	500,000	500,000
Refundable security deposits for IPO	500,000	-
Bank guarantee to Karnaphuli Gas Distribution Co. Limited	-	2,498,406
Central Depository Bangladesh Limited	-	500,000
Regulatory Authority	-	-
	45,578,627	47,604,194

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

26.a Consolidated advances and deposits

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	26.00	2,181,266,067	1,983,627,504
BSRM Steel Mills Limited		3,372,702,438	2,364,533,030
BSRM (Hong Kong) Limited		1,148,000	-
		5,555,116,505	4,348,160,534

27.00 Cash and cash equivalents

See accounting policy in note 50.09.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	27.01	751,904,996	691,932,771
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		9,651,715	13,051,010
		761,556,711	704,983,780

27.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Cash in hand	27.02	2,646,559	1,414,855
Cash at banks	27.03	262,800,672	240,083,659
Fixed deposit	27.05	486,457,765	450,434,257
		751,904,996	691,932,771

27.02 Cash in hand

<i>In Taka</i>	30 June 2019	30 June 2018
Corporate office	174,555	228,757
Factory office	2,334,999	859,570
Dhaka office	37,005	226,528
Mirsarai office (Warehouse)	100,000	100,000
	2,646,559	1,414,855



Notes to the separate and consolidated financial statements (continued)

27.03 Cash at Banks

<i>In Taka</i>	Branch	Account type	Currency	30 June 2019	30 June 2018
AB Bank Limited	Agrabad	CD	BDT	651	25,673
AB Bank Limited	Agrabad	CD	USD	100,409,316	-
Agrani Bank Limited	Laldighi East	CD	BDT	12,364	17,055
Agrani Bank Limited	Laldighi East	CD	USD	120,898,059	119,006,401
Al-Arafah Islami Bank Limited	Agrabad	CD	BDT	10,337,740	931,328
Bank Alfalah Limited	Agrabad	CD	BDT	*(101,200,541)	330,744
Bank Asia Limited	Agrabad	CD	BDT	1,057,597	41,352
BASIC Bank Limited	Dewanhat	CD	BDT	186,206	960,014
BRAC Bank Limited	Agrabad	CD	BDT	96,307	-
Commercial Bank of Ceylon PLC	Agrabad	CD	BDT	27,439	79,812
Dhaka Bank Limited	Jubilee Road	CD	BDT	831,110	688,594
Dutch Bangla Bank Limited	Jubilee Road	CD	BDT	10,062,727	1,150,911
Eastern Bank Limited	Agrabad	Escrow	BDT	130,772	9,702
Eastern Bank Limited	Agrabad	CD	BDT	448	410,240
EXIM Bank Limited	CDA Avenue	CD	BDT	12,318,239	1,752,230
HSBC	Agrabad	CD	BDT	13,815,002	(8,467,718)
HSBC	Agrabad	ERQ	USD	33,530	33,431
IFIC Bank Limited	Agrabad	CD	BDT	35,799	29,931
Islami Bank Bangladesh Limited	Jubilee Road	CD	BDT	3,148,699	14,215,455
Jamuna Bank Limited	Khatunjonj	CD	BDT	146,509	10,949
Janata Bank Limited	Laldighi East	CD	BDT	3,867,611	5,329,430
Mercantile Bank Limited	Jubilee Road	CD	BDT	17,054	-
Mercantile Bank Limited	Jubilee Road	CD	BDT	-	-
Midland Bank Limited	Agrabad	CD	BDT	14,450	88,256
Mutual Trust Bank Limited	Jubilee Road	CD	BDT	724,103	1,071,265
National Bank Limited	Jubilee Road	CD	BDT	86,789	86,778
NCC Bank Limited	Agrabad	CD	BDT	*(9,600,721)	(864,227)
NRB Commercial Bank Limited	Agrabad	CD	BDT	1,728,461	1,363,612
NCC Bank Limited	Agrabad	ERQ	USD	23,482,434	23,778,627
NCC Bank Limited	Agrabad	FCY CD	USD	24,692,771	30,932,025
One Bank Limited	Agrabad	CD	BDT	*(135,165)	384,860
One Bank Limited	Agrabad	Escrow	BDT	-	483,008
Premier Bank Limited	O.R Nizam Road	CD	BDT	611,481	2,400,589
Prime Bank Limited	O.R Nizam Road	CD	BDT	2,634,274	1,299,394
Prime Bank Limited	Agrabad	Escrow	BDT	348,691	194,141
Shahjalal Islami Bank Limited	Jubilee Road	CD	BDT	66,294	29,429
Social Islami Bank Limited	Jubilee Road	CD	BDT	2,528,269	17,840,307
Sonali Bank Limited	Kalibari	CD	BDT	80,854	82,004
Sonali Bank Limited	Laldighi East	CD	BDT	19,190,614	-
Southeast Bank Limited	CDA Avenue	CD	BDT	2,174,945	4,604,054
Southeast Bank Limited	Pahartali	CD	BDT	2,871,873	3,903,370
Standard Bank Limited	Sadarghat Road	CD	BDT	75,603	3,223
Standard Chartered Bank	Dhaka	CD	BDT	175,545	61,666
State Bank of India	Agrabad	CD	BDT	62,472	24,000
The City Bank Limited	Agrabad	CD	BDT	574,060	2,411,422
The City Bank Limited	Agrabad	FCY CD	USD	306,089	-
Trust Bank Limited	CDA Avenue	CD	BDT	49,755	452,581
Uttara Bank Limited	Agrabad	CD	BDT	98,275	99,425
United Commercial Bank Limited	Jubilee Road	CD	BDT	10,985,852	11,324,771
United Commercial Bank Limited	Jubilee Road	Escrow	BDT	1,052,283	634
Sub total				261,112,989	238,610,744

<i>In Taka</i>	Branch	Account type	Currency	Note	30 June 2019	30 June 2018
Mutual Trust Bank Limited	Dilkusha	CD	USD	27.04	694,579	692,529
Mutual Trust Bank Limited	Dilkusha	CD	Pound	27.04	45,759	47,296
Mutual Trust Bank Limited	Dilkusha	Escrow	BDT	27.04	443,315	455,261
Mutual Trust Bank Limited	Dilkusha	CD	EURO	27.04	15,704	15,952
Standard Chartered Bank	Agrabad	CD	BDT	27.04	488,326	261,877
Sub total					1,687,683	1,472,915
Grand Total					262,800,672	240,083,659

* Book overdrafts only.



Notes to the separate and consolidated financial statements (continued)

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

27.05 Fixed Deposits

<i>In Taka</i>	Tenure	Purpose	Rate of Interest	30 June 2019	30 June 2018
Al-Arafah Islami Bank Ltd.	3 months	L/C Margin	7.56%	-	1,335,891
Bank Asia Limited	3 months	L/C Margin	6.25%	-	4,430,756
Commercial Bank of Ceylon PLC	3 months	L/C Margin	5.00%	-	2,171,568
Dutch Bangla Bank Limited	3 months	L/C Margin	4.00%	17,761,854	13,548,288
Dhaka Bank Limited	3 months	Investment	5.50%	40,634,572	29,234,511
IFIC Bank Limited	3 months	L/C Margin	5.50%	33,559,261	31,203,934
Islami Bank Bangladesh Ltd	3 months	L/C Margin	6.00%	12,583,776	11,895,000
Habib Bank Limited	3 Months	L/C Margin	6.00%	4,487,317	4,249,820
Mercantile Bank Limited	3 months	L/C Margin	6.00%	46,493,848	17,306,577
National Bank Limited	3 Months	L/C Margin	6.00%	5,658,220	13,081,500
NCC Bank Limited	3 Months	L/C Margin	1.00% to 7.00%	277,834,777	260,970,676
The City Bank Limited	3 Months	L/C Margin	4.00% to 4.95%	-	37,262,562
Sonali Bank Limited	3 Months	L/C Margin	5.50%	16,021,991	-
Trust Bank Limited	3 Months	L/C Margin	6.00%	6,744,850	-
United Commercial Bank Ltd.	3 Months	L/C Margin	7.00%	24,677,299	23,743,175
				486,457,765	450,434,257

27.a Consolidated cash and cash equivalents

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	27.00	761,556,711	704,983,780
BSRM Steel Mills Limited		22,778,911	74,449,366
BSRM (Hong Kong) Limited		393,601	-
		784,729,223	779,433,146



Notes to the separate and consolidated financial statements (continued)

28.00 Share capital

See accounting policy in note 50.16.

<i>In Taka</i>	30 June 2019	30 June 2018
Authorized capital		
500,000,000 Ordinary shares @ Tk. 10 each	5,000,000,000	5,000,000,000
	5,000,000,000	5,000,000,000
Issued, Subscribed and Paid-up capital		
64,345,491 Ordinary shares @ Tk. 10 each issued in cash	643,454,910	643,454,910
64,345,491 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	643,454,910	643,454,910
27,160,056 Ordinary shares @ Tk. 10 each fully paid up (other than cash)	271,600,560	271,600,560
17,500,000 Ordinary shares @ Tk. 10 each issued through Initial Public Offering (IPO)	175,000,000	175,000,000
4,010,523 Ordinary shares @ Tk. 10 each issued against 12% Convertible coupon bond	40,105,230	40,105,230
17,736,156 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	177,361,560	177,361,560
19,509,771 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	195,097,710	195,097,710
2,146,0748 Ordinary shares @ Tk. 10 each fully paid-up as Bonus Shares	214,607,480	-
	2,360,682,360	2,146,074,880

28.01 Classification of shares by holding at 30 June 2019

Class by number of shares	No. of holders	No. of shares	Holding (%)
Less than 500	4,906	852,249	0.36%
From 500 to 5,000	4,358	7,207,908	3.05%
From 5,001 to 10,000	516	3,689,501	1.56%
From 10,001 to 20,000	268	3,718,034	1.57%
From 20,001 to 30,000	88	2,163,325	0.92%
From 30,001 to 40,000	33	1,168,416	0.49%
From 40,001 to 50,000	24	1,107,275	0.47%
From 50,001 to 100,000	46	3,267,071	1.38%
From 100,001 to 1,000,000	52	13,421,271	5.69%
From 1,000,001 and above	19	199,473,186	84.50%
	10,310	236,068,236	100%

28.02 Composition of Shareholders at 30 June 2019

Name of shareholders	No. of shares	Holding (%)
Directors:		
Mr. Alihussain Akberali	29,238,249	12.39%
Mr. Aameir Alihussain	22,720,109	9.62%
Mr. Zohair Taherali	7,563,012	3.20%
Mrs. Sabeen Aameir	5,330,122	2.26%
Shareholders other than Directors	171,216,744	72.53%
	236,068,236	100.00%

28.03 Composition of Shareholders at 30 June 2019

Nature of shareholders	No. of holders	No. of shares	Holding (%)
Sponsor Shareholders	5	96,638,331	40.94%
Foreign Shareholders	9	40,264,296	17.06%
Other Shareholders	10,296	99,165,609	42.01%
	10,310	236,068,236	100.00%



Notes to the separate and consolidated financial statements (continued)

28.04 Dividends

<i>In Taka</i>	30 June 2019	30 June 2018
The following dividends were declared and paid/ payable by the company for the year:		
10% Final stock dividend (For Jul'17-Jun'18)	214,607,480	-
10% Final cash dividend (Tk. 1) per qualifying ordinary share (For Jul'17-Jun'18)	214,607,480	-
10% Final stock dividend per qualifying ordinary share (For Jan'16-Jun'17)	-	195,097,710

During the year ended on 30 June 2019, no amount was remitted in foreign currencies to non-resident shareholders as dividend.

Proposed dividends

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

<i>In Taka</i>	Date of Board Meeting	30 June 2019	30 June 2018
25% Final cash dividend (Tk. 2.5) per qualifying ordinary share (For Jul'18-Jun'19)	16 September 2019	590,170,590	-
10% Final stock dividend (For Jul'17-Jun'18)		-	214,607,488
10% Final cash dividend (Tk. 1) per qualifying ordinary share (For Jul'17-Jun'18)	25 September 2018	-	214,607,488

29.00 Reserves

29.01 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.

29.02 Revaluation reserve

Revaluation reserve relates to the revaluation of property plant and equipment.

30.00 Long term borrowings- non current portion

See accounting policy in note 50.10.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	30.01	3,871,516,258	5,442,343,709
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	-
		3,871,516,258	5,442,343,709

30.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	Note	30 June 2019	30 June 2018
One Bank Limited - Syndicated term loan	30.02	-	-
United Commercial Bank Limited- Syndicated term loan	30.03	508,813,737	1,122,349,335
Prime Bank Limited- Syndicated term loan	30.04	2,998,217,516	4,199,498,693
National Housing Finance and Investments Limited	30.05	-	-
International Leasing and Financial Services Limited	30.06	-	-
Fareast Finance & Investment Limited	30.07	-	-
Jamuna Bank Limited	30.08	-	-
Lanka Bangla Finance Limited	30.09	307,192,457	-
Prime Bank Limited	30.10	-	21,618,407
IPDC of Bangladesh Limited	30.11	57,292,548	98,877,274
12% Convertible coupon bond	30.12	-	-
		3,871,516,258	5,442,343,709



Notes to the separate and consolidated financial statements (continued)

30.02 One Bank Limited - Syndicated term loan

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	-	38,371,041
Due after more than one (1) year	-	-
	-	38,371,041

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 9.0%-10.5% 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 was repaid in 60 (sixty) quarterly installments after 1 (one) year of grace period.

Securities:

- 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.
- Fixed and floating charge over assets.
- Irrevocable general power of attorney.
- 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.

30.03 United Commercial Bank Limited- Syndicated term loan

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	612,794,247	545,892,228
Due after more than one (1) year	508,813,737	1,122,349,335
	1,121,607,984	1,668,241,563

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 8.5%-12.0% 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) quarterly installments commencing from the end of 19th month of the first draw down date.

Securities:

- Registered mortgage over the project land and all civil construction
- Fixed and floating charge over machinery, plant and equipment.
- Floating charge over all floating assets with the power to sell.
- Assignment of insurance policies along with power to collect insurance proceeds.
- Implementation guarantee from the sponsors.
- 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.



Notes to the separate and consolidated financial statements (continued)

30.04 Prime Bank Limited - Syndicated term loan

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	1,200,000,000	1,200,000,000
Due after more than one (1) year	2,998,217,516	4,199,498,693
	4,198,217,516	5,399,498,693

Lenders:

The company entered into a syndicated loan agreement for balance sheet restructuring on 20 December 2017 with Prime Bank Limited, the lead arranger and 7 (Seven) other Banks.

Total loan facilities: Tk. 600 crore.

Interest rate:

Indicative rate of interest for term loan is 11.05% p.a. with quarterly rests which may be reviewed semiannually after first disbursement based on negotiation considering prevailing money market situation.

Disbursement:

The First disbursement of the loan was made on 03 January 2018.

Repayment:

The principal plus interest amount will be repaid in 20 (twenty) quarterly installments starting from the immediate next quarter end of first disbursement date.

Securities:

- Pari passu 1st charge over existing fixed assets including registered mortgage charge over project land and construction there on with relevant IGPA.
- 1st Ranking pari passu charge over balance of existing ESCROW account.
- Personal guarantee of all directors.
- Corporate Guarantee of H. Akberali Co. Ltd.
- Pledge & Lien on 10 Million Shares of BSRM Steels Ltd. This security will be released upon completion of aforesaid security documentation.
- Negative pledge over assets of BSRM Ltd till perfection of documentation.
- Other charge document as per opinion of lenders common counsel and standard practice.

Purpose:

Restructuring of liabilities through refinancing of short term loan and or loan from its sisters concern.

30.05 National Housing Finance and Investments Limited

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	-	2,276,656
Due after more than one (1) year	-	-
	-	2,276,656

Terms of loan:

Total loan facilities: Tk. 100 million.

Interest rate: 10.5% - 18.00% per annum.

Disbursement:

The full disbursement was made on 15 January 2013.

Repayment:

The loan was repaid in 60 monthly installments after 6 months grace period.

Securities:

- Personal guarantee of all directors of the company.
- Lien of shares of BSRM Steels limited covering the full loan amount.

Purpose:

To meet up working capital requirement.

30.06 International Leasing and Financial Services Limited

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	-	6,135,123
Due after more than one (1) year	-	-
	-	6,135,123



Notes to the separate and consolidated financial statements (continued)

Terms of loan:

Total loan facilities: Tk. 300 million.

Interest rate: 12.00% - 17.00% per annum.

Disbursement:

Full disbursement of the loan was made through two installments dated on 28 July 2013 and 16 September 2013.

Repayment:

The loan was repaid in 60 monthly installments after 6 months grace period.

Securities:

- Personal guarantee of all directors of the company.
- Lien of 2,200,000 nos of Shares of BSRM Steels Limited.
- Lien on TDR Tk 2.00 Core to be with International Leasing And Financial Services Limited.

Purpose:

To pay off foreign supplier's bill against purchase of Raw Materials.

30.07 Fareast Finance & Investment Limited

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	-	22,228
Due after more than one (1) year	-	-
	-	22,228

Terms of loan:

Total loan facilities: Tk. 400 million.

Interest rate: 11.50% - 18.00% per annum.

Disbursement:

The disbursement of the loan was made on 26 June 2013.

Repayment:

The loan was repaid in 60 monthly installments without any grace period.

Securities:

- FDR for Tk. 20 Million @ 15% P.a.
- Personal guarantee of all directors of the company.
- Corporate guarantee of H. Akberali & Co. Ltd. (HACL).

Purpose:

To meet up working capital requirement.

30.08 Jamuna Bank Limited

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	-	11,525,949
Due after more than one (1) year	-	-
	-	11,525,949

Terms of loan:

Total loan facilities: Tk. 100 Million.

Interest rate: Interest rate is 12.5% per annum calculated monthly basis variable depending on money market situation.

Disbursement:

The disbursement of the loan was made on 06 December 2015.

Repayment:

The loan was repaid in 24 (Twenty four) monthly installments with 3 (three) months grace period and this facility is renewable for additional financing requirement.

Securities:

- Personal Guarantee of all the Directors of the borrowing companies Supported by duly signed personal net worth statement.
- Security cheque covering the limit with the letter of approach duly signed by authorized person.

Purpose:

For retirement of L/C opened to import of capital machineries.



Notes to the separate and consolidated financial statements (continued)

30.09 Lanka Bangla Finance Limited

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	72,442,679	-
Due after more than one (1) year	307,192,457	-
	379,635,136	-

Terms of loan:

Total loan facilities: Tk. 400.00 million.

Interest rate: Interest rate is 13.50% per annum calculated on monthly basis variable depending on money market situation.

Disbursement:

The disbursement of the loan was made on 18 August 2018.

Repayment:

The loan is repayable in 60 (Sixty) monthly installments with 06 (six) months grace period.

Securities:

- Personal guarantee of the Directors of Bangladesh Steel Re-Rolling Mills Limited.
- Subsequent charge/hypothecation on all present and future fixed and floating assets of the company to be filled or registered with RJSC.along with IGPA to sell the hypothecated assets in favor of LBFL.
- Corporate Guarantee of H. Akberali & Co. Limited supported by Board Resolution.
- At least 100% insurance coverage of the finance amount in favor of LBFL.
- 06 nos. of post dated cheques covering the monthly interest payments and 54 nos of post dated cheques covering equal monthly installment amount and 03 nos security cheques covering total

Purpose:

For land development, civil works, electrical works, refurbishment, machine repair and maintenance & other cost for expansion of business.

30.10 Prime Bank Limited

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	24,798,515	32,729,513
Due after more than one (1) year	-	21,618,407
	24,798,515	54,347,920

Terms of loan:

Total loan facilities: Tk. 2,000 million.

Interest rate: Interest rate is 10.25% per annum calculated on monthly basis variable depending on money market situation.

Disbursement:

Disbursement of the loan was made on 16 April 2014.

Repayment:

The loan is repayable in 20 (Twenty) monthly installments and this facility is renewable for additional financing requirement.

Securities:

- Pari-passu 1st charge over existing fixed assets including registered mortgage charge over the project land of 592.50 decimals (approx.) with relevant IGPA.
- 1st ranking of pari passu charge over the balance of existing ESCROW Account.
- Personal guarantee of the sponsor directors.
- Negative pledge over assets of BSRM Ltd till perfection of documentation.

Purpose:

Restructuring of liabilities through refinancing of its short term loan and/or loan from sister concerns.

30.11 IPDC of Bangladesh Limited

<i>In Taka</i>	30 June 2019	30 June 2018
Due within one (1) year	47,343,082	43,167,041
Due after more than one (1) year	57,292,548	98,877,274
	104,635,630	142,044,315



Notes to the separate and consolidated financial statements (continued)

Terms of loan:

Total loan facilities: Tk. 200 million.

Interest rate: Interest rate varies between 9.50% -13.50% per annum calculated monthly basis variable depending on money market situation.

Disbursement:

Disbursement of the loan was made on 28 April 2016.

Repayment:

Different loans are created with different payment schedules under this facility.

Securities:

- i. Corporate guarantee of H. Akberali & Co. Ltd.
- ii. Personal guarantee of all the sponsor directors of Bangladesh Steel Re-Rolling Mills Limited.
- iii. Lien on 30,00,000 dematted sponsor shares of BSRM Steels Ltd (BSL).
- iv. 01 (One) security cheque for the entire facility amount along with interest to be obtained.
- v. Demand promissory note along with Letter of Continuation.

Purpose:

To meet the working capital requirement of the business.

30.12 12% Convertible Coupon Bond

<i>In Taka</i>	30 June 2019	30 June 2018
Liability component	329,972,971	655,565,939
Add: Accrued interest and provision for cost of issuing Bond	42,927,029	90,207,032
Less: Interest payment	(42,900,000)	(85,800,000)
Less: Principal payment	(330,000,000)	(330,000,000)
Carrying amount	-	329,972,971

30.12.01 12% Convertible Coupon Bond-Liability Component

<i>In Taka</i>	30 June 2019	30 June 2018
Payable/Convertible within 1 year	-	329,972,971
Payable after 1 year	-	-
	-	329,972,971

30.12.02 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/C/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 to the extent held by SABINCO was converted into ordinary shares @ Tk. 38 per share i.e. out of total bond issued to investors, Tk. 152,399,874 was converted to 4,010,523 Nos. Ordinary Shares of Tk. 10 each (issued at Tk. 38) at the end of the first year i.e. in 2015.

Trading of converted ordinary shares:

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



Notes to the separate and consolidated financial statements (continued)

Securities:

- i) Lien on 27,500,000 nos. of shares of BSRM Steels Limited owned by the company in favour of the trustee (Eastern Bank Limited).
- 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. Limited
- iv) Irrevocable general power of attorney to sell the shares.

30.a Consolidated long term borrowings- non current portion

<i>In Taka</i>	<i>Note</i>	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	30.00	3,871,516,258	5,442,343,709
BSRM Steel Mills Limited		1,138,058,168	2,863,094,652
		5,009,574,426	8,305,438,361

31.00 Defined benefit obligations - Gratuity

See accounting policy in note 50.17.

<i>In Taka</i>	30 June 2019	30 June 2018
Opening balance	196,162,000	157,134,335
Provision made during the year according to actuarial valuation	63,747,428	46,835,170
	259,909,428	203,969,505
Payment made during the year	(28,001,749)	(7,807,505)
Closing balance	231,907,679	196,162,000

Key assumptions used for actuarial valuation are as below:

	30 June 2018
Rate of escalation in salary	8.00%
Discount rate	8.00%

The Company had an actuarial valuation of its defined benefit obligation (DBO) as on 30 June 2018 which was valued at Tk. 196,162,000. Accordingly the company made the provision to the extent to match the actuarial valuation. Since this is the first time valuation of the DBO there was no actuarial gain/loss and the required amount was charged to profit or loss. The valuation was conducted by Z. Halim & Associates who is a reputed Actuarial & Pension Consultants in Bangladesh.

31.a Consolidated defined benefit obligations - Gratuity

<i>In Taka</i>	<i>Note</i>	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	31.00	231,907,679	196,162,000
BSRM Steel Mills Limited		45,735,121	30,216,397
		277,642,800	226,378,396

32.00 Current tax liability

See accounting policy in note 50.15.

<i>In Taka</i>	<i>Note</i>	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	32.01	306,310,048	303,158,798
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		-	465,981
		306,310,048	303,624,779

32.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	30 June 2019	30 June 2018
Opening balance	303,158,798	146,892,259
Add: Provided for the year	306,310,048	303,158,798
	609,468,846	450,051,057
Add/(adjustment): Provision for previous years	38,957,630	(72,155,315)
	648,426,476	377,895,742
Income tax paid	(342,116,428)	(74,736,944)
Closing balance	306,310,048	303,158,798



Notes to the separate and consolidated financial statements (continued)

32.02 Current tax expenses

See accounting policy in note 50.15.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	32.01	306,310,048	303,158,798
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		11,087,272	2,764,871
		317,397,320	305,923,469

Year wise income taxes assessment status is as follows:

In Taka

Accounting Year	Assessment Year	Opening balance	Charged/ (credited) to profit or loss	Adjusted/ paid during the year	30 June 2019	Remarks
2013	2014-2015	-	-	-	-	Reference to High Court.
2014	2015-2016	-	-	-	-	To Tax Appellate Tribunal, Dhaka
2015	2016-2017	-	-	-	-	Appeal to CT.
2016	2016-2017	-	-	-	-	
2017	2017-2018	-	-	-	-	Under hearing to DCT.
2018	2018-2019	303,158,798	-	38,957,630	342,116,428	Assessment completed.
2019	2019-2020	-	306,310,048	(342,116,428)	(35,806,380)	Return due by 15 January 2020.
		303,158,798	306,310,048	(303,158,798)	306,310,048	

Reconciliation of effective tax rate

	2019		2018	
	Rate	Taka	Rate	Taka
Profit before tax		2,740,065,560		3,021,534,413
Tax using the applicable tax rate	25%	685,016,390	25%	755,383,603
Tax effect of:				
i) Share of loss/ (profit) of equity accounted investee	-9.47%	(259,598,029)	-8.14%	(245,887,110)
ii) Difference between accounting and fiscal depreciation	0.39%	10,606,747	-1.67%	(50,479,778)
iii) Gratuity provision and payment	0.33%	8,936,420	0.14%	4,255,371
iv) Inadmissible expenses	1.91%	52,312,345	1.70%	51,465,607
v) Unrealized foreign currency translation gain	0.00%	-	0.00%	-
vi) Rebate on export sales	-0.09%	(2,469,080)	0.20%	5,960,759
vii) Unabsorbed depreciation	-1.84%	(50,413,645)	0.09%	2,856,825
viii) Dividend income	-0.19%	(5,328,670)	-0.05%	(1,598,663)
ix) Investments in equity accounted investees	14.75%	404,166,253	-6.71%	(202,828,318)
x) Bangladesh Steel Re-Rolling Mills Ltd. (Kolkata Branch)	-0.10%	(2,755,724)	-0.14%	(4,218,130)
xi) Prior year income tax	1.42%	38,957,630	-2.39%	(72,155,315)
		879,430,637		242,754,851

32.02.a Consolidated current tax expenses

See accounting policy in note 50.15.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	32.02	317,397,320	305,923,469
BSRM Steel Mills Limited		322,911,515	46,263,336
		640,308,835	352,186,805

32.02.b Consolidated prior year tax expenses/(income)

See accounting policy in note 50.15.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	32.02	38,957,630	(72,155,315)
BSRM Steel Mills Limited		60,758	-
		39,018,388	(72,155,315)

32.a Consolidated current tax liability*In Taka*

	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	32.00	306,310,048	303,624,779
BSRM Steel Mills Limited		322,911,515	46,263,336
		629,221,563	349,888,115



Notes to the separate and consolidated financial statements (continued)

33.00 Deferred tax liability

See accounting policy in note 50.15.

Deferred tax liability has been calculated below at the applicable tax rate on the temporary difference between the carrying value and tax base.

<i>In Taka</i>	30 June 2019	30 June 2018
Opening balance	1,323,809,318	1,331,863,088
<u>Provided/ (adjusted) during the year:</u>		
Investments in equity accounted investees	404,227,574	(202,828,318)
Deferred tax on revaluation of land of equity accounted investees	529,084,465	-
Unabsorbed depreciation	52,124,663	167,856,825
Adjusted for gratuity	(8,936,420)	(9,756,916)
12% Convertible coupon bond	(1,028,632)	(2,158,736)
Sale/derecognition of revalued assets	(104,972)	(69,782)
For temporary difference of PPE and software (excluding land)	76,164,057	53,481,496
Adjusted for impact of excess depreciation on revaluation surplus	(9,759,201)	(14,811,949)
Deferred tax on land revaluation	194,425,905	-
Deferred tax of overseas branch	(504,187)	233,610
Closing balance	2,559,502,570	1,323,809,318

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

<i>In Taka</i>	Rate applied	Carrying amount	Tax base	Taxable/ (Deductible) temporary difference	Deferred tax Liability/ (Asset)
As on 30 June 2019					
Property, plant and equipment (other than land)	25%	8,421,021,900	3,934,797,603	4,486,224,297	1,121,556,074
Intangible assets (Software)	25%	18,413,720	14,895,034	3,518,686	879,671
Provision for gratuity	25%	231,907,679	-	(231,907,679)	(57,976,920)
Unabsorbed depreciation	25%	160,995,900	-	(160,995,900)	(40,248,975)
Investment in Subsidiaries and Associate	5% - 20%				1,341,137,392
Deferred tax on land revaluation	3% to 4%				194,425,905
Deferred tax of overseas branch					(270,577)
Deferred tax liability					2,559,502,570
As on 30 June 2018					
Property, plant and equipment (other than land)	25%	8,876,983,664	4,657,687,245	4,219,296,419	1,054,824,105
Intangible assets (Software)	25%	21,797,061	16,550,038	5,247,023	1,311,756
Provision for gratuity	25%	196,162,000	-	(196,162,000)	(49,040,500)
Unabsorbed depreciation	25%	369,494,553	-	(369,494,553)	(92,373,638)
12% Convertible coupon bond	25%	329,972,970	334,087,500	4,114,530	1,028,632
Investment in Associate	5% - 20%				407,825,353
Deferred tax of overseas branch					233,610
Deferred tax liability					1,323,809,318

33.a Consolidated deferred tax liability

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	33.00	2,559,502,570	1,323,809,318
BSRM Steel Mills Limited		2,304,849,217	1,641,812,900
		4,864,351,787	2,965,622,218

34.00 Trade payables

See accounting policy in note 50.10.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	34.01	3,363,678,018	1,043,408,784
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		76,702,008	72,870,524
		3,440,380,026	1,116,279,307



Notes to the separate and consolidated financial statements (continued)

34.01 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	30 June 2019	30 June 2018
BSRM Logistics Limited	12,807,641	8,558,091
BSRM Steel Mills Limited	481,849,753	1,139,525
Goods & supplies	40,360,372	11,368,281
Labor cost	301,875	575,042
Payables for stores and spares	101,217,919	80,485,181
BSRM Steels Limited	2,714,055,054	933,189,425
BSRM Wires Limited	13,085,404	8,093,238
BSRM Real Estate	-	-
	3,363,678,018	1,043,408,784

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

34.a Consolidated trade payables

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	34.00	3,440,380,026	1,116,279,307
BSRM Steel Mills Limited		117,005,608	101,413,591
Less: Intra group elimination		(483,454,754)	(1,139,525)
		3,073,930,880	1,216,553,373

35.00 Short term borrowings

See accounting policy in note 50.10.

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Short term borrowings	35.01	9,448,628,917	9,742,889,798
Long term borrowings-current portion	35.08	1,957,378,523	2,210,092,751
		11,406,007,440	11,952,982,548

35.01 Short term borrowings

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Loan against Trust Receipt (LATR)	35.02	99,580,870	315,055,170
Time loan	35.03	2,488,492,876	4,864,364,911
Bank overdraft, SOD and cash credit	35.05	2,072,126,883	1,615,000,750
Liability for accepted bills for payment (ABP)	35.06	4,788,479,989	2,931,719,293
Factoring Loan against sales invoice	35.07	(51,701)	16,749,674
		9,448,628,917	9,742,889,798

35.02 Loan against Trust Receipt (LATR)

<i>In Taka</i>	30 June 2019	30 June 2018
Bank Asia Limited	-	1,613,216
HSBC	-	128,888,454
Prime Bank Limited	-	28,565,987
Shahjalal Islami Bank Limited	-	394,226
Pubali Bank Limited	99,580,870	155,593,287
Eastern Bank Limited	-	-
	99,580,870	315,055,170

35.03 Time Loan

<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	35.04	2,381,073,320	4,843,146,047
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		107,419,556	21,218,864
		2,488,492,876	4,864,364,911

35.04 Bangladesh Steel Re-Rolling Mills Limited-HO

<i>In Taka</i>	30 June 2019	30 June 2018
Al-Arafah Islami Bank Limited	624,784,661	885,079,920
HSBC	400,120,206	609,666,245
Standard Chartered Bank	292,670,530	211,420,803
Shahjalal Islami Bank Limited	616,961,059	-
The City Bank Limited	160,126,272	-
Jamuna Bank Limited	286,410,592	-
Habib Bank Limited	-	180,000,000
Dutch Bangla Bank Limited	-	2,027,458,333
Standard Bank Limited	-	500,722,222
Prime Bank Limited	-	48,331,857
Industrial and Infrastructure Development Finance Company Limited	-	400,466,667
	2,381,073,320	4,843,146,047



Notes to the separate and consolidated financial statements (continued)

35.05 Bank overdraft, SOD and cash credit			
<i>In Taka</i>	Type	30 June 2019	30 June 2018
Agrani Bank Limited	CC Hypo	32,022,411	57,354,743
Agrani Bank Limited	CC Pledge	419,941,187	416,286,197
Habib Bank Limited	OD	5,340,685	12,462,715
Jamuna Bank Limited	CC	6,866,189	47,934,656
National Bank Limited	CC	3,036,876	11,823,776
Pubali Bank Limited	CC	321,523	222,799,911
Pubali Bank Limited	OD	910,215,554	(870,793)
Sonali Bank Limited	CC	167,238,974	203,453,311
Sonali Bank Limited	CC	29,024,241	50,472,947
Standard Bank Limited	CC	269,968,198	304,869,763
Standard Chartered Bank	OD	58,052,688	44,825,904
State Bank of India	CC	138,800,375	128,167,399
Trust Bank Limited	OD	31,297,982	115,420,221
		2,072,126,883	1,615,000,750
35.06 Liability for accepted bills for payment (ABP)			
<i>In Taka</i>		30 June 2019	30 June 2018
Dhaka Bank Limited		536,634,097	289,938,188
Dutch Bangla Bank Limited		10,495,639	90,211,498
Islami Bank Bangladesh Limited		30,053,160	251,207,375
Mercantile Bank Limited		178,274,424	201,911,199
NCC Bank Limited		10,107,280	15,634,628
Prime Bank Limited		260,238,469	532,695,864
Pubali Bank Limited		946,427,761	94,734,988
Standard Chartered Bank		63,819,517	61,464,130
The City Bank Limited		395,601,669	224,969,758
United Commercial Bank Limited		98,338,909	223,418,314
Habib Bank Limited		73,394,294	49,769,728
Bank Alfalah Limited		6,792,374	-
Eastern Bank Limited		16,551,088	-
HSBC		565,368,986	-
Bank Asia Limited		166,798,993	-
BRAC Bank Limited		998,989,404	-
National Bank Limited		58,722,276	-
One Bank Limited		269,416,344	-
State Bank of India		3,874,346	-
Sonali Bank Limited		25,848,523	-
Trust Bank Limited		72,832,436	-
IFIC Bank Limited		-	475,418,494
Shahjalal Islami Bank Limited		-	4,750,232
Al-Arafah Islami Bank Limited		-	218,982,890
Commercial Bank of Ceylon PLC		-	196,612,007
AB Bank Limited		-	-
Agrani Bank Limited		-	-
		4,788,479,989	2,931,719,293
35.07 Factoring Loan against sales invoice			
<i>In Taka</i>		30 June 2019	30 June 2018
United Finance Limited		(51,701)	16,749,674
		(51,701)	16,749,674

35.07.01 Terms and conditions:

- i. 80% of gross sales invoice/billed amount is paid by discounting sales invoice.
- ii. Interest rate is 9.00% to 9.50% per annum along with processing and collection fees of 0.20% on the invoice amount.

Security:

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



Notes to the separate and consolidated financial statements (continued)

35.08 Long term borrowings-current portion

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

<i>In Taka</i>	<i>Note</i>	30 June 2019	30 June 2018
One Bank Limited - Syndicated term loan	30.02	-	38,371,041
United Commercial Bank Limited- Syndicated term loan	30.03	612,794,247	545,892,228
Prime Bank Limited - Syndicated term loan	30.04	1,200,000,000	1,200,000,000
National Housing Finance and Investments Limited	30.05	-	2,276,656
International Leasing and Financial Services Limited	30.06	-	6,135,123
Fareast Finance & Investment Limited	30.07	-	22,228
Jamuna Bank Limited	30.08	-	11,525,949
Lanka Bangla Finance Limited	30.09	72,442,679	-
Prime Bank Limited	30.10	24,798,515	32,729,513
IPDC of Bangladesh Limited	30.11	47,343,082	43,167,041
12% Convertible coupon bond	30.12	-	329,972,971
		1,957,378,523	2,210,092,751

35.a Consolidated short term borrowings

<i>In Taka</i>	<i>Note</i>	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	35.00	11,406,007,440	11,952,982,548
BSRM Steel Mills Limited		26,743,161,313	27,841,985,988
BSRM (Hong Kong) Limited		3,782,368	-
		38,152,951,121	39,794,968,536

36.00 Current account with related companies

<i>In Taka</i>	<i>Note</i>	30 June 2019	30 June 2018
BSRM Steels Limited		6,264,184,395	4,871,551,355
Karnafully Engineering Works Limited		-	5,225,000
BD Steel Limited		-	3,950,000
Burhani Scrap Traders		-	4,400,000
Section Steel Industries Limited		-	150,000
BSRM Recycling Industries Limited		-	33,896,160
BSRM Steel Mills Limited		-	-
BSRM Iron & Steel Co. Limited		-	-
		6,264,184,395	4,919,172,515

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

36.a Consolidated current account with related companies

<i>In Taka</i>	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	6,264,184,395	4,919,172,515
BSRM Steel Mills Limited	569,548,637	659,306,643
BSRM (Hong Kong) Limited	9,459,358	-
Less: Intra group elimination	(518,268,995)	(659,306,643)
	6,324,923,395	4,919,172,515

37.00 Advance against sales

<i>In Taka</i>	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	550,450,921	289,616,130
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch	-	1,257,493
	550,450,921	290,873,624

These represent advances received from different parties against sale of finished goods. Goods have not been delivered to them within the reporting date.



Notes to the separate and consolidated financial statements (continued)

37.a Consolidated advance against sales			
<i>In Taka</i>		30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited		550,450,921	290,873,624
BSRM Steel Mills Limited		35,013,851	29,248,317
BSRM (Hong Kong) Limited		-	-
Less: Intra group elimination		-	-
		585,464,772	320,121,941
38.00 Liabilities for expenses			
See accounting policy in note 50.10.			
<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	38.01	481,268,648	405,694,064
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		2,520,690	3,878,220
		483,789,338	409,572,284
38.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
<i>In Taka</i>		30 June 2019	30 June 2018
Liability for fixed assets		541,346	4,033,238
Audit Fees		670,000	422,500
Brokerage and commission		30,092,225	11,657,441
C & F Bill and others		389,940	858,809
Carriage on sales		158,874,525	121,927,328
Contractors		4,849,300	3,864,168
Karnaphuli Gas Distribution Co. Limited		13,609,574	13,609,574
Power Development Board for electricity (Factory)		244,316,344	225,089,491
Professional expenses		306,500	104,000
Repair and maintenance		895,189	124,400
Salary and Allowances		13,281,853	4,178,033
Unclaimed Cheque		856,117	178,179
Sales promotion		6,988,072	-
Stores & Spares		872,746	-
Financial expenses		-	17,903,998
Insurance expenses		-	164,457
Printing and Stationeries		208,336	375
WASA		-	5,351
Training expenses		-	65,500
Others		4,516,581	1,507,223
		481,268,648	405,694,064
38.a Consolidated liabilities for expenses			
<i>In Taka</i>		30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited		483,789,338	409,572,284
BSRM Steel Mills Limited		603,030,727	548,947,906
BSRM (Hong Kong) Limited		1,469,219	-
		1,088,289,284	958,520,190
39.00 Provision for WPPF and Welfare Fund			
See accounting policy in note 50.17.			
<i>In Taka</i>	Note	30 June 2019	30 June 2018
Opening balance		115,677,749	67,373,325
Add: Provided during the year	39.01	93,997,289	115,677,749
Less: Paid during the year		(115,677,749)	(67,373,325)
Closing balance		93,997,289	115,677,749
39.01 Provision made during the year for WPPF and Welfare Fund			
<i>In Taka</i>		30 June 2019	30 June 2018
Profit before tax and WPPF and Welfare Fund		1,773,351,580	2,153,683,721
Cash dividend received from investment in associates		106,594,191	159,891,260
Profit applicable for WPPF and Welfare Fund		1,879,945,771	2,313,554,981
Contribution to WPPF and Welfare Fund at 5%		93,997,289	115,677,749



Notes to the separate and consolidated financial statements (continued)

39.a Consolidated provision for WPPF and Welfare Fund			
<i>In Taka</i>		30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited		93,997,289	115,677,749
BSRM Steel Mills Limited		100,372,376	93,447,407
		194,369,665	209,125,156
39.a.i Consolidated contribution to WPPF and Welfare Fund			
<i>In Taka</i>		30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited		93,997,289	115,677,749
BSRM Steel Mills Limited		100,372,376	93,447,407
		194,369,665	209,125,156
40.00 Other liabilities			
See accounting policy in note 50.10.			
<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited-HO	40.01	319,314,401	202,793,610
Bangladesh Steel Re-Rolling Mills Limited-Kolkata Branch		18,891,422	-
		338,205,823	202,793,610
40.01 Bangladesh Steel Re-Rolling Mills Limited-HO			
<i>In Taka</i>		30 June 2019	30 June 2018
Security Deposit		1,240,000	1,190,000
Retention Money		9,703,692	15,004,202
Dividend Payable		2,343,689	2,291,020
IPO over subscription money payable		7,871,673	7,892,673
Interest on intercompany loan		200,016,423	173,891,108
Against paid up capital of BSRM (Hong Kong) Limited		10	10
Duty drawback		94,589,647	-
Income Tax Deducted at Source		1,382,370	-
VAT Deducted at source		2,166,897	-
Employees Provident Fund		-	2,524,596
		319,314,401	202,793,610
Income Tax and VAT deducted at source have subsequently been deposited to the Government Exchequer.			
40.a Consolidated other liabilities			
<i>In Taka</i>	Note	30 June 2019	30 June 2018
Bangladesh Steel Re-Rolling Mills Limited	40.00	338,205,823	202,793,610
BSRM Steel Mills Limited		19,739,556	64,087,012
Less: Intra group elimination		(10)	(10)
		357,945,369	266,880,612



41.00 Related party transactions

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

Name	Relationship	Nature of Transactions	Mode of transaction	Closing balance (net) as on 30 June 2019
BSRM (Hong Kong) Limited	Subsidiary	Short term loan	Market price/ negotiated price	9,459,358 Dr.
Chittagong Power Company Limited	Sister Company	Short term loan		23,537,926 Dr.
BSRM Logistics Limited		Short term loan, purchases etc.		172,010,247 Dr.
BSRM Steels Limited	Investee	Short term loan, sales, purchases etc.		8,976,297,623 Cr.
BSRM Wires Limited	Sister Company	Short term loan, purchase etc.		237,014,772 Dr.
BSRM Steel Mills Limited	Subsidiary			28,564,885 Dr.

42.00 Contingent liabilities

See accounting policy in note 50.13.

Contingent liabilities at the reporting date are as follows:

42.01 Bank guarantee

In Taka	30 June 2019	30 June 2018
Karnaphuli Gas Distribution Co. Limited	594,939	2,498,406
Deposit to Customs Authority against claim under appeal	552,890	552,890
Customs authority	1,997,162	1,997,162
Bureau of Indian Standard	2,418,000	2,418,000
	5,562,991	7,466,458

The above guarantees have been issued against 100% cash margin.

42.02 Corporate guarantee

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

Maximum limit in million		30 June 2019	30 June 2018
BSRM Steels Limited	L/C liability	20,115	21,315
BSRM Iron and Steel Co. Ltd.	L/C liability	-	15,430
BSRM Wires Limited	L/C liability	1,100	1,000
H. Akberali & Co. Limited	L/C liability	200	200
		21,415	37,945

42.03 Status of pending litigation with the Valued Added Tax (VAT) authority:

Subject matter	Current status
Claimed by VAT Commissionate Office against Duty Drawback from 01 January 2015 to 31 August	Before Customs, Excise and VAT Appellate Tribunal (appeal no. 55 of 2019).
Claimed by VAT Commissionate Office against Duty Drawback from 01 September 2018 to 31 December 2018.	Before Customs, Excise and VAT Appellate Tribunal (appeal no. 56 of 2019).
Trade VAT of K Rahman warehouse regarding sale of wastage items (packing materials).	Before Customs, Excise and VAT Appellate Tribunal for a demand of BDT 322,566.
15% VAT on warehouse expenses of Jangle Warehouse.	Pending before the Hon'ble High Court Division of the Supreme Court of Bangladesh (writ no 793 of 2016).
Against percentage of wastage (4% in place of 2.50%) in 2011.	Pending before Customs, Excise and VAT Appellate Tribunal.
Collection of VAT at 15% on the value of imported raw-materials.	Pending before the Hon'ble High Court Division of the Supreme Court of Bangladesh (writ no 15295 of 2017).



Notes to the separate and consolidated financial statements (continued)

- 42.04 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 advances and deposits.

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

43.00 Capital expenditure commitment

The company has no capital expenditure commitment at the reporting date.

44.00 Production capacity

	30 June 2019	30 June 2018
(i) MS product- finished		
Installed Capacity (In M.Ton)	540,000	540,000
Production (In M.Ton)	685,167	561,748
Capacity utilized (%)	126.88%	104.03%
(ii) MS billet		
Installed Capacity (In M.Ton)	150,000	150,000
Production (In M.Ton)	174,657	150,331
Capacity utilized (%)	116.44%	100.22%

45.00 Employees

In Taka	30 June 2019	30 June 2018
Number of employees whose salary was below Tk. 3,000	-	-
Number of employees whose salary was above Tk. 3,000	979	922
	979	922

The above mentioned number of employees represent employees working at the company (i.e. Parent Company) only.

46.00 Operating lease

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

In Taka	30 June 2019	30 June 2018
Within one year	31,622,845	25,255,192
Within 2 to 5 years	95,665,206	33,262,848
After 5 years	59,079,643	841,220
	186,267,694	59,359,260

47.00 Financial summary of Kolkata Branch office on 30 June, 2019 as per audited financial statements:

In INR	30 June 2019	30 June 2018
Non-current assets	2,184,851	1,485,554
Current assets	203,536,795	114,937,329
Total assets	205,721,646	116,422,884
Head Office Account	21,043,390	27,349,345
Retained earnings	16,936,743	7,750,995
	37,980,133	35,100,340
Non-current liabilities	87,667,964	17,158,834
Current liabilities	80,073,549	64,163,711
Total liabilities	167,741,513	81,322,544
Total Equity & Liabilities	205,721,646	116,422,884
Revenue	1,245,928,636	447,017,892
Expenses	(1,236,742,888)	(433,673,601)
Profit for the year	9,185,748	13,344,291

48.00 Events After the Reporting Period

- (i) As per decision of 412th Meeting of Board of Directors, held on 16 September 2019, BSRM Steel Mills Limited (BSML-subsiary) is going to be merged with its parent Bangladesh Steel Re-Rolling Mills Limited (the company) subject to approvals from Honorable High Court Division of the Supreme Court of Bangladesh and concerned regulatory authorities along with the approval of the shareholders at Annual General Meeting (AGM).

The Board of Directors of Bangladesh Steel Re-Rolling Mills Limited, in its 412th meeting held on 16 September 2019, has declared 25% cash dividend (Tk. 2.5) per qualifying ordinary share for the year ended 30 June 2019.



49.00 Financial risk management

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

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

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

49.01 Credit risk

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

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

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

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

a) Exposure to credit risk

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

<i>In Taka</i>	<i>Note</i>	30 June 2019	30 June 2018
Investment in tradeable securities	22.02	582,176	363,523
Investment in non-tradable shares	21.02	1,000,300	1,000,300
Investments in FDRs (Short term & long term)		748,483,851	621,481,469
Advances and deposits	26	2,181,266,067	1,983,627,504
Trade and other receivables	24	3,570,813,232	2,356,392,380
Due from sister companies	25	985,977,512	1,537,959,598
Cash at bank	27.03	262,800,672	240,083,659
		7,750,923,810	6,740,908,433

a.1) Consolidated 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:

<i>In Taka</i>	30 June 2019	30 June 2018
Investment in tradeable securities	582,176	363,523
Investment in non-tradable shares	1,000,300	1,000,300
Investments in FDRs (Short term & long term)	2,471,700,312	1,938,401,950
Advances and deposits	5,542,012,072	4,339,375,414
Trade and other receivables	7,515,185,284	8,194,283,126
Due from sister companies	8,075,465,637	3,235,821,372
Cash at bank	285,251,964	314,027,796
	23,891,197,745	18,023,273,481

b) Ageing of trade receivables

Not yet due	1,872,137,060	899,811,797
Dues within 3 months	977,638,876	908,438,860
Dues over 3 months but less than 6 months	241,478,963	147,040,570
Dues over 6 months	222,115,963	127,433,230
	3,313,370,862	2,082,724,457



Notes to the separate and consolidated financial statements (continued)

b.1) Ageing of consolidated trade receivables

Not yet due	2,173,556,717	1,351,295,157
Dues within 3 months	4,328,754,496	6,460,068,386
Dues over 3 months but less than 6 months	300,212,870	235,015,528
Dues over 6 months	235,021,940	146,764,530
	7,037,546,023	8,193,143,601

49.02 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 or other financial assets. 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. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

49.02.01 Exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

In Taka		At 30 June 2019			
		Contractual cash flows			
Non-derivative financial liabilities	Carrying amount	Within 12 months	2 to 5 years	More than 5 years	Total
Long term loan	5,828,894,781	1,957,378,523	3,871,516,258	-	5,828,894,781
Defined benefit obligations - Gratuity	231,907,679	-	-	231,907,679	231,907,679
Trade payables	3,440,380,026	3,440,380,026	-	-	3,440,380,026
Short term liabilities	9,448,628,917	9,448,628,917	-	-	9,448,628,917
Liabilities for expenses	483,789,338	483,789,338	-	-	483,789,338
Provision for WPPF and Welfare Fund	93,997,289	93,997,289	-	-	93,997,289
Other liabilities	338,205,823	338,205,823	-	-	338,205,823
	19,865,803,853	15,762,379,916	3,871,516,258	231,907,679	19,865,803,853

In Taka		At 30 June 2018			
		Contractual cash flows			
Non-derivative financial liabilities	Carrying amount	Within 12 months	2 to 5 years	More than 5 years	Total
Long term loan	7,652,436,459	2,210,092,751	5,442,343,709	-	7,652,436,459
Defined benefit obligations - Gratuity	196,162,000	-	-	196,162,000	196,162,000
Trade payables	1,116,279,307	1,116,279,307	-	-	1,116,279,307
Short term liabilities	9,742,889,798	9,742,889,798	-	-	9,742,889,798
Liabilities for expenses	409,572,284	409,572,284	-	-	409,572,284
Provision for WPPF and Welfare Fund	115,677,749	115,677,749	-	-	115,677,749
Other liabilities	202,793,610	202,793,610	-	-	202,793,610
	19,435,811,207	13,797,305,499	5,442,343,709	196,162,000	19,435,811,207



Notes to the separate and consolidated financial statements (continued)

49.02.01.a Consolidated exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

<i>In Taka</i>		At 30 June 2019			
		Contractual cash flows			
Non-derivative financial liabilities	Carrying amount	Within 12 months	2 to 5 years	More than 5 years	Total
Long term loan	8,689,262,142	3,679,687,716	5,009,574,426	-	8,689,262,142
Defined benefit obligations - Gratuity	277,642,800	-	-	277,642,800	277,642,800
Trade payables	3,073,930,880	3,073,930,880	-	-	3,073,930,880
Short term liabilities	34,469,481,037	34,469,481,037	-	-	34,469,481,037
Liabilities for expenses	1,088,289,284	1,088,289,284	-	-	1,088,289,284
Provision for WPPF and Welfare Fund	194,369,665	194,369,665	-	-	194,369,665
Other liabilities	357,945,369	357,945,369	-	-	357,945,369
	48,150,921,177	42,863,703,951	5,009,574,426	277,642,800	48,150,921,177

<i>In Taka</i>		At 30 June 2018			
		Contractual cash flows			
Non-derivative financial liabilities	Carrying amount	Within 12 months	2 to 5 years	More than 5 years	Total
Long term loan	12,237,840,304	3,679,687,716	8,558,152,588	-	12,237,840,304
Defined benefit obligations - Gratuity	226,378,396	-	-	226,378,396	226,378,396
Trade payables	1,216,553,373	1,216,553,373	-	-	1,216,553,373
Short term liabilities	34,473,263,405	34,473,263,405	-	-	34,473,263,405
Liabilities for expenses	1,088,289,284	1,088,289,284	-	-	1,088,289,284
Provision for WPPF and Welfare Fund	209,125,156	209,125,156	-	-	209,125,156
Other liabilities	266,880,612	266,880,612	-	-	266,880,612
	49,718,330,531	40,933,799,547	8,558,152,588	226,378,396	49,718,330,531

49.03 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.

49.03.01 Currency risk exposure and its management

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

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

Exposure to currency risk	GBP	EURO	USD	Taka
30 June 2019				
<u>Foreign currency denominated assets:</u>				
Cash and cash equivalents	420	161	3,191,938	270,578,242
Short term investment	-	-	2,915,260	247,068,249
Trade and other receivables	-	-	1,434,558	121,578,797
	420	161	7,541,756	639,225,288
<u>Foreign currency denominated liabilities:</u>				
Liability for accepted bills for payment	-	-	56,501,239	4,788,479,989
	-	-	56,501,239	4,788,479,989
Net exposure	420	161	(48,959,482)	(4,149,254,701)



Notes to the separate and consolidated financial statements (continued)

<u>Exposure to currency risk</u>	<u>GBP</u>	<u>EURO</u>	<u>USD</u>	<u>Taka</u>
30 June 2018				
<u>Foreign currency denominated assets:</u>				
Cash and cash equivalents	420	161	1,698,355	143,574,236
Trade and other receivables	-	-	483,004	40,813,842
	420	161	2,181,359	184,388,078
<u>Foreign currency denominated liabilities:</u>				
Liability for accepted bills for payment (ABP)	-	-	34,694,903	2,931,719,293
	-	-	34,694,903	2,931,719,293
Net exposure	420	161	(32,513,544)	(2,747,331,215)

The following significant exchange rate is applied during the year:

	30 June 2019	30 June 2018
US dollar	84.75	84.50
EURO	97.76	99.31
GBP	108.95	112.61

Sensitivity analysis

A reasonably possible strengthening/weakening of foreign currencies against the Bangladesh 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.

<u>In Taka</u>	30 June 2019			
	<u>Profit or loss</u>		<u>Equity- net of tax</u>	
	<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
USD (2% movement)	(82,986,287)	82,986,287	(62,239,715)	62,239,715
EURO (2% movement)	314	(314)	236	(236)
GBP (2% movement)	914	(914)	686	(686)
<u>In Taka</u>	30 June 2018			
	<u>Profit or loss</u>		<u>Equity- net of tax</u>	
	<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
USD (2% movement)	(54,947,889)	54,947,889	(41,210,917)	41,210,917
EURO (2% movement)	319	(319)	239	(239)
GBP (2% movement)	946	(946)	709	(709)

<u>Consolidated exposure to currency risk</u>	<u>GBP</u>	<u>EURO</u>	<u>USD</u>	<u>Taka</u>
30 June 2019				
<u>Foreign currency denominated assets:</u>				
Cash and cash equivalents	420	161	3,210,343	272,138,008
Short term investment	-	-	2,915,260	247,068,249
Trade and other receivables	-	-	1,632,925	138,390,383
	420	161	7,758,528	657,596,640
<u>Foreign currency denominated liabilities:</u>				
Liability for accepted bills for payment	-	939,484	266,243,235	22,658,062,538
Syndicate loan	-	-	10,909,091	924,545,455
	-	939,484	277,152,326	23,582,607,993
Net exposure	420	939,645	(269,393,798)	(22,925,011,353)



Notes to the separate and consolidated financial statements (continued)

<u>Consolidated exposure to currency risk</u>	<u>GBP</u>	<u>EURO</u>	<u>USD</u>	<u>Taka</u>
30 June 2018				
<u>Foreign currency denominated assets:</u>				
Cash and cash equivalents	420	161	1,700,878	143,787,430
Trade and other receivables	-	-	483,004	40,813,842
	420	161	2,183,882	184,601,272
<u>Foreign currency denominated liabilities:</u>				
Liability for accepted bills for payment (ABP)	-	311,906	193,220,866	16,358,977,608
Syndicate loan	-	-	18,181,818	1,536,363,638
	-	311,906	211,402,684	17,895,341,246
Net exposure	420	(311,745)	(209,218,802)	(17,710,739,974)

The following significant exchange rate is applied during the year:

	30 June 2019	30 June 2018
US dollar	84.75	84.50
EURO	97.76	99.31
GBP	108.95	112.61

Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currencies against the Bangladesh 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.

<i>In Taka</i>	30 June 2019			
	Profit or loss		Equity- net of tax	
	<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
USD (2% movement)	(456,622,452)	456,622,452	(342,466,839)	342,466,839
EURO (2% movement)	(1,878,654)	1,878,654	(1,408,990)	1,408,990
GBP (2% movement)	914	(914)	686	(686)
<i>In Taka</i>	30 June 2018			
	Profit or loss		Equity- net of tax	
	<u>Strengthening</u>	<u>Weakening</u>	<u>Strengthening</u>	<u>Weakening</u>
USD (2% movement)	(353,579,776)	353,579,776	(265,184,832)	265,184,832
EURO (2% movement)	(635,970)	635,970	(476,977)	476,977
GBP (2% movement)	946	(946)	709	(709)

49.03.02 Transaction risk

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

49.03.03 Economic risk

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

49.03.04 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.



Notes to the separate and consolidated financial statements (continued)

Exposure to interest rate risk

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

Fixed- rate instruments

<i>In Taka</i>	30 June 2019	30 June 2018
Financial assets	1,734,461,363	2,159,441,067
Financial liabilities	(15,277,523,698)	(17,395,326,257)
	(13,543,062,335)	(15,235,885,190)

Variable- rate instruments

Financial assets	-	-
Financial liabilities	-	-
	-	-

Consolidated exposure to interest rate risk

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

Fixed- rate instruments

<i>In Taka</i>	Amount	Amount
Financial assets	10,547,165,949	5,174,223,322
Financial liabilities	(43,158,743,179)	(46,711,103,709)
	(32,611,577,230)	(41,536,880,388)

Variable- rate instruments

Financial assets	-	-
Financial liabilities	-	-
	-	-



49.04 Financial Instruments- Accounting classifications and fair values

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

In Taka	Note	Carrying amount				Fair Value			
		Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at amortised costs	Other financial liabilities	Total	Level 1	Level 2 Level 3 Total
30 June 2019									
Financial Assets measured at fair value:									
Investment in tradeable securities	22.02	582,176	-	-	-	-	582,176	582,176	- 582,176
		582,176	-	-	-	-	582,176	582,176	- 582,176
Financial Assets not measured at fair value:									
Trade and other receivables	24	-	-	-	3,570,813,232	-	3,570,813,232	-	-
Due from sister companies	25	-	-	-	985,977,512	-	985,977,512	-	-
Investments in FDRs	26.03	-	-	-	748,483,851	-	748,483,851	-	-
Deposits	27.03	-	-	-	45,578,627	-	45,578,627	-	-
Cash at bank		-	-	-	262,800,672	-	262,800,672	-	-
		-	-	-	5,613,653,894	-	5,613,653,894	-	-
Financial Liabilities not measured at fair value:									
Trade and other payables	34	-	-	-	-	3,440,380,026	3,440,380,026	-	-
Short term liabilities	35.01	-	-	-	-	9,448,628,917	9,448,628,917	-	-
Long term loan		-	-	-	-	5,828,894,781	5,828,894,781	-	-
Due to sister companies	36	-	-	-	-	6,264,184,395	6,264,184,395	-	-
Other liabilities	40	-	-	-	-	338,205,823	338,205,823	-	-
		-	-	-	-	25,320,293,942	25,320,293,942	-	-
30 June 2018									
Financial Assets measured at fair value:									
Investment in tradeable securities	22.02	363,523	-	-	-	-	363,523	363,523	- 363,523
		363,523	-	-	-	-	363,523	363,523	- 363,523
Financial Assets not measured at fair value:									
Trade and other receivables	24	-	-	-	2,356,392,380	-	2,356,392,380	-	-
Deposits	26.03	-	-	-	47,604,194	-	47,604,194	-	-
Due from sister companies	25	-	-	-	1,537,959,598	-	1,537,959,598	-	-
Investments in FDRs		-	-	-	621,481,469	-	621,481,469	-	-
Cash at bank	27.03	-	-	-	240,083,659	-	240,083,659	-	-
		-	-	-	4,803,521,300	-	4,803,521,300	-	-
Financial Liabilities not measured at fair value:									
Trade and other payables	34	-	-	-	-	1,116,279,307	1,116,279,307	-	-
Short term liabilities	35.01	-	-	-	-	9,742,889,798	9,742,889,798	-	-
Long term loan		-	-	-	-	7,652,436,459	7,652,436,459	-	-
Due to sister companies	36	-	-	-	-	4,919,172,515	4,919,172,515	-	-
Other liabilities	40	-	-	-	-	202,793,610	202,793,610	-	-
		-	-	-	-	23,633,571,689	23,633,571,689	-	-



Notes to the separate and consolidated financial statements (continued)

49.04.a Consolidated Financial Instruments- Accounting classifications and fair values

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

In Taka	Note	Carrying amount					Fair Value				
		Fair value through profit or loss	Fair value through other comprehensive income- debt instruments	Fair value through other comprehensive income- equity instruments	Financial assets at amortised costs	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2019											
Financial Assets measured at fair value:											
Investment in tradeable securities	22.02	582,176	-	-	-	-	582,176	582,176	-	-	582,176
		582,176	-	-	-	-	582,176	582,176	-	-	582,176
Financial Assets not measured at fair value:											
Trade and other receivables	24.a	-	-	-	7,037,546,023	-	7,037,546,023	-	-	-	7,037,546,023
Due from inter companies	25.a	-	-	-	7,557,196,642	-	7,557,196,642	-	-	-	7,557,196,642
Investments in FDRs	-	-	-	-	2,471,700,312	-	2,471,700,312	-	-	-	2,471,700,312
Deposits	26.a	-	-	-	136,716,816	-	136,716,816	-	-	-	136,716,816
Cash at bank	27.a	-	-	-	285,610,641	-	285,610,641	-	-	-	285,610,641
		-	-	-	17,488,770,434	-	17,488,770,434	-	-	-	17,488,770,434
Financial Liabilities not measured at fair value:											
Trade and other payables	34.a	-	-	-	-	3,073,930,880	3,073,930,880	-	-	-	3,073,930,880
Short term liabilities	35.01	-	-	-	-	34,473,263,406	34,473,263,406	-	-	-	34,473,263,406
Long term loan	-	-	-	-	-	8,689,262,142	8,689,262,142	-	-	-	8,689,262,142
Due to sister companies	36.a	-	-	-	-	6,324,923,395	6,324,923,395	-	-	-	6,324,923,395
Other liabilities	40.a	-	-	-	-	357,945,369	357,945,369	-	-	-	357,945,369
		-	-	-	-	52,919,325,191	52,919,325,191	-	-	-	52,919,325,191
30 June 2018											
Financial Assets measured at fair value:											
Investment in tradeable securities	22.02	363,523	-	-	-	-	363,523	363,523	-	-	363,523
		363,523	-	-	-	-	363,523	363,523	-	-	363,523
Financial Assets not measured at fair value:											
Trade and other receivables	24.a	-	-	-	8,193,143,601	-	8,193,143,601	-	-	-	8,193,143,601
Deposits	26.a	-	-	-	138,826,536	-	138,826,536	-	-	-	138,826,536
Due from inter companies	25.a	-	-	-	2,576,514,730	-	2,576,514,730	-	-	-	2,576,514,730
Investments in FDRs	-	-	-	-	1,938,401,950	-	1,938,401,950	-	-	-	1,938,401,950
Cash at bank	27.a	-	-	-	314,027,796	-	314,027,796	-	-	-	314,027,796
		-	-	-	13,160,914,613	-	13,160,914,613	-	-	-	13,160,914,613
Financial Liabilities not measured at fair value:											
Trade and other payables	34.a	-	-	-	-	1,216,553,373	1,216,553,373	-	-	-	1,216,553,373
Short term liabilities	35.01	-	-	-	-	35,869,839,320	35,869,839,320	-	-	-	35,869,839,320
Long term loan	-	-	-	-	-	12,230,567,577	12,230,567,577	-	-	-	12,230,567,577
Due to sister companies	36.a	-	-	-	-	4,919,172,515	4,919,172,515	-	-	-	4,919,172,515
Other liabilities	40.a	-	-	-	-	266,880,612	266,880,612	-	-	-	266,880,612
		-	-	-	-	54,503,013,368	54,503,013,368	-	-	-	54,503,013,368



50.00 Summary of significant accounting policies

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

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

Set out below is an index of the significant accounting policies, the details of which are available on the following:

50.01	Basis of consolidation and disclosure of interest in other entities
50.02	Consistency
50.03	Property, Plant and Equipment
50.04	Capital Work-In-Progress
50.05	Intangible Assets
50.06	Inventories
50.07	Transactions in Foreign Currencies
50.08	Investment in subsidiary and associate
50.09	Financial Assets
50.10	Financial Liabilities
50.11	Impairment
50.12	Cash Flow Statement
50.13	Provisions, Contingent Liabilities and Contingent Assets
50.14	Borrowing Costs
50.15	Taxation
50.16	Share Capital
50.17	Employee Benefits
50.18	Revenue Recognition
50.19	Finance Income and Costs
50.20	Other Operating Income
50.21	Earnings Per Share (EPS)
50.22	Duty Drawback
50.23	Measurement of Fair Values
50.24	Events After the Reporting Period
50.25	Leases
50.26	Segment Reporting
50.27	Standards issued but not yet adopted

50.01 Basis of consolidation and disclosure of interest in other entities

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

BSML is a subsidiary company of BSRM Limited. The Company has made 52.87% (Direct investment 44.97% and indirect investment 07.91%) equity investment in this subsidiary. The company is exposed to and has rights, to variable returns from the subsidiary and also has the ability to affect those returns through its power over BSML.

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

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



Notes to the separate and consolidated financial statements (continued)

Non-controlling interests

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

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

50.02 Consistency

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the period/year are consistent with those policies and methods adopted in preparing the Financial Statements for the previous year.

50.03 Property, Plant and Equipment**50.03.01 Recognition and Measurement**

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

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

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

50.03.02 Subsequent Costs

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item, if it is probable that the future benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of Property, Plant and Equipment are recognized in profit and loss as incurred.

50.03.03 Depreciation

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

Depreciation is charged on addition when it is ready for use and no depreciation is charged in the month of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The depreciation charge for the year is recognized as an expense unless it is included in the carrying amount of another asset.

The principal annual rates and useful lives under straight line method were as follows:

<u>Category of Assets</u>	<u>Useful lives (years)</u>	<u>Rates</u>
Plant and Machinery	7-25	4% - 15%
Motor Vehicle	6-15	6% - 16%
Furniture and Fixtures	5	20%
Office Equipment	5	20%
Factory Buildings	20	5%
Roads and Pavements	20	5%
Computer & IT equipment	5	20%

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

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



50.03.04 Non-current Asset Held for Sale

Non-current assets that are highly probable to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale the assets are remeasured in accordance with the company's accounting policies. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are recognized to revaluation reserve to the extent of revaluation surplus, in excess of revaluation surplus and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

If criteria for an asset to be classified as held for sale are no longer met, then the asset or disposal group ceases to be held for sale.

In this case, the asset or disposal group should be valued at the lower of the carrying amount before the asset or disposal group was classified as held for sale (as adjusted for any subsequent depreciation, amortization, or revaluation) and its recoverable amount at the date of the decision not to sell.

50.04 Capital Work-In-Progress

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

50.05 Intangible Assets

50.05.01 Recognition and measurement

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

50.05.02 Subsequent Costs

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

50.05.03 Amortization

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

<u>Category of Assets</u>	<u>Useful lives</u>
Oracle eBS software	10 years

50.06 Inventories

Nature of inventories

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

Valuation of the inventories

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

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

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

50.07 Transactions in Foreign Currencies

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



Notes to the separate and consolidated financial statements (continued)

50.08 Investment in subsidiary and associate**Investment in subsidiary**

The company's investment in subsidiary is accounted for in the separate Financial Statements as per IAS 27 'Separate Financial Statements' using the Equity Method in accordance with IAS 28: 'Investment in Associates & Joint Ventures'. Investment in a subsidiary is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of investee's profit or loss is recognized in the investor's profit or loss. Adjustment after the date of acquisition to the carrying amount has been made for changes in the investor's proportionate interest in the investee that arising from the revaluation of property, plant & equipment and from foreign currency translation differences. The investor's share of those changes is recognized in other comprehensive income of the investor.

The excess of company's share of net assets' value over cost of investment is recognized in profit or loss as per provision of IAS-28.

Investment in Associate

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

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

50.09 Financial Assets

The group recognizes and measures financial assets as per IFRS 9.

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

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

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

50.09.01 Trade and Other Receivables

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

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

50.09.02 Advances, Deposits and Prepayments

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

Deposits are measured at payment value.

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

50.09.03 Cash and Cash Equivalents

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



50.10 Financial Liabilities

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

50.10.01 Trade and Other Payables

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

50.10.02 12% Convertible coupon bond

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

50.10.03 Other liabilities

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

50.11 Impairment

50.11.01 Financial Assets

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

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

50.11.02 Non Financial Assets

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

50.12 Cash Flow Statement

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

50.13 Provisions, Contingent Liabilities and Contingent Assets

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

50.14 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognized as expense in the period in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per IAS 23 "Borrowing Costs". Borrowing cost incurred against loan for BMRE project and interest on 12% Convertible coupon bond have been capitalized under effective interest rate method.



Notes to the separate and consolidated financial statements (continued)

50.15 Taxation**50.15.01 Current Tax**

The group and the company are maintaining provision for taxation using rates enacted at the reporting date as per Income Tax Ordinance, 1984. The applicable rate is 25% for the company and currently the tax rate applicable for BSML (subsidiary) is 0.10% which is the minimum tax.

50.15.02 Deferred Tax

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

50.16 Share Capital

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

50.17 Employee Benefits

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

50.17.01 Defined Contribution Plan

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 IAS-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.

50.17.02 Defined Benefit Plan

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

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

50.17.03 Workers' Profit Participation and Welfare Funds

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



Notes to the separate and consolidated financial statements (continued)

50.18 Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group and the company recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of products	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Local sales	Customers obtain control of products when goods are shipped out at factory gate. Invoices raised as per management approved price list are generated at that point in time. Invoices are usually paid in cash as advance before getting delivery of the goods or customers are allowed a credit period of 30 to 60 days.	Revenue is recognized when (or as) the entity satisfies a performance obligation by transferring the promised good or service to a customer.
Export sales		
By-products		

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

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

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

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

50.19 Finance Income and Costs

50.19.01 Finance Income

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

50.19.02 Finance Costs

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

50.20 Other Operating Income

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

50.21 Earnings Per Share (EPS)

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

50.21.01 Basis of Earnings

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

50.21.02 Basic Earnings Per Share

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



Notes to the separate and consolidated financial statements (continued)

50.21.03 Diluted Earnings Per Share

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

50.22 Duty Drawback

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

50.23 Measurement of Fair Values

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

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

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

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

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

Property, plant and equipment

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

Equity and debt securities

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

50.24 Events After the Reporting Period

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

50.25 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.

50.25.01 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.

50.25.02 Operating lease

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

50.26 Segment Reporting

The Company is domiciled in Bangladesh. The gross revenue from manufacture and selling of MS products is BDT 44,408,886,970. The Company has a branch in Kolkata (India) which contributes 1.65% of revenue of the company. While the Company has clearly differentiated brands, segmentation within a wide portfolio of brands is not part of the regular internally reported financial information to the chief operating decision maker. Therefore, it is not possible to segment the Company's results by brand without a high degree of estimation. The break up of revenue has been in Note 04.



Notes to the separate and consolidated financial statements (continued)

50.27 Standards adopted but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standards and amendments to standards. All previously adopted reporting standards are consistently applied by the Group and Company to the extent relevant for the Group and the Company.

New standards	Summary of the requirements	Possible impact on financial statements
IFRS 16 Lease	<p>IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.</p> <p>IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019.</p>	The company is assessing the potential impact on its financial statements resulting from the application of IFRS 16



SUMMARY REPORT ON

Valuation of Land Owned by

Bangladesh Steel Re-Rolling Mills Limited

As at 30 June, 2019



ACNABIN

Chartered Accountants

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INTERNATIONAL

Ref.: 02.155/2019/1840 (i)

The Board of Directors
Bangladesh Steel Re-Rolling Mills Limited
BSRM corporate office
Ali Mansion, 1207/1099 Sadarghat Road
Chittagong 4100, Bangladesh

07 August, 2019

Dear Sir,

Summary Report on Valuation of Land Owned by Bangladesh Steel Re-Rolling Mills Limited

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

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

Thank you.

Kind Regards



Md. Mominul Karim, FCA
Partner

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Preface

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

Introduction

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

Statement of limiting conditions and assumptions

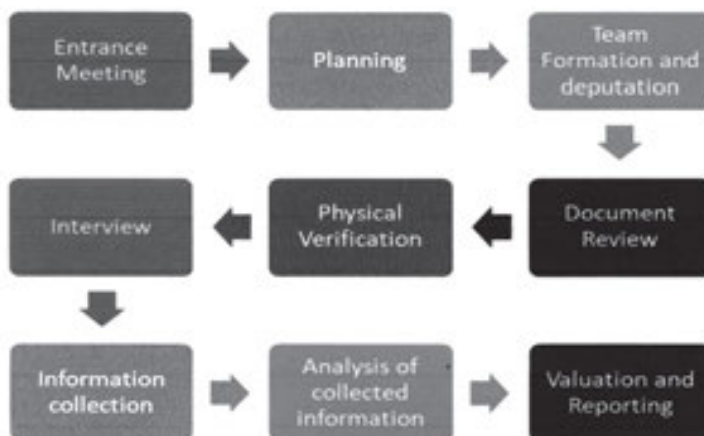
The report is subject to "Statement of Limiting Conditions and Assumptions" and within the scope of work as mentioned in the "Report on Valuation of Land Owned by **Bangladesh Steel Re-Rolling Mills Limited**" as separately presented.

Valuation methodology

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

Work procedure for the valuation

We performed the following procedures and produced the valuation report-



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

Mutated, non-mutated and mortgaged land

The total land area of the company under this valuation assignment is **3,371.2250 Decimals**. Out of total measured land area, mutation process completed for **3,348.2250 Decimals**, **23.0000 Decimals** land found as non-mutated the valuation date. The aggregate quantity of land mortgaged with different banks is **1,834.14 Decimals**.

Arriving at the value of the subject land

Following decisive factors were considered to arrive at the value of the subject property-

- Physical position of the land and available approach road;
- Connectivity to the highway;
- Connectivity to Thana/Upazila Office;
- Common utility facility inside the boundary of the land e.g. existence of electricity connection, deep tube well for water supply and processing of gas connection;



- e. Inside road and establishments to attract premium on the price;
- f. Developed infrastructure facility;
- g. Recent demand of large area of land like the subject land in the area.

Furthermore, using our experiences, discussing with the management of the company, analyzing different information from different sources we arrived at the value of the subject land. However, we assume no liability for such sources. Title to all land owned by **Bangladesh Steel Re-Rolling Mills Limited** is assumed to be good and marketable except for otherwise reported in the "Report on Valuation of Land Owned by **Bangladesh Steel Re-Rolling Mills Limited**" as separately issued.

Summary result of the valuation

The valuation had been conducted using the fair market value method as this is most commonly used and appropriate for valuation of such class of assets. After having completed all the tasks, fair value/market value of lands owned by **Bangladesh Steel Re-Rolling Mills Limited** as of 30 June, 2019 has been estimated at **BDT 7,441,664,393** (Bangladeshi Taka Seven billion four hundred forty one million six hundred sixty four thousand three hundred ninety three only) resulting net revaluation gain worth **BDT 3,480,930,388** (Bangladeshi Taka Three billion four hundred eighty million nine hundred thirty thousand three hundred eighty eight only).

The summary of the valuation of "Land and Land Developments" of **Bangladesh Steel Re-Rolling Mills Limited** as of 30 June, 2019 is presented below-

Bangladesh Steel Re-Rolling Mills Limited Summary on Valuation of "Land and Land Developments"

SL	Location	Carrying Amount (30.06.2019)	Area of Land (Decimals)	Fair Market Value/Net Realizable Value (BDT)
[A] List of lands for upward valuation:				
1	Chorkhai, Mymensingh	74,653,387	235.2500	223,487,500
2	Middle Sonaichori, Baroawlia	1,967,834,714	1,922.8000	2,403,500,000
3	Old Bogra, Bogra	44,415,770	88.8750	88,875,000
4	East Nasirabad, Nasirabad	588,060,000	324.0000	1,490,400,000
5	Jalalabad, Nasirabad/Jalalabad	884,812,500	487.5000	2,242,500,000
6	Khilmurari, Mirsarai	14,565,741	91.8000	55,080,000
7	Jalalabad, Balizid	359,370,000	198.0000	910,800,000
[A]		3,933,712,112	3,348.2250	7,414,642,500
[B] List of lands which are not mutated:				
1	Middle Sonaichori, Baroawlia	7,049,190	6.0000	7,049,190
2	Jalalabad, Nasirabad/Jalalabad	19,972,703	17.0000	19,972,703
[B]		27,021,893	23.0000	27,021,893
[C] List of lands purchased between 1.7.2017 to 30.6.2019				
1	No such land being identified	[C]		-
Total (A+B+C)		3,960,734,005	3,371.2250	7,441,664,393

Book value/carrying amount as of 30.6.2019 3,960,734,005

Net Revaluation Gain/Surplus 3,480,930,388

Land portion included in Flats owned by the company at Kakrail & Uttara Totalling 2.9653 Decimals is recorded as "Building" and as such those have been excluded from Land Valuation.

Notes:

Last valuation was made as of 31 December, 2011.
Land which are not mutated have been excluded for the upward revaluation.
The time lag between two valuations for the same class of assets is more than 3 (Three) years.
Assets acquired within 2 (Two) years are not being considered for upward revaluation.
The lease period of the Leasehold properties are for 99 years and as such considered for upward revaluation.
The remaining lease period of the Leasehold properties are more than 10 years and as such
Land which are under "Bayna agreement" have not been considered for the upward revaluation.

Concluding remarks

We have arrived at the value of the subject property owned by **Bangladesh Steel Re-Rolling Mills Limited** by using our best professional judgments which is dependent upon many subjective matters. This conclusion is subject to the "Statement of Assumptions and Limiting Conditions" and "Disclaimer" section narrated in the "Report on Valuation of Land Owned by **Bangladesh Steel Re-Rolling Mills Limited**" as separately presented.



AUDITOR'S REPORT & FINANCIALS

FOR THE YEAR ENDED ON JUNE 30, 2019
OF SUBSIDIARY

BSRM STEEL MILLS LIMITED

AUDITOR'S REPORT AND FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED JUNE 30, 2019

DIRECTORS' REPORT OF BSRM STEEL MILLS LIMITED (SUBSIDIARY)

Dear Shareholders,

It is my immense honour to welcome you to 11th Annual General Meeting of BSRM Steel Mills Limited, one of the most distinct premium-quality MS Billet producers of the country.

I would like to take the privilege of presenting you the Director's Report and audited Financial Statements for the year ended 30th June 2019 for your kind review, adoption, and approval.

Review of operation: It is impressively visible from the comparative data of operation results that our company has successfully kept on sustaining a sound growth in this year as well. We have achieved beyond our expectation in case of sales and production. We proudly set a new record of production and delivery volume of 913,241 MT and 961,611 M.T. Billet respectively. Sales were constrained to parent company and other group concerns. Battling with the ever-fluctuating scrap price from both home and abroad was a prime challenge we had to accept during the year.

Operating Results

Particulars	July'18 to June'19	July'17 to June'18
Production (Qty. in MT)	913,241	860,543
Sales (Qty. in MT)	961,611	916,338
Sales Value (BDT in Million)	53,407.28	45,888.26
Cost of Goods Sold (BDT in Million)	50,210.59	42,569.43
Gross Profit (BDT in Million)	3,196.69	3,318.84
Gross Profit in %	5.99%	7.23%
Net Profit/(Loss) (BDT in Million)	1,175.31	938.27
Net Profit in %	2.20%	2.04%
Earnings Per Share (EPS)	2.98	2.38
Net Operating Cash Flow per Share	25.27	(11.73)
Net Assets Value per Share (NAVPS)	34.57	15.63

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

Dividend: Directors didn't recommend any dividend for the year ended June 30, 2019 consideration further investment of the Company from retained earnings.

Auditors: The Company's Auditors M/s Hussain Farhad & Co. Chartered Accountants, retire and are eligible for re-appointment. Board of Directors recommend their appointment for the ensuing year.

Outlook for 2018-19: The atmosphere of economy and business was good in 2018-19. We did not see any major natural calamities and political unrest during 2018-19. Steel industry is an established and growing industry in Bangladesh. We expect a huge demand of quality steel this year for construction of various mega projects in our country. Predominantly based in the port city of Chattogram, the industry has emerged as a major contributor to the national economy. Our Company is striving hard to maintain sustainable growth of the company by adopting and investing in the state-of-the-art technology and management practices. We give top priority to fairness, righteousness, and equitable opportunities to all of our employees, stakeholders, regulators and agencies of the government on the basis of legal/social orders, professionalism, corporate social responsibility, humanism and business ethics combined with morality. We assure you that we shall leave no stone unturned to continue with our standards of these virtues without any compromise.

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

Gratitude: The Board of Directors express deep appreciation to all the Employees, Shareholders, Government Agencies, Bank and Financial Institutions, Consumers, Suppliers and other service Agencies for performing their roles effectively which help us to run our business smoothly and efficiently.

Thank you



Aameir Alihussain
Managing Director
August 29, 2019

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INDEPENDENT AUDITORS' REPORT
to the Shareholders of
BSRM STEEL MILLS LIMITED

Opinion

We have audited the accompanying financial statements of **BSRM STEEL MILLS LIMITED** (the Company), which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Profit or loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 1 July 2018 to 30 June 2019, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to explanations given to us, and accompanying the financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2019 and of its financial performance and cash flows for the period from 1 July 2018 to 30 June 2019 and comply with the Companies Act, 1994 and other applicable laws and regulations.

Basis of opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements of the Company does not cover the other information and, accordingly, we do not express any form of assurance thereon.

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



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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.


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

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

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, we also report the following:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books and;
- iii) the statement of financial position and statement of Profit or Loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dated: Chattogram
29 August 2019


Hussain Farhad & Co.
Chartered Accountants



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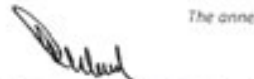
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BSRM STEEL MILLS LIMITED
Statement of Financial Position
As at 30 June 2019

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Assets			
Non-current assets			
Property, plant and equipment	4	24,251,269,469	18,692,049,252
Intangible asset	5	15,165,277	17,965,021
Capital work-in-progress	6	272,192,396	86,272,426
Total non-current assets		24,538,627,142	18,796,286,699
Current assets			
Inventories	7	4,943,908,402	9,996,564,744
Trade receivables	8	3,778,275,791	5,659,314,542
Other receivables	9	166,096,261	178,576,204
Due from related companies	10	7,089,488,125	1,697,861,774
Advances, deposits and prepayment	11	3,372,702,438	2,364,533,030
Short term investments	12	1,723,216,461	1,316,920,481
Cash and cash equivalents	13	22,778,911	74,449,366
Total current assets		21,096,466,389	21,288,220,141
Total assets		45,635,093,531	40,084,506,840
Equity and Liabilities			
Equity			
Share capital	14	3,944,354,000	3,944,354,000
Retained earnings		1,470,739,725	(72,550,981)
Revaluation reserve		8,220,573,719	2,292,879,671
Total equity		13,635,667,444	6,164,682,690
Liabilities			
Non-current liabilities			
Long term borrowings	15.01	1,138,058,168	2,863,094,652
Defined benefit obligations - Gratuity	16	45,735,121	30,216,398
Deferred tax liabilities	17	2,304,849,217	1,641,812,900
Total non-current liabilities		3,488,642,506	4,535,123,950
Current liabilities			
Current portion of long term borrowings	15.01	1,722,309,193	1,715,036,466
Trade payables	18	117,005,608	101,413,591
Short term borrowings	19	25,020,852,120	26,126,949,522
Due to related companies	20	569,548,637	659,306,643
Advance against sales	21	35,013,851	29,248,317
Liabilities for expenses	22	603,030,727	548,947,906
Provision for income tax	23	322,911,515	46,263,336
Other liabilities	24	19,739,554	64,087,012
Provision for WPPF & Welfare Fund	25	100,372,376	93,447,407
Total current liabilities		28,510,783,581	29,384,700,200
Total liabilities		31,999,426,087	33,919,824,150
Total equity and liabilities		45,635,093,531	40,084,506,840
Net asset value per share (NAV)		34.57	15.63

The annexed notes 1 to 46 form an integral part of these financial statements.


 Director


 Director


 Company Secretary

As per our annexed report of same date.

 Dated: Chattogram
 29 August 2019


 Hussain Farhad & Co.
 Chartered Accountants

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BSRM STEEL MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note(s)	Taka	Taka
Revenue	26	53,407,280,472	45,888,262,116
Cost of sales	27	(50,210,586,831)	(42,569,425,485)
Gross profit		3,196,693,641	3,318,836,631
Selling and distribution costs	28	(11,216,280)	(3,999,996)
Administrative costs	29	(139,188,788)	(95,056,765)
		3,046,288,573	3,219,779,870
Other income/(loss)	30	(16,508,280)	(6,309)
Operating profit		3,029,780,293	3,219,773,561
Finance costs	31	(1,425,266,911)	(1,725,899,640)
Finance income	33	372,209,069	343,743,498
Non-operating income	34	30,725,070	31,330,725
Profit before tax and WPPF and Welfare Fund		2,007,447,521	1,868,948,144
Contribution to WPPF and Welfare Fund	25	(100,372,376)	(93,447,407)
Profit before tax		1,907,075,145	1,775,500,737
Income tax expenses/benefits:			
Current tax	23	(322,911,515)	(46,263,336)
Prior Year Adjustment		(60,758)	
Deferred tax	17	(408,791,769)	(790,967,572)
		(731,764,042)	(837,230,908)
Net profit/ (loss) after tax for the year		1,175,311,103	938,269,829
Other comprehensive income			
Items that will never be classified to profit or loss			
Revaluation of land	4.01	6,549,918,199	-
Deferred tax on revaluation reserve of land and land development	17.01	(254,244,548)	-
		6,295,673,651	-
Items that are or may be classified to profit or loss		-	-
Total other comprehensive income		6,295,673,651	-
Total comprehensive income		7,470,984,754	938,269,829
Basic earnings per share (EPS)		2.98	2.38

The annexed notes 1 to 46 form an integral part of these financial statements.


Director


Director


Company Secretary

As per our annexed report of same date.

Dated: Chattogram
29 August 2019




Hussain Farhad & Co.
Chartered Accountants

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BSRM STEEL MILLS LIMITED
Statement of Changes in Equity
For the year ended 30 June 2019

	Amount in Taka			
	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01 July 2017	3,944,354,000	2,292,879,671	(1,010,820,810)	5,226,412,861
Net Profit for the year ended 30 June 2018	-	-	938,269,829	938,269,829
Balance as on 30 June 2018	3,944,354,000	2,292,879,671	(72,550,981)	6,164,682,690
Balance as on 01 July 2018	3,944,354,000	2,292,879,671	(72,550,981)	6,164,682,690
Transfer of revaluation reserve on sale of revalued assets	-	(367,979,603)	367,979,603	-
Revaluation of Land (net of tax)	-	6,295,673,651	-	6,295,673,651
Net Profit for the year ended 30 June 2019	-	-	1,175,311,103	1,175,311,103
Balance as on 30 June 2019	3,944,354,000	8,220,573,719	1,470,739,725	13,635,657,444



BSRM STEEL MILLS LIMITED
Statement of Cash Flows
For the year ended 30 June 2019

		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note	Taka	Taka
A. Operating activities			
Receipts from customers against sales		55,294,084,757	40,581,406,641
Receipts against other income		47,444,438	164,828,921
Cash Paid to suppliers, operating and other expenses		(44,317,148,926)	(44,494,873,538)
Cash generated by operations	38.00	11,024,380,269	(3,748,637,976)
Income tax paid		(986,982,344)	(879,071,875)
Advance Tax (VAT) Paid		(71,540,459)	-
Net cash flows from operating activities		9,965,857,466	(4,627,709,851)
B. Investing activities			
Acquisition of property, plant and equipment		(246,567,186)	(361,013,937)
Proceeds from sale of property, plant and equipment		428,265,750	2,218,503
Addition to capital work-in-progress		(419,041,750)	(606,162,814)
Increase in investment in fixed deposits		(406,295,980)	(951,590,406)
Net cash flows from investing activities		(643,639,166)	(1,916,548,654)
C. Financing activities			
Re-payments of long term loans		(1,703,846,669)	(1,688,681,988)
Receipts of short term loans		(1,080,398,631)	11,859,336,997
Repayments of due to related companies		(5,481,384,357)	(2,051,865,720)
Payment of interest-net		(1,093,011,667)	(1,506,942,643)
Decrease in other finance		(15,280,000)	(5,200,000)
Net cash flows from financing activities		(9,373,921,324)	6,606,646,646
D. Net increase in cash and cash equivalents (A+B+C)		(51,703,024)	62,388,141
E. Opening cash and cash equivalents		74,449,366	12,046,167
F. Effect of foreign exchange rate changes on cash and cash equivalents		32,569	15,058
G. Closing cash and cash equivalents (D+E+F)		22,778,911	74,449,366
Net operating cash flow per share		25.27	(11.73)



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

1.00 THE REPORTING ENTITY

1.01 Legal form of Enterprise

BSRM Steel Mills Limited was incorporated as a private limited company on 16 April 2008 vide registration # CH-6561 (267) /2008 under the Companies Act, 1994 to setup one of the largest MS Billet production plants in the steel industries in Bangladesh. The company was converted into public limited company and registered therefore on 12 November 2013.

1.02 Registered Office of the Company

The registered office of the company is located at Ali Mansion, 1207/1099, Sadarghat Road, Chattogram.

1.03 Principal Activities and Nature of the Business

The principal activities and nature of business of the company are:

- i) To set up an automatic steel melting plant for making M.S billet of different qualities and sell the same to steel rolling mills.
- ii) To set up an automatic steel rolling and re-rolling mills for manufacturing of iron products and steel materials of all types including other activities as mentioned in the Memorandum and Articles of Association.

1.04 Commencement of Production

The Company has set up an induction furnace based scrap melting plant at Sonapahar, Mirsarai, Chattogram to produce M.S. billets and commenced commercial production from 16 June 2016. Before that the company was engaged in trial production which has been commenced from 22 December 2015.

2.00 BASIS OF PREPARATION

2.01 Statement of Compliance

The financial statements of the company under reporting have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.02 Basis of Reporting

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

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

2.03 Other Regulatory Compliances

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

- i) The Income Tax Ordinance, 1984
- ii) The Income Tax Rules, 1984
- iii) The Value Added Tax Act, 1991
- iv) The Value Added Tax Rules, 1991
- v) The Customs Act, 1969
- vi) Bangladesh Labour Law, 2006

2.04 Authorization for Issue

These financial statements have been authorized for issue by the Board of Directors on 29 August 2019.



2.05 Basis of Measurement

The financial statements have been prepared on going concern basis under the historical cost convention except for land and land development of property, plant and equipment which is measured at revalued amount and inventories which are measured at lower of cost and net realisable value.

2.06 Functional and Presentation Currency

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

2.07 Statement of Cash Flows

Statement of cash flows has been prepared in accordance with IAS 7: Statement of Cash Flows and the cash flow from operating activities have been presented under direct method.

2.08 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.

2.09 Applicable Accounting Standards

The financial statements have been prepared in compliance with requirement of IASs (International Accounting Standards) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as applicable in Bangladesh. The following IASs and IFRSs are applied to preparation of the financial statements for the year under report:

Accounting Standards

IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-17	Leases
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rate
IAS-23	Borrowing Costs
IAS-24	Related Party Disclosures
IAS-33	Earnings Per Share
IAS-36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-38	Intangible Assets
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contract with Customers

2.10 Initial application of new standards

The entity has initially applied IFRS 9 (see 3.07) and IFRS 15 (see 3.14) from 01 July 2018. These two new standards do not have a material effect on the financial statements.

Due to the transition methods chosen by the management in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

2.11 Standards adopted but not yet effective

The Institute of Chartered Accountants of Bangladesh (ICAB) has adopted following new standard and amendment to standard -

IFRS - 16 Leases

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. Instead, there is a single, financial position accounting model, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019.

The Company is assessing the potential impact on its financial statements resulting from the application of IFRS 16 on its financial statements.



2.12 Use of Estimates and Judgments

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

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- Note: 4 Property, plant and equipment
- Note: 5 Intangible asset
- Note: 7 Inventories
- Note: 8 Trade receivables
- Note: 17 Deferred tax liabilities
- Note: 22 Liabilities for expenses
- Note: 23 Provision for income tax

2.13 Comparative information and reclassification

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements. To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified wherever considered necessary to conform to current periods presentation.

2.14 Reporting Period

The financial statements of the company cover the year from 01 July to 30 June and followed consistently.

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Set out below is an index of the significant accounting policies, the details of which are available on the following:

- 3.01 Consistency
- 3.02 Property, Plant and Equipment (PPE)
- 3.03 Intangible Asset
- 3.04 Capital Work in Progress
- 3.05 Leases
- 3.06 Inventories
- 3.07 Financial Instruments
- 3.08 Impairment
- 3.09 Transactions with Related Companies
- 3.10 Share Capital
- 3.11 Employee Benefit Schemes
- 3.12 Income Tax Expenses
- 3.13 Provisions and Contingencies
- 3.14 Revenue
- 3.15 Other Operating Income
- 3.16 Finance Income and Expenses
- 3.17 Borrowing Costs
- 3.18 Foreign Currency Transactions
- 3.19 Earnings Per Share (EPS)
- 3.20 Measurement of Fair Values
- 3.21 Events After the Reporting Period



3.01 Consistency

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

3.02 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.

3.02.01 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.

3.02.02 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.

3.02.03 Depreciation

Land is held on a freehold Basis and is not depreciated considering the unlimited life. In respect of all other property, plant and equipment, depreciation is recognized in statement of profit or loss and other comprehensive income. 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 charged on addition from the month (date of service) of acquisition/addition upto the month of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The principal annual rates/useful lives are as follows.

Major Category of Assets	Sub Category	Useful Life
Plant and machineries	Motor	7
Plant and machineries	Panel	10
Plant and machineries	All Stand	25
Plant and machineries	All Other Machinery	15
Motor vehicles	Car	6
Motor vehicles	Micro Bus	6
Motor vehicles	Covered Pick up Van	10
Motor vehicles	Open Pick up Van	10
Motor vehicles	Prime Mover	15
Motor vehicles	Open Truck	10
Motor vehicles	Dump Truck	12
Motor vehicles	Motor Cycle	5
Boundary wall	All Minor Category	20
Building and Shed	All Minor Category	20
Furniture and fixtures	All Minor Category	5
Office equipment	All Minor Category	5
IT Equipment	All Minor Category	5

Depreciation is charged / allocated on the basis of location of respective assets. Depreciation methods, useful lives and residual values are reassessed at the reporting date and adjusted if appropriate.

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



3.02.04 Revaluation of Property, Plant and Equipment

ACNABIN, Chartered Accountants, was engaged by the company to estimate the fair value of the land of the company located at Mirsarai as on 30 June 2019. ACNABIN took professional services from qualified surveyors of Pacific Surveyors Ltd. for verifying the land and its market price.

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

During the year land and land developments have been valued by ACNABIN, Chartered Accountants, Jahan Building No-07 (1st Floor), 59, Agrabad, Chattogram-4100. As per valuation report, revaluation reserve stood Tk. 6,549,918,199. As per clause 51B of IAS-12 : Income Tax, deferred tax have been recognised Tk. 196,497,546 at 3% based on gain tax as per rule 17(II) of Income tax Rule 1984 in the financial statements as of 30 June 2019.

3.03 Intangible Asset**3.03.01 Recognition and Measurement**

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

3.03.02 Subsequent Costs

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

3.03.03 Amortisation

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

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

3.04 Capital Work in Progress

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

3.05 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.

3.05.01 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 year during the lease term so as to produce a constant rate of interest on the remaining balance of the liability.

3.05.02 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.

3.06 Inventories**Nature of inventories**

Inventories comprise Raw Materials (Melting Scrap, Billets and Sponge Iron), Packing Materials, Consumable Stores, Fuel and Lubricants and Finished Goods (M.S. Billets) etc.



Valuation of the inventories

Inventories are measured at lower of cost and net realizable 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 IAS 2 "Inventories".

Category	Valuation
Finished Goods	Finished Goods are valued at Cost or Net Realisable Value whichever is lower.
Raw materials	Raw Materials are valued at Cost or Net Realisable Value whichever is lower.
Store items	Based on weighted average method.
Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.	

3.07 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.

3.07.01 Financial Assets

The Company initially recognizes loans, receivables and deposits 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 expires, 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, trade and other receivables and deposits.

(a) Trade and other receivables

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

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.

(b) 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.



(c) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. IAS-1 "Presentation of Financial Statement" provides that cash & cash equivalents are not restricted in use. Considering the provision of IAS-7 & IAS-1, cash in hand & bank balances have been considered as cash & cash equivalents.

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/loss recognized in the other comprehensive income are reclassified from equity to profit or loss upon derecognition or reclassification.

3.07.02 Financial Liabilities

The company initially recognises all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument.

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

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

(b) 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.

3.08 Impairment**3.08.01 Financial Assets**

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

Financial assets not classified as 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.

3.08.02 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.

3.08.03 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.

3.08.04 Non Financial Assets

The carrying amounts of the company's property, plant and equipment 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.

3.09 Transactions with Related 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 are charged on outstanding balances. These balances are unsecured but considered good and realisable.

3.10 Share Capital

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

3.11 Employee Benefit Schemes

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

3.11.01 Defined Contribution Plan

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 08 August 2016 which was effective from 01 July 2016 and is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in IAS-19.

Obligation for contribution to defined contribution plan is recognized as provident fund (PF) contribution expenses in profit or loss in the year 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.

3.11.02 Defined Benefit Plan

The company maintains an unfunded gratuity scheme and provision in respect of which is made as per actuarial report.

Gratuity payable at the end of each year is determined on the Basis of following rules and regulations of the company.

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



3.11.03 Workers' Profit Participation and Welfare Funds

The company also recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax in accordance with the provision of Section 234 (Kha), Chapter 15 of Bangladesh Labour Law 2006.

3.12 Income Tax Expenses

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

3.12.01 Current Tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years. The Company shall pay 35% or minimum tax under section 82 (c) of the Income Tax Ordinance 1984.

3.12.02 Deferred Tax

Deferred tax is recognized in compliance with IAS 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.

3.13 Provisions and Contingencies

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

3.14 Revenue

Revenue is recognized when invoice for products and services are made and the significant risk and reward of ownership are transferred to the customers, recovery of the consideration is probable, 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 five step model has been complied in case of revenue recognition: The timing of the transfer of risk and rewards depends on the individual terms of the sales agreement.

Specific policies regarding the recognition of revenue are as follows:

Revenue from sales of goods

Revenue from the sale of goods shall be recognized when all the following conditions have been satisfied:

- a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods and customer obtains control of the goods;
- b) it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the entity.

3.15 Other Operating Income

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

3.16 Finance Income and Expenses

3.16.01 Finance Income

Interest income on Fixed Deposit Receipts (FDR) and Short Term Deposits (STD) account has been recognized on cash basis and amounts due from affiliated companies is accrued on a time proportion basis by reference to the principal outstanding at the effective rate of interest applicable.



3.16.02 Finance Expenses

Interest expenses comprises interest expense on operational overdraft, LTR, term loan, short term borrowings and due to affiliated companies except expenses related to acquisition/construction of assets, incurred during the period are charged to Statement of Profit or Loss and Other Comprehensive Income on accrual basis.

3.17 Borrowing Costs

Interest and other costs incurred by the company in connection with the borrowing of funds are recognized as expense in the year in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per IAS 23 "Borrowing Costs". Borrowing cost incurred against loan for BMRE project has been capitalized under effective interest rate method.

3.18 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.

3.19 Earnings Per Share (EPS)

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

3.19.01 Basis of 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.

3.19.02 Basic Earnings Per Share

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

3.20 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 asset or liability that are not Based on observable market data.

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

Property, plant and equipment

The fair value of land and land development of property, plant and equipment has been determined Based on Net Realizable Value Method/ Market Value Method depending on the nature and corresponding circumstances.

3.21 Events After the Reporting Period

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



4.00 Property, plant and equipment - at revalued model

	Land and Land Development	Plant and Machinery	Motor Vehicles	Factory Building and Shed	Boundary wall, Roads and Pavements	Furniture and Fixtures	Office Equipment	Computer and IT Equipment	Amount in Taka
									Total
As Revalued amount									
Balance as on 01 July 2017	3,631,070,935	11,289,179,392	32,117,838	3,497,704,702	1,057,629,617	32,428,475	56,032,217	10,596,208	19,596,759,383
Additions during the year	52,231,257	411,007,047	-	559,117,078	6,272,484	39,452,700	49,452,725	4,197,713	1,121,731,004
Disposals/Adjustments during the year	-	(2,030,000)	(4,475,000)	-	-	-	-	-	(6,505,000)
Balance as at 30 June 2018	3,673,302,192	11,698,156,439	27,642,838	4,056,821,780	1,063,902,101	71,881,175	105,484,942	14,793,921	20,711,985,387
Balance as on 01 July 2018	3,673,302,192	11,698,156,439	27,642,838	4,056,821,780	1,063,902,101	71,881,175	105,484,942	14,793,921	20,711,985,387
Additions during the year	13,960,237	220,377,146	-	37,006,935	21,185,820	1,026,275	3,964,800	3,261,070	300,782,284
Land Revalued during the year	6,549,918,199	-	-	-	-	-	-	-	6,549,918,199
Disposals/Adjustments during the year	(447,942,744)	(18,514,105)	(2,006,357)	-	-	-	-	-	(468,463,206)
Balance as at 30 June 2019	9,789,237,884	11,900,019,480	25,636,481	4,093,828,715	1,085,087,921	72,907,450	109,449,742	18,054,991	27,094,222,664
Accumulated depreciation									
Balance as on 01 July 2017	-	902,949,302	18,309,031	192,393,206	95,680,299	12,463,311	20,186,629	4,234,823	1,246,216,601
Charged for the year	-	578,206,430	2,960,816	135,125,653	35,427,119	9,018,660	14,665,949	2,595,095	777,999,722
Adjustment for disposals during year	-	(1,161,497)	(3,118,691)	-	-	-	-	-	(4,280,188)
Balance as at 30 June 2018	-	1,479,994,235	18,151,156	327,518,859	131,107,418	21,481,971	34,852,578	6,829,918	2,019,936,135
Balance as on 01 July 2018	-	1,479,994,235	18,151,156	327,518,859	131,107,418	21,481,971	34,852,578	6,829,918	2,019,936,135
Charged for the year	-	602,510,376	2,387,015	152,638,563	36,164,550	13,236,158	18,499,682	2,755,787	828,192,131
Adjustment for disposals during year	-	(3,168,714)	(2,006,357)	-	-	-	-	-	(5,175,071)
Balance as at 30 June 2019	-	2,079,335,897	18,531,814	480,157,422	167,271,968	34,718,129	53,352,260	9,585,705	2,842,851,195
Carrying amount									
As at 30 June 2018	3,673,302,192	10,218,162,204	9,491,682	3,729,302,921	932,794,683	50,399,204	70,632,364	7,964,003	18,692,049,252
As at 30 June 2019	9,789,237,884	9,820,683,583	7,104,667	3,613,671,293	917,815,953	38,189,321	56,097,482	8,469,286	24,251,269,469
Depreciation allocated to:									
	Note	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018						
		Taka	Taka						
Factory overhead	27.02	825,342,474	774,578,675						
Administrative costs	29.00	2,849,657	3,421,046						
		828,192,131	777,999,721						

4.01 Revaluation of land

ACMA&B, Chartered Accountants, was engaged to revalue the land owned by BSM Steel Mills, Limited at fair market value. Total 16,756.2220 Decimals of land located at Mirsarai has book value Tk. 3,239,319,685 as on 30 June 2019 which has been revalued to Tk. 9,789,237,884 resulting net revaluation gain worth Tk. 6,549,918,199. Report on valuation of land owned by BSM Steel Mills, Limited as at 30 June 2019 has been attached as Annexure.



4.02 Property, plant and equipment - at cost model

	Amount in Taka						
	Land and land Development	Plant and Machineries	Motor Vehicles	Factory Building and Shed	Boundary wall, Roads and Pavements	Furniture and Fixtures	Office Equipment
							Computer & IT Equipment
							Total
At cost							
Balance as on 01 July 2017	1,328,191,263	11,289,179,392	32,117,838	3,497,704,702	1,057,629,617	32,428,475	17,303,879,712
Additions during the year	52,231,257	411,007,047	-	559,117,078	6,272,484	39,452,700	4,197,713
Disposals/Adjustments during the year	-	(2,030,000)	(4,475,000)	-	-	-	-
Balance as at 30 June 2018	1,380,422,520	11,698,156,439	27,642,838	4,056,821,780	1,063,902,101	71,881,175	18,419,105,716
Balance as on 01 July 2018	1,380,422,520	11,698,156,439	27,642,838	4,056,821,780	1,063,902,101	71,881,175	18,419,105,716
Additions during the year	11,960,237	220,377,146	-	37,006,935	21,185,820	1,026,275	3,761,070
Disposals/Adjustments during the year	(79,963,141)	(18,514,105)	(2,006,357)	-	-	-	-
Balance as at 30 June 2019	1,314,419,616	11,900,019,480	25,636,481	4,093,828,715	1,085,087,921	72,907,450	18,619,404,397
Accumulated depreciation							
Balance as on 01 July 2017	-	902,949,302	18,309,031	192,393,206	95,680,299	12,461,311	1,246,216,601
Charged for the year	-	578,206,430	2,960,816	135,125,653	35,427,119	9,018,660	777,999,722
Adjustment for disposals during year	-	(1,161,497)	(3,118,691)	-	-	-	(4,280,188)
Balance as at 30 June 2018	-	1,479,994,235	18,151,156	327,518,559	131,107,418	21,481,971	2,019,936,135
Balance as on 01 July 2018	-	1,479,994,235	18,151,156	327,518,559	131,107,418	21,481,971	2,019,936,135
Charged for the year	-	602,510,376	2,387,015	152,638,563	36,164,550	11,236,158	828,192,131
Adjustment for disposals during year	-	(3,168,714)	(2,006,357)	-	-	-	(5,175,071)
Balance as at 30 June 2019	-	2,079,335,897	18,531,814	480,157,422	167,271,968	34,718,129	2,842,953,195
Carrying amount							
As at 30 June 2018	1,380,422,520	10,218,162,204	9,491,682	3,779,302,921	932,794,683	50,399,204	16,399,169,581
As at 30 June 2019	1,314,419,616	9,820,683,583	7,104,667	3,613,671,293	917,815,953	38,189,321	15,776,451,202



			30 June 2019	30 June 2018	
	Note(s)		Taka	Taka	
5.00 Intangible asset					
Computer Software (Oracle ERP)	5.01		15,165,277	17,965,021	
			<u>15,165,277</u>	<u>17,965,021</u>	
5.01 Intangible assets schedule					
Cost					
Opening balance			26,646,812	26,646,812	
Add: Additions during the year			-	-	
Closing balance			<u>26,646,812</u>	<u>26,646,812</u>	
Accumulated amortisation					
Opening balance			8,681,791	5,882,047	
Add: Charged during the year	29.00		2,799,744	2,799,744	
Closing balance			<u>11,481,535</u>	<u>8,681,791</u>	
Carrying amount			<u>15,165,277</u>	<u>17,965,021</u>	
6.00 Capital work-in-progress					
Opening balance			86,272,426	583,337,106	
Add: Additions during the year	6.01		240,135,068	263,652,387	
			326,407,494	846,989,493	
Less: Capitalized during the year	6.01		(54,215,098)	(760,717,067)	
			<u>272,192,396</u>	<u>86,272,426</u>	
6.01 Details of Capital work-in-progress					
		Opening Balance	Additions	Capitalized during the year	Closing Balance
Factory building and shed		57,140,112	160,740,695	-	217,880,807
Boundry wall, drainage, road		11,791,643	4,983,312	16,774,955	-
Plant and machineries		3,242,488	74,411,061	23,391,382	54,262,167
Office Equipment		49,422	-	-	49,422
Others		14,048,761	-	14,048,761	-
		<u>86,272,426</u>	<u>240,135,068</u>	<u>54,215,098</u>	<u>272,192,396</u>
These costs include costs incurred initially to construct property, plant and equipment (PPE). Construction costs are transferred to PPE when the construction is completed.					
			30 June 2019	30 June 2018	
	Note(s)		Taka	Taka	
7.00 Inventories					
Finished goods			843,330,102	3,616,432,611	
Raw materials	7.01		2,614,233,740	4,540,820,761	
Stores and spares	7.02		891,032,487	820,824,877	
Consumables and others	7.03		578,304,929	1,006,697,255	
Fuel and lubricants			17,007,144	11,789,240	
			<u>4,943,908,402</u>	<u>9,996,564,744</u>	
7.01 Raw materials					
M.S. Scrap			2,144,980,927	4,008,778,061	
Sponge iron			469,252,813	532,042,700	
			<u>2,614,233,740</u>	<u>4,540,820,761</u>	
7.02 Stores and spares					
Mechanical stores			591,490,570	560,552,196	
Electrical stores			277,881,516	176,474,076	
Civil stores			16,069,063	18,615,121	
General stores			4,918,150	8,618,800	
Steel bars			673,188	-	
Others			-	56,564,684	
			<u>891,032,487</u>	<u>820,824,877</u>	



		30 June 2019	30 June 2018
	Note(s)	Taka	Taka
7.03 Consumables and others			
Direct consumables		124,100,598	353,974,164
Consumable stores (Others)		253,072,052	457,902,282
Lining materials		135,262,897	194,820,809
Other		65,869,382	
		578,304,929	1,006,697,255
7.04 Quantitative movement of raw materials and finished goods			
Raw Materials			
Opening balance		123,680.00	64,974.26
Add: Purchased/imported during the year		969,627.93	1,018,100.79
Available for consumption		1,093,307.93	1,083,075.05
Less: Consumed during the year		(993,022.25)	(945,648.67)
Less: Sold during the year		(20,091.36)	(13,746.38)
Closing balance		80,194.32	123,680.00
Finished Goods			
Opening balance		68,883.46	124,678.55
Add: Produced during the year		913,241.38	860,542.88
Stock available for sale		982,124.84	985,221.43
Less: Sold during the year		(961,611.00)	(916,337.97)
Less: Used by the entity		(2,666.00)	-
Closing balance		17,847.84	68,883.46
8.00 Trade receivables			
Bangladesh Steel Re-Rolling Mills Limited		481,849,753	1,139,525
BSRM Steels Limited		3,268,053,661	5,657,949,387
Other customers		28,372,377	225,630
		3,778,275,791	5,659,314,542
9.00 Other receivables			
Interest receivable on inter company loan		147,575,256	161,849,936
Fire insurance claim		18,514,105	16,719,368
Miscellaneous		6,900	6,900
		166,096,261	178,576,204
10.00 Due from related companies			
BSRM Steels Ltd		4,924,790,194	1,540,077,748
BSRM Wires Ltd		980,463,143	157,784,026
H Akberali & Co		97,200,490	-
BSRM Ispat Limited		1,003,198,302	-
BSRM Metal Limited		78,535,996	-
BSRM Recycling Industries limited		5,300,000	-
		7,089,488,125	1,697,861,774
These represent short term loans given to these related companies as and when required to meet funding requirement. All transactions were done through banking channel and interests were charged on all related companies balances. No amount is receivable from Directors at the reporting date.			
11.00 Advances, deposits and prepayments			
Advances	11.01	3,269,607,816	2,264,525,568
Deposits	11.02	91,138,189	91,222,342
Prepayment	11.03	11,956,433	8,785,120
		3,372,702,438	2,364,533,030



	Note(s)	30 June 2019 Taka	30 June 2018 Taka
11.01 Advances			
For capital expenditure		427,486,147	244,652,136
For revenue expenses		45,071,452	55,772,275
For store and spares		134,584,029	95,492,447
For investment		2,500,000	-
Against L/C		79,338,385	231,267,157
Guarantee Margin		1,651,647	1,672,772
Guest house		720,000	638,500
Advance Income Tax	11.01.01	2,471,510,052	1,530,851,802
Advance Tax (VAT)		71,540,459	-
L/C Margin		32,590,932	96,818,306
Staff loan against Salary		-	3,920,000
VAT Current Account		2,614,713	3,440,173
		3,269,607,816	2,264,525,568
11.01.01 Advance income tax			-
Opening balance		1,530,851,802	672,597,836
Add: Paid/deducted during the year		986,982,344	879,071,875
Less: Adjusted during the year		(46,324,094)	(20,817,909)
		2,471,510,052	1,530,851,802
11.02 Deposits			
Security deposits to:			
Bangladesh Power Development Board		90,000,000	90,000,000
Government institutes		451,689	535,842
Shipping agents		686,500	686,500
		91,138,189	91,222,342

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

				Note(s)	30 June 2019 Taka	30 June 2018 Taka
11.03	Prepayment					
	Prepaid insurance				11,956,433	8,785,120
					11,956,433	8,785,120
12.00	Short term investments					
	Investments in Fixed Deposit Receipts		12.01		1,723,216,461	1,316,920,481
					1,723,216,461	1,316,920,481
12.01	Investments in Fixed Deposit Receipts					
	Name of banks	Purpose	Tenure	Rate of interest	Taka	Taka
	Al-Arafah Islami Bank Limited	L/C Margin	3 months	6.00% - 7.00%	38,592,465	45,153,000
	Agrani Bank Limited	L/C Margin	3 months	5.75%	102,888,000	117,122,112
	Bank Asia Limited	L/C Margin	3 months	6.00%	11,857,951	29,859,440
	Commercial Bank of Ceylon	L/C Margin	3 months	5.00% - 7.00%	35,740,813	-
	Dhaka Bank Limited	L/C Margin	3 months	5.50% - 8.75%	224,895,058	172,301,560
	Dutch Bangla Bank Limited	L/C Margin	3 months	5.50%	186,246,521	79,205,745
	IFIC Bank Limited	L/C Margin	3 months	7.00%	43,135,668	40,413,323
	Islami Bank Bangladesh Limited	L/C Margin	3 months	6.42%	49,039,550	46,399,000
	Jamuna Bank Limited	L/C Margin	3 months	5.50%	74,438,362	52,978,494
	Mercantile Bank Limited	L/C Margin	3 months	6.00%	158,220,970	76,517,158
	Mutual trust Bank Limited	L/C Margin	3 months	6.50% - 8.50%	28,253,819	26,697,546
	NCC Bank Limited	L/C Margin	3 months	6.00%	91,751,387	25,520,956
	National Bank Limited	L/C Margin	3 months	6.00%	-	238,066
	One Bank Limited	L/C Margin	6 months	4.75%	12,150,193	11,369,507
	Pubali Bank Limited	L/C Margin	3 months	8.00%	62,306,449	18,942,505
	Shahjalal Islami Bank Limited	L/C Margin	3 months	6.00% - 6.50%	42,130,098	6,526,819
	State Bank of India	L/C Margin	12 months	7.00% - 7.50%	22,489,911	21,424,229
	South East Bank Limited	L/C Margin	3 months	7.00%	31,976,450	13,622,905
	The City Bank Limited	L/C Margin	3 months	5.50%	328,051,222	211,642,297
	Trust Bank Limited	L/C Margin	3 months	6.00% - 7.00%	42,232,568	33,849,190
	United Commercial Bank Limited	L/C Margin	3 months	7.00%	121,500,369	204,143,575
	Uttara Bank Limited	L/C Margin	3 months	6.00%	15,308,637	82,993,054
					1,723,216,461	1,316,920,481



		Note(s)	30 June 2019	30 June 2018	
			Taka	Taka	
13.00	Cash and cash equivalents				
	Cash in hand	13.01	327,619	505,229	
	Cash at banks	13.02	22,451,292	73,944,137	
			22,778,911	74,449,366	
13.01	Cash in hand				
	Corporate office		153,393	122,259	
	Factory office		174,226	382,970	
			327,619	505,229	
13.02	Cash at banks				
	Name of the Banks	Branches	Account Type	30 June 2019	30 June 2018
				Taka	Taka
	AB Bank Limited	Agrabad	Current	2,077,279	1,983
	Agrani Bank Limited	Laldighi East	Current	-	254,296
	Al Arafah Islami Bank Limited	Agrabad	Current	18,592	14,245
	Bank Al Falah Limited	Agrabad	Current	-	764,266
	Bank Asia Limited	Agrabad	Current	43,465	29,006
	Commercial Bank of Ceylon	Agrabad	Current	6,199	133,920
	Dhaka Bank Limited	Jubilee Road	Current	344,566	1,490,150
	Dutch Bangla Bank Limited	Jubilee Road	Current	855,900	148,201
	Eastern Bank Limited	Agrabad	Current	5,946,075	1,056,597
	Habib Bank Limited	Agrabad	Current	-	5,178,629
	IFIC Bank Limited	Agrabad	Current	50,840	34,653
	Islami Bank Bangladesh Limited	Jubilee Road	Current	7,008,351	267,504
	Islami Bank Bangladesh Limited	Barayerhat	Current	1,413,783	569,997
	Islami Bank Bangladesh Limited	Head Office	Current	-	11,140
	Jamuna Bank Limited	Khatunjonj	Current	105,881	12,715
	Meghna Bank Limited	Principal	Current	49,700	53,350
	Mercantile Bank Limited	Jubilee Road	Current	-	1,102
	Mutual Trust Bank Limited	Dhanmondi	Current	19,966	21,116
	Mutual Trust Bank Limited	CDA Avenue	Current	434,342	58,679
	National Bank Limited	Jubilee Road	Current	74,155	98,351
	NCC Bank Limited	Agrabad	Current	-	61,831,784
	One Bank Limited	Agrabad	Current	52,687	126,783
	Premier Bank Limited	Agrabad	Current	150,625	151,925
	Prime Bank Limited	OR Nizam Road	USD	1,348,647	-
	Prime Bank Limited	Agrabad	Current	1,210,779	119,923
	Prime Bank Limited	OR Nizam Road	Current	3,191	53,117
	Pubali Bank Limited	Agrabad	Current	4,924	-
	Pubali Bank Limited	Dhaka	Current	106,452	131,912
	Shahjalal Islami Bank Limited	Jubilee Road	Current	240,906	47,806
	Social Islami Bank Limited	Jubilee Road	Current	39,660	224,230
	Sonali Bank Limited	Kalibari	Current	12,587	2,003
	Sonali Bank Limited	Mirasarai	Current	42,816	43,966
	South East Bank Limited	Pahartali	Current	592	2,372
	State Bank of India	Agrabad	Current	2,045	47,274
	Standard Bank Limited	Sadarghat	Current	3,932	9,022
	South East Bank Limited	Pahartali	Overdraft	-	158,926
	The City Bank Limited	Agrabad	Current	118,725	427,882
	The City Bank Limited	Gulshan	Current	86,126	86,816
	The City Bank Limited	Gulshan	Current	24,810	-
	The City Bank Limited	Gulshan	Current	23,850	24,655
	The City Bank Limited	Gulshan	USD	170,356	171,197
	The City Bank Limited	Gulshan	USD	40,763	41,997
	Trust Bank Limited	CDA Avenue	Current	88,219	6,420
	United Commercial Bank Limited	Jubilee Road	Current	225,414	32,389
	Uttara Bank Limited	Agrabad	Current	4,092	1,838
				22,451,292	73,944,137

All bank balances are reconciled with bank statements.



	30 June 2019	30 June 2018
	Taka	Taka
14.00 Share capital		
Authorised capital:		
600,000,000 Ordinary Shares of Tk. 10 each	6,000,000,000	6,000,000,000
	<u>6,000,000,000</u>	<u>6,000,000,000</u>
Issued, Subscribed and Paid-up capital:		
394,435,400 Ordinary Shares of Tk. 10 each fully paid-up	3,944,354,000	3,944,354,000
	<u>3,944,354,000</u>	<u>3,944,354,000</u>

14.01 Shareholding position

	30 June 2019		30 June 2018	
Name of shareholders	Percentage of holding	Number of shares	Percentage of holding	Number of shares
Mr. Alihussain Akberali	0.64%	2,541,675	0.64%	2,541,675
Mr. Aameir Alihussain	2.37%	9,339,400	2.37%	9,339,400
Mr. Zohair Taherali	1.78%	7,032,097	1.78%	7,032,097
Mrs. Tehseen Zohair Taherali	0.37%	1,477,300	0.37%	1,477,300
Mrs. Bilkis Alihussain	2.70%	10,645,728	2.70%	10,645,728
Mrs. Sabeen Aameir	0.04%	176,660	0.04%	176,660
H. Akberali & Co. Limited	11.22%	44,264,600	11.22%	44,264,600
Mr. Abdul Qadir Zohair	0.01%	33,340	0.01%	33,340
Mr. Ali Asghar Badruddin	0.80%	3,160,000	0.80%	3,160,000
Mr. Abbas Jumani	0.00%	-	0.03%	100,000
Mr. Saifuddin Abbas Unwala	0.00%	-	4.59%	18,100,000
Mr. Iqbal Hussain	0.00%	-	5.10%	20,100,000
Mr. Sabbir Badruddin Africawala	9.71%	38,300,000	0.00%	-
BSRM Steels Limited	25.35%	100,000,000	25.35%	100,000,000
Bangladesh Steel Re-Rolling Mills Limited	44.97%	177,364,600	44.97%	177,364,600
BSRM Foundation	0.03%	100,000	0.03%	100,000
	<u>100.00%</u>	<u>394,435,400</u>	<u>100%</u>	<u>394,435,400</u>

		30 June 2019	30 June 2018
	Note(s)	Taka	Taka
15.00 Long term borrowings -(Syndicate term loan)			
Local (BDT)	15.02	1,935,821,906	3,041,767,480
Foreign (USD)	15.03	924,545,455	1,536,363,638
		<u>2,860,367,361</u>	<u>4,578,131,118</u>

15.01 Long term borrowings -Maturity analysis**Due within one year**

Syndicated term loan-(BDT)	15.02	1,105,945,557	1,105,945,557
Syndicated term loan-(USD)	15.03	616,363,636	609,090,909
		<u>1,722,309,193</u>	<u>1,715,036,466</u>

Due after one year

Syndicated term loan-(BDT)	15.02	829,876,349	1,935,821,923
Syndicated term loan-(USD)	15.03	308,181,819	927,272,729
		<u>1,138,058,168</u>	<u>2,863,094,652</u>

15.02 Long Term borrowings -Local

AB Bank Limited	19,408,261	30,498,697
Agrani Bank Limited	96,449,090	151,540,000
Bangladesh Commerce Bank Limited	29,004,545	45,550,000
Bangladesh Development Bank Limited	28,955,392	45,500,847
Bank Al Falah Limited	28,954,545	45,500,000
BRAC Bank Limited	38,499,447	60,499,131
Dhaka Bank Limited	19,409,090	30,500,000
IDLC Finance Limited	96,409,090	151,500,000
IPDC Bangladesh Limited	28,969,544	45,515,000
Islamic Bank Bangladesh Limited	405,662,018	637,446,030
Jamuna Bank Limited	96,434,090	151,525,000
Lanka Bangla Finance Limited	96,459,090	151,550,000
Meghna Bank Limited	48,388,636	76,025,000
Mercantile Bank Limited	57,931,613	91,012,536
Mutual Trust Bank Limited	96,406,925	151,496,596
One Bank Limited	57,909,091	91,000,000



	30 June 2019	30 June 2018
	Taka	Taka
15.02 Long Term borrowings -Local		
Premier Bank Limited	96,493,490	151,584,400
Prime Bank Limited	57,909,091	91,000,000
Pubali Bank Limited	154,333,182	242,515,000
SABINCO	44,227,271	69,500,000
South East Bank Limited	96,420,063	151,510,873
The City Bank Limited	144,774,816	227,499,971
Trust Bank Limited	96,413,526	151,498,399
	1,935,821,906	3,041,767,480
15.03 Long Term borrowings -Foreign		
Export Import Bank of India, India	462,272,728	768,181,819
Standard Chartered Bank, London	462,272,727	768,181,819
	924,545,455	1,536,363,638

15.04 Terms of Syndicate term borrowings**Lenders:**

The company entered into a syndicated loan agreement to set up a 862,000 tons per annum (TPA) steel melting & billet casting plant at Sonapahar, Mirsarai, Chattogram and managed its finance through a syndicate debt facility with The City Bank Limited, IDLC Finance Limited and Standard Chartered Bank as "joint mandated lead arranger" and 22 (Twenty Two) other local and foreign Banks and Financial Institutions.

Total loan facilities:

The syndication financing comprises BDT. 5,908 million and USD facility of 40 million only for implementation of the steel melting plant.

Interest rate:

	30 June 2019	30 June 2018
BDT		
Banking Institutions (A Term lenders)	11.50%	11.50%
Non Banking Institutions (B Term lenders)	12.00%	12.00%
Islami Bank Bangladesh Limited (HPSM lenders)	12.00%	12.00%

USD

Export Import Bank of India, India	Margin 4.25% + 6 months LIBOR
Standard Chartered Bank, London	Margin 4.25% + 3 months LIBOR

Interest payable:

Interest is payable quarterly (31st March, 30th June, 30th September and 31st December) from the date of 1st drawdown.

Disbursement:

First Disbursement of BDT made on 18 March 2014 and USD on 23 March 2014.

Repayments

Principal amount under the BDT and USD term loan facility shall be repaid in 22 (twenty two) equal quarterly installments. For BDT facility, repayment from the end of 21st month of the date of 1st drawdown and for USD facility, from the end of 21st month of the date of signing the facilities agreement and both will end on the 84th month and the balance amount, if any shall be paid in last installment.

Securities:

Registered Mortgage on 55.0565 acres land of BSRM Steel Mills Limited and 3.8785 acres land of Chittagong Power Company Limited (sister company) along with building and structures constructed or to be constructed thereon on first ranking pari passu basis and hypothecation of machineries, furniture & fixtures and Equipment.

Purpose:

To procure plant, machinery, equipment and prefabricated building and steel structures relating to the project and to meet civil construction and other expenses required for implementation of steel melting plant.

15.05 Interest rate swap for hedging

The Company adopts a policy of ensuring interest rate risk exposure at fixed rate by entering into interest rate swap for hedging with Standard Chartered Bank, Bangladesh.

	Standard Chartered Bank of London	Exim Bank of India
Effective Date:	31 March 2016	31 March 2016
Termination Date:	31 December 2020	31 December 2020
Fixed Rate:	1.200% per annum	1.400% per annum
Floating Rate Option:	USD LIBOR-BBA	USD-LIBOR-BBA
Designated Maturity:	3 Months	6 Months



		30 June 2019	30 June 2018
	Note(s)	Taka	Taka
16.00	Defined benefit obligations - Gratuity		
	Opening balance	30,216,398	19,116,898
	Add: Provision made during the year	16,191,028	11,700,414
	Less: Payments made during the year	(672,305)	(600,914)
	Closing balance	45,735,121	30,216,398
17.00	Deferred tax liabilities		
	Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of property, plant and equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.		
	Opening balance	1,641,812,900	850,845,328
	Add/(Less): Provision / adjustment made during the year	663,036,317	790,967,572
	Closing balance	2,304,849,217	1,641,812,900
17.01	Reconciliation of deferred tax liabilities/ (assets)		



	Note(s)	30 June 2019 Taka	30 June 2018 Taka	
Southeast Bank Limited		39,372,942	306,622,778	
Standard Chartered Bank		593,629,627	600,663,011	
The City Bank Limited		916,154,219	1,382,933,271	
United Commercial Bank Limited		973,605,984	1,715,942,829	
		5,611,233,052	9,100,063,993	
19.03 Liability for accepted bills for payment (ABP)				
AB Bank Limited		-	7,417,933	
Agrani Bank Limited		382,609,542	469,290,568	
Al-Arafah Bank Limited		390,702,730	364,371,206	
Bank Al-Falah Limited		57,774,667	86,300,664	
Bank Asia Limited		511,118,364	393,996,440	
Brac Bank Limited		586,027,912	15,828,540	
Commercial Bank of Ceylon		468,383,644	291,944,566	
Dhaka Bank Limited		1,809,756,200	1,715,981,234	
Dutch Bangla Bank Limited		1,450,617,656	1,152,437,964	
Eastern Bank Limited		282,673,148	77,756,923	
HSBC		723,991,313	955,524,212	
IFIC Bank Limited		1,160,153,161	244,385,811	
Islami Bank Bangladesh Limited		126,096,685	339,534,435	
Jamuna Bank Limited		827,911,536	371,603,848	
Mercantile Bank Limited		860,022,540	1,066,110,390	
Mutual Trust Bank Limited		136,455,597	367,984,685	
National Bank Limited		-	4,701,823	
NCC Bank Limited		860,792,441	203,072,210	
One Bank Limited		12,865,634	71,814,307	
Prime Bank Limited		1,807,818,417	654,896,536	
Pubali Bank Limited		722,365,147	135,812,866	
Shahjalal Bank Limited		518,299,199	11,676,310	
Southeast Bank Limited		355,378,859	198,872,156	
Standard Chartered Bank		857,152,255	491,771,712	
State Bank of India		102,458,981	167,516,992	
The City Bank Limited		1,515,545,236	812,140,397	
Trust Bank Limited		253,317,608	201,749,923	
United Commercial Bank Limited		861,759,715	1,821,855,726	
Uttara Bank Limited		227,534,362	730,907,938	
		17,869,582,549	13,427,258,315	
19.04 Borrowings against CC Pledge, Hypo and Overdraft				
Name of the Banks	Branch	Types		
Agrani Bank Limited	Laldighi East	CC (HYPO)	334,284,036	421,786,459
Agrani Bank Limited	Laldighi East	Over Draft	5,660	-
Bank Alfalah Limited	Agrabad	Over Draft	29,806,220	-
Brac Bank Limited	Agrabad	CC (HYPO)	50,334,413	33,022,385
Dhaka Bank Limited	Jubilee Road	Over Draft	186,291,463	331,712,251
Habib Bank Limited	Laldighi East	Over Draft	83,188	-
HSBC	Agrabad	Over Draft	56,464,475	34,340,787
IFIC Bank Limited	Agrabad	Over Draft	1,567,802	108,846,675
Islami Bank Limited	Dhaka	Over Draft	15,125	-
Mercantile Bank Limited	Jubilee Road	CC (HYPO)	332,951,508	236,924,678
Mercantile Bank Limited	Jubilee Road	Over Draft	31,342	-
NCC Bank Limited	Agrabad	Over Draft	77,609,672	-
Pubali Bank Limited	Agrabad	Over Draft	-	902,001,283
Southeast Bank Limited	Pahartali	Over Draft	235,489	-
State Bank of India	Jubilee Road	CC (HYPO)	47,127,332	25,917,162
Standard Chartered Bank	Agrabad	Over Draft	5,047,397	-
The City Bank Limited	Agrabad	Over Draft	23	-
The City Bank Limited	Agrabad	Over Draft	16,718,638	31,201,382
United Commercial Bank Limited	Jubilee Road	Over Draft	172,835,344	272,787,505
Uttara Bank Limited	Agrabad	Over Draft	92,969,384	157,345,908
			1,404,378,511	2,555,886,475



19.05 Terms and conditions of other term borrowings**Type of facilities:** Short term loan**Interest rate:**

Interest rate is 4.50% to 13.00% per annum calculated on quarterly basis and variable depending on the situation of money market.

Securities:

- 1) A first priority floating charge over all floating assets including stocks, book debts, accounts, insurance policy of the company along with power to sell on the occurrence of default.
 - a) Letter of hypothecation.
 - b) Irrecoverable general power of attorney
- 2) Assignment of benefits in favour of the working capital financiers under all insurance policies over the assets of the Company.
- 3) Usual Charge Documents etc.
 - a) An on demand promissory note in favour of the working capital financiers and a Letter of continuation in support of the said promissory note.
- 4) Corporate guarantee from H. Akberali and Co. Limited.
- 5) Personal guarantee from the Directors noted below:
 - a) Mr. Alihussain Akberali
 - b) Mr. Aameir Alihussain
 - c) Mr. Zohair Taherali
 - d) Mrs. Tehseen Zohair Taherali

20.00 Due to related companiesBangladesh Steel Re-Rolling Mills Limited
BSRM Logistics Limited

30 June 2019	30 June 2018
Taka	Taka
508,809,637	659,306,643
60,739,000	-
569,548,637	659,306,643

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

21.00 Advance against sales**35,013,851** **29,248,317**

These represent advances received from different parties against sales. Goods have not been delivered to them within the reporting year.

22.00 Liabilities for expenses

Audit Fees	292,500	270,000
Accrued liabilities	22,985,150	5,198,881
Contractors and logistics payable	5,011,008	19,125,462
Clearing and Forwarding bill	7,609,439	4,137,487
Guest house expenses	276,714	247,752
Electricity expense	456,241,430	406,496,400
Printing and Stationeries	490,050	3,920,400
Professional expenses	683,700	80,171
Salary and Allowances	799,000	37,058
Travelling and Conveyance	167,000	12,800
Interest payable	27,248,194	41,828,271
Others	78,521,139	67,593,224
Hanging Charges Payable	2,705,403	-
	603,030,727	548,947,906

23.00 Provision for income tax

Opening balance	46,263,336	20,817,909
Add: Provided during the year	322,911,515	46,263,336
Add: Prior Year Adjustment	60,758	-
	369,235,609	67,081,245
Less: Adjusted with advance income tax paid at source	(46,324,094)	(20,817,909)
Closing balance	322,911,515	46,263,336

Rate of income tax is 35% but provision has been made on gross receipts for minimum tax with the applicable tax rate i. e. 0.60% under section 82C (4a) of Income Tax Ordinance, 1984, as tax on gross receipts is higher of both tax calculated on regular rate and tax deducted at source under section 82C (2).



	30 June 2019	30 June 2018
	Taka	Taka
24.00 Other liabilities		
Other finance	2,400,000	17,680,000
Retention money	16,231,494	46,332,012
Income Tax Deducted at Source	688,084	30,000
VAT Deducted at Source	419,976	45,000
	19,739,554	64,087,012

Income Tax and VAT deducted at source have subsequently been deposited to the Government Exchequer.

25.00 Provision for WPPF & Welfare Fund	100,372,376	93,447,407
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The company recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of net profit before tax.

		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note(s)	Taka	Taka
26.00 Revenue			
MS Billet		52,449,416,816	45,264,321,297
Sale of scrap, by-products and others		957,863,656	623,940,819
		53,407,280,472	45,888,262,116

27.00 Cost of sales			
Cost of sale - billet	27.01	49,557,191,876	42,111,682,189
Cost of sale - scrap and others		653,394,955	457,743,296
		50,210,586,831	42,569,425,485

27.01 Cost of sales-own production			
Opening stock of raw materials-scrap		4,540,820,761	1,760,531,571
Add: Purchase during the year		34,318,531,133	33,543,686,016
Less: Sale of raw materials		(645,676,306)	(452,406,857)
Less: Closing stock of raw materials-scrap		(2,614,233,740)	(4,540,820,761)
Raw materials consumed-Scrap		35,599,441,848	30,310,989,969
Add: Cost of direct consumable stock consumed		2,087,265,756	1,944,354,966
Add: Factory overhead	27.02	9,097,381,763	8,332,659,945
Cost of Billet Manufactured		46,784,089,367	40,588,004,880
Add: Opening stock of finished goods - billet		3,616,432,611	5,140,109,920
Stock of billet available		50,400,521,978	45,728,114,800
Less: Closing stock of finished goods - billet		(843,330,102)	(3,616,432,611)
Cost of sales - billet		49,557,191,876	42,111,682,189

		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note(s)	Taka	Taka
27.02 Factory overhead			
Salaries and allowances		323,849,126	288,408,714
Bonus		12,661,384	10,509,156
Carrying charges		1,419,954	2,529,294
Casual wages		185,475,663	156,159,199
Computer expenses		3,000,332	1,300,718
Consumption of electrical store		90,948,725	86,868,310
Consumption of fuel and lubricant		270,479,225	292,995,286
Consumption of general store		7,562,451	6,825,460
Consumption of mechanical store		638,786,008	570,208,526
Conveyance		17,084,665	14,502,545
Consultancy Fee		1,542,190	598,389
Depreciation	4.00	825,342,474	774,578,675
Entertainment		11,091,251	2,836,228
Fees and renewal		220,965	186,335
Generator Rent		289,210	234,500
Gratuity Expenses		13,690,103	10,790,522
Guest house expenses		294,361	2,531,352
Insurance expenses		18,615,187	17,824,664
Material handling charges		375,486,263	300,040,516



		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note(s)	Taka	Taka
Medical Expenses		2,964,165	2,015,040
Motor car expenses		695,232	10,292,285
Office expenses		-	101,000
Other consumables		999,777,381	918,536,342
Overtime		11,301,313	8,207,827
Postage and telegram		9,565	11,909
Power		5,162,015,160	4,752,119,541
Printing and stationary		9,534,516	10,416,754
Production incentives		20,033,721	17,230,306
Rent		5,693,445	5,588,950
Repair and maintenance		60,866,664	57,645,009
Slag processing expenses		24,307,028	5,879,334
Testing charges		884,212	939,970
Travelling		1,459,824	3,747,289
		9,097,381,763	8,332,659,945
28.00 Selling and distribution costs			
Carriage on sales		4,286,965	2,100,036
Export charges		6,929,315	1,899,960
		11,216,280	3,999,996
29.00 Administrative costs			
Salaries and allowances		26,908,371	19,988,976
Advertisement Expenses		45,609	55,723
Audit fees		1,131,600	356,500
Conveyance expenses		707,390	489,681
Director Remuneration		80,400,000	48,000,000
Donation and subscriptions		218,670	1,750,180
Depreciation	4.00	2,849,657	3,421,046
Amortization of intangible asset	5.01	2,799,744	2,799,744
Entertainment		3,596,863	2,807,629
Electricity Expenses		1,085,231	761,040
Fees and renewals		1,664,582	531,464
Guest house expenses		196,839	163,173
Guest House Rent		1,081,441	-
Gratuity expenses		2,500,925	909,892
Insurance expense		23,253	25,351
Land revenue, Municipal tax		597,173	690,119
Medical expenses		408,083	184,830
Motor vehicle expenses		1,873,551	1,894,801
Office expenses		57,836	259,844
Postage expenses		17,859	6,567
Printing expenses		450,929	9,950
Professional expenses		2,011,931	471,515
Rental Expenses		2,875,236	3,607,720
Repair and maintenance		1,112,372	1,856,311
Telephone and internet expenses		1,701,124	1,573,144
Training expenses		4,500	42,184
Travelling expenses		2,868,019	2,399,381
		139,188,788	95,056,765
30.00 Other Income/(Loss)			
Loss on sale of non-current assets		(16,508,280)	(6,309)
		(16,508,280)	(6,309)
31.00 Finance costs			
Interest on LATR		26,166,885	62,385,516
Interest on demand loan		719,550,585	815,805,442
Interest on CC Pledge, hypo and overdraft		160,375,768	155,952,956
Interest on syndicate term loan		375,517,192	467,797,608



		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Note(s)	Taka	Taka
Agency fee		5,380,850	5,358,770
Bank charges		7,083,028	8,926,340
Bank guarantee commission		559,324	55,278
Interest on balance due to inter companies		156,187,704	106,878,819
Foreign currency exchange (gain)/loss	32.00	(25,554,425)	102,738,911
		<u>1,425,266,911</u>	<u>1,725,899,640</u>
32.00 Foreign currency exchange gain/(loss)			
Realized foreign currency transaction gain/ (loss)		14,094,003	(61,144,121)
Unrealized foreign currency translation gain/ (loss)		(39,648,428)	(41,594,790)
		<u>(25,554,425)</u>	<u>(102,738,911)</u>
32.01 Foreign currency transaction gain/ loss			
This represents net gain/(loss) on transaction in foreign currency during the year.			
32.02 Foreign currency translation gain/loss			
This represents net gain/(loss) on translation of foreign currencies into Bangladeshi Taka at the rate prevailing on reporting date.			
33.00 Finance income			
Interest income from inter companies		290,745,902	302,956,784
Interest income from FDR		81,463,167	40,786,714
		<u>372,209,069</u>	<u>343,743,498</u>
34.00 Non-operating income			
Rental income		24,079,630	23,780,710
Machinery rent		6,645,440	7,550,015
		<u>30,725,070</u>	<u>31,330,725</u>
35.00 Earnings per share			
35.01 Basic earnings per share (EPS)			
Profit attributable to the ordinary shareholders		1,175,311,103	938,269,829
Weighted Average number of shares outstanding during the year		394,435,400	394,435,400
Basic earnings per share (EPS)		<u>2.98</u>	<u>2.38</u>
35.02 Diluted earnings per share (DEPS)			
No diluted EPS was required to be calculated for the period since there was no scope for dilution of share during the period under review.			
		30 June 2019	30 June 2018
		Taka	Taka
36.00 Net asset value per share (NAV)			
Total Assets		45,635,093,531	40,084,506,840
Less: Liabilities		(31,999,426,087)	(33,919,824,150)
Net Asset Value (NAV)		13,635,667,444	6,164,682,690
Number of ordinary shares outstanding during the period		394,435,400	394,435,400
Net Assets Value (NAV) per share		<u>34.57</u>	<u>15.63</u>
		01 July 2018	01 July 2017
		to 30 June 2019	to 30 June 2018
		Taka	Taka
37.00 Net operating cash flow per share			
Net operating cash flows (from statement of cash flows)		9,965,857,466	(4,627,709,851)
Number of ordinary shares outstanding during the period		394,435,400	394,435,400
Net operating cash flow per share		<u>25.27</u>	<u>(11.73)</u>



	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Taka	Taka
38.00 Reconciliation of cash generated by operations		
Profit before income tax	1,907,075,145	1,775,500,737
Depreciation charged	828,192,131	777,999,721
Amortization charged	2,799,744	2,799,744
Loss on sale of property, plant and equipment	16,508,280	6,309
Finance Income	(372,209,069)	(343,743,498)
Finance Cost	1,425,266,911	1,725,899,640
Provision for WPPF & Welfare Fund	100,372,376	93,447,407
Paid for WPPF & Welfare Fund	(93,447,407)	-
Defined benefit obligations - Gratuity	15,518,723	11,099,500
(Increase)/Decrease in Inventory	5,050,110,284	(2,440,577,577)
(Increase)/Decrease Trade Receivables	1,881,038,751	(5,329,469,337)
Decrease in Trade payables	(15,889,772)	(182,313,185)
Increase in Advance against sales	5,765,534	22,613,862
Increase in Other receivables	16,719,368	133,498,196
(Increase) / Decrease in Advances, deposits and pre-payments	186,863,312	(113,751,115)
Increase in Liabilities for expenses	68,662,898	119,057,689
Increase/ (Decrease) in Other liabilities	1,033,060	(706,069)
	11,024,380,269	(3,748,637,976)

39.00 Related party transactions

During the year 30 June 2019, the company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The name of these related parties, nature of transactions, their total value and balances on reporting date have been set in accordance with the provisions of IAS 24.

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

Name of parties	Relationship	Nature of Transactions	Outstanding as on 30 June 2019	Mode of Transaction
BSRM Steels Limited	Investee	Short term loan	4,924,790,194 Dr.	Market price/Negotiated price
Bangladesh Steel Re-Rolling Mills Limited	Investee	Short term loan	(508,809,637) Cr.	
BSRM Wires Limited	Sister Company	Short term loan	980,463,143 Dr.	
BSRM Logistics Limited	Sister Company	Short term loan	(60,739,000) Cr.	
BSRM Metal Limited	Sister Company	Short term loan	78,535,996 Dr.	
BSRM Recycling Industries limited	Sister Company	Short term loan	5,300,000 Dr.	
BSRM Ispat Limited	Sister Company	Short term loan	1,003,198,302 Dr.	
H. Akberali & Co. Limited	Sister Company and shareholder	Short term loan	97,200,490 Dr.	
BSRM Logistics Limited	Sister Company	Purchase	(5,745,391) Cr.	
BSRM Steels Limited	Investee	Sales	3,268,053,661 Dr.	
Bangladesh Steel Re-Rolling Mills Limited	Investee	Sales	481,849,753 Dr.	

39.01 Details of transactions

Name of inter companies	Opening balances	Transaction during the year (Net)	Closing balances
BSRM Steels Limited	1,540,077,748 Dr.	3,384,712,446	4,924,790,194 Dr.
Bangladesh Steel Re-Rolling Mills Limited	(659,306,643) Cr.	150,497,006	(508,809,637) Cr.
BSRM Wires Limited	157,784,026 Dr.	822,679,117	980,463,143 Dr.
BSRM Logistics Limited	- Cr.	(60,739,000)	(60,739,000) Cr.
BSRM Metal Limited	- Dr.	78,535,996	78,535,996 Dr.
BSRM Recycling Industries limited	- Dr.	5,300,000	5,300,000 Dr.
BSRM Ispat Limited	- Dr.	1,003,198,302	1,003,198,302 Dr.
H. Akberali & Co. Limited	- Dr.	97,200,490	97,200,490 Dr.
BSRM Logistics Limited	(10,732,785) Cr.	4,987,394	(5,745,391) Cr.
BSRM Steels Limited	5,657,949,387 Dr.	(2,389,895,726)	3,268,053,661 Dr.
Bangladesh Steel Re-Rolling Mills Limited	1,139,525 Dr.	480,710,228	481,849,753 Dr.



40.00 Financial Instruments- Accounting classifications and fair values

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

Note ref.		Carrying amount											
		Fair value through profit or loss		Held to maturity		Loans and receivables		Available for sale		Other financial liabilities		Total	
		Taka		Taka		Taka		Taka		Taka		Taka	
30 June 2019													
Financial Assets not measured at fair value													
8 & 9	Trade and other receivables	-	-	-	-	3,944,372,052	-	-	-	-	-	-	3,944,372,052
11.02	Deposits	-	-	-	-	91,138,189	-	-	-	-	-	-	91,138,189
10	Due from related companies	-	-	-	-	7,089,488,125	-	-	-	-	-	-	7,089,488,125
12	Investments in FDR	-	-	-	-	-	-	1,723,216,461	-	-	-	-	1,723,216,461
13.02	Cash at banks	-	-	-	-	-	22,451,292	-	-	-	-	-	22,451,292
		-	-	-	-	-	-	1,723,216,461	-	-	-	-	1,723,216,461
		-	-	-	-	-	-	-	-	-	-	-	12,870,666,119
Financial Liabilities not measured at fair value													
18 & 22	Trade payables and other liabilities	-	-	-	-	-	-	-	-	-	-	-	(720,036,335)
20	Due to related companies	-	-	-	-	-	-	-	-	-	-	-	(569,548,637)
19	Short term borrowings	-	-	-	-	-	-	-	-	-	-	-	(25,020,852,120)
15	Long term borrowings	-	-	-	-	-	-	-	-	-	-	-	(2,860,367,361)
24	Other liabilities	-	-	-	-	-	-	-	-	-	-	-	(19,739,554)
		-	-	-	-	-	-	-	-	-	-	-	(29,190,544,007)
		-	-	-	-	-	-	-	-	-	-	-	(29,190,544,007)
30 June 2018													
Financial Assets not measured at fair value													
8 & 9	Trade and other receivables	-	-	-	-	5,837,890,746	-	-	-	-	-	-	5,837,890,746
11.02	Deposits	-	-	-	-	91,222,342	-	-	-	-	-	-	91,222,342
10	Due from related companies	-	-	-	-	1,697,861,774	-	-	-	-	-	-	1,697,861,774
12	Investments in FDR	-	-	-	-	-	-	1,316,920,481	-	-	-	-	1,316,920,481
13.02	Cash at banks	-	-	-	-	73,944,137	-	-	-	-	-	-	73,944,137
		-	-	-	-	7,700,918,999	-	-	-	-	-	-	7,700,918,999
		-	-	-	-	-	-	1,316,920,481	-	-	-	-	1,316,920,481
		-	-	-	-	-	-	-	-	-	-	-	9,017,839,480
Financial Liabilities not measured at fair value													
18 & 22	Trade payables and other liabilities	-	-	-	-	-	-	-	-	-	-	-	(650,361,497)
20	Due to related companies	-	-	-	-	-	-	-	-	-	-	-	(659,306,643)
19	Short term borrowings	-	-	-	-	-	-	-	-	-	-	-	(26,126,949,522)
15	Long term borrowings	-	-	-	-	-	-	-	-	-	-	-	(4,578,131,118)
24	Other liabilities	-	-	-	-	-	-	-	-	-	-	-	(64,087,012)
		-	-	-	-	-	-	-	-	-	-	-	(32,074,835,792)
		-	-	-	-	-	-	-	-	-	-	-	(32,074,835,792)

41.00 Contingent liabilities**41.01 Bank guarantees**

Mercantile Bank Limited

30 June 2019	30 June 2018
Taka	Taka
12,250,000	3,820,500
12,250,000	3,820,500

The above guarantees have been issued against 100% cash margin.

42.00 Financial Instruments- Financial risk management

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

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

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

42.01 Credit risk

Credit risk is the 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.

42.01.01 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:

	Note(s)	30 June 2019 Taka	30 June 2018 Taka
Investments in FDRs	12	1,723,216,461	1,316,920,481
Advances and deposits	11.01 & 11.02	3,360,746,005	2,355,747,910
Trade and other receivables	8 & 9	3,944,372,052	5,837,890,746
Due from related companies	10	7,089,488,125	1,697,861,774
Cash at banks	13.02	22,451,292	73,944,137
		16,140,273,935	11,282,365,048

(i) 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 the year end 30 June 2019: 98.81% (2018: 99.71%) of the company's receivables balance was with related parties. Based on the company's operations there is no concentration of credit risk.

(ii) Due from related 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 11.50% (30 June 2018: 11.50%) interest per annum and has no prescribed repayment schedule.

(iii) Cash and cash equivalents

The Group held cash at banks of Tk. 22,451,292 at 30 June 2019 (30 June 2018: Tk. 73,944,137), 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.

42.01.02 Impairment losses

Impairment loss at the reporting date

30 June 2019	30 June 2018
Taka	Taka
Nil	Nil
-	-



42.01.03 Credit exposure by credit rating

	Credit rating	As at 30 June 2019	
		Amount	(%)
Trade receivables	NR	3,778,275,791	51.48%
Other receivables	NR	166,096,261	2.26%
Advances, deposits and prepayment	NR	3,372,702,438	45.95%
Cash and cash equivalents			
Cash in hand		327,619	0.00%
Cash at banks		22,451,292	0.31%
AB Bank Limited	A2	2,077,279	9.252%
Al Arafah Islami Bank Limited	AA	18,592	0.083%
Bank Asia Limited	AA2	43,465	0.194%
Commercial Bank of Ceylon	AAA	6,199	0.028%
Dhaka Bank Limited	AA	344,566	1.535%
Dutch Bangla Bank Limited	AA+	855,900	3.812%
Eastern Bank Limited	AA+	5,946,075	26.484%
IFIC Bank Limited	AA2	50,840	0.226%
Islami Bank Bangladesh Limited	AAA	8,422,134	37.513%
Jamuna Bank Limited	AA2	105,881	0.472%
Meghna Bank Limited	A+	49,700	0.221%
Mutual Trust Bank Limited	AA	454,308	2.024%
National Bank Limited	AA	74,155	0.330%
One Bank Limited	AA	52,687	0.235%
Premier Bank Limited	AA+	150,625	0.671%
Prime Bank Limited	AA2	2,562,617	11.414%
Pubali Bank Limited	AA+	111,376	0.496%
Shahjalal Islami Bank Limited	AA2	240,906	1.073%
Social Islami Bank Limited	AA	39,660	0.177%
Sonali Bank Limited	A-	55,403	0.247%
South East Bank Limited	AA	592	0.003%
State Bank of India	AAA	2,045	0.009%
Standard Bank Limited	AA	3,932	0.018%
The City Bank Limited	AA2	464,630	2.070%
Trust Bank Limited	AA2	88,219	0.393%
United Commercial Bank Limited	AA	225,414	1.004%
Uttara Bank Limited	AA	4,092	0.018%

42.02 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:

Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2019	Taka		Taka	Taka	Taka	Taka
Long term borrowings	2,860,367,361	6.85% - 12%	1,722,309,193	1,138,058,168	-	2,860,367,361
Trade payables	117,005,608	N/A	117,005,608	-	-	117,005,608
Short term borrowings	25,020,852,120	4.50% - 13%	25,020,852,120	-	-	25,020,852,120
Liabilities for expenses	603,030,727	N/A	603,030,727	-	-	603,030,727
Due to related companies	569,548,637	11.50%	569,548,637	-	-	569,548,637
Other liabilities	19,739,554	N/A	19,739,554	-	-	19,739,554
	29,190,544,007		28,052,485,839	1,138,058,168	-	29,190,544,007



Non-derivative financial liabilities	Carrying amount	Interest rate	Contractual cash flows			
			Within 12 months	1 to 5 years	More than 5 years	Total
As at 30 June 2018	Taka		Taka	Taka	Taka	Taka
Long term borrowings	4,578,131,118	5.45% - 12%	1,715,036,466	2,863,094,652	-	4,578,131,118
Trade payables	101,413,591	N/A	101,413,591	-	-	101,413,591
Short term borrowings	26,126,949,522	8.50% - 12.5%	26,126,949,522	-	-	26,126,949,522
Liabilities for expenses	548,947,906	N/A	548,947,906	-	-	548,947,906
Due to related companies	659,306,643	11.50%	659,306,643	-	-	659,306,643
Other liabilities	64,087,012	N/A	64,087,012	-	-	64,087,012
	32,078,835,792		29,215,741,140	2,863,094,652	-	32,078,835,792

42.03 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.

(a) 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 has adopted direct risk reduction methods based on matching receipts and payments on assets and liabilities.

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

(i) Exposure to currency risk

	30 June 2019		
	Euro	USD	Taka
Foreign currency denominated assets			
Cash and cash equivalents	-	18,404.32	1,559,766
Trade receivables	-	198,366.80	16,811,586
	-	18,404.32	1,559,766
Foreign currency denominated liabilities			
Liability for accepted bills for payment (ABP)	939,483.91	209,741,995.96	17,869,582,549
Syndicate loan	-	10,909,090.91	924,545,455
	939,483.91	220,651,086.88	18,794,128,004
Net exposure	(939,483.91)	(220,632,682.56)	(18,792,568,238)

The following significant exchange rate is applied during the year:

	Euro	USD
Exchange rate of Euro and US Dollar	100.00	84.75

	30 June 2018		
	Euro	USD	Taka
Foreign currency denominated assets			
Cash and cash equivalents	-	2,523.01	213,194
	-	2,523.01	213,194
Foreign currency denominated liabilities			
Liability for accepted bills for payment (ABP)	311,906.19	158,525,963.12	13,427,258,315
Syndicate loan	-	18,181,818	1,536,363,638
	311,906.19	176,707,781.32	14,963,621,953
Net exposure	(311,906.19)	(176,705,258.32)	(14,963,408,759)

The following significant exchange rate is applied during the year:

	Euro	USD
Exchange rate of Euro and US Dollar	102.00	84.50



(ii) Sensitivity analysis

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

	30 June 2019		30 June 2018	
	Profit or loss		Profit or loss	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
USD (2% movement)	(373,636,165)	373,636,165	(298,631,887)	298,631,887
Euro (2% movement)	(1,878,968)	1,878,968	(636,289)	636,289

(b) Transaction risk

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

(c) Economic risk

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

(d) Interest risk

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

	30 June 2019	30 June 2018
	Taka	Taka
Fixed- rate instruments		
Financial assets	8,812,704,586	3,014,782,255
Financial liabilities	(28,450,768,118)	(31,364,387,283)
	<u>(19,638,063,532)</u>	<u>(28,349,605,028)</u>
Variable- rate instrum		
Financial assets	Nil	Nil
Financial liabilities	Nil	Nil
	<u>-</u>	<u>-</u>

(e) Other market price risk

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

43.00 Capital expenditure commitment

The company has no capital expenditure commitment at the reporting date.

	01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
	Metric Ton	Metric Ton
44.00 Production during the year		
MS billet	<u>913,241.375</u>	<u>860,542.880</u>

	30 June 2019	30 June 2018
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	709	670
	<u>709</u>	<u>670</u>

46.00 Events after reporting date

The Board of Directors at the meeting held on 29 August 2019 has recommended no dividend for year ended 30 June 2019.



Annexure

SUMMARY REPORT ON

Valuation of Land Owned by

BSRM Steel Mills Limited

As at 30 June, 2019



ACNABIN

Chartered Accountants

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BAKER TILLY
INTERNATIONAL



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Ref.: 02.155/2019/1840 (iii)

**The Board of Directors
BSRM Steel Mills Limited**

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

07 August, 2019

Dear Sir,

Summary Report on Valuation of Land Owned by BSRM Steel Mills Limited

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

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

Thank you.

Kind Regards

Md. Mominul Karim, FCA
Partner



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Work procedure for the valuation	2
Mutated, non-mutated and mortgaged land	2
Arriving at the value of the subject land	2
Summary result of the valuation	3
Concluding remarks	4



Preface

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

Introduction

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

Statement of limiting conditions and assumptions

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

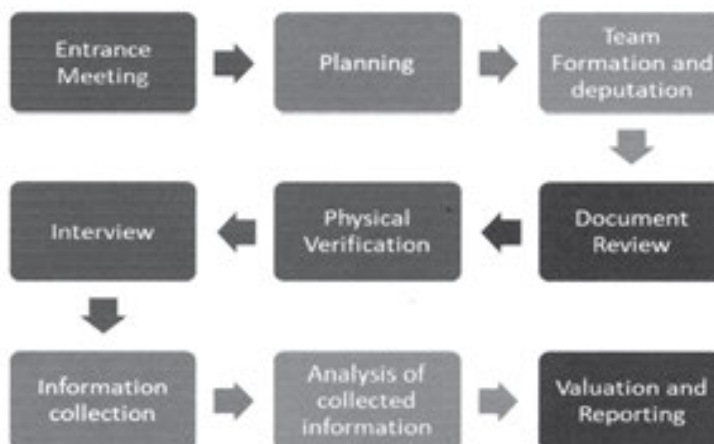
Valuation methodology

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



Work procedure for the valuation

We performed the following procedures and produced the valuation report-



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

Mutated, non-mutated and mortgaged land

The total land area of the company under this valuation assignment is **16,756.2220 Decimals**. Out of total measured land area, mutation process completed for **16,143.7120 Decimals** and **612.5100 Decimals** land found as non-mutated as of the valuation date. The aggregate quantity of land mortgaged with different banks is **16,066.7120 Decimals** located at Mirsarai.

Arriving at the value of the subject land

Following decisive factors were considered to arrive at the value of the subject property-

- Physical position of the land and available approach road;
- Connectivity to the highway;



- c. Connectivity to Thana/Upazila Office;
- d. Common utility facility inside the boundary of the land e.g. existence of electricity connection, deep tube well for water supply and processing of gas connection;
- e. Inside road and establishments to attract premium on the price;
- f. Developed infrastructure facility;
- g. Recent demand of large area of land like the subject land in the area.

Furthermore, using our experiences, discussing with the management of the company, analyzing different information from different sources we arrived at the value of the subject land. However, we assume no liability for such sources. Title to all land owned by BSRM Steel Mills Limited is assumed to be good and marketable.

Summary result of the valuation

The valuation had been conducted using the fair market value method as this is most commonly used and appropriate for valuation of such class of assets. After having completed all the tasks, fair value/market value of lands owned by BSRM Steel Mills Limited as of 30 June, 2019 has been estimated at **BDT 9,789,237,884** (Bangladeshi Taka Nine billion seven hundred eighty nine million two hundred thirty seven thousand eight hundred eighty four only) resulting net revaluation gain of **BDT 6,549,918,199** (Bangladeshi Taka Six billion five hundred forty nine million nine hundred eighteen thousand one hundred ninety nine only).

The summary of the valuation of "Land and Land Developments" of BSRM Steel Mills Limited as of 30 June, 2019 is presented below-





BSRM Steel Mills Limited
Summary on Valuation of "Land and Lnd Developments"

SL	Location	Carrying Amount (30.06.2019)	Area of Mutated Land (Decimals)	Fair Market Value/ Net Relizable Value (BDT)
[A] List of lands for upward valuation:				
1	Sonapahar & Khilmurari, Mirsarai	3,106,023,330	16,066.7120	9,640,027,200
2	East Mayani, Bartakia	14,885,671	77.0000	30,800,000
	[A]	3,120,909,001	16,143.7120	9,670,827,200
[B] List of lands which are not-mutated:				
1	Sonapahar & Khilmurari, Mirsarai	115,626,870	598.1100	115,626,870
2	East Mayani, Bartakia	2,783,814	14.4000	2,783,814
	[B]	118,410,684	612.5100	118,410,684
[C] List of lands purchased between 1.7.2017 to 30.6.2019				
1	No such land being identified	[C]	-	-
	Total (A+B+C)	3,239,319,685	16,756.2220	9,789,237,884

Book value/carrying amount as of 30.6.2019 3,239,319,685

Net Revaluation Gain 6,549,918,199

Notes:

Last valuation was made as of 30 November, 2012.
Land which are not mutated have been excluded for the upward revaluation.
Assets acquired within 2 (Two) years are not being considered for upward revaluation.
The time lag between two valuations for the same class of assets is more than 3 (Three) years.
The lease period of the Leasehold properties are for 99 years and as such considered for upward revaluation.
The remaining lease period of the Leasehold properties are more than 10 years and as such considered for upward revaluation.
Land which are under "Bayna agreement" have not been considered for the upward revaluation.

Concluding remarks

We have arrived at the value of the subject property owned by BSRM Steel Mills Limited by using our best professional judgments which is dependent upon many subjective matters. This conclusion is subject to the "Statement of Assumptions and Limiting Conditions" and "Disclaimer" section narrated in the "Report on Valuation of Land Owned by BSRM Steel Mills Limited" as separately presented.





SALMA BEGUM

A COURAGEOUS HEART, STRONGER THAN STEEL

Salma Begum* may look like any other girl, but in her heart she is different. Through sheer force of will, she tried to stand on her own two feet after becoming a widow at an early age. During her time of need, BSRM Foundation Training Center extended a helping hand. Learning several handwork skills from the foundation, Salma has now become self-dependent. With her earnings, she has raised a brick-built house and sent her son to school. She has inspired many women to gather their courage and dream of a better future.

From Salma Begum and countless women just like her, we have learned one thing – that there is no steel stronger than their unwavering willpower. BSRM is grateful to stand beside such unstoppable women of steel.



To watch Salma's story,
scan the QR Code



AUDITOR'S REPORT & FINANCIALS

FOR THE YEAR ENDED ON JUNE 30, 2019
OF SUBSIDIARY

BSRM (HONG KONG) LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2018,
DATE OF INCORPORATION, TO 30 JUNE 2019

VICTOR LING & PARTNERS (C.P.A.) LIMITED
Certified Public Accountants (Practising)

BSRM (HONG KONG) LIMITED REPORT OF THE DIRECTORS

The directors have pleasure in submitting their first report together with the audited financial statements for the period from 30 May 2018, date of incorporation, to 30 June 2019.

PRINCIPAL ACTIVITY

The principal activity of the company during the period was trading of steels products, procurements and inspection of raw materials.

FINANCIAL STATEMENTS

The results of the company for period ended 30 June 2019 and the state of the company's affairs at that date are set out in the financial statements on pages 6 to 13.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the period are set out in note 10 to the financial statements.

ISSUE OF SHARE

The company was incorporated with a share capital of HK\$1. At the time of incorporation, 1 ordinary share of HK\$1 was issued, for cash, to the subscriber to provide the initial working capital for the company.

DIVIDEND AND RESERVES

The directors do not recommend the payment of a dividend nor the transfer of any amount to reserves for the period ended 30 June 2019.

DIRECTORS

During the period and up to the date of this report, the following directors held office:-

Alihussain Aameir	(Appointed on 30 May 2018)
Ali Zohair Taher	(Appointed on 30 May 2018)

There being no provision in the company's articles of association for the retirement of directors by rotation, all of the directors continue in office for the ensuing year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the period.

BSRM (HONG KONG) LIMITED
REPORT OF THE DIRECTORS (CONT'D)

BUSINESS REVIEW

The company falls within reporting exemption for the period. Accordingly, the company is exempted from preparing a business review.

AUDITOR

A resolution for the reappointment of Victor Ling & Partners (C.P.A.) Limited, Certified Public Accountants (Practising), as auditor of the company is to be proposed at the forthcoming annual general meeting.

By Order of the Board



Alihussain Aameir
 Chairman
 Hong Kong, 12 August 2019



凌錦棠會計師事務所有限公司
VICTOR LING & PARTNERS (C.P.A.) LIMITED
Certified Public Accountants (Practising)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF BSRM (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

OPINION

We have audited the financial statements of BSRM (Hong Kong) Limited ("the Company") set out on pages 6 to 13, which comprise the statement of financial position as at 30 June 2019, and the income statement for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditor's report thereon.

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

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



凌錦棠會計師事務所有限公司
VICTOR LING & PARTNERS (C.P.A.) LIMITED
Certified Public Accountants (Practising)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF BSRM (HONG KONG) LIMITED (CONT'D)
(incorporated in Hong Kong with limited liability)

**RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE
FOR THE FINANCIAL STATEMENTS**

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion, solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



凌錦棠會計師事務所有限公司
VICTOR LING & PARTNERS (C.P.A.) LIMITED
Certified Public Accountants (Practising)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF BSRM (HONG KONG) LIMITED (CONT'D)
(incorporated in Hong Kong with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the possible outcome of the availability of adequate and continuing financial support from the company's shareholders. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available from the company's shareholders. The financial statements do not include any adjustments that would result from a failure to obtain such funding from the company's shareholders. We consider that appropriate estimates and disclosures have been made and our opinion is not qualified in this respect.

Victor Ling & Partners (C.P.A.) Limited
Certified Public Accountants (Practising)

Hong Kong, 12 August 2019
Ling Kam Tong, Victor
Practising Certificate Number: P1455

BSRM (HONG KONG) LIMITED
INCOME STATEMENT
FOR THE PERIOD FROM 30 MAY 2018 TO 30 JUNE 2019
(Expressed in Hong Kong dollars)

	Note	Period from 30 May 18 to 30 Jun 19 HK\$
TURNOVER	3	473,610
LESS : PURCHASE		441,292
GROSS PROFIT		32,318
OTHER INCOME	4	235,046
TOTAL INCOME		267,364
LESS:		
GENERAL AND ADMINISTRATIVE EXPENSES		858,340
FINANCE COSTS	5	33,514
LOSS BEFORE TAXATION	7	(624,490)
INCOME TAX	9	0
LOSS AFTER TAXATION		(624,490)

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

BSRM (HONG KONG) LIMITED
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019
(Expressed in Hong Kong dollars)

	Note	As at 30 Jun 19 HK\$
NON-CURRENT ASSETS		
Property, plant and equipment	8	<u>54,536</u>
CURRENT ASSETS		
Accounts receivable		536,980
Deposits		82,029
Prepayment		23,973
Cash and bank balances		<u>36,344</u>
		<u>679,326</u>
Less:		
CURRENT LIABILITIES		
Accrued expenses		135,662
Amount due to holding company	10	873,440
Bank loan	12	<u>349,249</u>
		<u>1,358,351</u>
NET CURRENT LIABILITIES		<u>(679,025)</u>
NET LIABILITIES		<u>(624,489)</u>
EQUITY AND RESERVES		
Share capital	11	1
Accumulated losses		<u>(624,490)</u>
		<u>(624,489)</u>

The financial statements on pages 6 to 13 were approved and authorised for issue by the Board of Directors on 12 August 2019.



Alihussain Aameir
Director



Ali Zohair Taher
Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with, these financial statements.

BSRM (HONG KONG) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 30 MAY 2018 TO 30 JUNE 2019
(Expressed in Hong Kong dollars)

	Share capital HK\$	Accumulated losses HK\$	Total HK\$
Issue of share	1	0	1
Loss for the period	0	(624,490)	(624,490)
Balance as at 30 June 2019	<u>1</u>	<u>(624,490)</u>	<u>(624,489)</u>

BSRM (HONG KONG) LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2018 TO 30 JUNE 2019
(Expressed in Hong Kong dollars)

1 GENERAL

The company is a private company incorporated in Hong Kong with limited liability. The registered office and principal place of business of the company is at Suite No. 9 29/F Pacific Plaza, 410 Des Voeux Road West, Hong Kong. The principal activity of the company during the period was trading of steels products, procurements and inspection of raw materials.

Notwithstanding the net liabilities at the end of the reporting period, the accounts have been prepared on the going concern basis as the member have confirmed to provide adequate and continuing financial support to the company to meet its liability as and when they fall due.

2 PRINCIPAL ACCOUNTING POLICIES

The company qualifies for the reporting exemption as a small private company under section 359(1)(a) for the Hong Kong Companies Ordinance (Cap. 622). The company is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (the 'SME-FRS') issued by the Hong Kong Institute of Certified Public Accountants.

The financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost convention.

The following are the specific accounting policies that are necessary for a proper understanding of the financial statements:-

(a) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Company and when the revenue can be measured reliably, on the following basis:-

- (i) Sale of goods is recognised when the goods are delivered and the risks and rewards of ownership have passed to customer; and
- (ii) Interest income from bank deposits is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.
- (iii) Commission income from inspecting materials is recognised when the services rendered

(b) Employee benefits

Obligations for contributions to defined contribution retirement plans, including contributions payable under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income statement as incurred.

BSRM (HONG KONG) LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2018 TO 30 JUNE 2019
(Expressed in Hong Kong dollars)

2 PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment

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

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

<u>Category of assets</u>	<u>Depreciation rate</u>
Leasehold improvement	20% per annum
Furniture and fixtures	20% per annum

(d) Taxation

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.

(e) Impairment of assets

An assessment is made at the end of each reporting period to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment, intangible assets and long-term investments. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognised in the income statement. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortisation or depreciation), had no impairment losses been recognised for the asset in prior years.

(f) Operating leases

Payments under operating leases are charged to the income statement on a straight line basis over the periods of the respective leases.

BSRM (HONG KONG) LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2018 TO 30 JUNE 2019
(Expressed in Hong Kong dollars)

2 PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(g) Related parties

A part is considered to be related to the Company if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Company;
 - (ii) has significant influence over the Company; or
 - (iii) is a member of the key management personnel of the Company or of a parent of the Company; or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Company are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Company are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. (If the Company is itself such a plan) and the sponsoring employers of the post-employment benefit plan;]
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the

3 TURNOVER

Turnover represents the net invoice value of goods sold less discounts and returns.

4 OTHER INCOME

Other income include the following:

	Period from 30 May 18 to 30 Jun 19 HK\$
Commission on inspecting materials	235,030
Bank interest income	16
	<u>235,046</u>

BSRM (HONG KONG) LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2018 TO 30 JUNE 2019

5 FINANCE COSTS

	Period from 30 May 18 to 30 Jun 19 HK\$
Bank charges	29,956
Exchange loss	2,102
Interest on bank loans and overdraft	1,456
	<u>33,514</u>

6 DIRECTOR'S REMUNERATION

Director's remuneration disclosed pursuant to section 383(1)(a) of the Hong Kong Companies Ordinance is as follows:-

Fees	Nil
Pension scheme contributions	Nil
Other emoluments	140,000
	<u>140,000</u>

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging :-

Audit fee	10,000
Depreciation	13,634
Staff costs	501,000
	<u>524,634</u>
and after crediting:-	
Bank interest income	16
	<u>16</u>

8 PROPERTY, PLANT & EQUIPMENT

	Leasehold improvement	Furniture and fixtures	Total
Cost:			
Additions			
and at 30 June 2019	<u>33,800</u>	<u>34,370</u>	<u>68,170</u>
Aggregate depreciation:			
Charge for the period			
and at 30 June 2019	<u>6,760</u>	<u>6,874</u>	<u>13,634</u>
Net book value:			
At 30 June 2019	<u>27,040</u>	<u>27,496</u>	<u>54,536</u>

BSRM (HONG KONG) LIMITED
ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 30 MAY 2018 TO 30 JUNE 2019

9 TAXATION

No provision for Hong Kong profits tax has been made in the accounts as the company sustained an estimated tax loss for the year period 30 June 2019.

10 AMOUNT DUE TO HOLDING COMPANY

The advance is interest free, unsecured and has no fixed terms of repayments.

11 SHARE CAPITAL

	As at 30 June 19
Issued and fully paid:	
1 ordinary share	<u>1</u>

12 BANK LOAN

Banking facilities made available to the Company are secured by personal guarantee from director

13 FUTURE MINIMUM LEASE PAYMENT

At 30 June 2019, the future minimum lease payment under non-cancellable operating leases in respect of premises are as follows:

Not later than one year	230,400
Later than one year	<u>86,400</u>
	<u>316,800</u>

15 RELATED PARTY TRANSACTIONS

In additions to the transactions and balances disclosed elsewhere in these financial statements, the company had the following material related party transactions during the year:

	Period from 30 May 18 to 30 Jun 19 HK\$
Purchase from related companies	349,249
Goods sold to related companies	<u>56,629</u>

BSRM (HONG KONG) LIMITED
INCOME STATEMENT
FOR THE PERIOD FROM 30 MAY 2018 TO 30 JUNE 2019
(Expressed in Hong Kong dollars)

(FOR MANAGEMENT
PURPOSES ONLY)

	Period from 30 May 18 to 30 Jun 19 HK\$
TURNOVER	473,610
LESS : PURCHASE	441,292
GROSS PROFIT	<u>32,318</u>
OTHER INCOME	
Commission on inspecting materials	235,030
Bank interest income	16
	<u>235,046</u>
TOTAL INCOME	<u>267,364</u>
GENERAL AND ADMINISTRATIVE EXPENSES	
Audit fee	10,000
Business registration fee	250
Depreciation	13,634
Electricity	2,139
Insurance	3,794
Legal and professional fees	74,005
Mandatory provident fund	20,500
Printing and stationery	1,344
Rent and rates	184,094
Salary and allowances	501,000
Sundry expenses	43,561
Telephone charges	4,019
	<u>858,340</u>
FINANCE COSTS	
Bank charges	29,956
Exchange loss	2,102
Interest on bank loans and overdraft	1,456
	<u>33,514</u>
LOSS BEFORE TAXATION	<u>(624,490)</u>

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

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

COUNTRY'S NO. 1 STEEL EXPERT



Shareholders along with members of Board at 56th AGM



Mr. Alihussain Akberali FCA, Chairman of the Company along with Company Secretary and other Directors addressed number of issues to the shareholders at 56th AGM



Mr. Tapan Sengupta, Deputy Managing Director receiving National Productivity and Quality Excellence Award-2017 (3rd Position in Large Industry Category)



National Export Award, 2016-2017 BSRM achieved the "National Export Trophy (Silver), 2016-2017". Honorable Prime Minister Shiekh Hasina inaugurated the ceremony as chief guest and handed over the esteemed award to General Manager Corporate Affairs Mr. Kazi Anwar Ahmed

Mr. Alihussain Akberali FCA,
Chairman receiving
The Award for "1st Highest Tax
Payer" in engineering category



Mr Aameir Alihussain,
Managing Director
Nominated Commercially
Important Person (CIP) in
Large Industry (Manufacturing)
Category for the year 2016



Mr. Tapan Sengupta,
Deputy Managing Director
receiving the National Export
Award 2015-2016





BSRM awarded for being the best electricity consumer of 2015 under industrial category in Power & Energy week 2015. President Mr. M Abdul Hamid inaugurated the ceremony as chief guest and handed over the esteemed award to Managing Director Mr. Aamier Alihussain



Kazi Anwar Ahmed, General Manager Corporate Affairs Reciving the award of "Best Brand of Bangladesh in Steel Category in -2017"



BSRM achieved the "National Export Trophy Silver, 2013-14". Honorable Prime Minster Sheik Hasina handed over the esteemed award to Finance Director Mr. Zohair Taherali



"16th ICAB National Award for Best Presented Annual Report 2015"

SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING (AGM)

No. of AGM : 57th AGM

Date : December 19, 2019

Venue : Shoronika Community Center, 13, Love Lane, Chattogram

Time : 12:00 PM

FINANCIAL CALENDAR

Financial Period: 1st July 2018 to 30th June 2019.

During the year 2018-19 operational results of the company were announced on:

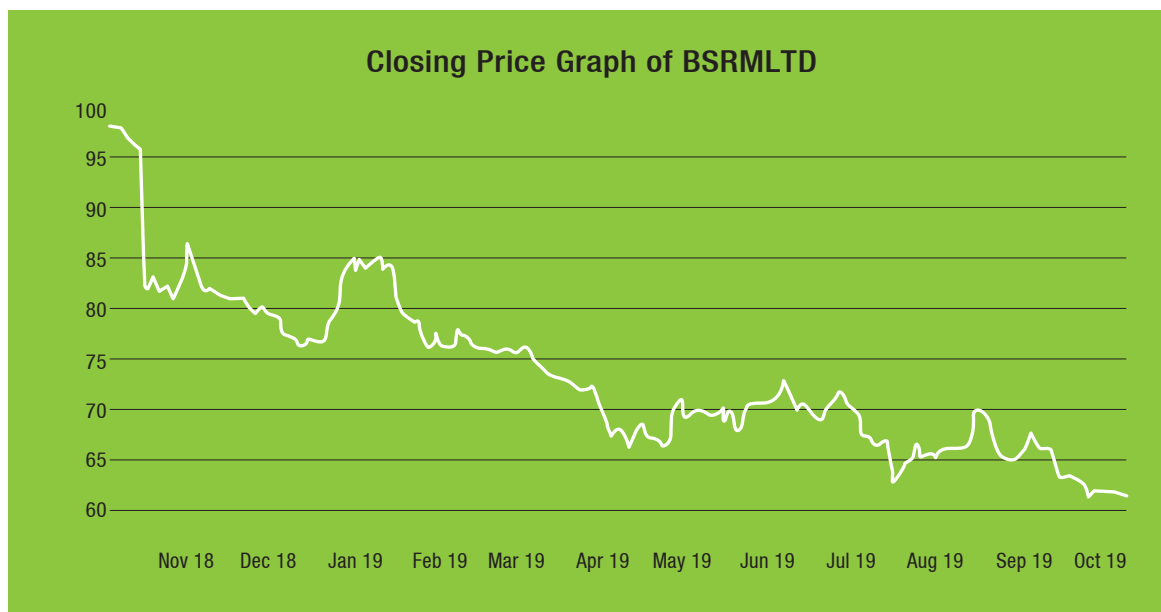


RECORD DATE

The record date is 27th October, 2019.

BSRMLTD SHARE PERFORMANCE ON STOCK EXCHANGES

Movement of share price on **Dhaka Stock Exchange Ltd. (DSE)** during the year 2018-19:



DIVIDEND RATE

The Board in its 412th meeting held on 16th September, 2019 recommended dividend 25% Cash per share for the year ended 30th June 2019.

LISTING: The company's shares are listed at the Stock Exchanges at Dhaka and Chittagong of Bangladesh.

FACE VALUE PER SHARE: Tk. 10/=

CLOSING PRICE PER SHARE

Closing Price of per share of your company as at 30th June 2019 was Taka 70.90

DIVIDEND		
Year	Rate of Dividend	Form of Dividend
2018-19	25%	Cash (Recommended)
2017-18	10% & 10%	Cash & Stock
2016-17	10%	Stock
2016-17	10%	Cash (Interim)
2015	10% & 5%	Stock & Cash (Respectively)
2014	10%	Cash
2013	Nil	N/A
2012	15%	Cash
2011	100%	Stock
2010	15%	Cash

EPS	
Year	Taka
2018-19(Jul-Jun)	7.88
2017-18 (Jul-Jun)	11.77
2016-17 (Jul-Jun)	3.53
2015-16 (Jul-Jun)	6.12
2015	4.78
2014	0.70
2013	6.06
2012	2.91
2011	17.88
2010	4.43

MARKET CAPITALIZATION	
Year	Taka in million
2018-19	16,737
2017-18	21,032
2016-17	26,260
2015	23,340

PLANT LOCATION

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

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

INVESTOR CORRESPONDENCE

Mail to: Bangladesh Steel Re-Rolling Mills Limited, Ali Mansion, 1207/1099, Sadarghat Road, Chattogram, Bangladesh

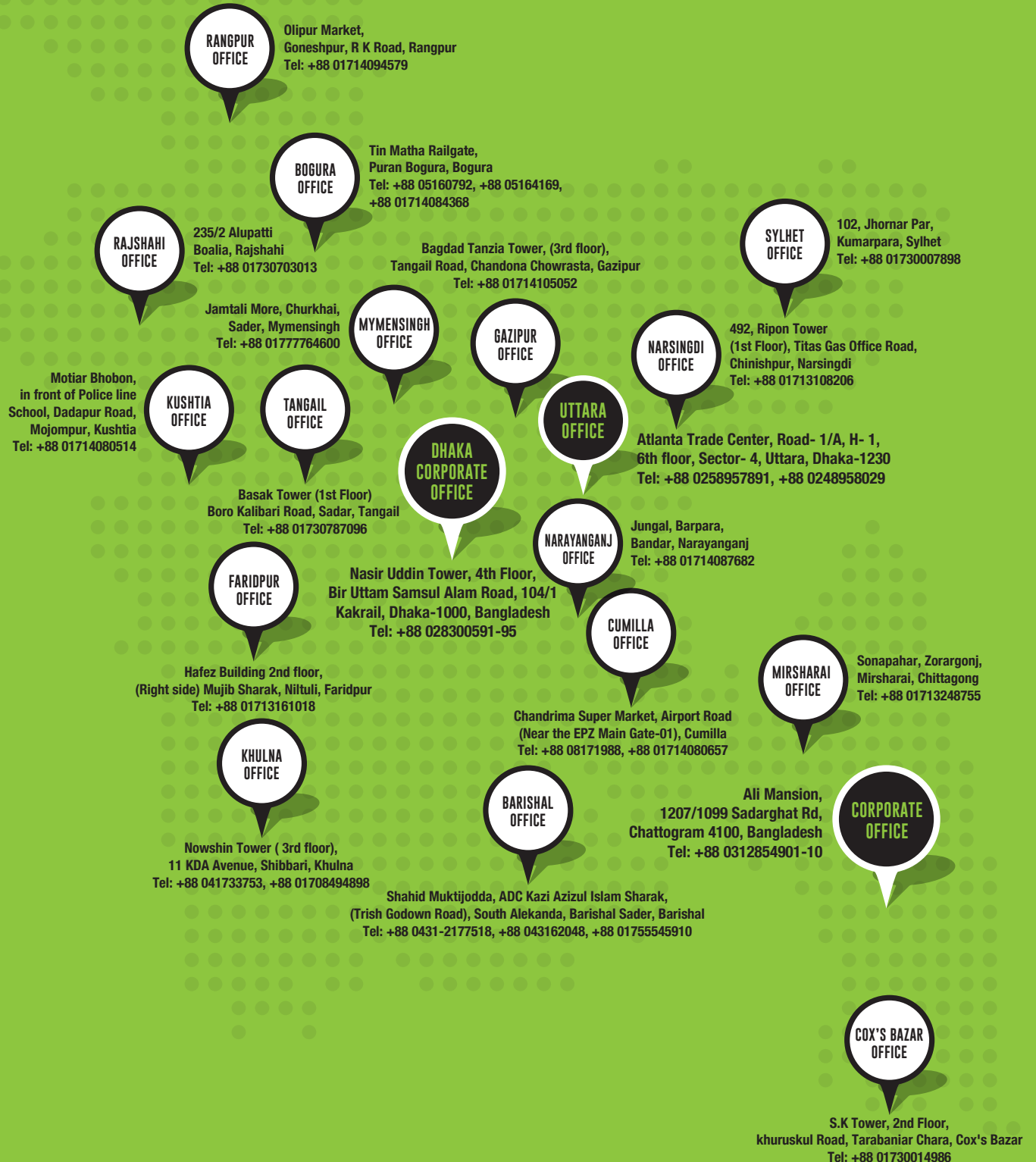
Voice: +880 31 2854901-10, **E-mail:** mail@bsrm.com, **Fax:** +880 31 610101

Web: www.bsrm.com

GLOSSARY OF TERMS

Terms	Brief Description
The Company/BSRMLTD	Bangladesh Steel Re-Rolling Mills Limited
Subsidiary Company	BSRM Steel Mills Limited & BSRM (Hong Kong) Limited
Associate Company	BSRM Steels Limited
Revenue	Turnover or Sales
Profit	Income
Profit attributable to the shareholders'	Net profit after tax
Basic EPS	Basic Earnings per Share (Profit attributable to the Ordinary shareholders divided by weighted average number of Ordinary Shares)
Diluted EPS	Diluted Earnings or Income per Share
Deferred Tax	Difference between the carrying value of property, plant & equipment as per financial statements and tax written down value and financial position liability method for gratuity obligation.
Equity	Shareholders' Fund or Owners' Fund
Net Current Assets	Current Assets less Current Liabilities
Capital Employed	Non-current Assets plus Net Current Assets
Revaluation Reserve	Reserve created from assets re-valuation
EBITDA	Earnings before Interest, Tax & Depreciation Allowance
Return on Shareholders' Equity	Net Profit after Tax divided by Shareholders' Equity
Return on Capital Employed	Net Profit after Tax divided by Capital Employed
Current Ratio	Current Assets divided by Current Liabilities
Quick / Acid Test Ratio	Current Assets less Inventories divided by Current Liabilities
Inventory Turnover Ratio	Revenue divided by Inventories
Total Assets Turnover Ratio	Revenue divided by Total Assets
P/E Ratio	Market value per share as at reporting date divided by EPS
Price/Equity Ratio	Market price divided by face value per share
Dividend Payout Ratio	Yearly dividend per share divided by EPS
Dividend Covered Ratio	Net Profit after Tax divided by declared Dividend
Debt-equity Ratio	Current plus long term liabilities divided by shareholders' equity
Interest Coverage Ratio	EBIT divided by Interest expenses
Market Capitalization	Market price per share multiplied by Ordinary number of Shares

BSRM OFFICE MAP



NOTE

Handwriting practice area with horizontal dashed lines.

NOTE

Lined area for notes, consisting of multiple horizontal dashed lines.

NOTE

Bangladesh Steel Re-Rolling Mills Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.
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 57th Annual General Meeting (AGM) of the Company to be held on December 19, 2019 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my/our behalf as he/she thinks appropriate on all resolutions.

Dated thisday of.....2019.

.....
Signature of the Shareholder

Folio /BO ID No:

Dated

.....
Signature of the Shareholder

Folio /BO ID No:

Dated

.....
Signature of the witness

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

Signature Verified

.....
Authorized Signature
Bangladesh Steel Re-Rolling Mills Limited

Bangladesh Steel Re-Rolling Mills Limited
Registered office: Ali Mansion, 1207/1099 Sadarghat Road, Chattogram.
ATTENDANCE SLIP

I hereby record my presence at the 57th Annual General Meeting of Bangladesh Steel Re-Rolling Mills Limited on December 19, 2019.

I/We

BO ID

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

Signature

.....
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.

Corporate Office:

Ali Mansion

1207/1099 Sadarghat Road

Chattogram, Bangladesh.

Tel: +880 31 2854901-10

Fax: +880 31 610101

Email: mail@bsrm.com