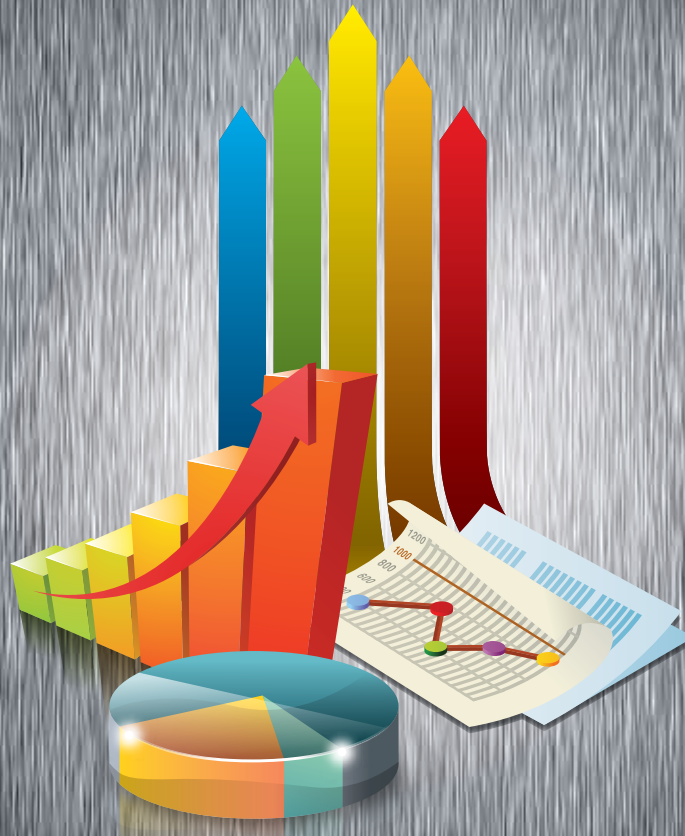




Contributing to Building the Nation



ANNUAL REPORT 2011

BSRM STEELS LIMITED

ANNUAL REPORT 2011

BSRM STEELS LIMITED



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

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

Trust: Preserve the faith and goodwill of all our stakeholders, customers, shareholders, suppliers, employees, regulatory bodies and

society, by-adopting ethical and transparent business practices, being fair and honest in all our dealings and building robust governance and risk management processes.

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

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

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



BSRM GROUP
OVER THE YEARS

1952	The BSRM saga began when the first steel re-rolling mills started to emerge in the then East Bengal.
1984	Introduced high-strength cold twisted steel bars to the construction industry.
1987	Introduced ASTM 615 Grade 60 reinforced steel bars.
1996	Commissioned the then largest billet making plant in the country- Meghna Engineering Works Limited.
2006	Introduced micro reinforcement wires, below 8mm for low cost rural construction.
2008	BSRM Steels Limited started producing internationally recognized Grade 500 steel bars branded as “Xtreme 500W”.
2009	<p>Entrance in the Capital Market</p> <p>Shares of the BSRM Steels Limited, the flagship company of the BSRM Group of Companies was listed with the country's premier bourses Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) on 18 January 2009. Market Capitalization as on December 31, 2011 was Taka 3,864 crore which was 11 times higher than face value.</p> <p>The public shareholding including institutional investors was 26.41%.</p>
2010	<p>BSRM Iron and Steel Co. Ltd., largest billet making plant in the country, started commercial production on June 01, 2010.</p> <p>Production capacity of BSRM Steels Limited enhanced to 5, 50,000 MT per year.</p>

Awards and Recognitions

Best Enterprise of the year 2010

BSRM was awarded the most prestigious award given to any steel company in Bangladesh. BSRM was judged the Best Enterprise of the year 2010 by the Bangladesh Business Award hosted by the DHL-Daily Star.



Mr. Alihussain Akberali, Chairman, BSRM Steels Ltd. is receiving Best Enterprise of the Year-2010 award from Mr. Faruk Khan, MP, Commerce Minister, GOB

BSRM acknowledges that without active support from dealers, direct and indirect workers, employees at all level and host of connected agencies it would not have achieved what the company has today. Management of the company congratulates all of its shareholders, patrons, employees on such lone achievement in the industry in which company operates.

Ranked at 23rd among Bangladesh's top 500 companies

Dun & Bradstreet South Asia Middle East Limited (DNBSAME) awarded "D & B Corporate Awards 2010 to BSRM Steels Limited under steel category and ranked BSRM Steels Limited as 23rd company among Bangladesh's Top 500 companies 2010.

Dun & Bradstreet South Asia Middle East Limited (DNBSAME) initiated a series of corporate awards to recognize the corporate leaders of Bangladesh based on their performance and contribution to the economy.

Highlights of 2011

PRODUCTION:

- Capacity 550,000 MT per year

	<u>2011</u>	<u>2010</u>
• Production Qty (MT)	523,624	433,823

Production increased by 20.70% from 2010

SALES:

	<u>2011</u>	<u>2010</u>
• Sales Qty (MT)	517,887	442,707

Sales increased by 16.98% from 2010

FINANCIAL PERFORMANCE:

	<u>2011</u>	<u>2010</u>	<u>Change</u>
• Turnover (in crore taka)	3,123.47	2,200.76	922.71
• Gross Profit (%)	6.13%	8.77%	-2.64%
• Post tax profit (%)	2.69%	4.38%	-1.69%
• EPS (Tk)	2.58	2.96	-0.38

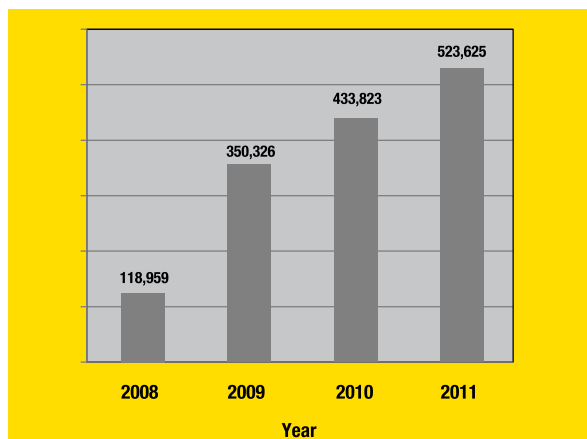
FINANCIAL POSITION:

	<u>2011</u>	<u>2010</u>	<u>Change</u>
• Net Asset Value (in Crore Taka)	297.41	213.49	83.92
• Net Asset Value Per Share (Tk)	9.14	7.87 (Re-stated)	1.27
• Total Paid-up Capital (in Crore Taka)	325.50	271.25	54.25

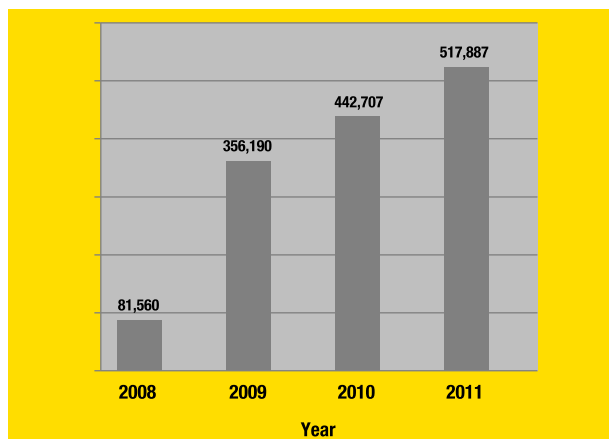
CAPITAL MARKET PERFORMANCE:

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
• Face Value Per Share (TK)	10	100	100	100
• Dividend%	15% Cash (Recommended)	20% Stock	15% stock	-

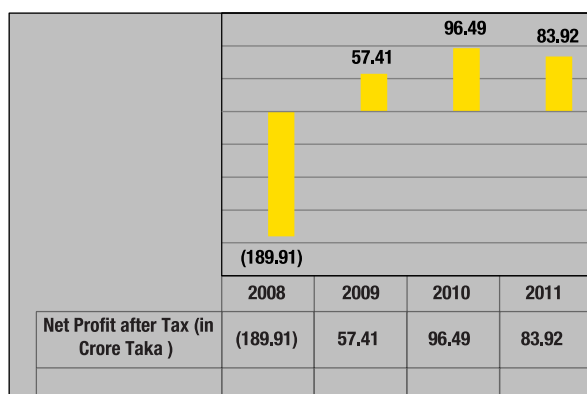
Production (Qty in MT)



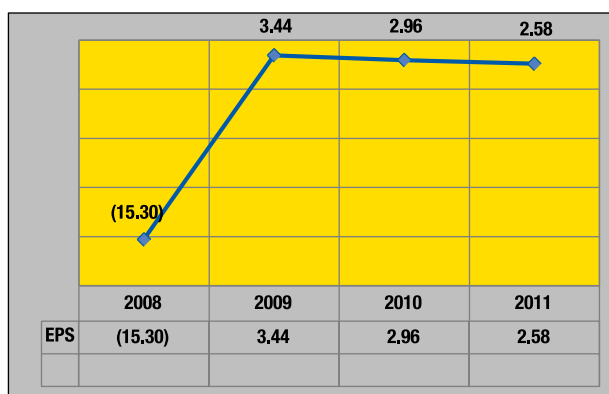
Sales (Qty in MT)



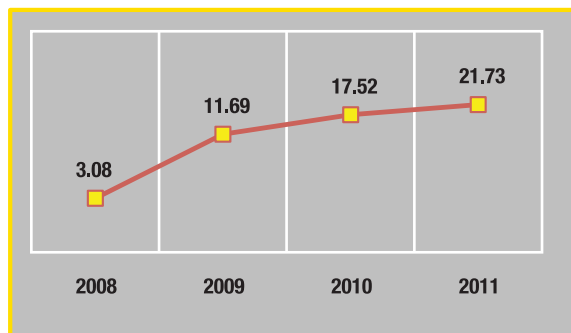
Net Profit After Tax (In Crore Taka)



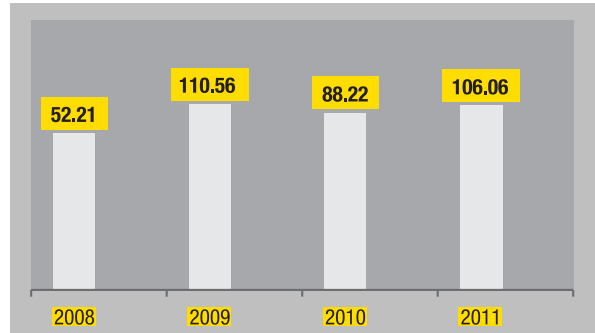
Earnings Per Share (EPS) in Taka



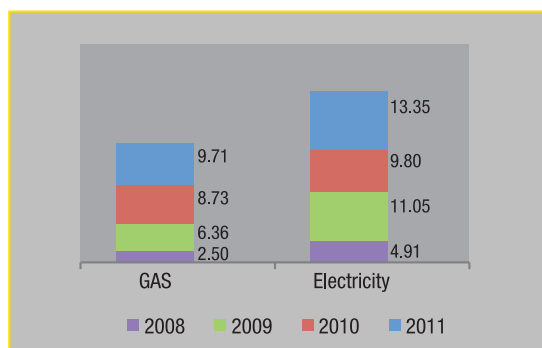
Value Added Tax (VAT) - In Crore Taka



Govt. Duty Paid (In Crore Taka)

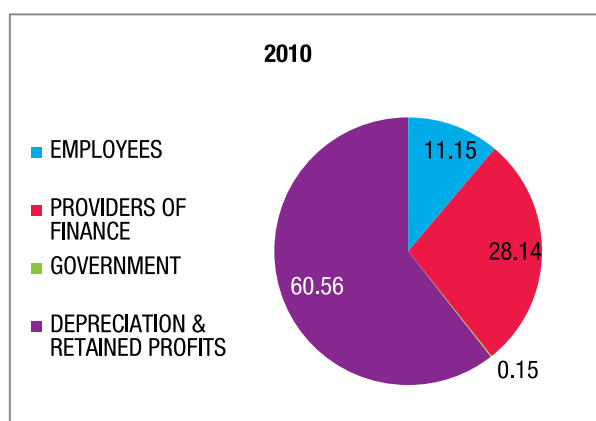
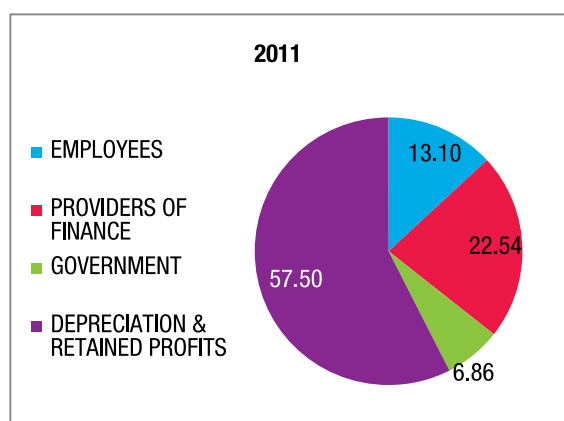


Utility Paid (In crore Taka)



Value Added Statement

	2011 TK.	%	2010 TK.	%
Value Added:				
Revenue	31,234,710,327		22,007,682,247	
Other Income	47,548,930		2,798,899	
	31,282,259,257		22,010,481,146	
Less: Paid to suppliers for materials and services	29,490,673,220		20,109,906,223	
	1,791,586,037		1,900,574,923	
Distributed as follows:				
EMPLOYEES: Wages, Salaries, bonus, commissions, pensions and other benefits	234,717,051	13.10	211,976,802	11.15
PROVIDERS OF FINANCE	403,745,379	22.54	534,730,126	28.14
GOVERNMENT	122,915,685	6.86	2,787,861	0.15
	761,378,115	42.50	749,494,789	39.44
RETAINED FOR REINVESTMENT & FUTURE GROWTH				
Depreciation	191,002,872	10.66	186,194,150	9.80
Retained Profit	839,205,050	46.84	964,885,985	50.77
	1,030,207,922	57.50	1,151,080,135	60.56
	1,791,586,037	100	1,900,574,924	100



Products & Markets

BSRM is the largest steel manufacturing company in the country. Its steel manufacturing business consists of high strength concrete reinforcing bars and structural sections such as angles and channels.

Another feather in the cap for BSRM

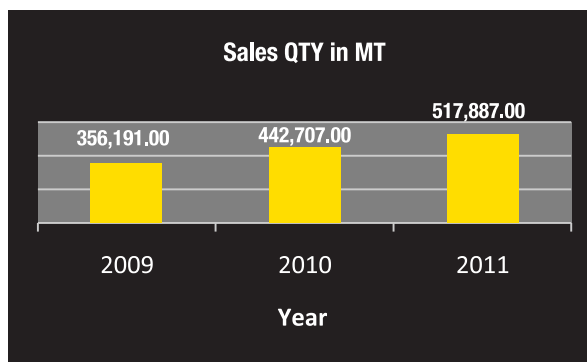
For the first time in the country, BSRM introduced another innovative product namely '500MPa 40mm yield strength concrete reinforcing bar'. This is a technological feat that has been achieved through the untiring efforts of BSRM engineers and staffs.

The 40mm diameter bar, despite its high yield, has remarkable ductility and can be safely bent without cracking.

Such large diameter bars are used in bridge piers, deep water ports and in the foundations of very tall buildings.

Market performance

On the basis of data available, BSRM is the market leader in the steel industry. Net sales for 2011 was 517,887MT with value in Taka 3,123.47 crore. The Chart shows sales growth of BSRM Steels Limited of the last three years.



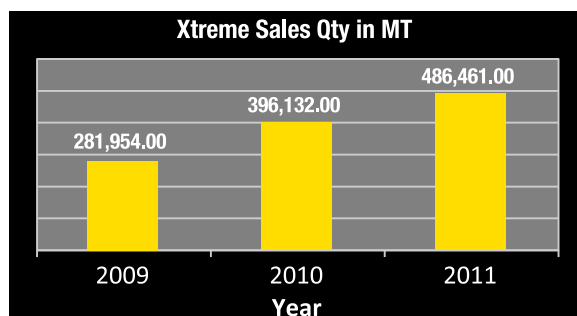
A. Xtreme500W

Celebration of 3rd birthday of Xtreme500W

In 2011 BSRM celebrated the 3rd birthday of its premier brand Xtreme500W. During this brief and turbulent period, it transformed the way consumers think about steel. In the pre-Xtreme days, rebar was just MS rod but today it is a living brand.

Xtreme500W constitutes more than 80% of the overall sales of the company. And in the year 2011, Xtreme500W was the steel of choice also for infrastructure projects and property developers. Dhaka's emerging skyline of tall buildings could confidently boast of "Xtreme inside" emblem as the majority of commercial and residential property developers preferred the new re-bar for its excellent safety feature of high ductility and higher yield resistance.

The graph shows the sales growth of BSRM Xtreme500W for BSRM Steels Limited:



Mentionable infrastructure of Xtreme500W used:

- The gleaming new cable stayed bridge over the river Karnafully in Chittagong put its trust in BSRM Xtreme500W.
- The pride of Dhaka, the 9.6 kilometer Gulistan-Jatrabari fly-over, also preferred Xtreme500W.
- The under construction flyover of Chittagong city at Bahaddarhat is also using Xtreme500W.

Unique Feature of Xtreme500W

1. High design yield strength of 500 MPa (72500psi) (Min)
2. Requires 15% less steel in construction compared to Grade 60 rebars available in the market.
3. The bars have superior bendability and can be safely bent without cracking.
4. All bar sizes are rolled to a very close tolerance (possible on a DANIELI computerized rolling mill) so that customers get more meters of steel per ton- more value for money without having to sacrifice structural integrity. Estimated savings: 0.5%.
5. De-scaled bars have better bonding with concrete and less wastage at site. Estimated savings: 0.5%
6. Xtreme bars are safely weldable under field conditions. Another 0.5% to 1.5% of steel is saved by avoiding large splices.
7. The bars are needle-straight, thanks to the DANIELI QTB process- no need for straightening on the construction site.

B. Grade 60 and Grade 40 Deformed Bar

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

C. Structural Steel

Besides Xtreme500W and other graded bars, BSRM Group also manufactures and sells various kinds of structural steel products. Following are the product mix of structural steels manufactured by the BSRM:

- a. Structural MS Angles
- b. Structural MS Channel
- c. Shaft
- d. Flat Bar Spring Steel

Transmittal Letter

April 29, 2012

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

Subject: Annual Report for the year ended December 31, 2011.

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report of BSRM Steels Limited together with the Audited Financial Statements, Consolidated Financial Statements, Report of the Board of Directors and Auditor's Report thereon for the year ended December 31, 2011 for your information and records.

Yours Sincerely,



Shekhar Ranjan Kar FCA
Group CFO & Company Secretary

Notice of The 10th Annual General Meeting

Notice is hereby given that the 10th Annual General Meeting of shareholders of BSRM Steels Limited will be held on 20th May 2012 at 11.00 a.m. at the Institution of Engineers, Bangladesh, S.S. Khaled Road, Chittagong, for the following purposes:

1. To receive, consider and adopt the Audited Financial Statements along with Consolidated Audited Financial Statements of the Company for the year ended 31st December 2011 together with the Directors' Report and the Auditors' Report on those Financial Statements.
2. To elect /re-elect the Director(s) of the company.
3. To appoint Auditors for the year 2012 & fix their remuneration.
4. To declare Dividend for the year ended 31st December 2011.

By Order of the Board



Shekhar Ranjan Kar FCA
Group CFO & Company Secretary

Chittagong.
22nd April, 2012.

Notes

- Record Date was 4th April 2012.
- Shareholder whose name appears in the share register of the company or in the Depository Register on the record date will be entitled to attend the AGM and receive the Dividend.
- A shareholder entitled to attend and vote at the meeting may appoint a proxy or proxies in his/her stead and forms of proxy must be lodged at the Company's Share Office, Ali Mansion, Sadarghat Road, Chittagong not later than 48 hours before the AGM.

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

Company Information

COMPANY NAME

BSRM STEELS LIMITED

DATE OF INCORPORATION

20th July, 2002

DATE OF COMMERCIAL OPERATION

1ST APRIL, 2008

SHARE CAPITAL

Authorized capital

BD Tk. 500.00 crore

Paid Up Capital

BD Tk. 325.50 crore

BORAD OF DIRECTORS

Mr. Alihussain Akberali FCA,
Chairman

Mr. Aameir Alihussain
Managing Director

Mr. Zohair Taherali
Director

Mrs. Tehseen Zohair Taherali
Director

Mrs. Sabeen Aameir
Director

Mr. Qazi Sarwar E-Alam
Independent Director

AUDIT COMMITTEE

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

COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA

MANAGEMENT COMMITTEE

Mr. Tapan Sengupta, Executive Director
Mr. Kazi Anwar Ahmed, Head of Dhaka Corporate Office
Mr. M. Firoze, Head of Marketing & New Product Development
Mr. Shekhar Ranjan Kar FCA, Group CFO and Company Secretary
Mr. S. K. Das, Head of Operations
Mr. Mohammed Reazul Kabir ACA, Head of Finance & Accounts
Mohd. Imtiaz Uddin Chowdhury-Head of SCM

AUDITOR

Rahman Rahman Huq, Chartered Accountants. (A Member Firm of KPMG International)

LOCATIONS:

PLANT

4, Fouzderhat Industrial Estate
Chittagong
Tel: +88(031) 2770192-3

CORPORATE HEAD OFFICE

Ali Mansion
1207/1099, Shadarghat Road
Chittagong, Bangladesh
Tel: +880 31 2854901-10
Web: www.bsrm.com

DHAKA CORPORATE OFFICE

Mahbub Castle (2nd & 4th Floor)
35/A, Purana Paltan Line
Inner Circular Road (VIP Road), Dhaka.
Tel: 88 02 8311994, 8313135, 9358135
Fax: 88 02 8312905, E.mail-dhaka@bsrm.com

REGIONAL OFFICES

Sylhet Office

Samad Mansion
Mendibag, Upa-Shahar, Sylhet
Tel:0821-721239, 01714080514, Fax-0821-2832751
E-mail-sylhet@bsrm.com

Moulvibazar Office

Zakir Hossain Complex
6, Shyamoli, Shamsernagar Road, Moulvibazar
Tel-.0861-62986, 01730-078242
E-mail-moulvibazar@bsrm.com

Bogra Office

Tin Matha Rail Gate
Puran Bogra, Bogra
Tel-051-60792, 01711-795148

Comilla Office

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

Khulna Office

Plot No# C-7, Road No# 4
Shiromoni I/A, Khulna
Tel-041-785303, 01714-031110
E-mail-khulna@bsrm.com

Chairman's Speech



ALIHUSSAIN AKBERALI FCA, CHAIRMAN

Dear Valued Shareholders,

Though we had to face new challenges, 2011 was overall a good year for BSRM Steels Limited.

I am happy with the performance and I am sure you too share my happiness.

Let me congratulate all of you on winning the **“Best Enterprise of the year 2010 award”** awarded by the DHL-Daily Star Bangladesh Business Awards. This prestigious recognition is an acknowledgement of our hard work and contribution to the country.

Amid immense obstacles such as power scarcity, rising raw material prices and continuous increase of other cost components, we tried to keep a positive year for our shareholders. I am giving some key indicators of 2011 as follows:

2011 Indicators:

- Production Qty 523,624 MT
- Sales qty 517,887 MT
- Production increased by 20.70% over the year 2010. Sales (in terms of quantity) increased by 16.98% than 2010
- Net Asset Value Per Share has increased by 16.13% than 2010

Steel is a basic material for national development. For a densely populated country like Bangladesh we have to build huge infrastructure base for national development. Statistics show that developing countries are in the highest rank of growth in world steel demand. Therefore, we have ample opportunity to expand and augment our production to meet the growing market demand.

Your company is constantly trying to develop new and improved steel grades and production procedures to produce better and cost-effective product for the changing

market demand.

We have already completed our modernization projects and running with increased production capacity.

Despite the free fall of capital market in the last one and half year defying all initiatives and logic, market price of share of your company still remains at 11 times higher (as on last trade date of December 2011) than face value which shows our strength.

As you see the global economy has seen turmoil and currency crisis in the European Union and a banking crisis in the United States, we in Bangladesh could not keep insulated us from such factors and in addition to these we are also prone to the risks of our domestic market.

Among the challenges and negative indicators of national and international economy we can also see many other opportunities and encouraging news for us. Steel is becoming an exportable item for Bangladesh because of withdrawal of tariff barriers by India.

We are prepared to take advantage of any kind of opportunity which might emerge in the steel industry.

I want to conclude by saying that it is all of you (the valued shareholders, dedicated employees, regulatory bodies, state institutions and the banking institutions) who have brought us here and will take us more ahead.

Thanks to all.

May Allah bless all of us.
Allah Hafiz

Alihussain Akberali FCA
Chairman

সভাপতির প্রতিবেদন



আলীহোসাইন আকবরআলী এফসিএ, সভাপতি

প্রিয় শেয়ারহোল্ডারবৃন্দ,

নতুন নতুন চ্যালেঞ্জ মোকাবেলা করেও ২০১১ সাল আমাদের জন্য একটি ভাল বছর ছিল। ২০১১ সালের অর্জনে আমি আনন্দিত এবং আপনারাও আমার সাথে আনন্দিত হবেন।

আপনারা জেনে আরও আনন্দিত হবেন যে, আপনাদের কোম্পানী স্টীল উৎপাদনকারী প্রতিষ্ঠানের মধ্যে প্রথম ২০১০ সালে ডিএইচএল-দি ডেইলি স্টার এর উদ্যোগে ‘Best Enterprise of the year 2010’ পুরস্কারে ভূষিত হয়েছে।

অভিনন্দন আপনাদের! এই স্বীকৃতি আমাদের নিরলস পরিশ্রম এবং দেশের প্রতি অবদানের জন্য।

নানাবিধ বাধা ও চাপের মধ্যেও আমরা আমাদের শেয়ারহোল্ডারগণের জন্য আরও একটি সফল বছর বজায় রাখতে পেরেছি।

আমি ২০১১ সালের হিসাব বছরের কিছু তথ্য তুলে ধরছি :

- উৎপাদন ৫২৩,৬২৪ মেট্রিক টন
- বিক্রয় ৫১৭,৮৮৭ মেট্রিক টন

২০১১ সালের আমাদের মোট উৎপাদনের পরিমাণ গত বছরের তুলনায় ২০.৭০% বৃদ্ধি পায়। পক্ষান্তরে বিক্রয় বৃদ্ধি পায় ১৬.৯৮%। শেয়ার প্রতি সম্পদ মূল্য গত বছরের তুলনায় ১৬.১৩% বৃদ্ধি পায়।

জাতীয় উন্নয়নে লৌহজাতপণ্য একটি মৌলিক উপাদান। বাংলাদেশের মত ঘনবসতিপূর্ণ দেশে জাতীয় উন্নয়নে আমাদের ব্যাপক অবকাঠামো উন্নয়ন করতে হবে। পরিসংখ্যানে দেখা যায় যে, উন্নয়নশীল দেশগুলিই লৌহজাতপণ্য ব্যবহারের সর্বোচ্চ স্থানে রয়েছে। তাই লৌহজাতপণ্য উৎপাদন এবং বাজারজাতকরণে আমাদের প্রচুর সম্ভাবনা রয়েছে।

নতুন ও উন্নত গ্রেডের স্টীল পণ্য উৎপাদনের পদ্ধতি উদ্ভাবনে এবং সাশ্রয়ী মূল্যে পণ্য সরবরাহে আপনাদের কোম্পানি প্রতিনিয়ত কাজ করে যাচ্ছে। ইতোমধ্যে আমরা কোম্পানির আধুনিকায়ণ ও

সম্প্রসারণের কাজ সমাপ্ত করেছি এবং অধিক পণ্য উৎপাদনের সক্ষমতা নিয়ে আমরা কারখানার উৎপাদন চালিয়ে যাচ্ছি।

সকল প্রকার উদ্যোগ এবং বাজারের স্বাভাবিক ধারনাকে অতিক্রম করে গত এক থেকে দেড় বৎসর ধরে পুঁজি বাজারে শেয়ারের দর পতন অব্যাহত রয়েছে। এরমধ্যেও বিএসআরএম স্টীলস লিমিটেডের শেয়ার ২০১১ সালের শেষ লেনদেনের দিনে অভিহিত মূল্যের চেয়ে প্রায় ১১ গুন বেশী দামে বেচাকেনা হয়েছে যা কোম্পানীর আর্থিক ভিত্তির দৃঢ়তা প্রকাশ করছে।

আপনারা অবগত আছেন যে, ইউরোপিয়ান ইউনিয়নভুক্ত দেশসমূহে ও যুক্তরাষ্ট্রে মুদ্রামান ও আর্থিক খাতে বড় সংকট দেখা দিয়েছে; যার ছোঁয়া বাংলাদেশেও লেগেছে। তাছাড়াও আন্তর্জাতিক নানাবিধ অর্থনৈতিক সমস্যাতো আছেই।

জাতীয় ও আন্তর্জাতিকভাবে নানাবিধ চ্যালেঞ্জ এবং অর্থনৈতিক চাপের মধ্যেও আমাদের জন্য অনেক উৎসাহব্যঞ্জক এবং নতুন দ্বার উন্মোচনের খবর রয়েছে। ভারতের সাথে বানিজ্য উদারিকরণের ফলে লৌহজাতপণ্য এখন থেকে আমাদের জন্য রপ্তানীযোগ্য পণ্য হিসাবে সুযোগ সৃষ্টি হতে যাচ্ছে। স্টীল শিল্পে যেকোন সুযোগ এবং নতুন বাজার অধিগ্রহণে আমরা প্রস্তুত।

আমি আপনাদের সকলকে এবং সেই সাথে আমাদের নিবেদিত প্রাণ কর্মী ও নিয়ন্ত্রক সংস্থা, রাষ্ট্রীয় প্রতিষ্ঠান, আর্থিক প্রতিষ্ঠানসমূহকে আমার আন্তরিক ধন্যবাদ জানাচ্ছি যারা আমাদের এতদূর নিয়ে এসেছেন এবং ভবিষ্যতেও আমাদের পাথেয় হবেন।

আল্লাহ আমাদের সকলের সহায় হোন।

খোদা হাফেজ।

আলীহোসাইন আকবরআলী এফসিএ
সভাপতি

Address of Managing Director



AAMEIR ALIHUSSAIN, MANAGING DIRECTOR

Dear Respected Shareholders,

We have passed another year with positive results for BSRM Steels Limited. 2011 was also a year of mixed economic performance. Scars of global economic meltdown have not fully disappeared. Despite economic volatility and other operational obstacles like shortage of power, various fiscal constraints and devaluation of Taka value against leading foreign currencies, your company showed a positive operational change than 2010.

Operational Performance Indicator of 2011:

- Production quantity was 523,624 MT indicating 20.70% higher than 2010.
- Sales of the year 2011 were also 16.98% higher than that of 2010.

Overall performance of 2011 was hampered by some unpredictable financial factors especially in the last quarter like the quick depreciation of taka.

Cost of sales was increased by 46% which is due to high raw materials price and foreign currency devaluation.

Some fiscal measures, like minimum income tax, at the middle of the year also contributed to the reduction of profitability as well as EPS.

Our consistent thrust to deliver quality product help us to hold leading position in the market.

Growth of steels industry is dependent on the growth of user industries of steels such as development of infrastructure, real estate. As development works move ahead we will also go ahead for bringing new products into

our portfolio for our customers and thus benefiting our shareholders. There are a few large-scale projects in progress in our hands at this moment.

The main challenge for a steel manufacturer is to source raw materials at competitive prices and the whole industry is very vulnerable to raw material price fluctuations (price of billets). We are planning to expand our raw material making facilities and projects will be undertaken in future. On completion of these projects, growth of your company will be robust and long-lasting. We always believe in long term sustainable growth and that is why we follow a path of continuous improvement.

2012 will be a challenging year for the economy as a whole with pressure on liquidity, volatile foreign currency exchange and further increase in energy costs. Growth in the economy has to be driven by agriculture and government spending on infrastructure which will generate good activity in the markets. Hence we are expecting that 2012 will also be a positive year for your company in spite of the challenges.

I would like to thank all of our shareholders, customers, partners and regulators, bankers and employees for keeping their trust on us without which we could not have achieved what we have achieved in the past years.

May Almighty bless all of us.

Aameir Alihussain
Managing Director

ব্যবস্থাপনা পরিচালকের প্রতিবেদন



আমীর আলীহোসাইন, ব্যবস্থাপনা পরিচালক

সম্মানিত শেয়ারহোল্ডারবৃন্দ,

সফলতার সাথে বিএসআরএম স্টীলস লিমিটেড আরেকটি বছর অতিক্রম করল। ২০১১ সালও আমাদের জন্য একটি মিশ্র আর্থিক সফলতার বছর ছিল। বিশ্বব্যাপি অর্থনৈতিক মন্দার ক্ষত এখনো পুরোপুরি শুকিয়ে যায়নি। অর্থনৈতিক স্থবিরতা, টাকার অবমূল্যায়ন ও জ্বালানীঘাটতিসহ নানাবিধ আর্থিক সীমাবদ্ধতা সত্ত্বেও আপনাদের কোম্পানির ব্যবসায়িক কার্যক্রম বিগত বছরের তুলনায় ভাল ছিল।

২০১১ সালের সফলতার কিছু নির্দেশক নিম্নরূপ :

- ২০১১ সালে মোট উৎপাদন ছিল ৫,২৩,৬২৪ মেঃ টন যা ২০১০ সালের তুলনায় ২০.৭০% বেশি।
- ২০১১ সালে মোট বিক্রয় ২০১০ সালের তুলনায় ১৬.৯৮% বৃদ্ধি পেয়েছে।

বছরের শেষের দিকে ধারণাভীত কিছু আর্থিক পরিবর্তন এবং টাকার দ্রুত অবমূল্যায়নের কারণে ২০১১ সালের সার্বিক ফলাফলের বিঘ্ন ঘটেছে।

কাঁচামালের মূল্যবৃদ্ধি এবং টাকার অবমূল্যায়নের কারণে ২০১১ সালে বিক্রিত পণ্যের উৎপাদন ব্যয় ৪৬% বেড়ে যায়।

বছরের মাঝামাঝি সময়ে সরকারি বাজেট তথা আর্থিক আইনে লাভ-লোকসান নির্বিশেষে ন্যূনতম আয়কর আরোপের ফলে ২০১১ সালের আর্থিক মুনাফা এবং শেয়ার প্রতি EPS বড় ধরনের হ্রাস পায়।

উন্নতমানের পণ্য সরবরাহে আমাদের ধারাবাহিক প্রচেষ্টার কারণে আমরা এখনো আমাদের সুদৃঢ় অবস্থান ধরে রাখতে পেরেছি। আমাদের পণ্যের বিকাশ ও বৃদ্ধি তখনই ঘটে যখন আমাদের পণ্য যারা ব্যবহার করেন তাঁদের বৃদ্ধি ও বিকাশ ঘটে। অবকাঠামো উন্নয়ন এবং বসতি স্থাপনার উন্নয়নই আমাদের ব্যবসা বৃদ্ধিতে সহায়ক ভূমিকা পালন করে।

দেশের উন্নয়নমূলক কর্মকাণ্ডের অগ্রগতির সাথে সাথে আমরাও আমাদের ক্রেতার জন্য নতুন নতুন পণ্য নিয়ে এগিয়ে যাবো এবং এভাবে

আমাদের শেয়ারহোল্ডারগণও লাভবান হবেন। এই মুহূর্তে চলমান এবং প্রক্রিয়াধীন কিছু বড় মাপের প্রকল্প আমাদের হাতে আছে।

যে কোন স্টীল উৎপাদনকারী প্রতিষ্ঠানের জন্য প্রধান চ্যালেঞ্জ হচ্ছে প্রতিযোগিতামূলক মূল্যে কাঁচামাল সংগ্রহকরণ এবং কাঁচামালের মূল্যের পরিবর্তনশীলতার উপরই গোটা শিল্পের ঝুঁকি বেশী। তাই ভবিষ্যতে কাঁচামাল প্রস্তুতকরণ শিল্প সম্প্রসারণে আমাদের বিনিয়োগ অব্যাহত থাকবে।

নিজস্ব কাঁচামালের শিল্প স্থাপন করা হলে আপনাদের এই কোম্পানির বড় ধরনের এবং দীর্ঘমেয়াদী প্রবৃদ্ধি ঘটবে।

আমরা টেকসই এবং দীর্ঘস্থায়ী প্রবৃদ্ধিতে বিশ্বাস করি এবং সে কারণে আমরা উত্তরোত্তর উন্নতির পথকেই অনুসরণ করি।

তারল্য সংকট, অস্থিতিশীল বিদেশী মুদ্রার বিনিময় হার এবং জ্বালানী ঘাটতির কারণে ২০১২ সালও আমাদের তথা গোটা অর্থনীতির জন্য আরও বেশি চ্যালেঞ্জ হবে।

আমাদের মত দেশে কৃষি এবং অবকাঠামো উন্নয়নে সরকারের পদক্ষেপের উপরই অর্থনীতির উন্নয়ন নির্ভর করে এবং বাজারকে গতিশীল করে, তাই সেরকম পদক্ষেপ নেয়া হলে ২০১২ সালও আমাদের জন্য একটি সফল বছর হবে বলে আশা করি।

অবশেষে, আমি আমাদের শেয়ারহোল্ডার, ক্রেতা, ব্যবসায়িক সহযোগী, নিয়ন্ত্রক সংস্থা, ব্যাংকার্স, সরকারি প্রতিষ্ঠান ও সকল কর্মকর্তা-কর্মচারীদের ধন্যবাদ জানাই— যাদের বিশ্বাস ও প্রচেষ্টার কারণেই আমাদের আজকের সফলতা।

আল্লাহ আমাদের সহায় হোন।

আমীর আলীহোসাইন
ব্যবস্থাপনা পরিচালক

Board of Directors

Mr. Alihussain Akberali FCA
Chairman



Mr. Aameir Alihussain
Managing Director



Mr. Zohair Taherali
Director



Mrs. Tehseen Zohair Taherali
Director



Mrs. Sabeen Aameir
Director



Mr. Qazi Sarwar E-Alam
Independent Director



Key Management

KEY MANAGEMENT PERSONNEL

Tapan Sengupta, Executive Director

Kazi Anwar Ahmed, Head of Dhaka Corporate Office

M. Firoze, Head of Marketing & New Product Development

Shekhar Ranjan Kar FCA, Group CFO & Company Secretary

S. K. Das, Head of Operations

Shobhon Mahbub Shahabuddin, Head of National Sales

A. F. M. Mizanur Rahman, Plant Head

Azizul Haque, Plant Head (BISCO)

Jasim Uddin Ahmed, Head Technical Projects

Sankar Roy, Group Head T & D

Ashfaq Amin Chowdhury, Head of Human Resource

Mohammed Reazul Kabir ACA, Head of Finance & Accounts

Mohd. Imtiaz Uddin Chowdhury, Head of SCM

Biplob Kanti Banik ACA, Chief Financial Officer

Mohammad Emarot Hossain, Head of Internal Audit

ADVISERS

Moize Hussain, H.R. Adviser

Tapan K. Poddar FCA, FCMA, Financial Consultant

Directors' Report

Dear Fellow Shareholders,

On behalf of the members of the Board of Directors of your company and on my own behalf, I welcome you all to the 10th Annual General Meeting (AGM) of BSRM Steels Limited. We, members of the Board are pleased to present Directors' Report, Audited Financials for the year ended 31st December 2011 and Auditors' Report thereon before you for your consideration and approval.

Review of Year 2011

Short snaps of the activities of year 2011

World economy is yet to fully recover from the economic meltdown which appeared in the middle of 2008. Under these circumstances, we have passed another year of our business 2011 which witnessed a mixed performance. A country like Bangladesh is always affected by global economic cycles. We depend on the foreign source for major portion of raw materials for producing any goods in Bangladesh. Price hike of imported raw materials, currency devaluation, budgetary constraints have made it difficult for us to maintain sustainable and stable growth. Despite these grim economic scenes, the performance of your company in the year 2011 was satisfactory. Total Production in 2011 was **523,624.52** MT which is 20.70% more than last year. Total sales in terms of quantity in 2011 were **517,887.29** MT which is also 16.98% more than 2010. Though production and sales showed a growth trend, overall profit decreased due to price hike of raw materials and devaluation of Taka and imposition of minimum tax on sales.

Following are the financial short snaps for the year 2011:

Amount in Crore Tk

Year	2011	2010
Sales	3123.47	2200.76
Profit before interest, taxes & WPPF	141.65	155.33
Less :Interest & WPPF	45.44	58.56
Profit before tax	96.21	96.77
Less : Tax Expenses & Provision for Taxation	12.29	0.28
Profit after tax	83.92	96.49

SUBSIDIARY OPERATIONS

You are aware that your company acquired 95% shares of another promising BSRM group concern namely BSRM Iron & Steel Co. Ltd. (BISCO), manufacturer of Billet in the year 2010. We are also pleased to present the performance of the subsidiary company as under:

Amount in Crore Tk

Particulars	2011 (Jan-Dec)	2010 (June-Dec)
Sales	650.76	326.34
Gross Profit	60.40	29.87
Profit before interest, taxes & WPPF	57.29	29.12
Less : Interest & WPPF	42.29	17.80
Less: Income Tax	1.30	0.33
Net Profit	13.70	10.99

Net profit after tax was increased by 24.65%.

MARKETING

To reach our customers and other stakeholders, we initiated various promotional activities which includes such as **"Campaign for Stakeholders"**-an electronic media ad (Apartment buyer, Land Owner and Home Builder), **Workshop and seminar with different groups**. We are continuously formulating our marketing strategy to maximize customer satisfaction and develop quality of our product. We have also various motivational and promotional activities for recognizing our business partners. We undertake regularly various Research & Development initiatives to find new avenue in our industry and participate in various National & International Seminars, Symposium and Workshops with different stakeholders. A team of marketing professionals are working to serve our customers relentlessly. We think of our customers and our customers chose and speak for us.

CREDIT RATING

Credit Ratings of your company have been upgraded by one step ahead. Credit Rating Information and Services Limited (CRISL) assigned rating as below:

Long Term	Short Term
AA	ST-2

Above ratings have been assigned on the basis of good fundamentals such as good profitability, sound infrastructural arrangement with state-of-the art plant, pioneer and market leader in steel industry, experienced management. Entities rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality.

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

HUMAN RESOURCE AND MANAGEMENT

We believe that human capital is one of the vital components of business growth. Without skilled and efficient human resources, expected growth and long term vision and mission could not be achieved. We regularly provide and arrange contemporary training for our employees.

AWARD AND RECOGNITION

It will be a pleasure and heartening news for all of you that your company has won a prestigious award given to any steel manufacturing company in Bangladesh “**Best Enterprise of the year 2010**” by the DHL-Daily star Bangladesh business award. **Congratulations!!** Such a feat could not be achieved without your support, trust and cooperation. We hope the future will be more gloriously recognized with your trust and cooperation. Another company namely BSRM Iron & Steel Co. Ltd known as BISCO (a billet manufacturing plant) which is also subsidiary of BSRM Steels Ltd. has been awarded ISO 9001:2008 and ISO 14001:2004 certificates from UKAS and URS. With this certification all our major Group companies are now ISO certified.

CORPORATE SOCIAL RESPONSIBILITIES

Your company was involved in various social and welfare activities. In 2011, your company continued providing Road Dividers to help ease traffic system of the country.

Your company also assists and patronizes different Research, Engineering and other Educational institutes by donating costly and modern instruments and financial assistance.

Your company also contributes to the city development authority in building their infrastructure. This year your company set up an architectural landmark namely “AGROPROTHIK” at Nasirabad, Chittagong.

Among other activities, this year we also started Tree Plantation program in Chittagong.

INTERNAL CONTROL

As part of organizational development and restructure we are almost in final stage to implement **Standard Operating Procedure (SOP)** in the company. A World class Management Consulting firm is entrusted with this task.

INFORMATION TECHNOLOGY (IT)

We have also undertaken the initiative to manage your company's operation through automation which will help us to make our decision based on real time information and will improve operations and provide faster services to our customers. To this end, your company is going to implement an Enterprise Resource Planning (ERP) software. A well-equipped and dedicated team of professionals is working on this project.

CORPORATE GOVERNANCE

Necessary measures have been taken to comply with the requirements of the Securities and Exchange Commission (SEC). The report on the compliance is included as annexure as part of the Directors' Report. In addition to this, a separate report is available with this annual report stating the adherence of your company to the Corporate Governance principles in business dealings.

DIVIDEND

Your directors pleased to recommend 15% cash dividend on equity shares for the year ended 31st December 2011 for consideration and approval by the shareholders in the annual general meeting. The dividend on equity shares, if approved, would be paid to those members whose names appear on the register of members as on record date.

CONTRIBUTION TO NATIONAL EXCHEQUER

BSRM is paying and facilitating collection of Govt's revenue. In 2011, we paid and collected & deposited a significant amount of Income tax, VAT & Duties. All due and applicable taxes were paid, collected and deposited in time. During the year 2011, BSRM Steels Limited contributed to the government exchequer about a sum of Taka 1451.32 Million.

AUDITORS

Present auditor **Rahman Rahman Huq**, Chartered Accountants, (A member firm of KPMG) will retire in 10th AGM and they are not eligible to audit for the year 2012 as per order of Securities and Exchange Commission (SEC) No.SEC/CMRRCD/2009-193/104/Admin dated July 27, 2011. Pursuant to SEC order, a new auditor will be appointed for the year ended 2012 with nomination & approval of shareholders at the Annual General Meeting of the company.

DIRECTORS

Mrs. Sabeen Aameir & Mrs. Tehseen Zohair Taherali retire by rotation at the conclusion of this AGM as per Section 97 & 98 of the Articles of Association of the company and being eligible Mrs. Tehseen Zohair Taherali, offers herself for reappointment and also being eligible Mrs. Sabeen Aameir offers herself for reappointment being the nominee director of **Bangladesh Steel Re-Rolling Mills Ltd.**

SUBSEQUENT EVENTS

Your company, as per decision of the Board of Directors Meeting held on 07 March 2012, has filed a Writ Petition No.3009 of 2012 dated 22nd March 2012 with the honorable High Court Division of the Supreme Court of Bangladesh against imposing compulsory tax of 0.50% on gross receipts of every company irrespective of its profit or loss in an assessment year under section 16CCC of the

Income Tax Ordinance, 1984. Without this there is no other subsequent event after the date of the Balance sheet and till the date of this report which could affect the ability of the users of these financial statements to make an appropriate evaluation.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to the SEC notification No.SEC/CMRRD/2006-158/Admin/02-08 dated 20th February 2006 the Directors confirm that:

- a) The financial statements prepared by the management of BSRM Steels Limited. presents fairly 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 Standards (IAS)/International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) The annual accounts have been prepared on a going concern basis.
- g) The significant deviations from last year in the operating results of the company have been highlighted in the report and reasons thereof have been explained.
- h) The key operating and financial data for the four years is disclosed in Annexure-1

- i) The number of Board Meetings held during the year and attendance by each director is disclosed in Annexure-2
- j) The pattern of shareholding is disclosed in Annexure-3.
- k) A compliance status report with requirements of corporate governance as required by SEC is disclosed in Annexure-4.

FUTURE OUTLOOK

The steel making industry, though having many obstacles and barrier such as shortage of Power & GAS and price hike of raw materials, is expected to maintain a satisfactory rate of growth and your Directors view the prospects for the current year with confidence.

GRATITUDE

The Board of Directors wishes to place on record their appreciation of thanks to shareholders, dealers and customers for their continued support. Your Directors also wish to place on record their appreciation for the contribution made by the employees at all levels to the continued growth and prosperity of the company

The Board would also like to thank all stakeholders including banks, Insurance Companies, SEC, DSE, CSE, CDBL and various government authorities, trade bodies for their extended cooperation.

For and on behalf of the board



Alihussain Akberali FCA
Chairman
March 22, 2012

Annexure to the Board of Directors' Report

Annexure-1

SUMMARY OF KEY OPERATING RESULTS & FINANCIAL POSITION OF FOUR YEARS.

		2011	2010	2009	2008
Operations and Market					
Production (Qty)	MT	523,625	433,823	350,326	118,959
% of Production Growth		20.70%	23.83%	194.49%	-
Sales (Qty)	MT	517,887	442,707	356,190	81,560
% of Sales Growth (Qty)		16.98%	24.29%	336.72%	-
Financial Results:					
Turnover	TK.	31,234,710,327	22,007,682,247	15,843,586,337	5,483,534,721
Gross Profit	TK.	1,914,574,972	1,929,718,476	1,581,634,316	(1,311,367,578)
	%	6.13%	8.77%	9.98%	(23.91%)
Earnings before interest and Tax (EBIT)	TK.	1,369,695,830	1,551,537,999	1,367,048,990	(1,426,969,844)
	%	4.39%	7.05%	8.62%	(26.02%)
Net Profit after tax	TK.	839,205,050	964,885,985	574,084,231	(1,899,094,620)
	%	2.69%	4.38%	3.62%	(34.63%)
Earnings Per Share (EPS)	TK.	2.58	2.96	3.44	(15.30)
Financial Position:					
Current Ratio		0.93	0.83	0.77	0.72
Net Asset Value *	TK.	2,974,080,646	2,134,875,596	124,989,611	(449,094,620)
Net Asset Value Per Share *	TK.	9.14	7.87	0.86	(3.10)
Net operating Cash Flow Per Share *	TK.	(14.38)	6.67	(9.21)	(36.74)
Paid -up Capital (in Crore taka)		325.50	271.25	145.00	145.00

* EPS, NAV & NOCFPS of previous years have been re-calculated based on the share face value of Taka 10 instead of Taka 100 per share as denomination of share value has been changed as per SEC directive with effect from 04 December 2011.

Annexure-2

NUMBER OF BOARD MEETINGS

BSRM Steels Board met 17 times during the year. Following table shows the attendance of Directors in the meeting:

Name of the Directors	Position	No. of Meeting held during the year	No. of Meeting attended
Mr. Alihussain Akberali FCA	Chairman	17	15
Mr. Aameir Alihussain	Managing Director	17	15
Mr. Zohair Taherali	Director	17	17
Mrs. Tehseen Zohair Taherali	Director	17	17
Mrs. Sabeen Aameir	Director	17	10
Mr. Qazi Sarwar E-Alam	Independent Director	17	2

The Members who could not attend the meeting were granted leave and outside of the country.

Annexure-3

The Pattern of Shareholding as on 31st December 2011

Held by	Status/Position	No. of Shares held
i) Parent/Subsidiary/Associated companies and other related parties		
Bangladesh Steel Re-Rolling Mills Ltd.	Affiliated Company	10,20,18,260
H.Akberali & Co. Ltd	Affiliated Company	8,32,04,400
ii) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children		
Mr. Alihussain Akberali FCA	Chairman	3,33,21,900
Mr. Aameir Alihussain	Managing Director	57,53,180
Mr. Zohair Taherali	Director	85,07,600
Mrs. Tehseen Zohair Taherali	Director	56,18,180
Mrs. Sabeen Aameir	Director	6,900
Mrs. Bilkis Alihussain	Wife of Mr.Alihussain Akberali	11,12,640
Mr. Shekhar Ranjan Kar FCA	Group CFO & Company Secretary	25,980
iii) Shareholders holding ten percent (10%) or more voting interest in the company		
Mr. Alihussain Akberali FCA	Chairman	3,33,21,900
Bangladesh Steel Re-Rolling Mills Ltd.	Affiliated Company	10,20,18,260
H.Akberali & Co. Ltd.	Affiliated Company	8,32,04,400

Annexure-4

STATUS OF COMPLIANCE WITH THE CONDITIONS IMPOSED BY THE COMMISSION'S NOTIFICATION NO SEC/CMRRCD/2006 -158/ADMIN/02-08 DATED 20TH FEBRUARY, 2006 ISSUED UNDER SECTION 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969:

Condition	Title	Compliance Status		Explanation for non-compliance with the condition
		Complied	Not Complied	
1.1	Number of the Board Members of the company should not be less than 5 and more than 20.	✓		
1.2	i Number of Independent directors should be at least 1/10 of the total numbers of company's board of directors.	✓		
1.2	ii Independent Director should be appointed by the elected directors.	✓		
1.3	Chairman of the board and the Chief Executive Officer should preferably be filled by different individuals.	✓		
1.4	Directors' Report includes declarations on :	✓		
	a Fair presentation of Financial Statements	✓		
	b Keeping proper books of accounts	✓		
	c Appropriate Accounting policies applied Consistently.	✓		
	d International Accounting Standards, as applicable in Bangladesh have been followed in preparing the financial statements.	✓		
	e Soundness and efficiency of Internal control system.	✓		
	f Ability to continue as going concern.	✓		
	g Significant deviations from last year in operations results	✓		
	h Summary of key operating results	✓		
	i Declaration of dividend	✓		
	j Number of Board Meetings held during the year and attendance by each director.	✓		
	k Pattern of shareholding	✓		
2.1	Appointment of a CFO, a Head of Internal Audit and a Company Secretary	✓		
2.2	Attended the board meeting by CFO and Company Secretary	✓		
3.0	Constitution of Audit committee	✓		
3.1	i The Audit Committee should be composed of at least 3 members	✓		
3.1	ii The Audit Committee should be appointed by the Board who are directors and one should be independent director.	✓		
3.1	iii Board of Directors should fill up the vacancy within one month of the vacancy in the Audit Committee	N/A		
3.2	i Board of Directors should select one member of the Audit Committee as Chairman of the committee	Complied		
3.2	ii Chairman of the Audit Committee should have a professional qualification of knowledge, understanding and experience in accounting or finance.	✓		
3.3.1	i Activities of the Audit Committee to the Board of Directors	✓		
3.3.1	ii a) Report on conflict of interest	N/A		
3.3.1	ii b) Report on fraud or irregularity or material defect in internal control system.	N/A		
	ii c) Report on infringement of laws, including securities related laws, rules and regulations.	Complied		
3.3.1	ii d) Report on any other matter which should be disclosed to the Board of Directors' immediately	✓		

Condition	Title	Compliance Status		Explanation for non-compliance with the condition
		Complied	Not Complied	
3.3.2	Reporting to the authorities : if the Audit Committee has reported to the Board of Directors about anything which has impact on the financial condition and results of operation and being ignored by the Board of Directors, the Audit Committee should report such findings to the commission.	N/A		
3.4	Reporting the shareholders: Report on activities carried by the Audit Committee including any report made to the Board of Directors under condition 3.3.1(ii) and the disclosure of which should be made in the annual report.	Complied		
4	i Appraisal or valuation of services or fair opinions.	✓		
4	ii Financial information system design and implementation.	✓		
4	iii Book –keeping or other services related to the accounting records or financial statements.	✓		
4	iv Broker-dealer services	✓		
4	v Actuarial services	✓		
4	vi Internal Audit Services	✓		
4	vii Any other service that the Audit Committee determines	✓		

পরিচালকমন্ডলীর প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ

কোম্পানির পরিচালকমন্ডলী এবং আমার নিজের পক্ষ থেকে আপনাদের সবাইকে আপনাদের কোম্পানি বিএসআরএম স্টীলস লিমিটেডের ১০ম বার্ষিক সাধারণ সভায় (এজিএম) স্বাগত জানাই। পরিচালকমন্ডলী ২০১১ সালের সমাপ্ত বৎসরের নিরীক্ষিত আর্থিক বিবরণীসহ নিরীক্ষকের প্রতিবেদন এবং পরিচালকমন্ডলীর প্রতিবেদন আপনাদের পর্যালোচনা, বিবেচনা এবং অনুমোদনের জন্য উপস্থাপন করতে পেরে অত্যন্ত আনন্দিত।

২০১১ সালের কার্যক্রম পর্যালোচনা

২০০৮ সালের বিশ্ব অর্থনৈতিক মন্দা এখনো পুরোপুরি কাটানো সম্ভব হয়নি। এমতাবস্থায়, আমরা আমাদের ব্যবসায়ের আরও একটি বছর মিশ্র ফলাফলের ভিত্তিতে সমাপ্ত করেছি।

বাংলাদেশের মত দেশ সবসময় বিশ্ব অর্থনৈতিক অবস্থার সাথে ওতপ্রোতভাবে জড়িত। যে কোন পণ্য উৎপাদনে বেশির ভাগ কাঁচামালের জন্য আমাদেরকে বৈদেশিক উৎসের উপর নির্ভর করতে হয়।

কাঁচামালের মূল্য বৃদ্ধি, টাকার অবমূল্যায়ন এবং সরকারি বাজেটের চাপের কারণে স্থায়ী প্রবৃদ্ধি অর্জন আমাদের জন্য কঠিন হয়ে পড়েছে। অর্থনীতির এত মন্দা সত্ত্বেও আপনাদের কোম্পানি ২০১১ সালে আশাব্যঞ্জক ফলাফল অর্জন করতে পেরেছে। ২০১১ সালে গত বছরের তুলনায় উৎপাদন বৃদ্ধি ঘটেছে প্রায় ২১% এবং বিক্রয় বৃদ্ধি ঘটেছে ১৬.৯৮%-এরও বেশি।

উৎপাদন ও বিক্রয় বৃদ্ধি সত্ত্বেও, কাঁচামালের মূল্য বৃদ্ধি, টাকার অবমূল্যায়ন এবং ন্যূনতম করারোপের জন্য ২০১১ সালে সার্বিক মুনাফা গত বছরের তুলনায় কিছুটা হ্রাস পেয়েছে।

নিম্নে উল্লেখিত ২০১১ সালের আর্থিক বিবরণীর কিছু তথ্য উপস্থাপন করা হল।

কোটি টাকায়

বছর	২০১১	২০১০
বিক্রয়	৩,১২৩.৪৭	২২০০.৭৬
সুদ, কর ও WPPF এর অনুদান পূর্ববর্তী মুনাফা	১৪১.৬৫	১৫৫.৩৩
বাদ: সুদ ও WPPF এর অনুদান	৪৫.৪৪	৫৮.৫৬
কর পূর্ববর্তী মুনাফা	৯৬.২১	৯৬.৭৭
বাদ: আয়কর	১২.২৯	০.২৮
কর পরবর্তী মুনাফা	৮৩.৯২	৯৬.৪৯

সাবসিডিয়ারি কোম্পানির কার্যক্রম

আপনারা অবগত আছেন যে, আপনাদের কোম্পানি ২০১০ সালে BSRM শিল্পগোষ্ঠীর আরেকটি কোম্পানি BSRM Iron & Steel Co. Ltd এর ৯৫% শেয়ার অধিগ্রহণ করে। এই কোম্পানিটি স্টীল

উৎপাদনের কাঁচামাল তথা বিলেট উৎপাদনে পরিচালিত। আপনাদের কোম্পানির সহযোগী কোম্পানি হিসেবে পরিচালকমন্ডলী আপনাদের জ্ঞাতার্থে BSRM Iron & Steel Co. Ltd এরও ২০১১ সালের আর্থিক ফলাফলের কিছু তথ্য নিম্নে উপস্থাপন করছে:

কোটি টাকায়

বছর	২০১১	২০১০
বিক্রয়	৬৫০.৭৬	৩২৬.৩৪
মোট মুনাফা	৬০.৪০	২৯.৮৭
সুদ, কর ও WPPF এর অনুদান পূর্ববর্তী মুনাফা	৫৭.২৯	২৯.১২
বাদ: সুদ ও WPPF এর অনুদান	৪২.২৯	১৭.৮০
বাদ: আয়কর	১.৩০	০.৩৩
নীট মুনাফা	১৩.৭০	১০.৯৯

বিপণন

আমাদের ক্রেতা এবং অন্যান্য সংশ্লিষ্ট সবার আরো কাছাকাছি আমাদের পণ্য সম্পর্কে তথ্য এবং বার্তা পৌঁছে দেয়ার জন্য আমরা নানাবিধ প্রচারণা এবং প্রণোদনামূলক উদ্যোগ গ্রহণ করে থাকি। তারমধ্যে বিভিন্ন গণমাধ্যমে আমাদের বিজ্ঞাপন প্রচার এবং বিভিন্ন সচেতনতামূলক কর্মশালা, সমাবেশ উল্লেখযোগ্য।

আমরা সর্বদা আমাদের ক্রেতার সন্তুষ্টির কারণে এবং বিপণনে বিভিন্ন কৌশলগত নীতি গ্রহণ করে থাকি। আমাদের ব্যবসায়িক সহযোগী যথা- ডিলারদের জন্যও আমরা বিভিন্ন প্রণোদনামূলক কার্যক্রম গ্রহণ করে থাকি।

আমরা পণ্যের বাজার উন্নয়ন এবং বৃদ্ধিতে নিয়মিত বিভিন্ন গবেষণা এবং উন্নয়নমূলক কার্যক্রমের উদ্যোগ গ্রহণ করি। এ লক্ষ্যে, আমরা বিভিন্ন জাতীয় এবং আন্তর্জাতিক সভা, সমাবেশ এবং কর্মশালায় অংশগ্রহণ করে থাকি।

বিপণন ও বাজারজাতকরণে আমাদের পেশাদারী একটি দল নিরলস কাজ করে যাচ্ছে। আমরা আমাদের ক্রেতার কথা চিন্তা করি এবং বিশ্বাস করি আমাদের ক্রেতাও পণ্য নির্বাচনে আমাদের কথা বলে।

ক্রেডিট রেটিং

ঋণ গ্রহণ এবং পরিশোধের মান মূল্যায়নের নিরীখে আপনাদের কোম্পানি আরও একধাপ এগিয়েছে। বিগত বৎসরের তুলনায় ২০১১ সালে আপনাদের কোম্পানি দীর্ঘ মেয়াদী ঋণ পরিশোধের ক্ষেত্রে AA রেটিং পেয়েছে যা ২০১০ সালে AA- রেটিং ছিল। স্বল্প মেয়াদ ঋণের মূল্যায়নের ক্ষেত্রেও আপনাদের কোম্পানির অবস্থা স্থিতিশীল। সর্বোপরি আপনাদের কোম্পানি ঋণের কার্যক্রমের মূল্যায়নের ক্ষেত্রে একটি স্থিতিশীল এবং ঋণ পরিশোধে সক্ষম কোম্পানি হিসেবে মূল্যায়িত হয়েছে।

মানব সম্পদ এবং ব্যবস্থাপনা

ব্যবসা প্রবৃদ্ধিতে আর্থিক মূলধনের পাশাপাশি মানব সম্পদকেও আমরা একটি অপরিহার্য উপাদান বলে বিশ্বাস করি। দক্ষ এবং যোগ্য মানব সম্পদ ব্যতীত কাঙ্ক্ষিত এবং দীর্ঘমেয়াদী প্রবৃদ্ধি অর্জন সম্ভব নয়। কর্মকর্তা ও কর্মচারীদের কল্যাণে আমরা বিভিন্ন কার্যক্রম গ্রহণ করেছি। নিয়মিত প্রশিক্ষণের মাধ্যমে আমরা আমাদের কর্মী বাহিনীর দক্ষতা বৃদ্ধিতে কাজ করে যাচ্ছি।

অর্জন এবং স্বীকৃতি

আপনারা জেনে খুশি হবেন যে, আপনারা কোম্পানি এই প্রথমবার স্টীল উৎপাদনকারী প্রতিষ্ঠান হিসাবে বাংলাদেশে 'Best Enterprise of the year 2010' স্বীকৃতি অর্জন করেছে। এটি DHL-Daily Star Bangladesh Business Award নামে খ্যাত যা প্রতি বছর ঘোষণা করা হয়। অভিনন্দন! এই অর্জন আপনারা এবং আমাদের সাথে জড়িত সকল পক্ষের প্রচেষ্টা এবং আন্তরিকতার স্বীকৃতি। আশাকরি ভবিষ্যতেও আপনারা সহযোগিতার মাধ্যমে আরও সম্মানজনক স্বীকৃতি বয়ে আনবেন। এরই মধ্যে আমাদের অন্যান্য সকল উৎপাদনকারী প্রতিষ্ঠান আন্তর্জাতিক বিভিন্ন মানসনদ অর্জন করেছে।

সামাজিক দায়বদ্ধতা এবং কার্যক্রম

ব্যবসায়িক কার্যক্রম পরিচালনায় মুনাফা অর্জনের পাশাপাশি আপনারা কোম্পানি সমাজের প্রতিও দায়বদ্ধতা অনুভব করে এবং সেই লক্ষ্যে বিভিন্ন সামাজিক উন্নয়ন এবং প্রচেষ্টায় কোম্পানি অংশ গ্রহণ করে।

সামাজিক কার্যক্রমের অংশ হিসাবে প্রতি বছরের ন্যায় ২০১১ সালেও আপনারা কোম্পানি দেশের বিভিন্ন শহরে ট্রাফিক শৃঙ্খলা রক্ষায় উল্লেখযোগ্য পরিমাণে Road Divider প্রদান অব্যাহত রেখেছে। আপনারা কোম্পানি বিভিন্ন সুবিধাবঞ্চিত ও মেধাবী ছাত্রছাত্রীদের বিভিন্ন শিক্ষাবৃত্তিতে জাতীয় ও আন্তর্জাতিক শিক্ষাপ্রতিষ্ঠানে অনুদান প্রদান এবং বিভিন্ন প্রযুক্তি ও গবেষণামূলক শিক্ষাপ্রতিষ্ঠানে প্রয়োজনীয় আর্থিক সাহায্য প্রদান করে আসছে।

আপনারা কোম্পানি নগর উন্নয়ন কর্তৃপক্ষের সাথে সহযোগিতা করে ২০১১ সালে চট্টগ্রামের নাসিরাবাদ এলাকায় একটি শৈল্পিক নির্দেশন 'অগ্রপ্রতিক' নামে একটি স্থাপনা নির্মাণ করেছে। ২০১১ সালে আপনারা কোম্পানি সামাজিক বনায়নের কার্যক্রম হিসাবে বৃক্ষরোপণ কার্যক্রমেও অংশগ্রহণ করেছে।

আন্তর্জাতিক নিয়ন্ত্রণ

প্রতিষ্ঠানের কাঠামো উন্নয়ন ও বিন্যস্তকরণের অংশ হিসাবে আমরা বিশ্বখ্যাত একটি পরামর্শক প্রতিষ্ঠান-এর মাধ্যমে একটি মানসম্মত পরিচালন পদ্ধতি (Standard Operating Procedure) আমাদের প্রতিষ্ঠানে প্রয়োগের প্রায় শেষ পর্যায়ে রয়েছি।

তথ্য প্রযুক্তি

কোম্পানির বৃহৎ কার্যক্রমকে আরো গতিশীল এবং বাস্তব সময়ভিত্তিক করার জন্য আমরা সকল কার্যক্রম স্বয়ংক্রিয় ভাবে পরিচালনা করার উদ্যোগ নিয়েছি। এই লক্ষ্যে কোম্পানির সকল কার্যাবলী একটি আধুনিক প্রযুক্তি তথা Enterprise Resource Planning (ERP)-এর মাধ্যমে সম্পাদন করার জন্য ইতোমধ্যে আমরা

একটি পরিকল্পনা হাতে নিয়েছি। দক্ষ প্রযুক্তি জ্ঞানসম্পন্ন একদল কর্মকর্তা এ লক্ষ্যে কাজ করে যাচ্ছে। এই প্রকল্প বাস্তবায়ন হলে আমাদের ক্রেতা এবং সংশ্লিষ্ট সকলকে আমরা আরও দ্রুত সেবা দিতে পারবো এবং ব্যবস্থাপনা ও সিদ্ধান্ত গ্রহণে আমরা আরো সময়ানুবর্তী ও সঠিক তথ্য পাব।

লভ্যাংশ

পরিচালকমণ্ডলী ৩১ ডিসেম্বর, ২০১১-এ সমাপ্ত বছরের জন্য ১৫% নগদ লভ্যাংশ প্রদানের সুপারিশ করেছেন। বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারগণ কর্তৃক অনুমোদন সাপেক্ষে কোম্পানির নির্ধারিত 'শেয়ার লেনদেনের রেকর্ড তারিখ'-এ থাকা শেয়ারহোল্ডারগণের মধ্যে এই লভ্যাংশ বিতরণ করা হবে।

রাষ্ট্রীয় কোষাগারে অবদান

সরকারি রাজস্ব আদায়ে বিএসআরএম প্রত্যক্ষ-পরোক্ষভাবে সহযোগিতা ও অবদান রেখে যাচ্ছে। কোম্পানি ২০১১ সালে প্রযোজ্য সবধরনের আয়কর, মূল্য ও শুল্ক আদায় এবং প্রদান করেছে।

২০১১ সালে বিএসআরএম স্টীলস্ লিমিটেড রাষ্ট্রীয় কোষাগারে প্রত্যক্ষ ও পরোক্ষভাবে প্রায় ১৪৫১ মিলিয়ন টাকার রাজস্ব প্রদান করেছে।

নিরীক্ষক

১০ম বার্ষিক সাধারণ সভায় কোম্পানির বিধিবদ্ধ নিরীক্ষক 'রহমান রহমান হক' চার্টার্ড একাউন্ট্যান্টস পদত্যাগ করবে এবং সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশনের নির্দেশানুযায়ী রহমান রহমান হক, চার্টার্ড একাউন্ট্যান্টস আগামী বছরের জন্য নিরীক্ষাকার্য সম্পাদনের যোগ্য বিবেচিত হবেন। সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনা NO. SEC/CMRRCD/2009-193/104/Admin dated /July 27, 2011 অনুসারে পরিচালকমণ্ডলী শেয়ারহোল্ডারগণের মনোনয়ন এবং অনুমোদন সাপেক্ষে কোম্পানির বার্ষিক সাধারণ সভায় ২০১২ সালে সমাপ্ত বছরের জন্য নতুন নিরীক্ষক নিয়োগদান করবেন।

পরিচালক নিয়োগ

মিসেস সাবিন আমীর ও মিসেস তেহসীন জোহাইর তাহের আলী কোম্পানির পরিমেল নিয়মাবলীর বিধি ৯৭ ও ৯৮ অনুযায়ী ১০ম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং যোগ্য বিধায় পুনঃনিয়োগের জন্য আগ্রহ প্রকাশ করেছেন। মিসেস তেহসীন জোহাইর তাহের আলীকে পুনরায় কোম্পানির পরিচালক এবং মিসেস সাবিন আমীর আলীকে বাংলাদেশে স্টীল রি-রোলিং মিলস্ লিমিটেডের মনোনীত হিসাবে পরিচালক পদে পুনরায় নিয়োগের জন্য বিবেচনা করা হল।

স্থিতিপত্রের তারিখ পরবর্তী ঘটনা

আপনারা কোম্পানি ৭ মার্চ ২০১২ তারিখের পরিচালকমণ্ডলীর সভার সিদ্ধান্ত অনুযায়ী আয়কর অধ্যাদেশ ১৯৮৪-এর 16CCC ধারা মোতাবেক লাভ-লোকসান নির্বিশেষে সকল কোম্পানির উপর আরোপিত ০.৫০% ন্যূনতম করের বিধানের বিপক্ষে ২২ মার্চ

সভার সিদ্ধান্ত অনুযায়ী আয়কর অধ্যাদেশ ১৯৮৪-এর 16CCC ধারা মোতাবেক লাভ-লোকসান নির্বিশেষে সকল কোম্পানির উপর আরোপিত ০.৫০% ন্যূনতম করের বিধানের বিপক্ষে ২২ মার্চ ২০১২ তারিখে মহামান্য সুপ্রিম কোর্ট, বাংলাদেশ হাইকোর্ট ডিভিশনে একটি রিট পিটিশান নং-৩০০৯/২০১২ দাখিল করে এবং এই ঘটনা ব্যতীত আর্থিক প্রতিবেদনের স্বার্থসংশ্লিষ্ট কারো বিবেচনার জন্য কোম্পানির স্থিতিপত্রের তথ্য ২০১১ সালের ৩১ ডিসেম্বর পরবর্তী এবং এই প্রতিবেদনের তারিখ পর্যন্ত প্রকাশিতব্য কোনো ঘটনা নেই যা আর্থিক বিশ্লেষণে বিচ্যুতি ঘটাতে পারে।

আর্থিক বিবরণীর ব্যাপার পরিচালক মন্ডলীর দায়িত্ব

সিকিউরিটিস এন্ড একচেঞ্জ কমিশনের নির্দেশনা NO. SEC/CMRRCD/2006/158/Admin/02-08 dated 20.02.2006 অনুযায়ী পরিচালকমন্ডলী নিশ্চিত করছেন যে:

- ক) কোম্পানির ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে এর কর্মকাণ্ড, কার্যক্রমের ফলাফল, নগদ প্রবাহ ও ইকুইটির পরিবর্তন সম্পর্কে যথার্থ চিত্র উপস্থাপিত হয়েছে,
- খ) কোম্পানির হিসাবের বহিসমূহ যথাযথ সংরক্ষণ করা হয়েছে,
- গ) আর্থিক বিবরণী প্রস্তুত করার সময় উপযুক্ত হিসাবনীতি সঙ্গতিপূর্ণভাবে প্রয়োগ করা হয়েছে এবং হিসাবের প্রাক্কলন যুক্তিসঙ্গত ও বিজ্ঞ বিচার বোধের ভিত্তিতে করা হয়েছে,
- ঘ) আর্থিক বিবরণীসমূহ প্রস্তুত করার সময় আন্তর্জাতিক ও বাংলাদেশে গৃহীত হিসাব মানদণ্ড অনুসরণ করা হয়েছে এবং তা থেকে যেকোন ব্যত্যয় পর্যাণ্ডভাবে প্রকাশ করা হয়েছে,
- ঙ) আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি ছিল বলিষ্ঠ এবং তা কার্যকরভাবে বাস্তবায়ন ও মনিটরিং করা হয়েছে,

- চ) চালু প্রতিষ্ঠান হিসেবে কার্যক্রম অব্যাহত রাখায় কোম্পানির সামর্থ্যের ব্যাপারে তেমন কোন দ্বিধা নেই,
- ছ) কোম্পানির কার্যক্রমের ফলাফলের ক্ষেত্রে গত বছরের তুলনায় উল্লেখযোগ্য সেব্য ব্যত্যয় রয়েছে সেগুলো বর্ণনা করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে,
- জ) কার্যক্রম ও আর্থিক বিষয়ে চার বৎসরের উপাত্ত সংযোজন করা হয়েছে।

ভবিষ্যৎ পরিকল্পনা

জ্বালানী সরবরাহে ঘাটতি, কাঁচামালের মূল্য বৃদ্ধির মধ্যেও স্টীল উৎপাদনকারী প্রতিষ্ঠান আশানুরূপ প্রবৃদ্ধি অর্জন করতে পারবে বলে আশা করা যায় এবং পরিচালকমন্ডলীও সেই সম্ভাবনার লক্ষ্যে এগিয়ে যাচ্ছে।

কৃতজ্ঞতা স্বীকার

পরিচালকমন্ডলী সকল শেয়ারহোল্ডার, ডিলার ও ক্রেতাদেরকে তাঁদের অবিরাম সহযোগিতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছে।

পরিচালকমন্ডলী নিয়ন্ত্রণ সংস্থা এসইসি, ডিএসই, সিএসই ও অন্যান্য সরকারী প্রতিষ্ঠানসহ সকল ব্যবসায়িক সংস্থা ও এসোসিয়েশনকে আন্তরিক সহযোগিতার জন্য ধন্যবাদ জ্ঞাপন করছে।

পরিচালকমন্ডলীর পক্ষে-



আলীহোসাইন আকবরআলী এফসিএ

সভাপতি

২২ মার্চ, ২০১২

Corporate Governance Report

Corporate Governance is to have a mechanism in place for the board of directors and other key management staff to safeguard the shareholders interest and other stakeholders of the company. Transparency in business transaction and disclosure of information to regulatory bodies as part of its legal obligations constitute sound corporate governance. Good corporate governance also means conformity to sound ethical principles and a code of conduct in business dealings.

Board of Directors

Board of Directors is an agent and trustee of the shareholders of the company. The Board of directors of BSRM Steels Limited comprises of five members including Chairman, Managing Director and the board also has one independent director in compliance with the corporate Governance Guidelines of SEC. Board of Directors is performing the responsibilities, among others, setting the company's strategic objectives, providing leadership, supervision & ensuring shareholders' interest.

Audit Committee

BSRM Steels Limited has an Audit Committee as a sub-committee of the Board of Directors. Duties and Responsibilities of Audit Committee are assigned by the Board of Directors to comply with the criteria and guidelines governing the Audit Committee, with the regulations of the Securities and Exchange Commission of Bangladesh. Audit Committee holds regular meetings on the following major issues:

- to review the financial Statements;
- to review the business risk management;
- to review the internal audit assessment; and
- to oversight the good corporate practices.

Chairman of the Board and Managing Director

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

Chief Financial Officer and Company Secretary

BSRM has a qualified Chartered Accountant designated as Group Chief Financial Officer and Company Secretary. He is a fellow member of the Institute of Chartered Accountants of Bangladesh. The Group CFO & Company Secretary regularly advises and assists the Board on financial strategy and compliance issues of the regulatory bodies.

Internal Audit and Control

BSRM Steels Limited established an Internal Audit Department consisting of professional and knowledgeable employees. Internal Audit Department directly reports to the Board of directors.

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

External Auditors

External Auditors of BSRM Steels Limited are appointed in every Annual General Meeting (AGM) by the Shareholders of the company as per company Act 1994. Company also conforms to the requirement of Securities and Exchange Commission in appointing external auditors.

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 & Others. These committee members sit regularly for discussing and reviewing the activities of the company.

Report of the Audit Committee

BSRM Steels Limited has an Audit Committee as a sub-committee of the board of directors. The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The committee is reporting to the Board of directors on performing of the clearly set forth responsibilities by the Board of Directors.

Committee Members

The Audit Committee of the company Consists of Four Members including one Independent Director knowledgeable about finance and organizational management as follows:

Mr. Alihussain Akberali FCA –Chairman of the committee

Mr. Zohair Taherali –Member

Mrs. Sabeen Aameir –Member

Mr. Qazi Sarwar-E-Alam –Member

Main activities of the audit committee are summarized below:

1. Review of Periodic Financial Statements.

During the year, Audit Committee reviewed all monthly, quarterly, annual and consolidated financial statements of the company. This review was made along with the Management and other stakeholders. Their review ensured that the financial statements are prepared in compliance with legal and accounting standard requirements and that the financial statements were disclosed accurate, reliable and timely information of the company.

2. Review of Internal Control Assessment.

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

3. Oversight of Internal Audit.

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

Reporting of the Committee

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

- Financial statements have been prepared and presented in compliance with all laws, regulations & standards as applicable.
- Appropriate risk control mechanism and Managerial Information Control are in place.

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



Alihussain Akberali
Chairman
Audit Committee
March 8, 2012



AUDITORS' REPORT & FINANCIALS 2011



BSRM STEELS LIMITED
Auditors' Report
And Consolidated
Financial Statements
For The Year Ended
31st December 2011

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS OF BSRM STEELS LIMITED AND ITS SUBSIDIARY

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of BSRM Steels Limited and its subsidiary (the 'Group') which is comprised of the Consolidated Statement of Financial Position as at 31st December 2011, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of the Company's subsidiary, BSRM Iron and Steel Company Limited (BISCO) was not audited by us. The Financial Statements of the BISCO shows total assets of Taka 6,176,548,207 as on 31st December 2011 and total revenue of Taka 6,507,636,317 for the year then ended. Messrs Basu Banerjee Nath & Co., Chartered Accountants has audited the Financial Statements of BISCO and they have expressed an unqualified opinion on these Financial Statements. Our opinion, in so far as it relates to the amounts included in respect of the company's subsidiary, is based on the reports of subsidiary's auditor as mentioned above.

Opinion:

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2011, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

We also report that :

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) the consolidated Statement of Financial Position (Balance Sheet) and Consolidated Statement of Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the companies' businesses.

Chittagong, 22nd March, 2012.



BSRM STEELS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2011

	Notes	2011 Taka	2010 Taka
Assets			
Property, plant and equipment at cost	4	6,872,683,648	6,383,237,194
Less: Accumulated Depreciation		(926,858,958)	(582,596,022)
		5,945,824,690	5,800,641,172
Capital Work-in-Progress	5	630,082,245	10,210,801
Preliminary expenses	6	-	36,985
Total non-current assets		6,575,906,935	5,810,888,958
Inventories	7	7,159,680,581	4,349,499,048
Accounts receivables	8	3,444,712,591	942,650,434
Due from affiliated company	9	3,332,478,154	2,396,843,662
Advances, deposits and pre-payments	10	3,037,853,592	1,313,763,159
Cash and Bank balances	11	574,726,904	187,174,200
Total current assets		17,549,451,822	9,189,930,503
Total assets		24,125,358,757	15,000,819,461
Equity			
Share Capital	12	3,255,000,000	2,712,500,000
Accumulated Loss		(46,302,924)	(474,282,199)
Equity attributable to owners of the Company		3,208,697,076	2,238,217,801
Non-controlling interest		67,287,836	60,439,063
Total equity		3,275,984,912	2,298,656,864
Liabilities			
Long Term Loan	13	2,124,075,996	2,316,980,550
Total non-current liabilities		2,124,075,996	2,316,980,550
Trade creditors	14	17,974,752	-
Short term liabilities	15	16,352,079,632	8,995,462,049
Liabilities for expenses	16	160,989,682	100,702,864
Advance against sales	17	225,732,987	311,952,056
Long Term Loan - Current portion	18	986,726,781	707,344,069
Liability against Share Application Money	19	7,901,824	8,026,824
Due to affiliated companies	20	864,295,484	158,377,250
Provision for Income Tax	21	12,872,260	3,335,093
Provision for WPPF and Welfare fund	22	58,116,952	56,891,460
Other liabilities	23	38,607,495	43,090,382
Total current liabilities		18,725,297,849	10,385,182,047
Total liabilities		20,849,373,845	12,702,162,597
Total equity and liabilities		24,125,358,757	15,000,819,461

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


Managing Director


Director


Company Secretary

As per our annexed report of same date.


Rahman Rahman Huq
Chartered Accountants

Chittagong, 22nd March, 2012

BSRM STEELS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2011

	Notes	2011 Taka	2010 Taka
Revenue	24	31,242,602,953	22,098,026,402
Cost of sales	25	(28,722,887,458)	(19,874,313,513)
Gross Profit		2,519,715,495	2,223,712,889
Selling and distribution cost	26	(356,778,132)	(230,339,330)
General and administrative cost	27	(230,829,257)	(158,591,638)
		(587,607,389)	(388,930,968)
		1,932,108,106	1,834,781,921
Other income	28	8,333,217	6,672,724
Results from operating activities		1,940,441,323	1,841,454,645
Finance Income	29	50,163,052	1,990,972
Finance Costs	30	(819,525,284)	(706,763,950)
		(769,362,232)	(704,772,978)
Net Profit before tax and WPPF and Welfare fund		1,171,079,091	1,136,681,667
Contribution to Workers' Profit Participation Fund and Welfare Fund	22	(57,823,712)	(56,891,460)
Net Profit before tax		1,113,255,379	1,079,790,207
Income Tax Expenses:			
Current Tax	3.14	(135,927,331)	(6,122,954)
Net Profit after tax for the year		977,328,048	1,073,667,253
Other comprehensive income		-	-
Total comprehensive income for the year		977,328,048	1,073,667,253
Net Profit after tax attributable to:			
Shareholders of the company		970,479,275	1,068,228,190
Non-controlling interest		6,848,773	5,439,063
		977,328,048	1,073,667,253
Earnings per share (EPS)	31	2.98	3.28

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


Managing Director


Director


Company Secretary

As per our annexed report of same date.


Rahman Rahman Huq
Chartered Accountants

Chittagong, 22nd March, 2012

BSRM STEELS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2011

	Share Capital Taka	Accumulated loss Taka	Total Taka	Non-controlling interest Taka	Total Taka
Balance as on 1 January 2010	1,450,000,000	(1,325,010,389)	124,989,611	453,400,000	578,389,611
Issue of Bonus Share	217,500,000	(217,500,000)	-	-	-
Ordinary Shares issued during the year	1,045,000,000	-	1,045,000,000	646,600,000	1,691,600,000
Adjustment against changes in ownership of subsidiary	-	-	-	(1,045,000,000)	(1,045,000,000)
Net Profit after tax for the year 2010	-	1,068,228,190	1,068,228,190	5,439,063	1,073,667,253
Balance as at 31 December 2010	2,712,500,000	(474,282,199)	2,238,217,801	60,439,063	2,298,656,864
Issue of Bonus Share	542,500,000	(542,500,000)	-	-	-
Net Profit after tax for the year 2011	-	970,479,275	970,479,275	6,848,773	977,328,048
Balance as at 31 December 2011	3,255,000,000	(46,302,924)	3,208,697,076	67,287,836	3,275,984,912

BSRM STEELS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2011

	2011 Taka	2010 Taka
a. OPERATING ACTIVITIES:		
Paid against revenue expenditure	(917,123,083)	(662,165,359)
Receipts from customers for sales	28,431,749,456	23,807,170,321
Paid to suppliers against procurement of raw material and finished goods	(28,165,999,117)	(20,454,377,767)
Paid to suppliers against procurement of consumables	(1,544,662,208)	(469,417,526)
Advance received against sales	225,732,987	311,952,056
Advances made	(2,850,204,755)	(806,084,550)
Security Deposits	(1,664,336)	40,000
Pre-payments	(3,509,171)	(1,678,230)
Receipt against other income	58,507,349	2,943,209
Payment of interest	(915,519,376)	(648,891,703)
Income Tax Paid	(129,355,204)	(41,792,742)
Net cash used in Operating Activities	(5,812,047,459)	1,037,697,709
b. INVESTING ACTIVITIES:		
Acquisition of Fixed assets	(506,730,646)	(1,938,265,849)
Disposal of fixed assets	16,953,677	1,135,000
Capital Work-in-progress	(619,871,444)	(8,555,651)
Net cash used in Investing Activities	(1,109,648,413)	(1,945,686,500)
c. FINANCING ACTIVITIES:		
Share issued during the year	-	603,310,500
Repayment/Receipt of Syndicated Term Loan	(691,531,493)	(86,450,763)
Short term loan received	7,176,890,652	1,722,888,760
Term Loan-BMRE	258,094,904	56,224,000
Other long term loans received	516,672,333	-
Share application money refund/receipt	(125,000)	(555,011)
Short term loan paid/realized to/from Bangladesh Steel Re- Rolling Mills Ltd-net	830,761,099	(771,896,487)
Short term loan paid to affiliated companies	(781,513,920)	(617,422,704)
Net cash provided by Financing Activities	7,309,248,575	906,098,295
Total (a+b+c)	387,552,704	(1,890,496)
Opening cash and bank balances	187,174,200	189,064,696
Closing cash and bank balances	574,726,904	187,174,200
	387,552,704	(1,890,496)

BSRM STEELS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31ST DECEMBER, 2011

1.00 REPORTING ENTITY

1.01 Company profile

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

1.02 Nature of Business

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

1.03 Description of subsidiary BSRM Iron and Steel Company Limited

BSRM Steels Limited has acquired 95% equity interest in BSRM Iron and Steel Co. Ltd. i.e. 104,500,000 Ordinary Shares of Tk.10 each on 10th November 2010 in exchange of 104,500,000 Ordinary Shares of Tk.10 each in BSRM Steels Limited.

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

2.00 BASIS OF PREPARATION

2.01 Statement of compliance

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

The consolidated financial statements have been authorized for issue by the board of directors on 22nd March 2012.

2.02 Basis of measurement

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

2.03 Functional and presentation currency

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

2.04 Use of estimates and judgments

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

2.05 Reporting period

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

3.00 SIGNIFICANT ACCOUNTING POLICIES

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

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

3.01 Basis of consolidation

3.01.01 Subsidiary

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

3.01.02 Acquisition of entity under common control

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

3.01.03 Transactions eliminated on consolidation

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

3.02 Property, plant and equipment

3.02.01 Recognition and measurement

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

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

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

3.02.02 Subsequent costs

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

3.02.03 Depreciation

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

<u>Assets</u>	<u>Rates (%)</u>
Plant and Machinery	5%
Motor Vehicle	20%
Furniture and Fixtures	10%
Office Equipments	10%
Factory Buildings	5%
Roads and Pavements	5%
Trademark	5%
Others	10-20%

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

3.02.04 Capital work in progress

Capital work in progress consists of cost incurred for construction of stock yard, labour shed and for purchasing motor vehicles which were not put into use till reporting date.

3.03 Inventories

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

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

3.04 Leased assets

Operating Lease:

Payments made under operating leases are recognised as expense on a straight line basis over the term of the lease.

3.05 Trade and other receivables

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

3.06 Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

3.07 Cash and cash equivalents

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

3.08 Impairment

Financial assets

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

Non financial assets

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

3.09 Employee benefit schemes

A Contributory Provident Fund has been introduced and the fund has obtained recognition from Tax Authority on 25.11.2009. The Provident Fund started its operation from 1st January,2010. Both employees and the company contribute equally (10% of basic salary).

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

3.10 Provisions

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

3.11 Finance income and costs

Interest income has been recognised on cash basis.

Interest expenses incurred during the year have been charged to the Consolidated Statement of Comprehensive Income.

3.12 Foreign currency transactions

Foreign currency transactions are converted at the rates ruling on the dates advices are received. Monetary assets and liabilities denominated in foreign currencies are retranslated at rates ruling at the reporting date. All exchange differences are charged/credited to Consolidated profit and loss by being absorbed in the respective head of income or expenditure.

3.13 Contingencies

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

3.14 Income tax expenses

Current tax:

The company, in terms of decision of the Board of Directors in its Meeting held on 7th March 2012 filed a Writ Petition on 22nd March 2012 before the High Court Division of Supreme Court of Bangladesh challenging the legality of Section 16CCC of Income Tax Ordinance 1984 imposing minimum income tax of 0.50% of the gross receipts of the company regardless of profit or loss as per Accounts. Accordingly, the High Court issued a Rule Nisi calling the Government Authorities to show cause as to why Section 16CCC of the Income Tax Ordinance 1984 should not be declared to be illegal and of no legal effect and pending hearing of the Rule restrained the Government Authorities from charging minimum tax under the said Section. In view of above, no provision for income tax envisaged u/s 16CCC has been made in these accounts.

Deferred tax:

In view of the accumulated loss as on 31st December 2011, net deferred tax assets against unabsorbed assessed tax losses and taxable temporary differences have not been recognised in the books of account.

3.15 Revenue Recognition

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

3.16 Earnings Per Share (EPS)

Basic Earnings:

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

Diluted Earnings per share:

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

3.17 Comparative information has been disclosed in respect of the year 2010 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's consolidated financial statements.

Figures for the year 2010 have been rearranged wherever considered necessary to ensure comparability with the current year.

3.18 Financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, advance from customers, trade creditors, trade debtors and share capital etc.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

Advances from customers

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

Trade creditors and other Liabilities

Trade creditors and other liabilities are recognised at fair value on the date of transactions. The company derecognizes a financial liabilities when its contractual obligations are discharged, cancelled or expire.

Trade debtors

Trade debtors are recognised at fair value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred.

4.00 Consolidated property, plant and equipment

Property, plant and equipment at cost	Land & Land Development Tk.	Plant and Machinery Tk.	Motor Vehicles Tk.	Factory Building Tk.	Furniture and Fixtures Tk.	Trade Mark Tk.	Office Equipment Tk.	Roads and Pavements Tk.	Others Tk.	Total Tk.
Balance as on 01 January 2010	212,769,018	3,084,557,309	18,139,640	871,789,926	14,656,373	19,300	21,547,938	-	43,115,249	4,266,594,753
Additions during 2010	366,044,219	1,254,756,542	32,652,016	348,566,735	4,592,597	-	9,408,381	7,426,085	95,077,203	2,118,523,778
Disposal during 2010	-	-	1,881,337	-	-	-	-	-	-	1,881,337
Balance as at 31 st December, 2010	578,813,237	4,339,313,851	48,910,319	1,220,356,661	19,248,970	19,300	30,956,319	7,426,085	138,192,452	6,363,237,194
Balance as on 01 January 2011	578,813,237	4,339,313,851	48,910,319	1,220,356,661	19,248,970	19,300	30,956,319	7,426,085	138,192,452	6,363,237,194
Additions during 2011	32,806,716	375,956,289	25,389,894	1,389,113	16,341,232	-	9,689,388	3,017,094	42,140,920	506,730,646
Disposal during 2011	16,583,677	-	700,515	-	-	-	-	-	-	17,284,192
Balance as at 31 st December, 2011	595,036,276	4,715,270,140	73,599,698	1,221,745,774	35,590,202	19,300	40,645,707	10,443,179	180,333,372	6,872,663,648
Accumulated Depreciation:										
Balance as on 01 January 2010	-	240,639,234	4,081,913	66,482,957	1,979,067	965	3,244,087	-	-	316,428,223
Charged for the year 2010	-	196,937,165	7,016,575	48,926,085	1,569,700	917	2,726,099	371,304	9,221,981	266,769,826
Disposal during 2010	-	-	602,027	-	-	-	-	-	-	602,027
Balance as at 31 st December, 2010	-	437,576,399	10,496,461	115,409,042	3,548,767	1,882	5,970,186	371,304	9,221,981	582,596,022
Balance as on 01 January 2011	-	437,576,399	10,496,461	115,409,042	3,548,767	1,882	5,970,186	371,304	9,221,981	582,596,022
Charged for the year 2011	-	250,110,419	12,620,647	55,316,837	3,204,143	871	3,467,552	503,594	19,358,308	344,582,371
Disposal during 2011	-	-	319,435	-	-	-	-	-	-	319,435
Balance as at 31 st December, 2011	-	687,686,818	22,797,673	170,725,879	6,752,910	2,753	9,437,738	874,898	28,580,289	926,858,958
Carrying Amounts										
As at 01 January 2010	212,769,018	2,843,918,075	14,057,727	805,306,969	12,677,306	19,300	18,303,851	-	43,115,249	3,950,166,530
As at 31 st December 2010	578,813,237	3,901,737,452	38,413,858	1,104,947,618	15,700,203	17,418	24,986,134	7,054,781	128,970,471	5,800,641,172
As at 01 January 2011	578,813,237	3,901,737,452	38,413,858	1,104,947,618	15,700,203	17,418	24,986,134	7,054,781	128,970,471	5,800,641,172
As at 31 st December 2011	595,036,276	4,027,583,322	50,802,025	1,051,019,895	28,837,292	16,547	31,207,970	9,568,281	151,753,083	5,945,824,690

Depreciation allocated to:

2011 Taka	2010 Taka
321,343,518	258,097,362
23,238,853	8,672,464
344,582,371	266,769,826

Manufacturing expenses (Note-24.01)

General and administrative expenses (Note-25.00)

4.01 The following Motor vehicles were added to property, plant and equipment during the year 2011 :

Registration no.	Total Cost TK
Chatta Metro kha 11 2307	1,523,332
Chatta Metro kha 11 2308	1,523,332
Chatta Metro GA 12 6115	1,504,999
Dhaka Metro GA 13 5739	2,224,309
Chatta Metro GA 12 6257	2,075,490
Chatta Metro GA 12 6258	2,082,490
Chatta Metro GA 12 6452	1,967,595
Chatta Metro GA 11 1635	4,658,000
Chatta Metro GA 12 6714	4,485,000
Chatta Metro GA 12 6741	1,967,595
Total	24,012,142
Motor Cycle	
Chatta Metro HA 13 2585	119,862
Chatta Metro HA 13 2731	158,500
Chatta Metro HA 13 2783	120,600
Chatta Metro HA 13 2994	120,600
Chatta Metro HA 13 3586	122,600
Chatta Metro HA 13 3595	122,600
Chatta Metro HA 13 3596	122,600
Chatta Metro HA 39 5997	118,600
Chatta Metro HA 13 4963	124,595
Chatta Metro HA 13 4973	124,595
Chatta Metro HA 41 3379	122,600
Total	1,377,752
Grand Total	25,389,894

	2011 Taka	2010 Taka
5.00 CONSOLIDATED CAPITAL WORK IN PROGRESS		
Civil Construction This represents cost incurred for construction of stock yard at Narayangonj, purchase of motor vehicles and installation of Sharing Machine and Slug Crushing Machine at Baroawlia and Bhatary site.	630,082,245	10,210,801
6.00 PRELIMINARY EXPENSES	-	36,985
Above preliminary expenses relating to subsidiary have been written off during the year.		
7.00 CONSOLIDATED INVENTORIES		
Raw Materials	2,773,949,499	1,576,917,160
Finished Goods-Own production	3,601,241,140	2,278,197,219
Finished Goods-Procured from outside	41,280,970	35,892,740
Mechanical stores	390,587,299	263,228,472
MS Roll	32,829,945	34,445,462
Electrical stores	118,950,918	81,346,613
General stores	14,211,190	2,230,007
Fuel and Lubricants	23,181,890	5,236,918
Ferro Silicon	7,132,320	-
Welding gas	760,976	-
Consumable stores	155,554,433	72,004,457
	7,159,680,581	4,349,499,048
8.00 CONSOLIDATED ACCOUNTS RECEIVABLES	3,444,712,591	942,650,434
The directors believe that above receivables are good and fully realisable.		
9.00 CONSOLIDATED DUE FROM AFFILIATED COMPANY		
Bangladesh Steel Re-Rolling Mills Ltd (BSRM)	2,471,446,839	2,396,843,662
Chittagong Power Co. Ltd	4,300,650	-
BSRM Logistics Ltd	37,189,000	-
BSRM Steels Mills Ltd	674,635,167	-
BSRM Ispat Ltd	110,543,500	-
BSRM Metals Ltd	20,000	-
H. Akber Ali & Co. Ltd	25,142,890	-
BSRM Wires Ltd	9,200,108	-
	3,332,478,154	2,396,843,662
All transactions among the affiliated companies have been made through Account payee cheques or bank transfers from July 2011 and interests were charged on all affiliated companies' payables and receivables balances.		
10.00 CONSOLIDATED ADVANCES, DEPOSITS AND PRE-PAYMENTS		
a) Advances:		
Staff Loan	2,850,527	1,497,416
Income Tax	106,326,625	103,361,585
Against expenses	389,552,572	137,989,096
Bank Guarantee Margin	12,044,580	12,712,719

	2011 Taka	2010 Taka
L/C Margin	515,832,281	433,498,031
Against L/C	1,924,835,066	543,430,089
VAT Current Account	5,876,769	3,902,023
FDR	-	27,847,994
Advance for Scrap	39,773,672	12,257,983
	2,997,092,092	1,276,496,936
b) Deposits:		
Ansar/VDP	1,181,549	337,713
T & T	23,000	23,000
City Cell	15,000	15,000
Power Development Board	22,806,700	22,806,700
RanksTel	10,000	10,000
Karnaphuli Gas Distribution Co. Ltd.	10,526,780	10,526,780
Kolkata office premises	75,500	75,500
Central Depository Bangladesh Limited	500,000	500,000
Others	2,113,800	1,293,300
	37,252,329	35,587,993
c) Prepayments		
Insurance premium	1,258,871	1,678,230
BSTI licence fee	2,250,300	-
	3,509,171	1,678,230
Total (a+b+c)	3,037,853,592	1,313,763,159
The directors consider that all the above advances and prepayments are recoverable in kind or in cash and that no provision against them are required at this stage.		
11.00 CONSOLIDATED CASH AND BANK BALANCES		
Cash in hand	3,259,386	3,349,187
Cash at Banks	272,345,447	150,640,942
Fixed Deposit	299,122,071	33,184,071
	574,726,904	187,174,200
12.00 SHARE CAPITAL		
Authorised capital:		
475,000,000 Ordinary Shares of Tk. 10 each	4,750,000,000	4,750,000,000
25,000,000 Preference Shares of Tk. 10 each	250,000,000	250,000,000
	5,000,000,000	5,000,000,000
Denomination of Ordinary Shares and Preference Shares of Tk. 100 each has been changed to Tk. 10 each in terms of the resolution in the Extra Ordinary General Meeting of BSRM Steels Limited held on 14th November 2011.		
Issued, Subscribed and Paid-up capital:		
145,000,000 Ordinary Shares of Tk.10 each	1,450,000,000	1,450,000,000
104,500,000 Ordinary Shares of Tk.10 each fully paid-up for consideration other than cash	1,045,000,000	1,045,000,000
21,750,000 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares (for the year 2009)	217,500,000	217,500,000
54,250,000 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares (for the year 2010)	542,500,000	-
	3,255,000,000	2,712,500,000

12.01 Classification of shares by holding

Class by number of shares	No. of Holders Nos	No. of Shares Nos	Holding %
Less than 500	1,649	238,715	0.07
From 500 to 5,000	9,894	13,375,420	4.11
From 5,001 to 10,000	640	4,648,900	1.43
From 10,001 to 20,000	326	4,569,685	1.40
From 20,001 to 30,000	107	2,704,320	0.83
From 30,001 to 40,000	49	1,729,640	0.53
From 40,001 to 50,000	42	1,907,410	0.59
From 50,001 to 100,000	81	5,492,120	1.69
From 100,001 to 1,000,000	106	29,803,120	9.16
From 1,000,001 to above	20	261,030,670	80.19
	12,914	325,500,000	100.00

12.02 Composition of Shareholders at 31st December 2011

Name of shareholders	No. of Holders Nos	No. of Shares Nos	Holding %
Sponsor Shareholders-Local	7	156,338,660	48.03
Sponsor Shareholders- Foreign	7	1,381,930	0.42
Other Shareholders	12,900	167,779,410	51.55
	12,914	325,500,000	100.00

13.00 CONSOLIDATED LONG TERM LOAN

	2011 Taka	2010 Taka
Syndicated Term Loan (Note-13.01)	1,432,878,827	2,263,539,254
Term Loan for BMRE (Note-13.02.04)	235,861,527	53,441,296
Lease Liability (DBL)	329,762,067	-
IPDC Term Loan	86,672,401	-
ULC Term Loan	38,901,174	-
	2,124,075,996	2,316,980,550

13.01 SYNDICATED TERM LOAN

Due within one year	843,690,299	704,561,365
Due after more than one year	1,432,878,827	2,263,539,254
	2,276,569,126	2,968,100,619

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

Syndicated Term Loan

AB Bank Ltd.	68,635,614	95,539,108
Agrani Bank Ltd.	54,469,666	75,962,136
Bank Al Falah Ltd.	45,557,720	63,467,672
Bank Asia Ltd.	108,964,533	144,499,224
BRAC Bank Ltd.	45,557,720	63,467,672
Commercial Bank of Ceylon	45,557,720	63,467,672
Dhaka Bank Ltd.	62,944,493	80,399,959
Eastern Bank Ltd.	149,188,441	193,235,374
IFIC Bank Ltd.	45,557,720	63,467,672

	2011 Taka	2010 Taka
Mercantile Bank Ltd.	22,778,881	31,733,866
National Credit and Commerce Bank Ltd.	68,726,981	95,745,388
Prime Bank Ltd.	57,142,350	79,606,530
Pubali Bank Ltd.	68,726,981	95,745,388
SABINCO Ltd.	79,247,609	110,401,954
Standard Bank Ltd.	166,260,855	209,715,915
The City Bank Ltd.	140,062,851	180,524,768
The Trust Bank Ltd.	99,693,655	131,583,716
United Commercial Bank Ltd.	258,051,307	337,622,434
Uttara Bank Ltd.	91,505,910	127,479,320
Bangladesh Development Bank Ltd. (Formerly BSRS)	49,860,240	60,412,453
Industrial & Infrastructural Development Finance Co (IIDFC)	43,514,876	52,680,429
Janata Bank Ltd.	120,599,948	146,121,050
Mutual Trust Bank Limited	80,404,574	97,421,063
One Bank Ltd.	66,691,037	80,805,249
Rupali Bank Ltd.	80,335,926	97,335,412
Sonali Bank Ltd.	156,531,518	189,659,195
	<u>2,276,569,126</u>	<u>2,968,100,619</u>

13.02 Terms of Syndicated Loan-BSRM Steels Limited

13.02.01 First Syndicated Term Loan:

Lenders:

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

Total loan facilities: Tk. 198.70 crores.

Interest rate:

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

Disbursement:

The first disbursement was made on 18.01.2007

Repayments:

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

Installments due within 31 December 2011 were duly paid.

Securities:

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

Purpose:

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

13.02.02 Second Syndicated Term Loan:

Lenders:

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

Total loan facilities: Tk. 50.50 crores.

Interest rate:

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

Disbursement:

The first disbursement was made on 06.03.2008.
Installments due within 31 December 2011 were duly paid.

Repayments:

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

Securities:

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

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

The company entered into a syndicated loan agreement on 01-06-2009 with IIDFC, the lead arranger and 13 (thirteen) other Banks.

Total Loan Facilities: Taka 136.20 crores.

Interest Rate:

Initially interest rate was 14.50% but subsequently the rate has been reduced to 13.00% as per Bangladesh Bank Certificate.

Disbursement:

The first disbursement was made on February 2009.

Repayments:

The facility is repayable in 18 (eighteen) quarterly installments commencing from 15.01.2011.

Securities:

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

Purpose:

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

13.02.04 Term Loan for BMRE-BSRM Steels Limited

	2011 Taka	2010 Taka
Due within one year	78,457,377	2,782,704
Due after more than one year	235,861,527	53,441,296
	314,318,904	56,224,000

Terms of BMRE Loan:**Lenders:**

Agrani Bank Ltd. has sanctioned an amount of Tk. 32 crore as term loan against BMRE and disbursed the full amount within 2011.

Total loan facilities: Tk. 32 crores.

Interest rate:

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

Disbursement:

The first disbursement was made on 26.09.2010.

Repayments:

Above term loan is being re-paid in 48 monthly installments starting from October, 2011.

Securities:

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

Purpose:

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

	2011 Taka	2010 Taka
14.00 CONSOLIDATED TRADE CREDITORS		
BSRM Wires Ltd	17,974,752	-
15.00 CONSOLIDATED SHORT TERM LIABILITIES		
Loan against Trust Receipt (LTR) [Note-15.01]	3,311,076,405	3,750,517,981
Time loan (Note-15.02)	352,656,575	380,818,889
Loan receipts against Demand Loan (Note-15.03)	92,974,320	191,269,202
Dhaka Bank Ltd.(O/D)	(1,928,850)	18,866,243
Dutch Bangla Bank Ltd. O/D	9,361,198	-
Uttara Bank Ltd.(C/C)	6,114,341	23,751,038
National Credit and Commerce Bank Ltd., C/C	3,285,444	188,299,003
United Leasing Co Ltd-Factoring Loan	(8,039,466)	46,499,505
Pubali Bank Ltd., O/D	29,034,361	29,849,950
Eastern Bank Ltd O/D	1,092,001	4,326,111
Brac Bank Ltd., O/D	-	18,496,262
IFDBC (Note-15.04)	12,368,225,581	4,076,872,624
Standard Chertered Bank- Revolving Loan A/C	-	22,221,180
Shahjalal Islami Bank Ltd., (Bai-Muazzal)	-	100,862,500
Mutual Trust Bank Ltd. (SOD)	132,005,416	97,730,447
AB Bank Ltd.	27,481	5,429,219
One Bank Ltd.	-	38,706,967
HSBC	-	944,928
Liability against fractional bonus share	1,173,066	-
Habib Bank Ltd.	1,014,207	-
Janata Bank Ltd.	53,713,294	-
City Bank Ltd.(CC hypo)	294,258	-
	16,352,079,632	8,995,462,049
15.01 Loan against Trust Receipt (LTR)		
AB Bank Ltd.	104,546,687	19,061,683
Al-Arafa Islami Bank Ltd.	18,666,461	276,952,301
Bank Asia Ltd .	415,007,668	316,131,242
Brac Bank Ltd.	-	200,000,000
Dhaka Bank Ltd.	9,698,509	72,418,954
Eastern Bank Ltd.	44,733,112	240,561,506
IFIC Bank Ltd.	168,944,788	-
Islami Bank Bangladesh Ltd.	452,185,168	530,954,395
Mercantile Bank Ltd.	304,570,218	354,903,455
National Credit and Commerce Bank Ltd.	381,558,507	289,978,486
National Bank Ltd.	-	511,692,760
One Bank Ltd.	93,885,849	175,873,048
Pubali Bank Ltd.	467,556,564	73,928,344
Shahjalal Islami Bank Ltd.	654,599,673	417,546,121
Trust Bank Ltd.	7,928,286	13,251,624
United Commercial Bank Ltd.	46,306,359	81,992,223
Uttara Bank Ltd.	25,252,990	5,373,039
Social Islami Bank Ltd	74,019,139	51,175,277
City Bank Ltd.	37,742,174	111,103,492
Commercial Bank of Ceylon	3,874,253	7,620,031
	3,311,076,405	3,750,517,981

	2011 Taka	2010 Taka
15.02 Details of Time Loan		
Dutch Bangla Bank Ltd.	146,586,167	-
Prime Bank Ltd.	41,552,208	-
Trust Bank Ltd.	133,142,367	-
Brac Bank Ltd.	-	370,000,000
Commercial Bank of Ceylon	31,375,833	10,818,889
	352,656,575	380,818,889
15.03 Details of Demand Loan :		
Eastern Bank Ltd.	2,300,894	50,016,667
Bank Asia Ltd.	8,339,172	9,950,638
IFIC Bank Ltd .	82,334,254	131,301,897
	92,974,320	191,269,202
15.04 Details of Inland Foreign Documentary Bills for Collection (IFDBC)		
AB Bank Ltd.	1,086,257,773	370,882,982
Bank Asia Ltd.	691,560,857	448,395,810
Bank AL Falah Ltd	186,102,175	-
Dhaka Bank Ltd.	558,245,468	-
Dutch Bangla Bank Ltd.	648,203,358	35,644,057
Eastern Bank Ltd.	732,495,507	-
IFIC Bank Ltd	251,094,205	407,068,294
Islami Bank Bangladesh Ltd.	1,277,550,673	297,715,702
HSBC	449,458,381	-
Mercantile Bank Ltd.	899,559,843	131,316,457
National Credit and Commerce Bank Ltd.	895,253,667	82,927,239
One Bank Ltd.	507,003,077	-
Pubali Bank Ltd.	683,798,998	217,558,355
Prime Bank Ltd.	627,072,615	-
Shahjalal Islami Bank Ltd.	535,362,662	447,703,225
Standard Chartered Bank Ltd.	472,966,327	373,127,672
The City Bank Ltd.	244,839,288	233,231,619
State Bank of India	176,386,377	162,912,842
National Bank Ltd.	40,463,812	109,486,155
Brac Bank Ltd.	399,329,282	192,738,712
Commercial Bank of Ceylon	345,207,787	208,574,873
Agrani Bank Ltd.	-	232,851,062
Basic Bank Ltd.	-	124,737,568
Trust Bank Ltd.	404,217,390	-
United Commercial Bank Ltd.	255,796,059	-
	12,368,225,581	4,076,872,624

	2011 Taka	2010 Taka
16.00 CONSOLIDATED LIABILITIES FOR EXPENSES		
Audit Fees	500,000	465,000
Karnaphuli Gas Distribution Co. Ltd.	7,583,271	7,607,956
BOC Bangladesh	41,374	193,175
Brokerage and commission	22,376,739	18,383,304
C & F Bill Payable	4,069,747	1,895,319
Advertisement bills	11,687,517	4,400,858
Godown rent	191,820	105,300
Guest House rent	96,648	280,874
Imprest Cash Settlement	193,716	281,950
Insurance Payable	5,916,378	3,350,738
Liability against supply of goods	13,355,573	79,524
Carriage on purchase	9,151,779	1,048,024
Others	5,616,949	1,685,932
Carriage on sales	37,527,825	37,835,355
Overtime allowances	-	195,005
Salary & Allowances	4,338,277	4,798,497
Sonia Paribahan	17,944	17,944
Telephone expenses	22,724	29,346
ULC Bill Collection	-	526,193
L/C Liability	2,832,031	1,353,431
Sayera and Nizam Enterprise	-	3,370
Office rent	386,887	-
Transcom Electronics Ltd.	12,960	-
Concord Ready Mix & Concrete Products Ltd.	79,524	-
Electricity charges	29,938	-
Fee/Agency Fee	3,357,630	-
KM Sufian	100,000	-
Domiciliary expenses	39,421	-
Linde Bangladesh Ltd	6,751	-
Store and spares	628,874	-
Royal Inspection International Ltd	10,098	-
Sayera Enterprise	99,467	-
Other creditors	30,717,820	16,165,769
	160,989,682	100,702,864
17.00 ADVANCE AGAINST SALES	225,732,987	311,952,056
These represent the advances received against sales of finished goods from different parties to whom goods were not delivered within the reporting date.		
18.00 CONSOLIDATED LONG TERM LOAN-CURRENT PORTION		
These represent current portion of long term loans from financial institutions which are repayable within next twelve months from January, 2012 and consist of as follows:		
Syndicated Term Loan	843,690,299	704,561,365
Term Loan for BMRE	78,457,377	2,782,704
IPDC Term Loan	46,050,470	-
ULC Term Loan	15,286,221	-
Izara Loan	3,242,414	-
	986,726,781	707,344,069

	2011 Taka	2010 Taka
19.00 LIABILITY AGAINST SHARE APPLICATION MONEY	7,901,824	8,026,824
The above amounts are payable to the applicants for shares against which no share was allotted within the reporting date.		
20.00 CONSOLIDATED DUE TO AFFILIATED COMPANIES		
East Bengal Trading and Industrial Corporation Ltd.	158,377,250	158,377,250
BSRM Recycling Industries Ltd	51,570,000	-
Bangladesh Steel Ltd	180,000	-
H. Akber Ali & Co.	26,104,393	-
Bangladesh Steel Re-Rolling Mills Ltd (BSRM)	626,400,839	-
BSRM Steels Mills Ltd	1,631,660	-
BSRM Logistics Ltd	31,342	-
	864,295,484	158,377,250
21.00 CONSOLIDATED PROVISION FOR INCOME TAX		
Opening balance as on 01 January	3,335,093	5,000
Provided during the year	135,927,331	6,122,954
	139,262,424	6,127,954
Adjusted with advance income tax paid at source	(126,390,164)	(2,792,861)
Closing balance as on 31 December	12,872,260	3,335,093
22.00 CONSOLIDATED PROVISION FOR WPPF AND WELFARE FUND		
Opening balance as on 01 January	56,891,460	30,215,223
Provided during the year:		
BSRM Steels Limited	50,637,933	50,930,202
BSRM Iron and Steel Co. Ltd.	7,185,779	5,961,258
	57,823,712	56,891,460
	114,715,172	87,106,683
Paid during the year	(56,598,220)	(30,215,223)
Closing balance as on 31 December	58,116,952	56,891,460
23.00 CONSOLIDATED OTHER LIABILITIES		
Income Tax deducted at source from salary	120,361	740,353
Security Deposit	6,566,308	6,366,307
Income Tax deducted at source-others	2,058,735	3,049,197
VAT deducted at source	3,027,189	2,331,414
Earnest/Retention Money	26,834,902	11,452,246
Finished Goods Handling Charge	-	2,132,179
Liabilities for L/C	-	9,283,493
Lease Liabilities	-	7,735,193
	38,607,495	43,090,382

	2011 Taka	2010 Taka
24.00 CONSOLIDATED REVENUE		
Xtreme-500W	28,863,940,179	19,433,108,467
D-Bar Grade-60	91,923,197	50,066,452
D-Bar GR300	113,766,248	618,778,935
D-Bar GR 400	1,544,305,454	1,247,353,857
D-Bar Grade-40	11,143,691	275,776,909
D-Bar Grade-75	98,337,954	71,250,057
Miss Rolls	502,302,059	299,571,710
Melting Scrap	8,991,545	11,775,860
Billets	7,892,626	90,344,155
	31,242,602,953	22,098,026,402
25.00 CONSOLIDATED COST OF SALES		
Cost of sales-Own production (Note:25.01)	28,530,299,779	19,484,583,458
Cost of sales- Finished goods procured and sold (Note:25.02)	192,587,680	389,730,055
	28,722,887,458	19,874,313,513
25.01 COST OF SALES-OWN PRODUCTION		
Opening Stock of Raw Materials	1,576,917,160	1,219,731,132
Add: Purchase during the year	28,975,184,062	18,842,105,774
	30,552,101,222	20,061,836,906
Less: Closing Stock of Raw Materials	2,773,949,499	1,576,917,160
Raw Materials Consumed	27,778,151,723	18,484,919,746
Add: Manufacturing Expenses:		
Salary and wages	88,226,099	78,346,673
Overtime	6,686,962	1,941,741
Casual wages	14,606,682	4,816,923
Direct expenses	-	18,982,028
Direct material consumed	434,146,995	246,762,014
Factory overhead (Note-25.03)	306,548,467	237,907,634
Packaging cost	53,136,089	31,212,920
Power	439,032,091	259,609,924
Gas	97,129,865	91,312,317
Management Fees	76,159,065	67,515,579
Fuel and Lubricants	43,124,002	31,914,994
Furnace oil	22,498,124	-
Mechanical store consumption	104,502,527	54,522,508
MS Roll Consumption	32,968,012	14,118,892
Electrical Store consumption	22,075,207	27,625,836
General store consumed	11,332,254	7,985,363
Godown rent	1,676,018	1,713,500
Depreciation (Note- 4.00)	321,343,518	258,097,362
	2,075,191,977	1,434,386,208
Cost of Goods Manufactured	29,853,343,700	19,919,305,954
Add: Opening Stock of Finished Goods	2,278,197,219	1,843,474,723
	32,131,540,919	21,762,780,677
Less: Closing Stock of Finished Goods	3,601,241,140	2,278,197,219
Cost of sales	28,530,299,779	19,484,583,458

	2011 Taka	2010 Taka
25.02 COST OF SALES-FINISHED GOODS PROCURED AND SOLD		
Opening stock of finished goods as on 1 January	35,892,740	4,086,083
Finished goods purchased from outside	197,975,910	421,536,712
	233,868,650	425,622,795
Less: Closing stock of finished goods as on 31 December	41,280,970	35,892,740
	192,587,680	389,730,055
25.03 Factory overhead		
Billet cutting charge	-	402,015
Bonus	7,220,697	6,187,985
Carrying charges	146,944,263	161,456,579
Handling charges- Finished goods	42,748,789	-
Computer expenses	50,756	119,720
Conveyance expenses	4,021,749	2,002,970
Entertainment	4,976,723	3,239,346
Factory office expenses	95,885	126,502
General expenses	172,820	50,896
Generator expenses	2,590,280	1,603,527
Guest house expenses	2,010,483	5,496,176
Insurance expenses	7,075,789	6,292,643
Medical expenses	578,312	371,221
Paper and periodical	13,255	9,160
Postage and telegram	41,374	46,660
Printing	178,882	335,882
Stationery	109,188	365,946
Repairs and Maintenance	10,004,470	10,128,960
Testing charges	663,000	-
Uniform expenses	1,050	24,394
Salaries & allowances	72,422,370	35,849,239
Land revenue	-	59,076
OT Wages	-	2,426,158
Godown rent	2,442,020	950,350
Wasa	4,168	3,748
Special allowance	-	50,062
Staff welfare expenses	-	260,786
Servicing charge	-	13,000
Misc. expenses	895,715	8,494
Driver allowance	-	6,000
Electricity charges	1,286,429	20,139
	306,548,467	237,907,634
26.00 CONSOLIDATED SELLING AND DISTRIBUTION EXPENSES		
Advertisement	117,661,703	100,367,102
Brokerage and commission	95,244,220	44,775,702
Carriage on sales	85,269,959	52,464,218
Discount allowed	741,307	13,640,740
Export charges	1,655,904	977,137
Electricity expenses-Depot	605,177	871,764

	2011 Taka	2010 Taka
Debtors written off	-	197,380
Loss in transit	-	280,960
Sales promotion expenses	26,328,699	14,917,327
Promotional offer for dealers	27,046,173	-
Godown rent	2,224,990	1,847,000
	356,778,132	230,339,330
27.00 CONSOLIDATED GENERAL AND ADMINISTRATIVE EXPENSES		
Directors' remuneration	42,600,000	30,600,000
Salaries and allowances	56,214,061	40,403,151
Overtime allowance	-	9,353
Advertisement expenses	92,821	-
Gratuity payment	454,424	-
Fees and renewals	12,895,461	14,778,612
Audit fees	506,538	477,500
Bonus	2,255,488	1,117,767
Carrying charge	45,820	-
Consulting fees	10,884,451	8,176,343
Conveyance expenses	18,672,111	11,807,691
Donation and subscriptions	5,368,562	10,912,572
Entertainment	6,753,174	4,755,582
E-mail expense	1,504,507	654,121
General expenses	440,975	213,175
Guest house expenses	5,874,017	1,872,973
Legal expenses	1,131,366	341,946
Land Revenue	325,578	176,384
Office rent	7,476,112	454,974
Postage expenses	483,290	475,384
Printing	7,227,908	4,503,192
Stationery	1,602,092	1,870,491
Papers and Periodicals	54,558	37,589
Telephone expenses	3,118,138	2,239,478
Training expenses	827,840	1,235,148
Traveling expenses	15,645,293	10,203,571
Depreciation (Note-4.00)	23,238,853	8,672,464
Electricity Expenses	1,277,130	111,345
Medical Expenses	476,794	8,968
Office and miscellaneous expenses	3,381,895	2,481,864
	230,829,257	158,591,638
28.00 CONSOLIDATED OTHER INCOME		
Miscellaneous income	1,444,792	1,147,034
Truck/trailer rent received	6,899,505	5,670,000
Loss on sale of fixed assets	(11,080)	(144,310)
	8,333,217	6,672,724
29.00 CONSOLIDATED FINANCE INCOME		
Interest on IPO deposit	44,616	222,271
Interest income from FDR	50,094,649	1,534,087
Interest on STD	23,787	39,817
Interest Realisation	-	194,797
	50,163,052	1,990,972

	2011 Taka	2010 Taka
30.00 CONSOLIDATED FINANCE COSTS		
Interest on Cash credit	28,349,964	29,381,761
Interest on LTR	370,902,300	267,327,483
Interest on Demand and Time loan	36,085,553	49,254,485
Interest on Syndicated Term loan	354,984,245	287,468,927
Interest on BMRE Term loan	25,562,954	1,823,660
Arrangers' Commission	9,099,004	5,000,732
Bill collection charge	6,782,474	9,333,646
Bank charges	6,286,522	45,375,430
Bank Guarantee Commission	317,819	418,889
Interest from Sister Concern	(278,963,437)	-
Foreign currency exchange rate fluctuation loss	259,238,230	-
Interest on Overdraft	-	9,237,176
Interest on lease liabilities	879,656	2,141,761
	819,525,284	706,763,950
31.00 CONSOLIDATED BASIC EARNINGS PER SHARE (EPS)		
Basic earnings per share (EPS):		
Profit attributable to the ordinary shareholders	970,479,275	1,068,228,190
Weighted Average number of shares outstanding during the year	325,500,000	325,500,000
Basic earnings per share (EPS)	2.98	3.28

In view of the changes in denomination of Ordinary Shares of Tk. 100 each to Tk. 10 per shares, weighted average number of shares and Basic Earnings per share of 2010 have been restated.

32.00 FINANCIAL RISK MANAGEMENT

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

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

32.01 Risk management framework

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

32.02 Credit risk

Credit risk is risk of financial loss if a customer fails to meet its contractual obligations which arises principally from the Company's receivables from customers.

32.03 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.

32.04 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 optimising the return.

33.00 RELATED PARTY TRANSACTIONS

Name	Relationship	Nature of Transactions	Outstanding as on 31.12.2011	Compensation	
Bangladesh Steel Re-Rolling Mills Ltd.	Shareholder and sister company	Material supply/ Short term Loan/ Sale of Rod	2,471,446,839 626,400,839	Market price	Dr. Cr.
H. Akber Ali & Co. Ltd	-DO-	Short term loan	25,142,890	Market price	Dr.
			26,104,393	Market price	Cr.
BSRM Wires Ltd	Affiliated Company	Material supply	9,200,108	Market price	Dr.
			17,974,752	Market price	Cr.
Karnafully Engineering Works Ltd	-DO-	Godown hire	Nil	Market price	
Chittagong Power Company Ltd.	-DO-	Godown hire	4,300,650	Market price	Dr.
BSRM Steels Mills Ltd	-DO-	Short term loan	674,635,167	Market price	Dr.
			1,631,660	Market price	Cr.
BSRM Ispat Ltd	-DO-	Short term loan	110,543,500	Market price	Dr.
BSRM Metals Ltd	-DO-	Short term loan	20,000	Market price	Dr.
East Bengal Trading and Industrial Corporation Ltd.	-DO-	Land purchase	158,377,250	Market price	Cr.
BSRM Recycling Industries Ltd	-DO-	Short term loan	51,570,000	Market price	Cr.
Bangladesh Steel Ltd	-DO-	Short term loan	180,000	Market price	Cr.
BSRM Logistics Ltd	-DO-	Transportation service	31,342	Market price	Cr.
			37,189,000	Market price	Dr.

	2011 Taka	2010 Taka
34.00 CONTINGENT LIABILITIES		
The following contingent liabilities existed on the reporting date.		
34.01 Bank Guarantee		
IFIC Bank Ltd	12,916,566	14,635,090
Bank Guarantee Against Bakhrabad Gas System	-	10,912,500
Trust Bank Ltd.	821,187	821,187
Mercantile Bank Ltd-Jubilee Road Branch	11,289,500	-
	25,027,253	26,368,777

	2011 Taka	2010 Taka
34.02 L/C Liability		
AB Bank Ltd	-	452,598,050
Agrani Bank Ltd.	12,218,000	247,317,000
Al Arafah Islami Bank Ltd	-	202,244,000
Bank Asia Ltd., Agrabad Branch	140,333,104	205,643,442
Bank Al Falah Ltd., Agrabad Branch	127,037,658	-
BASIC Bank Ltd	-	337,839,000
BRAC Bank Ltd.	148,998,120	203,516,264
Commercial Bank of Ceylon	-	409,053,104
DBBL, Jubilee Road Branch	-	92,167,750
Dhaka Bank Ltd., Jubilee Road Branch	-	668,723
Eastern Bank Ltd., Agrabad Branch	-	212,401,126
HSBC	-	-
IFIC Bank Ltd	-	467,913,000
Islami Bank Bangladesh Ltd	-	347,184,981
Jamuna Bank Ltd	-	-
Mercantile Bank Ltd., Jubilee Road Branch.	-	353,829,000
National Bank Ltd	-	234,924,000
NCC Bank Ltd	-	170,430,000
One Bank Ltd	165,585,686	-
Prime Bank Ltd	-	172,277,700
Pubali Bank Ltd., Agrabad Branch	-	338,776,000
Shahjalal Islami Bank Limited, Jubilee Road Branch	143,919,338	331,672,000
Social Islami Bank Ltd	-	697,779
Standard Chartered Bank	202,948,528	70,445,353
State Bank of India	-	195,763,650
The City Bank Ltd	-	127,980,000
Trust Bank Ltd	-	1,007,000
United Commercial Bank Ltd., Jubilee Road Branch	-	106,657,000
Uttara Bank Ltd	8,490,600	11,345,000
	949,531,034	5,294,350,922
	974,558,287	5,320,719,699

35.00 CAPITAL COMMITMENT

The group had no capital commitment at the consolidated reporting date.

36.00 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of BSRM Steels Limited in their meeting held on 22nd March, 2012 recommended 15% cash dividend for the year 2011.



BSRM STEELS LIMITED
Auditors' Report And
Financial Statements
For The Year Ended
31st December 2011

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BSRM STEELS LIMITED

Report on the Financial Statements

We have audited the accompanying financial Statements of BSRM Steels Limited which is comprised of the Statement of Financial Position as at 31st December, 2011, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of BSRM Steels Limited as at 31st December, 2011 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

We also report that :

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (c) the Statement of Financial Position (Balance Sheet) and Statements of Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books of account; and
- (d) the expenditure incurred was for the purposes of the company's business.

Chittagong, 22nd March, 2012.



BSRM STEELS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2011

	Notes	2011 Taka	2010 Taka
Assets			
Property, plant and equipment at cost	4	4,526,023,580	4,315,018,100
Accumulated Depreciation		(692,703,783)	(502,020,346)
		3,833,319,797	3,812,997,754
Capital work in progress	5	179,256,651	10,210,801
Investment	7	1,045,000,000	1,045,000,000
Total non-current assets		5,057,576,448	4,868,208,555
Inventories	8	6,452,929,268	3,649,002,576
Trade Debtors	9	3,438,356,670	846,869,584
Due from affiliated companies	10	3,298,025,756	1,779,420,958
Advances, deposits and prepayments	11	2,823,948,039	911,966,595
Cash and cash equivalents	12	539,260,326	178,629,227
Total current assets		16,552,520,059	7,365,888,940
Total assets		21,610,096,507	12,234,097,495
Equity			
Share capital	13	3,255,000,000	2,712,500,000
Accumulated Loss		(280,919,354)	(577,624,404)
Equity attributable to owners of the company		2,974,080,646	2,134,875,596
Liabilities			
Long term loan	14	872,704,943	1,197,623,046
Total non-current liabilities		872,704,943	1,197,623,046
Trade creditors	15	2,634,260,710	945,009,702
Due to affiliated companies	16	77,854,393	-
Short term liabilities	17	14,002,198,271	7,020,143,339
Liabilities for expenses	18	125,085,018	81,579,348
Advance against sales	19	225,388,457	311,952,056
Long term loan-current portion	20	597,401,002	468,758,657
Liability against share application money	21	7,901,815	8,026,815
Provision for income tax	22	12,872,260	-
Provision for WPPF and Welfare Fund		50,637,933	50,930,202
Other liabilities	23	29,711,058	15,198,734
Total current liabilities		17,763,310,918	8,901,598,853
Total liabilities		18,636,015,861	10,099,221,899
Total liabilities and equity		21,610,096,507	12,234,097,495

The annexed notes 1 to 38 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our annexed report of same date.

Chittagong, 22nd March, 2012


Rahman Rahman Huq
Chartered Accountants

BSRM STEELS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2011

	Notes	2011 Taka	2010 Taka
Revenue	24	31,234,710,327	22,007,682,247
Cost of sales	25	(29,320,135,355)	(20,077,963,771)
Gross profit		1,914,574,972	1,929,718,476
Selling and distribution costs	26	(356,778,132)	(229,990,861)
Administrative costs	27	(188,841,722)	(149,192,340)
		(545,619,854)	(379,183,201)
		1,368,955,118	1,550,535,275
Other income	28	740,712	1,002,724
Results from operating activities		1,369,695,830	1,551,537,999
Finance costs	29	(403,745,379)	(534,730,126)
Finance income	30	46,808,218	1,796,175
		(356,937,161)	(532,933,951)
Net Profit before tax and WPPF and Welfare Fund		1,012,758,669	1,018,604,048
Contribution to WPPF and Welfare Fund		(50,637,933)	(50,930,202)
Profit before income tax		962,120,735	967,673,846
Income tax expenses:			
Current Tax	3.14	(122,915,685)	(2,787,861)
Net profit after tax for the year		839,205,050	964,885,985
Other comprehensive income		-	-
		839,205,050	964,885,985
Earnings per share:			
Basic earnings per share	31	2.58	2.96

The annexed notes 1 to 38 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

As per our annexed report of same date.

Chittagong, 22nd March, 2012


Rahman Rahman Huq
Chartered Accountants

BSRM STEELS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2011

	Share Capital Taka	Accumulated loss Taka	Total Taka
Balance as on 1 January 2010	1,450,000,000	(1,325,010,389)	124,989,611
Issue of Bonus Share	217,500,000	(217,500,000)	-
Issue of ordinary Share on acquisition of BISCO	1,045,000,000	-	1,045,000,000
Net profit after tax for the year 2010	-	964,885,985	964,885,985
Balance as at 31 December 2010	2,712,500,000	(577,624,404)	2,134,875,596
Issue of Bonus Share	542,500,000	(542,500,000)	-
Net Profit after tax for the year 2011	-	839,205,050	839,205,050
Balance as at 31 December 2011	3,255,000,000	(280,919,354)	2,974,080,646

BSRM STEELS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2011

	2011 Taka	2010 Taka
a. OPERATING ACTIVITIES:		
Paid against revenue expenditure	(808,132,671)	(648,524,617)
Receipts from customers for sales	28,334,151,540	21,564,972,420
Paid to suppliers against procurement of raw material and finished goods	(28,536,511,433)	(17,453,808,223)
Paid to suppliers against procurement of consumables	(632,842,035)	(469,417,526)
Advance received against sales	225,388,457	311,952,056
Advances made	(2,708,931,694)	(806,084,550)
Security Deposits	(790,325)	40,000
Pre-payments	(3,509,171)	(1,678,230)
Receipt against other income	47,560,010	2,943,209
Payment of interest	(480,770,785)	(648,891,703)
Income Tax Paid	(116,528,124)	(41,792,742)
Net cash provided by/(used in) Operating Activities	(4,680,916,231)	1,809,710,094
b. INVESTING ACTIVITIES:		
Acquisition of fixed assets	(213,905,995)	(431,792,408)
Disposal of fixed assets	2,570,000	1,135,000
Capital Work-in-progress	(169,045,850)	(8,555,651)
Net cash used in Investing Activities	(380,381,845)	(439,213,059)
c. FINANCING ACTIVITIES:		
Repayment/Receipt of Syndicated Term Loan	(454,370,662)	(411,445,506)
Short term loan received	6,799,085,587	(252,429,951)
Short term loan paid to group companies	(1,180,755,654)	(771,896,487)
Term Loan-BMRE	258,094,904	56,224,000
Share application money refund/receipt	(125,000)	(555,011)
Net cash provided by/(used in) Financing Activities	5,421,929,175	(1,380,102,955)
Total (a+b+c)	360,631,099	(9,605,920)
Opening cash and bank balances	178,629,227	188,235,147
Closing cash and bank balances	539,260,326	178,629,227
	360,631,099	(9,605,920)

BSRM STEELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31ST DECEMBER, 2011

1.00 LEGAL FORM OF ENTERPRISE

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

1.01 Nature of the business

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

2.00 BASIS OF PREPARATION

2.01 Statement of compliance

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

The financial statements have been authorized for issue by the board of directors on 22nd March 2012.

2.02 Basis of measurement

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

2.03 Functional and presentation currency

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

2.04 Use of estimates and judgments

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

2.05 Reporting period

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

3.00 SIGNIFICANT ACCOUNTING POLICIES

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

3.01 Property, plant and equipment

3.01.01 Recognition and measurement

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

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

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

3.01.02 Subsequent costs

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

3.01.03 Depreciation

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

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

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

3.01.04 Capital work in progress

Capital work in progress consists of cost incurred for construction of stock yard, labour shed and purchasing motor vehicles which were not put into use till reporting date.

3.02 Inventories

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

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

3.03 Leased assets

Operating Lease:

Payments made under operating leases are recognised as expense on a straight line basis over the term of the lease.

3.04 Trade and other receivables

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

3.05 Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

3.06 Cash and cash equivalents

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

3.07 Impairment

Financial assets

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

Non financial assets

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

3.08 Employee benefit schemes

A Contributory Provident Fund has been introduced and the fund has obtained recognition from Tax Authority on 25.11.2009. The Provident Fund started its operation from 1st January,2010. Both employees and the company contribute equally (10% of basic salary).

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

3.09 Earnings Per Share (EPS)

Basic Earnings:

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, noncontrolling interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders (refer to Note-31 to the Financial Statements).

Diluted Earnings per share:

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

3.10 Provisions

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

3.11 Finance income and costs

Interest income has been recognised on cash basis.

Interest expenses incurred during the year have been charged to Statement of Comprehensive Income.

3.12 Foreign currency transactions

Foreign currency transactions are converted at the rates ruling on the dates advices are received. Monetary assets and liabilities denominated in foreign currencies are retranslated at rates ruling at the reporting date. All exchange differences are charged/credited to profit and loss by being absorbed in the respective head of income or expenditure.

3.13 Contingencies

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

3.14 Income tax expenses

Current tax:

The company, in terms of decision of the Board of Directors in its Meeting held on 7th March 2012 filed a Writ Petition on 22nd March 2012 before the High Court Division of Supreme Court of Bangladesh challenging the

legality of Section 16CCC of Income Tax Ordinance 1984 imposing minimum income tax of 0.50% of the gross receipts of the company regardless of profit or loss as per Accounts. Accordingly, the High Court issued a Rule Nisi calling the Government Authorities to show cause as to why Section 16CCC of the Income Tax Ordinance 1984 should not be declared to be illegal and of no legal effect and pending hearing of the Rule restrained the Government Authorities from charging minimum tax under the said Section. In view of above, no provision for income tax envisaged u/s 16CCC has been made in these accounts.

Deferred tax:

In view of the significant accumulated loss as on 31st December 2011, deferred assets has not been recognised in the financial statements.

- 3.15** Comparative information has been disclosed in respect of the year 2010 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

3.16 Revenue Recognition

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

3.17 Financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, advance from customers, trade creditors, trade debtors and share capital etc.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances.

Advances from customers

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

Trade creditors and other Liabilities

Trade creditors and other liabilities are recognized at fair value on the date of transactions. The company derecognizes a financial liabilities when its contractual obligations are discharged, cancelled or expire.

Trade debtors

Trade debtors are recognised at fair value.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred.

4.00

Property, plant and equipment - at cost less Accumulated Depreciation

Property, plant and equipment at cost	Land Tk.	Land Development Tk.	Plant and Machinery Tk.	Motor Vehicles Tk.	Factory Building Tk.	Furniture and Fixtures Tk.	Trade Mark	Office Equipment Tk.	Roads and Pavements Tk.	Total Tk.
Balance as on 01 January 2010	142,220,449	41,336,046	2,867,095,777	16,145,343	784,158,498	12,686,684	19,300	21,261,724	-	3,884,923,821
Additions during 2010	187,278,941	8,313,009	190,948,271	11,257,031	15,353,352	2,787,327	-	8,611,600	7,426,085	431,975,616
Disposal during 2010	-	-	-	1,881,337	-	-	-	-	-	1,881,337
Balance as at 31 st December, 2010	329,499,390	49,649,055	3,058,044,048	25,521,037	799,511,850	15,474,011	19,300	29,873,324	7,426,085	4,315,018,100
Balance as on 01 January 2011	329,499,390	49,649,055	3,058,044,048	25,521,037	799,511,850	15,474,011	19,300	29,873,324	7,426,085	4,315,018,100
Additions during 2011	-	11,071,591	152,818,589	25,389,894	974,458	11,112,681	-	9,521,688	3,017,094	213,905,995
Disposal during 2011	2,200,000	-	-	700,515	-	-	-	-	-	2,900,515
Balance as at 31 st December, 2011	327,299,390	60,720,646	3,210,862,637	50,210,416	800,486,308	26,586,692	19,300	39,395,012	10,443,179	4,526,023,580
Accumulated Depreciation:										
Balance as on 01 January 2010	-	-	240,639,234	4,081,913	66,482,957	1,979,067	965	3,244,087	-	316,428,223
Charged for the year 2010	-	-	140,870,241	4,287,825	36,651,445	1,349,494	917	2,662,924	371,304	186,194,150
Disposal during 2010	-	-	-	602,027	-	-	-	-	-	602,027
Balance as at 31 st December, 2010	-	-	381,509,475	7,767,711	103,134,402	3,328,561	1,882	5,907,011	371,304	502,020,346
Balance as on 01 January 2011	-	-	381,509,475	7,767,711	103,134,402	3,328,561	1,882	5,907,011	371,304	502,020,346
Charged for the year 2011	-	-	141,467,658	8,488,541	34,867,595	2,325,813	871	3,348,800	503,594	191,002,872
Disposal during 2011	-	-	-	319,435	-	-	-	-	-	319,435
Balance as at 31 st December, 2011	-	-	522,977,133	15,936,817	138,001,997	5,654,374	2,753	9,255,811	874,898	692,703,783
Carrying Amounts										
As at 01 January 2010	142,220,449	41,336,046	2,626,456,543	12,063,430	717,675,541	10,707,617	18,335	18,017,637	-	3,568,495,598
As at 31 st December 2010	329,499,390	49,649,055	2,676,534,573	17,753,326	696,377,448	12,145,450	17,418	23,966,313	7,054,781	3,812,997,754
As at 01 January 2011	329,499,390	49,649,055	2,676,534,573	17,753,326	696,377,448	12,145,450	17,418	23,966,313	7,054,781	3,812,997,754
As at 31 st December 2011	327,299,390	60,720,646	2,687,885,504	34,273,599	662,484,311	20,932,318	16,547	30,139,201	9,568,281	3,833,319,797

Depreciation allocated to:

2011 Taka	2010 Taka
176,335,253	177,521,686
14,667,619	8,672,464
191,002,872	186,194,150

Cost of sales (Note-25.01)

Administrative costs (Note-27.00)

4.01 The following Motor vehicles were added to property, plant and equipment during the year 2011 :

Registration no.	Total Cost TK
Chatta Metro kha 11 2307	1,523,332
Chatta Metro kha 11 2308	1,523,332
Chatta Metro GA 12 6115	1,504,999
Dhaka Metro GA 13 5739	2,224,309
Chatta Metro GA 12 6257	2,075,490
Chatta Metro GA 12 6258	2,082,490
Chatta Metro GA 12 6452	1,967,595
Chatta Metro GA 11 1635	4,658,000
Chatta Metro GA 12 6714	4,485,000
Chatta Metro GA 12 6741	1,967,595
Total	24,012,142
Motor Cycle	
Chatta Metro HA 13 2585	119,862
Chatta Metro HA 13 2731	158,500
Chatta Metro HA 13 2783	120,600
Chatta Metro HA 13 2994	120,600
Chatta Metro HA 13 3586	122,600
Chatta Metro HA 13 3595	122,600
Chatta Metro HA 13 3596	122,600
Chatta Metro HA 39 5997	118,600
Chatta Metro HA 13 4963	124,595
Chatta Metro HA 13 4973	124,595
Chatta Metro HA 41 3379	122,600
Total	1,377,752
Grand Total	25,389,894

	2011 Taka	2010 Taka
5.00 Capital work in progress		
Civil Construction	179,256,651	10,210,801

This represents cost incurred for construction of stock yard at Narayangonj, labour shed at Fouzderhat and purchase of motor vehicles.

6.00 Deferred tax

In view of the accumulated loss as on 31st December 2011, net deferred tax assets against unabsorbed assessed tax losses and taxable temporary differences have not been recognised in the books of accounts.

7.00 Investment

BSRM Steels Limited has acquired 95% equity interest in BSRM Iron and Steel Co. Ltd. i.e. 104,500,000 Ordinary Shares of Tk.10 each on 10 November 2010 in exchange of 104,500,000 Ordinary Shares of Tk.10 each in BSRM Steels Limited. An amount of Tk. 1,045,000,000 being face value of shares issued against acquisition of this subsidiary has been shown as investment in subsidiary at cost as per BAS 27. BSRM Steels Limited and BISCO have been operating under common control.

8.00 Inventories

	2011		2010
	Qty. M.Ton	Amount Taka	Amount Taka
Raw Materials-Billets	37,584	2,319,539,974	1,019,754,208
Finished Goods-Own production	54,654	3,553,083,080	2,202,954,971
Finished Goods-Procured from outside	635	41,280,970	35,892,740
Mechanical stores		375,364,379	262,716,256
MS Roll		32,829,945	34,445,462
Electrical stores		108,517,638	81,175,547
General stores		3,893,390	2,121,042
Fuel and Lubricants		18,419,891	1,594,159
Goods in Transit		-	8,348,191
		6,452,929,268	3,649,002,576
9.00 Trade debtors		3,438,356,670	846,869,584

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

10.00 Due from affiliated companies

Bangladesh Steel Re-Rolling Mills Ltd (BSRM)	2,471,446,839	1,779,420,958
Chittagong Power Co. Ltd	4,191,250	-
BSRM Logistics Ltd	37,189,000	-
BSRM Steels Mills Ltd	674,635,167	-
BSRM Ispat Ltd	110,543,500	-
BSRM Metals Ltd	20,000	-
	3,298,025,756	1,779,420,958

All transactions among the affiliated companies have been made through Account payee cheques or bank transfers from July 2011 and interests were charged on all affiliated companies' payables and receivables balances.

	2011 Taka	2010 Taka
11.00 Advances, deposits and prepayments		
a) Advances:		
Staff loan	1,551,820	1,085,090
Income tax-corporate	94,215,662	87,730,963
Against expenses	350,681,370	64,746,905
Bank guarantee margin	2,008,772	2,713,832
L/C margin	449,555,217	399,381,566
Against L/C	1,902,044,633	337,220,992
VAT current account	5,803,714	3,621,662
	2,805,861,188	896,501,010
b) Deposits:		
Ansar/VDP	911,038	337,713
T & T	21,000	21,000
City Cell	15,000	15,000
Power Development Board	3,606,700	3,606,700
RanksTel	10,000	10,000
Karnaphuli Gas Distribution Co. Ltd. (KGDCL)	9,179,192	9,179,192
Kolkata office premises	37,750	37,750
Central Depository Bangladesh Limited	500,000	500,000
Others	297,000	80,000
	14,577,680	13,787,355
c) Prepayments		
Insurance premium	1,258,871	1,678,230
BSTI license fee	2,250,300	-
	3,509,171	1,678,230
Total (a+b+c)	2,823,948,039	911,966,595
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 them are required at this stage.		
12.00 Cash and cash equivalents		
Cash in hand	2,808,750	2,812,399
Cash at Banks (Note-12.01)	268,186,729	142,632,757
Fixed Deposit (Note-12.03)	268,264,847	33,184,071
	539,260,326	178,629,227

	2011 Taka	2010 Taka
12.01 Cash at Banks:		
Agrani Bank Ltd.		
Laldighi East Br.-CD A/c	3,480,791	926,664
Laldighi East Br.-Escrow A/c	43,137	44,407
Colonel Hat Br. Ctg.-CD A/c	1,235,934	6,344
Tomson Bridge Br. Comilla -CD A/C	17,227	1,464,258
AB Bank Ltd., Agrabad Br.Ctg.- CD A/c	10,453,778	3,447
AI - Arafa Islami Bank Ltd.	1,661,310	2,481
Bank Asia Ltd., CEPZ Br. CD A/c	-	44,425
Bank Asia Ltd.,Agrabad Br. Ctg. CD A/c	3,696	65,450
BRAC Bank Ltd., Agrabad Br.Ctg.-CD A/c	63,694	-
Bank Alfalah Ltd.,Agrabad Br. Ctg. CD A/c	11,165,842	-
Basic Bank Ltd.	29,493	100,062
Commercial Bank of Ceylon, Agrabad Br. Ctg.- CD A/c	2,891,313	1,120,721
Dhaka Bank Ltd.,Jubilee Road Br.Ctg.-CD A/c	11,022,440	11,954,770
Dutch Bangla Bank Limited, Agrabad Branch,Ctg	(70,173)	11,220
Dutch Bangla Bank Limited, Jubilee Road Branch,Ctg	7,867,479	594,602
Eastern Bank Ltd,Agrabad Br,Ctg	3,677,121	-
Habib Bank Ltd.,Laldighi East Br.-CD A/c	14,326,556	6,360,067
HSBC- Current Account, Agrabad Branch	(25,723,588)	(13,044,382)
HSBC, Ekdalia Road Br. Kolkata,India-CD A/c	62,073	30,647
HSBC,-USD Exporters FCY A/C	46,650	1,101,209
HSBC MDA Currency USD A/c, Agrabad Br	6,384,520	-
IFIC Bank Ltd., Agrabad Br. Ctg.-CD A/c	1,710,801	3,392,910
Islami Bank Bangladesh Limited, Jubilee Road Branch Ctg	5,171,198	2,123,207
Jamuna Bank Limited, Khatungonj Branch, Ctg.	3,294,903	2,327,943
Mercantile Bank Ltd., Jubilee Road Br. Ctg.-CD A/c	70,230	46,611,853
National Bank Ltd ,Jubilee Road Br-CD A/c	6,120,320	3,501,623
National Credit and Commerce Bank Ltd., Agrabad Br. Ctg.CD A/c	60,827	4,151,025
National Bank of Pakistan, Agrabad Branch,Ctg.	-	99,880
One Bank Limited., Agrabad Branch,Ctg	7,612,821	4,153,975
Prime Bank Limited,O.R Nizam Road Branch,Ctg	12,403,514	3,569,223
Shajalal Islami Bank Limited, Jubilee Road Branch, Ctg	22,792,326	5,212,125
Social Islami Bank Ltd.	43,952	5,246
Sonali Bank Ltd., Kalibari Br. Ctg.-CD A/c	22,648,378	17,189,126
Sonali Bank Ltd.,Cable Shilpa Branch, Khulna	212,233	750,392
Southeast Bank Ltd,Pahartali Branch, Chittagong	14,118,682	4,337,156
Standard Chartered Bank, Agrabad Branch, Ctg., CD Account	1,270,863	(192,634)
Standard Chartered Bank, Dhaka	7,491	8,641
State Bank of India,Agrabad Branch, Chittagong	15,435,301	9,994,992
The City Bank Ltd., Agrabad Br. Ctg.-CD A/c	28,855,390	1,534
The City Bank Ltd., Dhaka. CD A/C	165,996	60,647
Trust Bank Ltd,CDA Avenue Branch, Chittagong.	55,152,500	10,170,833
United Commercial Bank Ltd.,Jubilee Road Br.Ctg.	19,015,183	1,055,930
Uttara Bank Ltd.,Agrabad Br.Ctg.-CD A/c	2,071,469	5,094,454
	266,873,671	134,406,473
HSBC-Agrabad Branch STD A/C(Note: 12.02)	434,503	7,995,348
HSBC-EURO Account, Agrabad Branch (Note: 12.02)	28,519	28,630
HSBC-GBP Current Account, Agrabad Branch (Note: 12.02)	759	759
HSBC-USD Current Account, Agrabad Branch,(Note:12.02)	176,211	201,547
HSBC- Dividend/Bonus Fraction A/c, Agrabad Br	673,066	-
	1,313,058	8,226,284
	268,186,729	142,632,757

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

	Purpose	Rate of Interest		
12.03 Fixed Deposit				
Mercantile Bank Limited	Security deposit	11%	1,275,071	1,275,071
Pubali Bank Ltd	L/C Margin	12%	30,975,400	10,241,000
The City Bank Ltd.	L/C Margin	12%	20,600,000	11,100,000
Trust Bank Ltd.	L/C Margin	12%	18,274,192	10,568,000
Dhaka Bank Ltd	L/C Margin	13.50%	8,000,000	-
AB Bank Ltd	L/C Margin	12%	13,116,484	-
Bank Alfalah Ltd	L/C Margin	12%	35,000,000	-
Dutch Bangla Bank Ltd	L/C Margin	11%	28,650,000	-
Standard Chartered Bank	L/C Margin	10%	44,100,000	-
		7%	38,273,700	-
State Bank of India	L/C Margin	12%	30,000,000	-
			268,264,847	33,184,071

	2011 Taka	2010 Taka
13.00 Share capital		
Authorised capital:		
475,000,000 Ordinary Shares of Tk. 10 each	4,750,000,000	4,750,000,000
25,000,000 Preference Shares of Tk. 10 each	250,000,000	250,000,000
	5,000,000,000	5,000,000,000
Denomination of Ordinary Shares and Preference Shares of Tk. 100 each has been changed to Tk. 10 each in terms of the resolution in the Extra Ordinary General Meeting of BSRM Steels limited held on 14th November 2011.		
Issued, Subscribed and Paid-up capital:		
145,000,000 Ordinary Shares of Tk.10 each	1,450,000,000	1,450,000,000
104,500,000 Ordinary Shares of Tk.10 each fully paid-up for consideration other than cash	1,045,000,000	1,045,000,000
21,750,000 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares(For the year 2009)	217,500,000	217,500,000
54,250,000 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares(For the year 2010)	542,500,000	-
	3,255,000,000	2,712,500,000

13.01 Classification of shares by holding

Class by number of shares	No. of Holders Nos	No. of Shares Nos	Holding %
Less than 500	1,649	238,715	0.07
From 500 to 5,000	9,894	13,375,420	4.11
From 5,001 to 10,000	640	4,648,900	1.43
From 10,001 to 20,000	326	4,569,685	1.40
From 20,001 to 30,000	107	2,704,320	0.83
From 30,001 to 40,000	49	1,729,640	0.53
From 40,001 to 50,000	42	1,907,410	0.59
From 50,001 to 100,000	81	5,492,120	1.69
From 100,001 to 1,000,000	106	29,803,120	9.16
From 1,000,001 to above	20	261,030,670	80.19
	12,914	325,500,000	100.00

13.02 Composition of Shareholders at 31st December 2011

Name of shareholders	No. of Holders Nos	No. of Shares Nos	Holding %
Sponsor Shareholders-Local	7	156,338,660	48.03
Sponsor Shareholders-Foreign	7	1,381,930	0.42
Other Shareholders	12,900	167,779,410	51.55
	12,914	325,500,000	100.00

	2011 Taka	2010 Taka
14.00 Long term loan		
Syndicated term loan (Note-14.01)	636,843,416	1,144,181,750
Term loan for BMRE (Note- 14.03)	235,861,527	53,441,296
	872,704,943	1,197,623,046
14.01 Syndicated Term loan		
Due within one year	518,943,625	465,975,953
Due after more than one year	636,843,416	1,144,181,750
	1,155,787,041	1,610,157,703
Lender-wise details of Syndicated Term Loan are as follows:		
Syndicated Term Loan		
AB Bank Ltd.	68,635,614	95,539,108
Agrani Bank Ltd.	54,469,666	75,962,136
Bank Al Falah Ltd.	45,557,720	63,467,673
Bank Asia Ltd.	68,730,155	95,749,810
BRAC Bank Ltd.	45,557,720	63,467,672
Commercial Bank of Ceylon	45,557,720	63,467,672
Dhaka Bank Ltd.	22,778,881	31,733,866
Eastern Bank Ltd.	68,726,981	95,745,388
IFIC Bank Ltd.	45,557,720	63,467,672
Mercantile Bank Ltd.	22,778,881	31,733,866
National Credit and Commerce Bank Ltd.	68,726,981	95,745,388
Prime Bank Ltd	57,142,350	79,606,530
Pubali Bank Ltd.	68,726,981	95,745,388
SABINCO Ltd.	79,247,609	110,401,954
Standard Bank Ltd.	45,557,720	63,467,672
The City Bank Ltd.	59,615,145	83,051,446
Trust Bank Ltd.	59,459,277	82,834,302
United Commercial Bank Ltd.	137,454,009	191,490,840
Uttara Bank Ltd.	91,505,910	127,479,320
	1,155,787,040	1,610,157,703

14.02 Terms of syndicated loan:**First syndicated term loan:****Lenders:**

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

Total loan facilities: Tk. 198.70 crores

Interest rate:

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

Disbursement:

The first disbursement was made on 18.01.2007

Repayments:

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

Installments due within 31 December 2011 were duly paid.

Securities:

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

Purpose:

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

Second syndicated term loan:**Lenders:**

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

Total loan facilities: Tk. 50.50 crores.

Interest rate:

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

Disbursement:

The first disbursement was made on 06.03.2008.

Repayments:

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

Installments due within 31 December 2011 were duly paid.

Securities:

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

	2011 Taka	2010 Taka
14.03 Term loan for BMRE		
Due within one year	78,457,377	2,782,704
Due after more than one year	235,861,527	53,441,296
	314,318,904	56,224,000

Terms of loan:**Lenders:**

Agrani Bank Ltd. has sanctioned an amount of Tk. 32 crore as term loan against BMRE and disbursed the full amount within 2011.

Total loan facilities: Tk. 32 crores

Interest rate:

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

Disbursement:

The first disbursement was made on 26.09.2010

Repayments

Above term loan is being re-paid in 48 monthly installments starting from October, 2011.
Installments due within 31 December 2011 were duly paid.

Securities:

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

Purpose:

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

	2011 Taka	2010 Taka
15.00 Trade creditors		
BSRM Iron and Steel Co. Ltd.	2,616,285,958	945,009,702
BSRM Wires Ltd	17,974,752	-
	2,634,260,710	945,009,702
This represents amount payable to BSRM Wires Ltd. and the Subsidiary - BSRM Iron and Steel Co. Ltd. against supply of raw materials.		
16.00 Due to affiliated companies		
BSRM Recycling Industries Ltd	51,570,000	-
Bangladesh Steel Ltd	180,000	-
H. Akber Ali & Co.	26,104,393	-
	77,854,393	-
17.00 Short term liabilities		
Loan against Trust Receipt (LTR) [Note-17.01]	1,942,552,113	1,928,084,134
Time loan (Note-17.02)	352,656,575	380,818,889
Loan receipts against Demand Loan (Note-17.03)	92,974,320	191,269,202
Dhaka Bank Ltd.(O/D)	(1,928,850)	11,909,163
Dutch Bangla Bank Ltd. O/D	9,361,198	-
Uttara Bank Ltd.(C/C)	6,114,341	23,751,038
National Credit and Commerce Bank Ltd., C/C	3,285,444	188,299,003
United Leasing Co Ltd-Factoring Loan	(8,039,466)	46,499,505
Pubali Bank Ltd., O/D	29,034,361	29,849,950
Eastern Bank Ltd O/D	-	1,209,889
Brac Bank Ltd., O/D	-	18,496,262
IFDBC (Note-17.04)	11,575,015,169	4,076,872,624
Standard Chartered Bank- Revolving Loan A/C	-	22,221,180
Shahjalal Islami Bank Ltd., (Bai-Muazzal)	-	100,862,500
Liability against fractional bonus share	1,173,066	-
	14,002,198,271	7,020,143,339
17.01 Loan against Trust Receipt (LTR)		
Al-Arafa Islami Bank Ltd	-	207,158,761
Bank Asia Ltd	415,007,668	316,131,242
Brac Bank Ltd	-	200,000,000
Dhaka Bank Ltd.	-	5,096,718
Eastern Bank Ltd.	-	49,030,076

	2011 Taka	2010 Taka
IFIC Bank Ltd	125,105,151	-
Islami Bank Bangladesh Limited	-	98,474,100
Mercantile Bank Ltd	-	54,146,346
National Credit and Commerce Bank Ltd	381,558,507	289,978,486
National Bank Ltd.	-	511,692,760
Pubali Bank Ltd	467,556,564	73,928,344
Shahjalal Islami Bank Limited	515,032,242	102,110,998
Trust Bank Limited	7,928,286	13,251,624
United Commercial Bank Ltd.	1,236,452	1,711,640
Uttara Bank Ltd	25,252,990	5,373,039
Commercial Bank of Ceylon	3,874,253	-
	1,942,552,113	1,928,084,134
17.02 Details of Time Loan		
Dutch Bangla Bank Ltd	146,586,167	-
Prime Bank	41,552,208	-
Trust Bank Limited	133,142,367	-
Brac Bank Ltd.	-	370,000,000
Commercial Bank of Ceylon	31,375,833	10,818,889
	352,656,575	380,818,889
17.03 Details of Demand Loan		
Eastern Bank Ltd.	2,300,894	50,016,667
Bank Asia Ltd	8,339,172	9,950,638
IFIC Bank Ltd	82,334,254	131,301,897
	92,974,320	191,269,202
17.04 Details of inland foreign documentary bills for collection (IFDBC)		
AB Bank Limited	934,727,827	370,882,982
Agrani Bank Limited	-	232,851,062
Bank Al Falah Ltd	186,102,175	-
Bank Asia Ltd	691,560,857	448,395,810
Basic Bank Ltd.	-	124,737,568
BRAC Bank Limited	399,329,282	192,738,712
Commercial Bank of Ceylon	345,207,787	208,574,873
Dhaka Bank Limited	558,245,468	-
Dutch Bangla Bank Limited	648,203,358	35,644,057
Eastern Bank Ltd.	578,989,707	-
HSBC	449,458,381	-
IFIC Bank Ltd	233,193,851	407,068,294
Islami Bank Bangladesh Limited	1,224,789,877	297,715,702
Mercantile Bank Limited	806,575,352	131,316,457
National Bank Limited	-	109,486,155
National Credit and Commerce Bank Ltd	895,253,667	82,927,239
One Bank Limited	402,150,112	-
Prime Bank Limited	532,450,676	-
Pubali Bank Limited	683,798,998	217,558,355
Shahjalal Islami Bank Limited	535,362,662	447,703,225
Standard Chartered Bank Limited	472,966,327	373,127,672

	2011 Taka	2010 Taka
State Bank of India	176,386,377	162,912,842
The City Bank Limited	244,839,288	233,231,619
Trust Bank Limited	404,217,390	-
United Commercial Bank Limited	171,205,750	-
	11,575,015,169	4,076,872,624
18.00 Liabilities for expenses		
Audit Fees	460,000	420,000
Karnaphuli Gas Distribution Co. Ltd.	7,583,271	7,607,956
BOC Bangladesh	41,374	193,175
Brokerage and commission	22,376,739	18,383,304
C & F Bill Payable	4,069,747	1,895,319
Advertisement bills	11,687,517	4,400,858
Godown rent	57,000	14,000
Guest House rent	-	124,380
Imprest Cash Settlement	193,716	281,950
Insurance Payable	5,916,378	3,350,738
Liability against supply of goods	13,355,573	79,524
Carriage on purchase	9,151,779	1,048,024
Others	5,030,692	1,685,642
Carriage on sales	37,527,825	37,835,355
Overtime allowances	-	195,005
Salary & Allowances	2,681,814	2,133,834
Sonia Paribahan	17,944	17,944
Telephone expenses	22,724	29,346
ULC Bill Collection	-	526,193
L/C Liability	159,375	1,353,431
Sayera and Nizam Enterprise	-	3,370
Office rent, Head office	386,887	-
Transcom Electronics Ltd.	12,960	-
Concord Ready Mix & Concrete Products Ltd	79,524	-
Electricity charges	29,938	-
Fee/Agency Fee	3,357,630	-
KM Sufian	100,000	-
Domiciliary expenses	39,421	-
Linde Bangladesh Ltd	6,751	-
Store and spares	628,874	-
Royal Inspection International Ltd	10,098	-
Sayera Enterprise	99,467	-
	125,085,018	81,579,348
19.00 Advance against sales	225,388,457	311,952,056

These represent advances received against sales of finished goods from different parties to whom goods were not delivered within the reporting date.

		2011 Taka	2010 Taka
20.00 Long term loan-current portion			
These represent current portion of long term loans from financial institutions which are repayable within next twelve months from January ,2012 and consist of as follows:			
Syndicated Term Loan		518,943,625	465,975,953
Term Loan for BMRE		78,457,377	2,782,704
		597,401,002	468,758,657
21.00 Liability against share application money		7,901,815	8,026,815
The above amounts are refundable to the applicants for shares against which no share was allotted.			
22.00 Provision for income tax			
Opening balance as on 01 January		-	5,000
Provided during the year		122,915,685	2,787,861
		122,915,685	2,792,861
Adjusted with advance income tax paid at source		110,043,425	2,792,861
Closing balance as on 31 December		12,872,260	-

Year wise Income Tax assessment status is as follows:

Accounting year	Assessment year	Opening balance	Provided during the year	Adjusted during the year	Balance	Remarks
	Tk.	Tk.	Tk.	Tk.		
Prior to 2010		-	-	-	-	Assessment completed
2010	2011-2012	-	110,043,425	(110,043,425)	-	Assessment completed
2011	2012-2013	-	12,872,260	-	12,872,260	Return due by 15 th July 2012.
	-	-	122,915,685	(110,043,425)	12,872,260	

		2011 Taka	2010 Taka
23.00 Other liabilities			
Income Tax deducted at source from salary		63,894	22,303
Security Deposit		6,566,308	6,366,307
Income Tax deducted at source-others		1,721,441	2,662,902
VAT deducted at source		2,659,034	1,914,192
Earnest/Retention Money		18,700,381	2,100,851
Finished Goods Handling Charge		-	2,132,179
		29,711,058	15,198,734

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

		2011 Taka	2010 Taka
24.00	Revenue		
	Xtreme-500W	28,863,940,179	19,433,108,467
	D-Bar Grade-60	91,923,197	50,066,452
	D-Bar GR300	113,766,248	618,778,935
	D-Bar GR 400	1,544,305,454	1,247,353,857
	D-Bar Grade-40	11,143,691	275,776,909
	D-Bar Grade-75	98,337,954	71,250,057
	Miss Rolls	502,302,059	299,571,710
	Melting Scrap	8,991,545	11,775,860
		31,234,710,327	22,007,682,247
25.00	Cost of sales		
	Cost of sales-own production (Note:25.01)	29,127,547,676	19,688,233,716
	Cost of sales- finished goods procured and sold (Note:25.02)	192,587,680	389,730,055
		29,320,135,355	20,077,963,771
25.01	Cost of sales-own production		
	Opening Stock of Raw Materials	1,019,754,208	1,219,731,132
	Add: Purchase during the year	30,772,737,280	19,022,323,751
		31,792,491,488	20,242,054,883
	Less: Closing Stock of Raw Materials	2,319,539,974	1,019,754,208
	Raw Materials Consumed	29,472,951,514	19,222,300,675
	Add: Manufacturing Expenses:		
	Salary and wages	88,226,099	78,346,673
	Overtime	1,787,403	1,941,741
	Casual wages	1,373,430	4,816,923
	Factory overhead (Note-25.04)	183,297,745	170,350,045
	Packaging cost	53,136,089	31,212,920
	Power	133,547,382	98,031,235
	Gas	97,129,865	87,332,903
	Management Fees	76,159,065	67,515,579
	Fuel and Lubricants	23,465,222	20,380,669
	Furnace oil	22,498,124	-
	Mechanical store consumption	93,631,998	46,040,190
	MS Roll Consumption	32,968,012	14,118,892
	Electrical Store consumption	13,011,463	21,229,049
	General store consumed	6,481,103	4,861,284
	Godown rent	1,676,018	1,713,500
	Depreciation (Note- 4.00)	176,335,253	177,521,686
		1,004,724,271	825,413,289
	Cost of Goods Manufactured	30,477,675,785	20,047,713,964
	Add: Opening stock of Finished Goods	2,202,954,971	1,843,474,723
		32,680,630,756	21,891,188,687
	Less: Closing stock of Finished Goods	3,553,083,080	2,202,954,971
	Cost of sales	29,127,547,676	19,688,233,716

		2011 Taka	2010 Taka
25.02	Cost of sales-finished goods procured and sold		
	Opening stock of finished goods as on 1 January	35,892,740	4,086,083
	Finished goods purchased from outside	197,975,910	421,536,712
		233,868,650	425,622,795
	Less: Closing stock of finished goods as on 31 December	41,280,970	35,892,740
		192,587,680	389,730,055
25.03	Quantitative movement of inventories		
	Raw materials:	Raw materials	Raw materials:
		M.Ton	M.Ton
	Opening stock as on 1 January	22,011	32,172
	Add: Purchased during the year	409,038	308,859
	Add: Purchased from Sister concern	146,354	128,220
		577,403	469,251
	Less: Consumed /Sold during the year	539,819	447,240
	Closing stock as on 31 st December	37,584	22,011
	Finished Goods:	Finished goods	Finished goods
		M.Ton	M.Ton
	Opening stock as on 1 January	46,368	46,305
	Add: Produced during the year	523,624	433,823
	Add: Purchased from Sister Concern	3,149	8,924
	Add: Stock adjustment	35	23
		573,176	489,075
	Less: Sold during the year	514,680	433,807
	Sale of finished goods procured from outside	3,207	8,900
		517,887	442,707
	Closing stock as on 31st December	55,289	46,368
25.04	Factory overhead	Taka	Taka
	Billet cutting charge	-	366,190
	Bonus	4,741,712	4,218,670
	Carrying charges-raw materials	108,835,550	130,386,234
	Computer expenses	-	16,625
	Carrying charges-finished goods	10,298,371	15,699,487
	Handling charges- Finished goods	42,748,789	-
	Conveyance expenses	193,869	128,792
	Entertainment	2,903,117	2,317,543
	Factory office expenses	35,650	59,882
	General expenses	99,996	50,896
	Generator expenses	1,513,656	1,482,527
	Guest house expenses	631,301	736,262
	Insurance expenses	4,585,602	6,284,080
	Medical expenses	153,564	112,527
	Paper and periodical	6,272	5,396
	Postage and telegram	28,599	30,713
	Printing	2,400	151,951
	Stationery	24,795	119,803
	Repairs and Maintenance	5,830,452	8,158,073
	Testing charges	663,000	-
	Uniform expenses	1,050	24,394
		183,297,745	170,350,045

		2011 Taka	2010 Taka
26.00	Selling and distribution costs		
	Advertisement	117,661,703	100,186,134
	Brokerage and commission	95,244,220	44,608,201
	Carriage on sales	85,269,959	52,464,218
	Discount allowed	741,307	13,640,740
	Export charges	1,655,904	977,137
	Electricity expenses-Depot	605,177	871,764
	Debtors written off	-	197,380
	Loss in transit	-	280,960
	Sales promotion expenses	26,328,699	14,917,327
	Promotional offer for dealers	27,046,173	-
	Godown rent	2,224,990	1,847,000
		356,778,132	229,990,861
27.00	Administrative costs		
	Directors' remuneration (Note-27.01)	30,600,000	30,600,000
	Salaries and allowances	55,365,006	40,143,674
	Overtime allowance	-	9,353
	Gratuity payment	454,424	-
	Fees and renewals	12,126,066	12,978,598
	Audit fees	460,000	420,000
	Bonus	1,985,468	969,565
	Consulting fees	5,419,236	5,122,939
	Conveyance expenses	15,883,450	10,651,149
	Donation and subscriptions	5,182,457	10,872,572
	Entertainment	6,341,840	4,575,022
	E-mail expenses	1,207,150	586,911
	General expenses	380,540	127,175
	Guest house rent	1,810,969	1,872,973
	Legal expenses	828,216	219,128
	Land Revenue	271,459	168,927
	Office rent	5,637,956	400,614
	Postage expenses	480,502	330,685
	Printing	7,173,234	4,483,609
	Stationery	1,529,827	1,858,038
	Papers and Periodicals	54,074	37,341
	Telephone expenses	2,561,374	1,806,050
	Training expenses	713,043	1,222,528
	Traveling expenses	12,924,349	8,627,001
	Depreciation (Note-4.00)	14,667,619	8,672,464
	Electricity Expenses	980,774	111,345
	Medical Expenses	476,794	8,968
	Office and miscellaneous expenses	3,325,895	2,315,711
		188,841,722	149,192,340

27.01 Directors' Remuneration

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

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

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

	2011 Taka	2010 Taka
28.00 Other income		
Miscellaneous income	751,792	1,147,034
Loss on sale of fixed assets	(11,080)	(144,310)
	740,712	1,002,724
29.00 Finance costs		
Interest on Cash credit	9,911,897	15,953,060
Interest on LTR	168,205,595	344,391,400
Interest on Demand and Time loan	36,085,553	49,254,485
Interest on Syndicated Term loan	176,969,476	210,210,379
Interest on BMRE Term loan	25,562,954	1,823,660
Arrangers' Commission	9,099,004	5,000,732
Bill collection charge	6,782,474	9,333,646
Bank charges	5,389,442	12,780,888
Bank Guarantee Commission	276,961	143,453
Interest from Sister Concern	(259,994,751)	(114,161,577)
Foreign currency exchange rate fluctuation loss (29.01)	225,456,774	-
	403,745,379	534,730,126
29.01 Foreign currency exchange rate fluctuation loss		
Foreign currency transaction loss (Net) (Note - 29.02)	46,276,135	-
Foreign currency year-end translation (gain)/ loss (Net) (Note - 29.03)	179,180,639	-
	225,456,774	-
29.02 Foreign currency transaction loss (Net)		
This represents net (gain)/loss on transactions in foreign currency during the year.		
29.03 Foreign currency year-end translation (gain)/ loss (Net)		
This represents net (gain)/loss on translation of foreign currencies into Bangladesh Taka at the rate prevailing on the reporting date.		
30.00 Finance income		
Interest on IPO deposit	44,616	222,271
Interest income from FDR	46,739,815	1,534,087
Interest on STD	23,787	39,817
	46,808,218	1,796,175

	2011 Taka	2010 Taka
31.00 Basic earnings per share (EPS)		
Profit attributable to the ordinary shareholders	839,205,050	964,885,985
	Nos	Nos
Weighted Average number of shares outstanding during the year	325,500,000	325,500,000
	Taka	Taka
Basic earnings per share (EPS)	2.58	2.96

In view of the changes in denomination of Ordinary Shares of Tk. 100 each to Tk. 10 per shares, weighted average number of shares and Basic Earnings per share of 2010 have been restate.

32.00 Financial Risk Management

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

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

32.01 Risk management framework

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

32.02 Credit risk

Credit risk is risk of financial loss if a customer fails to meet its contractual obligations which arises principally from the Company's receivables from customers.

32.03 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.

32.04 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 optimising the return.

33.00 Related party transactions

Name	Relationship	Nature of Transactions	Outstanding as on 31.12.2011 tk	Compensation	
Bangladesh Steel Re-Rolling Mills Ltd.	Shareholder	Material supply/ Short term Loan/ Sale of Rod	1,280,673,170	Market price	Dr.
H. Akber Ali & Co. Ltd	-DO-	Short term loan	26,104,393	Market price	Cr.
BSRM Wires Ltd	Affiliated Company	Material supply	17,974,752	Market price	Cr.
BSRM Iron and Steel Co. Ltd.	-DO-	Material supply	2,616,285,958	Market price	Cr.
BSRM Logistics Ltd.	-DO-	Transportation service	37,189,000	Market price	Dr.
BSRM Steels Mills Ltd	-DO-	Short term loan	674,635,167	Market price	Dr.
BSRM Ispat Ltd	-DO-	Short term loan	110,543,500	Market price	Dr.
BSRM Metals Ltd	-DO-	Short term loan	20,000	Market price	Dr.
BSRM Recycling Industries Ltd	-DO-	Short term loan	51,570,000	Market price	Cr.
Bangladesh Steel Ltd	-DO-	Short term loan	180,000	Market price	Cr.
Karnafully Engineering Works Ltd.	-DO-	Godown hire	Nil	Market price	
Chittagong Power Company Ltd.	-DO-	Godown hire	4,191,250	Market price	Dr.

	2011 Taka	2010 Taka
34.00 CONTINGENT LIABILITIES		
The following contingent liabilities existed on the reporting date:		
34.01 Bank Guarantee:		
IFIC Bank Ltd	12,916,566	14,635,090
Bank Guarantee Against Bakhrabad Gas System	-	10,912,500
Trust Bank Ltd.	821,187	821,187
Mercantile Bank Ltd-Jubilee Road Branch	11,289,500	-
	25,027,253	26,368,777
34.02 L/C liability		
AB Bank Ltd	-	452,598,050
Agrani Bank Ltd.	12,218,000	247,317,000
Al Arafah Islami Bank Ltd	-	202,244,000
Bank Asia Ltd., Agrabad Branch	140,333,104	205,643,442
Bank Al Falah Ltd., Agrabad Branch	127,037,658	-
BASIC Bank Ltd	-	337,839,000
BRAC Bank Ltd.	148,998,120	203,516,264
Commercial Bank of Ceylon	-	409,053,104
DBBL, Jubilee Road Branch	-	92,167,750
Dhaka Bank Ltd., Jubilee Road Branch	-	668,723
Eastern Bank Ltd., Agrabad Branch	-	212,401,126
IFIC Bank Ltd	-	467,913,000
Islami Bank Bangladesh Ltd	-	347,184,981
Mercantile Bank Ltd., Jubilee Road Branch.	-	353,829,000
National Bank Ltd	-	234,924,000
NCC Bank Ltd	-	170,430,000
One Bank Ltd	165,585,686	-
Prime Bank Ltd	-	172,277,700
Pubali Bank Ltd., Agrabad Branch	-	338,776,000
Shahjalal Islami Bank Limited, Jubilee Road Branch	143,919,338	331,672,000
Social Islami Bank Ltd	-	697,779
Standard Chartered Bank	202,948,528	70,445,353
State Bank of India	-	195,763,650
The City Bank Ltd	-	127,980,000
Trust Bank Ltd	-	1,007,000
United Commercial Bank Ltd., Jubilee Road Branch	-	106,657,000
Uttara Bank Ltd	8,490,600	11,345,000
	949,531,034	5,294,350,922
	974,558,287	5,320,719,699

	2011 Taka	2010 Taka
35.00 Capital commitment		
The company had no capital commitment at the reporting date.		
36.00 Production capacity		
Installed Capacity (In M.Ton) yearly	550,000	550,000
Production (In M.Ton)	523,624	433,823
Capacity utilised (%)	95	79
37.00 Employees		
Number of employees whose salary was below Tk. 3,000	-	-
Number of employees whose salary was above Tk. 3,000	472	392
	472	392
38.00 Events after the reporting period		
The Board of Directors in their meeting held on 22nd March, 2012 recommended 15% cash dividend for the year 2011.		



AUDITORS' REPORT & FINANCIALS OF BSRM IRON & STEEL CO. LTD. 2011

(Subsidiary)

BSRM Iron & Steel Co. Ltd (BISCO)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2011

Dear Shareholders,

We have passed another operational year of BSRM Iron & Steel Co. Ltd. engaged in the manufacturing of Billets. The year 2011 was the second year of operation since commencement of business.

Your Directors are pleased to present their report and audited financial statements for the year ended 31st December 2011 before you.

Review of Operation

In the year 2011, the company's production qty was increased by 55.51% while sales were also increased by 60.06%.

Sales were limited to the parent company and other group concerns.

Company had also to battle with the volatile price of scrap both in home and abroad.

Operating Results

Amount in Crore Taka

Particulars	2011 (Jan-Dec)	2010 (June-Dec)
Sales	650.76	326.34
Gross Profit	60.40	29.87
Net Profit after tax	13.70	10.99
EPS	1.25	1.00

Directors

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

Dividend

Directors didn't recommend any dividend for the year ended December 31, 2011 considering further investment of the company from retained earnings.

Auditors

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

Outlook for 2012

In 2012, company will be able to operate more effectively by installation of automatic cutting machine and crusher machine. Upon using these two machines, cost of manual cutting of slack and scrap will be reduced hence will contribute to the growth of profit.


Post Balance Sheet Events

There are no disclosable post balance sheet events.

Gratitude

The Board thanks all shareholders for placing their trust on us and thanks also goes to our regulatory bodies, employees and bankers for their support in operating our business.

By order of the Board



Alihussain Akberali
Chairman
February 29, 2012

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
BSRM Iron & Steel Co. Ltd.**

Report on the Financial Statements:

We have audited the accompanying financial statements of BSRM Iron & Steel Co. Ltd. namely, Statement of financial position as at December 31, 2011 and the related Statement of comprehensive income for the year ended December 31, 2011. Statement of Changes in Shareholders' Equity, Cash flow statement and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

Scope:

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

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

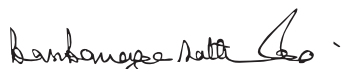
Opinion:

In our opinion, the financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), including Bangladesh Accounting Standards (BAS) give a true and fair view of the state of the Company's affairs as at December 31, 2011 and the results of its financial performance, its cash flows statements and Statement of Changes in Shareholders' Equity for the year then ended.

Report on other legal and regulatory requirements:

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

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



(Basu Banerjee Nath & Co.)

Chartered Accountants

BSRM IRON & STEEL CO. LTD.

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2011

	Notes	2011 Taka	2010 Taka
Assets			
Property, Plant and Equipments at cost	04	2,346,660,068	2,068,219,094
Less:Accumulated Depreciation		234,155,175	80,575,676
		2,112,504,893	1,987,643,418
Capital work in progress	05	450,825,594	-
Preliminary Expenses		-	36,985
		450,825,594	36,985
Total non-current assets		2,563,330,487	1,987,680,403
Current assets:			
Inventories	06	706,751,313	701,644,006
Accounts Receivables	07	2,622,641,879	1,040,790,552
Due from affiliated companies	08	34,452,398	617,422,704
Advance, Deposits & Prepayments	09	213,905,553	373,948,570
Cash and Cash Equivalents	10	35,466,578	36,392,967
Total current assets		3,613,217,721	2,770,198,799
Total assets		6,176,548,208	4,757,879,202
Equity			
Share Capital	11	1,100,000,000	1,100,000,000
Retained Earnings		246,904,265	109,928,802
Total Equity		1,346,904,265	1,209,928,802
Liabilities			
Long Term Loan	12	1,312,707,744	1,119,357,504
Total non-current liabilities		1,312,707,744	1,119,357,504
Current liabilities:			
Short term liabilities	13	2,349,881,361	1,975,318,711
Liabilities for Expenses	14	35,730,898	19,123,515
Advance against sales		344,530	-
Current portion of Long term loan	12.01	327,989,088	246,320,605
Due to Affiliated Companies	15	786,441,091	158,377,250
Provision for Income Tax	22	-	3,335,093
Provision for WPPF & Welfare fund	23	7,479,019	5,961,258
Other Liabilities	16	9,070,212	20,156,464
Total current liabilities		3,516,936,199	2,428,592,896
Total liabilities		4,829,643,943	3,547,950,400
Total equity and liabilities		6,176,548,208	4,757,879,202

Note: The annexed notes 01 to 25 form an integral part of these financial statements.

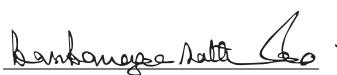

Managing Director

Taher Chamber (Ground Floor)
 10, Agrabad Commercial Area
 Chittagong-4100
 Date - Chittagong, February 29, 2012


Director

Signed in items of our annexed report of even date.


Company Secretary


BASU BNERJEE NATH & CO.
 Chartered Accountants

BSRM IRON & STEEL CO. LTD.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011

	Notes	2011 Taka	01.06.2010 to 31.12.10 Taka
Revenue		6,507,636,317	3,263,482,916
Cost of goods sold	17	5,903,643,328	2,964,789,293
Gross Profit		603,992,989	298,693,623
Administrative and Other Expenses	18	41,987,535	13,299,443
		562,005,454	285,394,180
Other Income	19	7,592,505	5,864,797
Net Operating Profit		569,597,959	291,258,977
Financial Expenses	20	415,779,905	172,033,825
Financial Income	21	(3,354,834)	-
		412,425,071	172,033,825
Net Profit before tax and WPPF and Welfare fund		157,172,888	119,225,153
Less: Contribution to workers Profit Participation Fund (WPPF) & Workers Welfare Fund	23	7,185,779	5,961,258
Net Profit Before Tax		149,987,109	113,263,895
Income Tax Expenses	22		
Current Tax		13,011,646	3,335,093
		13,011,646	3,335,093
Net Profit after Tax for the year		136,975,463	109,928,802
Profit Attributable to Shareholders		136,975,463	109,928,802
Transferred to Retained Earnings		136,975,463	109,928,802
Earnings Per Shares (EPS)	24	1.25	1.00

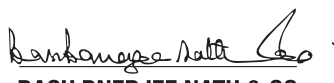
Note: The annexed notes 1 to 25 form an integral part of these financial statements.


Managing Director


Director


Company Secretary

Signed in items of our annexed report of even date.


BASU BNERJEE NATH & CO.
Chartered Accountants

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, February 29, 2012

BSRM IRON & STEEL CO. LTD.
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011

Particulars	Share Capital Taka	Share Money Deposits Taka	Retained Earnings Taka	Total Taka
Balance as on January 01, 2010	453,400,000	43,289,509	-	496,689,509
Ordinary Share issued during the year	646,600,000	(43,289,500)	-	603,310,500
Adjusted		(9)	-	(9)
Net Profit/(Loss) After tax for the year	-	-	109,928,802	109,928,802
Balance as on December 31, 2010	1,100,000,000	-	109,928,802	109,928,802
Net Profit/(Loss) after tax for the year	-	-	136,975,463	136,975,463
Balance as on December 31, 2011	1,100,000,000	-	246,904,265	1346,904,265


Managing Director


Director


Company Secretary

Signed in items of our annexed report of even date.


BASU BNERJEE NATH & CO.
Chartered Accountants

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, February 29, 2012

BSRM IRON & STEEL CO. LTD.

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2011

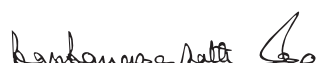
	2011 Taka	2010 Taka
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash collection from customers	4,933,722,027	2,228,557,161
Cash payment for cost and expenses	(5,479,784,648)	(2,972,721,552)
Net cash from operating activities	(546,062,621)	(744,164,391)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Property, Plant & Equipment	(292,824,651)	(1,506,473,441)
Disposal of Property, Plant & Equipment	14,383,677	-
Capital work in progress	(450,825,594)	-
Net cash used in Investing activities	(729,266,568)	(1,506,473,441)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share Application Money Received	-	603,310,500
Affiliated Company's Transaction	628,063,841	(617,422,704)
Repayment of short Term Loan	366,827,457	1,975,318,711
Repayment of Syndicated Term Loan	279,511,502	324,994,743
Net cash used in Financing Activities	1,274,402,800	2,286,201,250
Net Cash Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(926,389)	35,563,418
Cash and Cash Equivalent at Beginning of the Year	36,392,967	829,549
Cash and Cash Equivalent at Closing of the Year	35,466,578	36,392,967
	(926,389)	35,563,418


Managing Director


Director


Company Secretary

Signed in items of our annexed report of even date.


BASU BNERJEE NATH & CO.
Chartered Accountants

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area
Chittagong-4100
Date - Chittagong, February 29, 2012

BSRM Iron & Steel Co. Ltd.
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2011.

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER INFORMATION:

1.01. ACCOUNTING CONVENTION AND BASIS:

The financial statements have been prepared on accrual basis under historical cost convention and fall under going concern concept. These statements have been prepared in accordance with applicable accounting standards and were relevant with professional requirements of the law.

1.02. DATE OF INCORPORATION AND REGISTERED OFFICE ETC.:

BSRM Iron & Steel Co. Ltd., a Private Company, limited by shares was incorporated under the Companies Act (Act XVIII) of 1994 on April 13, 2005 Vide registration No.CH-5415 of 2005. It was Converted into Public Limited Company on March 15, 2011. The registered Office of the Company is situated at Ali Mansion, Sadarghat Road, Chittagong.

2.00 BOARD OF DIRECTORS:

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

1)	Mr. Alihussain Akberali, FCA	Chairman & Managing Director
2)	Mr. Ameir Alihussain	Director
3)	Mr. Zohair Taherali	Director
4)	Mrs. Tehseen Zohair Taherali	Director
5)	Mrs. Sabeen Aameir	Director (Representative of H. Akberali & Co. Ltd.)

3.00 NATURE OF BUSINESS:

The company established an automatic steel melting plant for producing M.S.Billets and to sell the same to steel rolling mills.

4.00 PROPERTY, PLANT & EQUIPMENTS:

TK. 2, 346, 660,068

The above balance represents cost of property, plant & equipments. During the year a sum of Tk. 292,824,651 has been added to property, plant & equipments. Details of property, plant & equipments are given under Note No.4.01. Depreciation on Property, Plant & Equipments have been calculated at Diminishing Balance Method and rate of Depreciation varies from 5% to 20%.

4.01 Property, plant and equipments

Assets Category	C O S T		TOTAL COST		D E P R E C I A T I O N		W.D.V.		RATE
	At 01.01.2011	Addition During the year	Adjust/Deletion During the year	TK. as on 31.12.2011	At 01.01.2011	Charged During the year	Total as on 31.12.11	As on 31.12.11	%
Land & Land Development	199,664,792	21,735,125	14,383,677	207,016,240	-	-	-	207,016,240	-
Building & Shed	420,844,811	414,655	-	421,259,466	12,274,640	20,449,241	32,723,881	388,535,585	5.00
Electric Installation	118,293,797	37,246,365	-	155,540,162	6,900,472	14,863,969	21,764,441	133,775,721	10.00
Motor Vehicles	23,389,282	-	-	23,389,282	2,728,750	4,132,106	6,860,856	16,528,426	20.00
Office Equipment	1,082,995	167,700	-	1,250,695	63,175	118,752	181,927	1,068,768	10.00
Furniture & Fixture	3,774,959	5,228,551	-	9,003,510	220,206	878,330	1,098,536	7,904,974	10.00
Plant & Machinery	61,179,527	14,343,463	-	75,522,990	2,676,604	5,463,479	8,140,083	67,382,907	7.50
Gas line	1,019,753	-	-	1,019,753	118,971	180,156	299,127	720,626	20.00
Furnace	409,888,365	6,778,494	-	416,666,859	17,932,616	29,905,068	47,837,684	368,829,175	7.50
Computer	2,608,350	1,607,627	-	4,215,977	304,308	782,334	1,086,642	3,129,335	20.00
Deep Tube well	4,837,011	225,740	-	5,062,751	564,318	899,687	1,464,005	3,598,746	20.00
Air Conditioner	11,433,539	3,061,188	-	14,494,727	1,333,913	2,632,163	3,966,076	10,528,651	20.00
Plotter Machine	155,933	-	-	155,933	18,192	27,548	45,740	110,193	20.00
Electric Overhead Crane	181,143,277	26,394,895	-	207,538,172	7,925,018	14,970,987	22,896,005	184,642,167	7.50
Water System	51,458,509	686,563	-	52,145,072	2,251,310	3,742,032	5,993,342	46,151,730	7.50
CCM Unit	184,984,439	1,782,005	-	186,766,444	8,093,069	13,400,503	21,493,572	165,272,872	7.50
Cooling Tower	5,822,493	2,012,058	-	7,834,551	254,734	568,486	823,220	7,011,331	7.50
Generator (Diesel)	15,743,510	950,186	-	16,693,696	688,779	1,200,369	1,889,148	14,804,548	7.50
Electric Sub Station	196,072,333	107,425,276	-	303,497,609	8,578,165	22,118,958	30,697,123	272,800,486	7.50
Air Pollution Control System	63,382,766	7,133,169	-	70,515,935	2,772,996	5,080,720	7,853,716	62,662,219	7.50
Electric Panel & Equipment	44,668,780	32,672,334	-	77,341,114	1,954,259	5,654,014	7,608,273	69,732,841	7.50
Slide Gate System	2,685,466	340,870	-	3,026,336	117,489	218,164	335,653	2,690,683	7.50
Spectrometer Lab & Allied	5,371,472	-	-	5,371,472	235,002	385,235	620,237	4,751,235	7.50
Vibrator Machine	32,156,535	-	-	32,156,535	1,406,848	2,306,227	3,713,075	28,443,460	7.50
Hydraulic Scarp Handling Mach.	20,389,883	11,272,052	-	31,661,935	892,057	2,307,741	3,199,798	28,462,137	7.50
Weighbridge	6,166,517	5,966,733	-	12,133,250	269,785	889,760	1,159,545	10,973,705	7.50
Plant -Barawlia	-	336,426	-	336,426	-	25,232	25,232	311,194	7.50
Scrap Bucket & Allied	-	5,043,176	-	5,043,176	-	378,238	378,238	4,664,938	7.50
BALANCE AS AT DECEMBER 31,2011	2,068,219,094	292,824,651	14,383,677	2,346,660,068	80,575,676	153,579,499	234,155,175	2,112,504,893	
BALANCE AS AT DECEMBER 31,2010	381,670,932	1,686,548,162	-	2,068,219,094	-	80,575,676	80,575,676	1,987,643,418	

Depreciation allocated to:

Manufacturing expenses (NO. 17.01)	2011 TAKA	2010 TAKA
General and administrative expenses (NO. 18.00)	145,008,265	80,575,676
	8,571,234	-
	153,579,499	80,575,676

Note: During the year, 499 decimal land have been transferred in the name of BSRM Logistics Limited at Book Value of Tk. 14,383,677.

BSRM IRON & STEEL CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
5.00 CAPITAL WORK IN PROGRESS		
Civil Construction	40,462,766	-
Store Yard (CPCL)	28,591,594	-
Sharing Machine for Baroawlia Site	373,731,956	-
Slug Crushing Machine for Bhatiary site	8,039,278	-
	450,825,594	-
6.00 INVENTORIES:		
Closing Raw Materials(valued at weighted average of cost)	454,409,525	557,162,952
Finished Goods(valued at cost which is lower than market price)	48,158,060	68,041,591
Consumable Stores Stock (6.03)	204,183,728	76,439,463
	706,751,313	701,644,006
6.01 RAW MATERIALS(IN QUANTITY):		
	MT	MT
Opening Stock of Raw Materials	17,116.43	-
Local Purchase	57,715.87	52,193.80
Import-Scrap	47,888.55	39,831.90
Import- Sponge Iron	16,964.76	7,451.83
Raw Material Available for Manufacture	139,685.61	99,477.53
Less: Sale of Raw Material	239.81	-
Closing Stock of Raw Materials	11,362.39	17,116.43
Consumption	128,083.41	82,361.10
6.02 FINISHED GOODS(IN QUANTITY):		
	MT	MT
Opening Stock of Finished Goods	1,753.33	-
Manufactured	121,679.24	78,243.04
	123,432.57	78,243.04
Sales	122,433.42	76,489.71
Closing Stock of Finished Goods	999.15	1,753.33
6.03 CONSUMABLE STORE STOCK:		
Mechanical Store	15,222,920	512,217
Electrical Store	10,433,280	171,065
General Store	10,317,800	108,965
Fuel & Lubricants Store	4,761,999	3,642,759
Ferro silicon	7,132,320	-
Consumable Store(others)	155,554,433	72,004,457
Welding gas	760,976	-
	204,183,728	76,439,463
7.00 ACCOUNTS RECEIVABLES:		
BSRM Steels Limited.	2,616,285,957	945,009,702
Bangladesh Steel Re-Rolling Mills Limited	6,031,286	95,780,850
Others	324,636	-
	2,622,641,879	1,040,790,552

BSRM IRON & STEEL CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
8.00 DUE FROM AFFILIATED COMPANY:		
Bangladesh Steel Re-Rolling Mills Limited.	-	591,682,745
BSRM Wires Ltd.	9,200,108	-
Chittagong Power Co. Ltd.	109,400	-
H. Akber Ali & co. Ltd.	25,142,890	25,191,276
BSRM Logistics Ltd.	-	548,683
	34,452,398	617,422,704
Note: All Transaction among the affiliated companies have been made through A/C Payee cheque/Bank Transfer with effect from July 01, 2011. & interest were charged accordingly.		
9.00 ADVANCE, DEPOSITS & PREPAYMENTS:		
For Expenses (Annexure- B)	38,871,202	73,242,191
Security Deposit (No. 9.01)	22,674,649	21,800,638
Advance against LC	22,790,433	205,824,576
Staff Loan	1,298,707	412,326
LC Margin	66,277,064	34,116,465
Guarantee Margin	10,035,808	9,998,887
Advance Income Tax	12,110,963	16,015,143
VAT Current Account	73,055	280,361
Advance For Scrap	39,773,672	12,257,983
	213,905,553	373,948,570
NOTE: VAT & TAX deduction at source have been deposited to Govt. Exchequer subsequently.		
9.01 SECURITY DEPOSITS:		
Power Development Board,Ctg(33kv)	18,600,000	18,600,000
T & T Department Chittagong	2,000	2,000
Mr.Nuruddin(Guest House Rent)	66,000	66,000
Prime Bank Limited(Lease A/c)	537,000	
Kolkata Office,Howrah(IRS 25,000)	37,750	37,750
Chittagong Mohanagar Package(Guest House Rent)	60,000	-
Sharif Alam(Guest House Rent)	96,000	-
Shafi-ul-Alam(Guest House Rent)	-	15,300
Bakhrabad Gas Systems Ltd.	1,347,588	1,347,588
Mohammad Ali Akber(Guest House Rent)	-	200,000
Brothers Prokaushali Workshop(Gas Cylinder)	400,000	400,000
Humayun Kabir(Guest House Rent)	12,000	-
Premier LP GAS Ltd.(Gas Cylinder)	46,000	-
Zila Commandant Anser & VDP	270,511	-
Bangladesh Oxygen Corporation Limited	448,000	400,000
Power Development Board,(Barawlia)	600,000	600,000
Mohammadia Trading.(Gas Cylinder)	151,800	132,000
	22,674,649	21,800,638

BSRM IRON & STEEL CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
10.00 CASH & CASH EQUIVALENTS:		
Cash in Hand (No.10.01)	450,636	536,788
Cash at Bank (No.10.02)	4,158,718	8,008,185
FDR Account (No.10.03)	30,857,224	27,847,994
	35,466,578	36,392,967
10.01 CASH IN HAND		
Head Office	60,552	116,788
Factory Office	368,253	400,000
Imprest Cash (S.M.Badroddoza Azad)	21,831	20,000
	450,636	536,788
10.02 CASH AT BANK		
Agrani Bank Limited (Laldighi corporate Branch, Chittagong.)	185,707	85,184
City Bank Limited (Agrabad Branch, Chittagong.)	164,001	991
Trust Bank Limited (O.R.Nizam Road, Branch, Chittagong.)	93,533	173,956
United Commercial Bank Limited (UCBL) (Jubilee Road Branch, Chittagong.)	168,443	179,593
Islami Bank Bd. Limited (Jubilee Road Branch, Chittagong.)	1,282,859	954,415
Sonali Bank Limited (Chittagong Branch.)	9,082	213,332
Hongkong Shanghai Banking Corporation Limited (Chittagong Branch.)	(460,312)	-
Mutual Trust Bank Limited (Chittagong Branch.)	19,434	373,641
United Commercial Bank Limited (UCBL) (Jubilee Road Branch, Chittagong)	718	1,574,716
One Bank Limited (Agrabad Branch, Chittagong.)	1,640,921	-
Dhaka Bank Limited (Jubilee Road Branch, Chittagong.)	86,638	380
Habib Bank Limited (Chittagong Branch.)	-	471,336
Janata Bank Limited (Laldighi Br. Ctg.)	6,710	7,860
Al-Arafah Islami Bank Limited (Agrabad Branch, Chittagong.)	17,414	246,834
Standard Bank Limited (Agrabad Branch, Chittagong.)	4,477	7,600
Shahjalal Islami Bank Limited	10,679	2,155,431
Prime Bank Limited	17,468	92,633
Mercantile Bank Limited	7,538	89,605
Social Islami Bank Limited	649	2,693

BSRM IRON & STEEL CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
Dutch Bangla Bank Limited	36,788	32,634
National Bank Limited	209,939	
Dhaka Bank Limited	31,474	
BANK AL-FALAH Limited	9,135	
City Bank Limited (CC Hypo)	-	1,260,556
State Bank Of India Limited	68,360	10,990
IFIC Bank Limited	547,063	73,805
	4,158,718	8,008,185

Note: a) Bank amount represent book balance which has been reconciled with the bank statement & conformed by the banker's certificate.
b) The negative balance shows in the notes represents book overdraft.

10.03 FDR ACCOUNT

BANK NAME	OPENING BALANCE	NET INTEREST	CLOSING BALANCE
UCBL(451)	27,800,000	3,005,546	30,805,546
UCBL(131)	30,994	2,388	33,382
UCBL(584)	17,000	1,296	18,296
TOTAL	27,847,994	3,009,230	30,857,224

11.00 AUTHORISED CAPITAL:

300,000,000 Ordinary shares of Tk.10.00 each
ISSUED, SUBSCRIBED & PAID UP CAPITAL:

3,000,000,000
1,100,000,000

3,000,000,000
1,100,000,000

110,000,000 ordinary shares of Tk.10.00 each fully paid up in cash. Details of Shareholding position are given below:

SHAREHOLDERS

	No. of Shares held	Tk.	Tk.
Mr. Alihossain Akberali FCA	1,258,250	12,582,500	12,582,500
Mr. Aameir Alihussain	59,250	592,50	592,500
Mr. Zohair Taherali	247,090	2,470,900	2,470,900
Mrs. Tehseen Zohair Taherali	25,500	255,000	255,000
Mrs. Bilkis Alihussain	44,910	449,100	449,100
H. Akberali & Co. Ltd	3,649,050	36,490,500	36,490,500
VORTEX investments Ltd	215,950	2,159,500	2,159,500
BSRM Steels Limited	104,500,000	1,045,000,000	1,045,000,000
	110,000,000	1,100,000,000	1,100,000,000

12.00 LONG TERM LOAN:

Syndicate Term Loan(NO.12.02)
Lease Liability(DBL)
IPDC Term Loan A/C
ULC Term Loan A/C

857,372,102
329,762,067
86,672,401
38,901,174

1,119,357,504
-
-
-

1,312,707,744

1,119,357,504

BSRM IRON & STEEL CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
12.01 CURRENT PORTION OF LONG TERM LOAN:		
Syndicate Term Loan(NO.12.02)	263,409,983	238,585,412
IPDC Term Loan A/C	46,050,470	-
ULC Term Loan A/C	15,286,221	-
IZARA loan	3,242,414	7,735,193
	327,989,088	246,320,605
12.02 SYNDICATE TERM LOAN		
Due within one year	263,409,983	238,585,412
Due after more than one year	857,372,102	1,119,357,504
	1,120,782,085	1,357,942,916
Lender wise details of syndication term loan are as follows:		
BSRS(Bangladesh Development Bank Limited)	49,860,240	60,412,453
Bank Asia Limited	40,234,378	48,749,414
City Bank Limited	80,447,706	97,473,322
Eastern Bank Limited	80,461,459	97,489,986
Industrial & Infrastructure Development Finance Company (IIDFC) Limited	43,514,876	52,680,429
Janata Bank Limited	120,599,948	146,121,050
Mutual Trust Bank Limited	80,404,574	97,421,063
One Bank Limited	66,691,037	80,805,249
Rupali Bank Limited	80,335,926	97,335,411
Sonali Bank Limited	156,531,518	189,659,195
Standard Bank Limited	120,703,135	146,248,242
Trust Bank Limited	40,234,378	48,749,414
United Commercial Bank Limited	120,597,298	146,131,594
Dhaka Bank Limited	40,165,612	48,666,094
	1,120,782,085	1,357,942,916

Note: Syndicated Loan:

Lenders:

The company has entered into a syndicated loan agreement on 01-06-2009 with IIDFC the lead arranger and with 13 (thirteen) other Banks.

Total Loan Facilities: Taka 136.20 crores.

Interest Rate:

Initially interest rate was 14.50% but subsequently the rate has been reduced to 13% as per Bangladesh Bank Circular.

Disbursement:

The first disbursement was made on February 2009.

Repayments:

The facility will be repayable by **18 (eighteen)** quarterly installments commencing from 15.01.2011 to 15.04.2015.

Securities:

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

Purpose:

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

BSRM IRON & STEEL CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
13.00 SHORT TERM LIABILITIES		
Loan Against Trust Receipt(LTR) (No.13.01)	1,368,524,292	1,822,433,848
Inland Foreign Documentary Bills for collection (IFDBC) (No.13.02)	793,210,412	-
Cash Credit (C.C) & Overdraft (No.13.03)	188,146,657	152,884,863
	2,349,881,361	1,975,318,711
13.01 Loan Against Trust Receipt(LTR)		
IFIC Bank Limited.	43,839,637	-
Islami Bank Limited.	452,185,168	489,130,311
Mercantile Bank Limited.	304,570,218	300,757,109
Al-Arafah Bank Limited.	18,666,461	69,793,540
United Commercial Bank Limited.	45,069,907	80,280,583
Shahjalal Islami Bank Limited.	139,567,431	315,435,214
One Bank Limited.	93,885,849	175,873,048
AB Bank Limited.	104,546,687	19,061,683
Social Islami Bank Limited.	74,019,139	51,175,277
Dhaka Bank Limited.	9,698,509	67,322,237
City Bank Limited.	37,742,174	111,103,492
Eastern Bank Limited.	44,733,112	142,501,354
	1,368,524,292	1,822,433,848
13.02 INLAND FOREIGN DOCUMENTARY BILLS FOR COLLECTION (IFDBC)		
IFIC Bank Limited.	17,900,354	-
Islami Bank Limited.	52,760,796	-
Mercantile Bank Limited.	92,984,491	-
National Bank Limited.	40,463,812	-
UCBL Bank Limited.	84,590,309	-
Prime Bank Limited.	94,621,939	-
One Bank Limited.	104,852,965	-
AB Bank Limited.	151,529,946	-
Eastern Bank Limited.	153,505,800	-
	793,210,412	-
13.03 CASH CREDIT (CC) & OVERDRAFT:		
Mutual Trust Bank Limited. SOD	132,005,416	97,730,447
Dhaka Bank Limited. OD	-	6,957,080
Janata Bank Limited.	53,713,294	-
Hongkong Shanghai Banking Corporation Limited.	-	944,928
Habib Bank Limited.	1,014,207	-
City Bank Limited.(CC HYPO)	294,258	-
One Bank Limited.	-	38,706,967
AB Bank Limited.	27,481	5,429,219
Eastern Bank Limited.	1,092,001	3,116,222
	188,146,657	152,884,863
14.00 LIABILITIES FOR EXPENSES		
Liabilities for expenses (No. 14.01)	2,340,422	2,957,747
Other Creditors (Annexure-A)	30,717,820	13,214,245
Liabilities for L/C	2,672,656	2,951,523
	35,730,898	19,123,515

BSRM IRON & STEEL CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
14.01 LIABILITIES FOR EXPENSES		
Guest House Rent(Nuruddin)	56,648	23,474
Guest House Rent(Mohd Ali)	-	110,000
Generator Rent(G/ House site)	32,500	15,520
Guest House Rent(Joshim uddin)	7,500	7,500
Salary & Allowances	1,482,697	2,664,663
Godown Rent (BSRM)	-	22,000
Godown Rent (BD. Steel Ltd.)	134,820	69,300
Wasa	-	290
Basu Benerjee Nath & Co.	40,000	45,000
Others	586,257	-
	2,340,422	2,957,747
15.00 DUE TO AFFILIATED COMPANY:		
Bangladesh Steel Re-Rolling Mills Ltd.	626,400,839	-
East Bengal Trading & Industrial Corporation Ltd.	158,377,250	158,377,250
BSRM Logistics Ltd.	31,342	-
BSRM Steels Ltd.	1,631,660	-
	786,441,091	158,377,250
Note: All Transaction among the affiliated companies have been made through A/C Payee cheque/Bank Transfer with effect from July 01,2011& interests were charged accordingly.		
16.00 OTHER LIABILITIES		
Retention Money	8,134,521	9,351,395
Staff Income Tax	56,467	718,050
Share Money Deposit	9	9
TAX deduction at source	337,294	386,295
VAT Deduction at Source	368,155	417,222
Provident Fund	173,766	9,283,493
	9,070,212	20,156,464

BSRM IRON & STEEL CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	01.06.2010 to 31.12.10 Taka
17.00 COST OF GOODS SOLD:		
Opening Stock of Raw Materials	557,162,952	-
Add: Purchase during the year:		
Local Scrap	2,134,187,010	1,561,825,660
Import-Shredded Scrap	1,905,478,354	1,208,450,453
Import-Sponge Iron	680,032,792	214,296,480
Raw material available for consumption.	5,276,861,108	2,984,572,593
Less: Sales of Scrap	9,159,492	-
Less: Closing Stock of Raw Materials	454,409,525	557,162,952
	463,569,017	557,162,952
Raw Material Consumed	4,813,292,091	2,427,409,641
Add: Production/Manufacturing Overhead(No-17.01)	1,070,467,706	605,421,243
Cost of Goods Manufactured	5,883,759,797	3,032,830,884
Add: Opening Stock of Finished Goods	68,041,591	-
	5,951,801,388	3,032,830,884
Less: Closing Stock of Finished Goods	48,158,060	68,041,591
Cost of Sales	5,903,643,328	2,964,789,293
NOTE NO.17.01		
Production/Manufacturing Overhead:		
Indirect Expenses (Annexure-C)	35,659,774	17,111,107
Indirect Materials (Annexure-D)	426,387,163	246,762,014
Factory Overhead (Annexure-E)	105,723,759	65,876,834
Power Consumed	305,484,709	161,578,689
Welding Gas Consumed	7,759,832	3,979,414
Fuel & Lubricants Consumed	19,658,780	11,534,325
Store Consumed (Annexure-F)	24,785,424	18,003,184
Depreciation (No-4)	145,008,265	80,575,676
	1,070,467,706	605,421,243

BSRM IRON & STEEL CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	01.06.2010 to 31.12.10 Taka
18.00 ADMINISTRATIVE EXPENSES:		
Salary	849,055	259,477
Bonus (Festival)	270,020	123,202
Advertisement Expenses	92,821	180,968
Travelling Expenses	2,720,944	1,576,570
Office Expenses	56,000	71,114
Rent & Taxes	200,000	-
Conveyance Expenses	49,252	37,948
Stationery	72,265	12,453
Postage & Telegram	2,788	144,699
Directors Remuneration	12,000,000	-
Mobile & Telephone Expenses	556,764	433,428
Audit Fee	46,538	57,500
Carrying Charges	45,820	-
Entertainment Expenses	411,334	180,560
Legal Expenses	303,150	122,818
Training Expenses	114,797	12,620
Fees & Renewals	769,395	1,800,014
Office Rent	1,638,156	54,360
Miscellaneous Expenses	-	95,039
Depreciation Expenses (NO. 04)	8,571,234	-
Motor Car Expenses	2,739,409	1,118,594
General Expenses	60,435	86,000
Computer Expenses	297,357	67,210
Consulting Fees	5,465,215	2,971,654
Professional Fees	-	81,750
Land Taxes	54,119	66,533
Paper & Periodicals	484	248
Guest House Expenses	4,063,048	3,472,461
Electric Expenses	258,704	20,139
Electricity Expenses[H.O.]	37,652	-
Ex-Gratia Allowance	-	25,000
Printing Expenses	54,674	19,583
Subscription	186,105	40,000
Brokerage commission	-	167,501
	41,987,535	13,299,443
19.00 OTHER INCOME:		
Truck/Trailor Rent Received	6,899,505	5,670,000
Interest Realisation	-	194,797
Miscellaneous Income	693,000	-
	7,592,505	5,864,797

BSRM IRON & STEEL CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
20.00 FINANCIAL EXPENSES:		
Interest on One bank Term Loan	9,033,043	4,256,470
Interest on Eastern bank Term Loan	10,898,193	5,919,576
Interest on City Bank Term Loan	10,896,330	6,229,309
Interest on Dhaka Bank Term Loan	5,440,277	2,792,273
Interest on IDFC Term Loan	6,196,270	7,177,606
Interest on Trust Bank Term Loan	5,449,591	2,573,429
Interest on UCBL Term Loan	16,326,170	8,039,030
Interest on Rupali Bank Term Loan	10,879,606	6,272,343
Interest on Standard Bank Term Loan	16,348,773	6,391,111
Interest on MTBL Term Loan	11,037,313	5,975,881
Interest on Janata Bank Term Loan	16,333,409	10,319,257
Interest on Bank Asia Term Loan	5,449,591	2,334,019
Interest on BSRS Term Loan	6,190,882	3,696,943
Interest on ULC Term Loan	6,971,365	-
Interest on Sonali Bank Term Loan	21,201,588	5,281,302
Interest on MTBL SOD A/c	14,996,309	8,390,558
Interest on IPDC Term Loan A/C	19,362,369	-
Interest on DBL LTR	2,106,761	5,319,565
Interest on City Bank CC A/c	486,403	300,645
Interest on City Bank LTR	10,800,455	9,075,033
Interest on UCBL LTR	10,976,167	7,346,347
Interest on Sonali Bank LTR	-	14,449
Interest on Al-Arafah LTR	5,746,725	3,083,987
Interest on Dhaka OD A/c	890,877	846,618
Interest on Bank Al-Falah LTR	19,364,097	11,051,010
Interest on One Bank CC	2,063,398	3,177,848
Interest on OBL LTR	13,091,957	13,137,208
Interest on MTBL LTR	7,159,095	3,438,083
Interest on Shahjalal Bank LTR	12,844,187	9,627,336
Interest on MBL LTR A/C	22,200,180	9,950,208
Interest on EBL Ltr	10,625,229	4,253,332
Interest on Social Islami Bank	5,411,094	32,594,542
Interest on Islami Bank Ltr	61,867,658	2,141,761
Interest on Time Loan AB Bank Ltd.	5,910,755	-
Interest on NBL LTR	2,651,891	-
Interest on trust bank LTR	58,853	-
Interest on janata Bank CC	2,977,999	-
Interest on DBBL LTR A/C	1,402,686	-
Interest on HBL A/C	1,080	-
Interest on IFIC Bank LTR A/C	7,500,916	-
Bank Charge	897,080	275,436
Interest on Lease Liabilities(Prime)	879,656	77,906
Bank Guaranty Commission	40,858	1,301,111
Foreign Currency Fluctuation A/C (No.20.01)	33,781,455	-
Interest Income on Sister Concern	(18,968,686)	(30,627,707)
	415,779,905	172,033,825

20.01 The amount of Foreign Currency Fluctuation Account has been arrived considering USD price of **Tk 83** as on 29.12.2011 (last working day of the year) and accordingly **Tk. 33,781,455** has been charged in this Account against **USD 9,352,231.59**.

BSRM IRON & STEEL CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
21.00 FINANCIAL INCOME:		
Interest on FDR (Gross)	3,354,834	-
	3,354,834	-
22.00 PROVISION FOR INCOME TAX:		
Opening balance as on January 01, 2011	3,335,093	-
Provided during the year	-	3,335,093
Against Current year	13,011,646	-
Against Previous year	13,011,646	3,335,093
	16,346,739	3,335,093
Adjusted with advance income tax paid at source	(16,010,143)	-
	336,596	3,335,093
Tax paid for the year	(336,596)	-
Closing Balance as on December 31, 2011	-	3,335,093
23.00 PROVISION FOR WPPF AND WELFARE FUND		
Opening balance as on January 01, 2011	5,961,258	-
Provided during the year	7,185,779	5,961,258
	13,147,037	5,961,258
Paid during the year	(5,668,018)	-
Closing Balance as on December 31, 2011	7,479,019	5,961,258
Adjusted with previous year	293,240	-
Provision made in 2011	7,185,779	5,961,258
24.00 EARNINGS PER SHARE (EPS):		
The computation of EPS is given below:		
a) Profit attributable to the Ordinary Shareholders (Net Profit After Tax)	136,975,463	109,928,802
b) No of Shares Outstanding for the year (1,100,000,000/10)	110,000,000	110,000,000
	1.25	1.00
25.00 GENERAL:		

- 1) Previous year's figures have been re-arranged, wherever necessary, to conform to the current year's presentation.
- 2) Figures have been rounded off to the nearest Taka.
- 3) Provision for income tax payable as per Section 16CCC of income tax Ordinance 1984 has not been made as the Board of Directors of the Company has decided to file Writ Petition against the Section 16CCC to the honorable High Court Division of Bangladesh Supreme Court.

BSRM IRON & STEEL CO. LTD.
ANNEXURE TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
Annexure -A		
A-1) LIABILITIES FOR SCRAP:		
F.B. Steel	3,133,200	-
Feroz Enterprise	220,416	90
J.N. Enterprise	298,596	-
Monsur & Brothers	16,076,352	-
Muradpur iron mart	1,452,064	-
S.M.Enterprise	153,946	-
Shapla Enterprise	1,851,466	-
Sub Total	23,186,040	90
A-2) OTHER CREDITORS:		
ABC Ltd.(Adv.Payment)	-	321,160
Abdul Mannan Rana	5,000	-
Afnan Shipping Ltd	87,799	-
Agrani Insurance	1,073	-
Anwar Reza	6,818	-
Asia Insurance Co. Ltd	10,524	-
Bangladesh Co-Operative Insurance	-	586
Bangladesh General Insurance	296,885	663,539
Bizli Traders	1,870	1,870
BRB Cable Industries Ltd	402,416	-
Burhani Steel Corporation	150,167	2,835
Central Hardware	-	185,760
Chittagong Lime Suppliers	321,656	-
Chowdhury Arup & Co	200	-
City General Insurance Co.Ltd.	2,165	2,544
Concord Ready Mix	-	138,195
Crystal Insurance Co.Ltd.	6,325	4,447
Eastern Insurance Co. Ltd	1,742	-
Ezzy International	2,217,035	1,729,222
Fair Star Shipping Lines	-	200,921
Federal Engineers,India	296	9,580
Federal Insurance Co. Ltd.	-	296
General Kinematics Corporation	-	2,917,680
H.S.Traders	-	217,617
Island Trading Corporation	14,625	207,202
Karnaphuli Shipping	22,304	92,723
Karnaphuli Ins. Co. Ltd.	6,074	8,568
Keya Enterprise	198,505	70,463
Khan Engineering	-	43,600
Korban Ali Dev. Corporation	-	564,773
Linde Bangladesh Ltd	444,447	-
M.N.Enterprise	-	152,308
Mahuya Enterprise	627	20
Mamun Traders	86,501	-
Meto Enterprise	42,240	-
Mohammadi Enterprise	76,791	445,284
Moushi Enterprise	638,106	-

BSRM IRON & STEEL CO. LTD.
ANNEXURE TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
N.Islam Enterprise	-	395,833
Naseem Traders	12,292	102,076
Navana Renewal Energy Ltd	90,268	-
Nitol Insurance Co. Ltd.	-	312
Northern General Insurance	2,415	-
Organic Autos	268,957	-
Palash kanti Chy	300	-
Peoples Insurance Co. Ltd	2,402	-
Phoenix Insurance	-	20,067
Pioneer Enterprise	238,701	-
Pioneer Insurance	1,962	-
Pioneer Trading	-	2,056,464
Pragati Insurance Ltd.	437,764	537,358
Premier LP Gas Ltd.	500	-
Priya Lime Store	177,585	-
Provati Insurance Co.Ltd.	8,655	9,361
Rahim Buksh & Brothers	11,687	-
Ramesh Devadinga	-	5,000
Rasul Hoq Mia	56,130	-
Reliance Insurance	111,291	61,076
Republic Co. Ltd.	15,812	15,797
Royal Trading Corporation	-	30,150
Rupali Ins. Co. Ltd.	26,028	19,164
Sayera Enterprise	311,451	-
SDSL Freight Ltd.	79,121	-
Shamol Trading Cor.	82,170	437,215
Sofa Transport Agency	16,712	-
Sonar Bangla Insurance	2,325	-
Standard Insurance Ltd.	3,818	9,387
The Purbokone Ltd.	9,268	9,268
Trade Syndicate	6,691	-
Trim trade	515,051	553,578
United Consultant India Ltd.	-	970,776
Others	233	80
Sub Total	7,531,780	13,214,155
Grand Total (a+b)	30,717,820	13,214,245

BSRM IRON & STEEL CO. LTD.
ANNEXURE TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
Annexure -B		
B-1) ADVANCE FOR EXPENSES:		
A.Rahman Enterprise(Motor Vehicle)	109,300	-
Abdul khaleque(Soyabin Supply)	98,520	-
AdnanSaifullah(Employes Visa Renewal)	44,790	100,830
Afzal Hossain(Civil Work)	3,000	2,000
Bangla Trac Ltd.(Spare Parts Supply)	-	137,394
CPCL Store Yard(Construction)	-	27,478,541
Global Insurance(L/C Insurance Premium)	-	5,143
Heidelberg Cement Ltd.(Cement Supply)	3,284,997	69,997
Hujaternessa (MRS)- Takurdighi(Land Purpose)	30,000	30,000
Ideal Engineering & Construction(Civil Construction)	2,674,934	-
Ilias (MD) - Takurdighi(Land Purpose)	100,000	100,000
Intertek BD.Ltd(Raw Material Supply)	1,250	1,250
Iqbal - Admin (Visa Renewal)	15,001	-
J.J.Traders(Civil Construction)	413,416	-
Jakir Hossain(Takurdighi)(Land Purpose)	50,000	50,000
Jamuna Oil Co.Ltd.(Lubricant Supply)	44,808	554,812
Junayed Hossain(Foreigner Visa Renewal)	65,840	-
Korban Ali Dev. Corporation(Construction Work)	2,500,000	-
Lallan Prasad Yadav(Travelling Expenses)	12,000	-
Main Uddin - (Takurdighi)(Land Purpose)	25,000	25,000
Mohammad Yusuf(Fencing work for Barawlia)	76,838	100,000
Power Development Board,Ctg.(Electric Lime Installation)	7,957,419	7,957,419
Rangpur Foundry Ltd.(Parts Supply)	83,258	-
Receivable against excess interest	1,365,137	-
Receivable against interest(Sister Concern)	18,968,686	-
Shahinur Akter - Takurdighi(Land Purpose)	50,000	50,000
Shekh Tajul Islam - Takurdighi(Land Purpose)	50,000	50,000
Shohidul Islam Chy.(House Rent)	70,000	-
Surendra Jagdale(Travelling Expenses)	78,600	365,800
Takaful Insurance Ltd.(L/C Insurance Premium)	-	225
United Insurance Co(L/C Insurance Premium).	3,370	-
Vortex Investments Ltd.(Against Share commission)	616,950	616,950
Zahir Uddin(Travelling Expenses)	76,838	-
Others	1,250	-
Sub Total	38,871,202	37,695,361

BSRM IRON & STEEL CO. LTD.
ANNEXURE TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
B-2) MISCELLANEOUS:		
Abdul Mannan Rana(Travelling Expenses)	-	5,000
Agrani Insurance(L/C Insurance Premium)	-	321
Alamgir, Medical asst.(Medical Expenses)	-	5,000
Al-Haj Faiz Ahmed & Sons(Lubricant Supply)	-	88,000
Amirul Islam (Petty Cash)	-	200,000
Anwar Reza(Salary)	-	45,234
Bangladesh Erectors Ltd.(Consultancy)	-	960,000
Bangladesh Oxygen Corporation(Lubricant Supply)	-	94,378
Electrotherm (India) Ltd.(Consultancy)	-	103,469
Imran Shakha(Travelling Expenses)	-	100,000
Imtiaz Uddin Chy(Travelling Expenses)	-	10,000
M.S.Trading(Water Jar Supply)	-	18,500
Meghna Petroleum Ltd.(Lubricant Supply)	-	113,400
Mohammed Trading(Tiles Supply)	-	39,731
Otobi Ltd.(Furniture Supply)	-	1,465,000
Padma Oil Co. Ltd.(Lubricant Supply)	-	411,333
Pioneer Insurance(L/C Insurance Premium)	-	8,699
Premier LP Gas Ltd.(LP Gas Supply)	-	264,812
Saurava Mathure(Travelling Expenses)	-	14,500
SDSL Freight Ltd.(C & F Cost)	-	154,485
Shakawat Hossain(Travelling Expenses)	-	3,000
Siemens (BD) Ltd.(Electric Parts Supply)	-	275,890
Sonar Bangla Insurance(L/C Insurance Premium)	-	842
Vezzani Spa, Italy(L/C Advance)	-	31,165,236
Sub total	-	35,546,830
Grand total (a+b)	38,871,202	73,242,191

BSRM IRON & STEEL CO. LTD.
ANNEXURE TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
Annexure -C (INDIRECT EXPENSES)		
Fuel Allowance	54,650	-
Domicillary Expense	46,665	-
Casual wages	13,233,252	6,186,521
Godown Rent	2,442,020	950,350
Testing charges	-	30,700
Machining charge	-	66,000
Special Allowance	499,264	-
Wages	19,096,298	9,877,536
Leave Salaries	280,612	-
Medical Allowance	7,013	-
	35,659,774	17,111,107
Annexure -D (INDIRECT MATERIAL)		
Lining Materials	45,081,851	23,602,737
Tundish consumable store	19,346,485	12,604,497
Consumable Store Consumed	144,179,280	56,053,771
Ferro Silicon	33,808,554	20,318,535
Ferro Manganese	11,714,325	71,322,470
Silico Manganese	172,256,668	61,989,175
Ladle Refining Furnace	-	870,829
	426,387,163	246,762,014

BSRM IRON & STEEL CO. LTD.
ANNEXURE TO THE FINANCIAL STATEMENTS

	2011 Taka	2010 Taka
Annexure -E		
Factory Overhead		
Salaries & Allowances	52,484,533	35,849,239
Factory Office Expenses	60,235	66,620
O.T.Wages	4,899,559	2,426,158
Bonus (Festival)	2,478,985	1,697,815
Bonus (Incentive)	-	271,500
Repairs & Maintenance	4,174,018	1,970,887
Wasa	4,168	3,748
Printing Exp.	176,482	183,931
General expenses	72,824	-
Generator Expenses	1,076,624	121,000
Medical Expenses	378,083	258,694
Postage & Telegram	12,775	15,947
Erectors A/C	1,286,429	2,821,271
Conveyance	3,827,880	1,874,178
Entertainment.	2,073,606	921,803
Insurance (Others)	16,932	246,143
Stationery	84,393	8,563
Carrying Inward	94,208	50,062
Staff Welfare Expenses	-	260,786
Guest House Rent	1,379,182	1,287,453
Carrying Charge	27,716,134	15,370,858
Billet Cutting Expenses	-	35,825
Computer Exp.	50,756	103,095
Paper & Periodical	6,983	3,764
Servicing Charge	-	13,000
Miscellaneous Expenses	895,715	8,494
Driver Allowance	-	6,000
Fire Insurance	2,473,255	-
	105,723,759	65,876,834
Annexure -F		
Store Consumed		
Mechanical store	10,870,529	8,482,318
Electrical store	9,063,744	6,396,787
General Store	4,851,151	3,124,079
	24,785,424	18,003,184

Shareholders' Information

ANNUAL GENERAL MEETING (AGM)

No. of AGM	:	10 th AGM
Date	:	20 th May 2012
Venue	:	The Institution of Engineers, Bangladesh, S.S Khaled Road, Chittagong.
Time	:	11.00 AM

FINANCIAL CALENDAR

Financial Year: 01st January to 31st December.

During the year 2011 operational results of the company were announced on:

- 11th May 2011 : First Quarter report
- 27th July 2011 : Half Yearly report
- 29th October 2011 : Third Quarter report
- 22nd March 2012 : Yearly report.

RECORD DATE

The Record Date was on 4th April 2012.

DIVIDEND DATE

15% cash dividend has been recommended on 22nd March 2012 and after having approval of the shareholders at the AGM, dividend will be distributed within 30 days from the date of AGM.

LISTING

The company's shares are listed at the Stock Exchanges at Dhaka and Chittagong of Bangladesh.

CHANGE OF SHARE DENOMINATION AND MARKET LOT

Company held an Extra Ordinary General Meeting (EGM) on 14th November 2011 to convert denomination and market lot of its share from Taka 100 to Taka 10 and from 50 Shares to 100 shares respectively. This change has been done in pursuant to the Directives of Securities and Exchange Commission.

DIVIDEND

Year	Rate of Dividend	Form of Dividend
2011	15 % (Recommended)	Cash
2010	20 %	Stock
2009	15%	Stock
2008	None	-

EPS

Year	Taka	Growth %
2011	2.58	-12.84
2010	2.96	-13.95
2009	3.44	122.50
2008	-15.3	-

PLANT LOCATION

4, Fouzderhat Industrial Estate, Chittagong, Bangladesh. Tel: +88(031) 2770192-3.

INVESTOR CORRESPONDENCE

Mail to: BSRM Steels Ltd .Ali Mansion, 1207/1099, Sadarghat Road, Chittagong, Bangladesh,
Voice: +880 31 2854901-10, E-mail: mail@bsrm.com, Fax: +880 31 610101
Web: www.bsrm.com



PHOTOGRAPHS



Director addressing at 9th AGM



Partial View of Shareholders at 9th AGM



Board of Directors at 6th EGM



Partial View of Shareholders at 6th EGM



Alihussain Akberali, Chairman of BSRM Group, along with Chairman - Chittagong Development Authority is inaugurating Tree Plantation Programme undertaken by BSRM at Nasirabad, Chittagong.



Alihussain Akberali, Chairman of BSRM Group, along with Chairman - Chittagong Development Authority is inaugurating an architectural set up 'AGROPROTHIK' built by BSRM at Nasirabad, Chittagong.



Mr. Mohammad Manjur Alam, Mayor, Chittagong City Corporation, along with BSRM Group Chairman is inaugurating the extension building of Burhani BSRM School at Nasirabad, Chittagong.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There is no text or other markings on the paper.

BSRM Steels Limited.

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

PROXY FORM

I/We(Name)

of(Address)

being a Shareholder of BSRM Steels Limited ("the company") hereby appoint,

Mr. /Ms.(Name)

of(Address)

as my /our proxy, to attend on my/our behalf at the 10th Annual General Meeting (AGM) of the Company to be held on May 20, 2012 and at any adjournment thereof or any poll that may be taken in consequence thereof and to vote on my /our behalf as he /she thinks fit on all Resolutions.

Dated this----- day of -----2012.

Signature of the Shareholder
Folio /BO ID No:

Dated -----

Signature of the witness

Signature of the Proxy
Folio/BD ID No :

Dated -----

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

Signature Verified

Authorized Signature
BSRM Steels Limited

BSRM Steels Limited.

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

ATTENDANCE SLIP

I hereby record my presence at the 10th Annual General Meeting of BSRM Steels Limited on 20th May 2012.

Name -----

BO ID

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Signature

Signature Verified

Authorized Signature
BSRM Steels Limited

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

2012

Will continue to write the
history of firsts
in the years to come.

2011

For the first time,
group sales of the
company crosses the
600,000 tpa mark.

2009

The first 150,000 tpa billet
making plant in the country
goes into production.

2008

The first Grade 500 weldable
quality steel reinforcement, the
global standard for modern
day construction, is launched
under the Xtreme500W brand.

2006

The first micro-reinforcement
manufacturing plant for low
cost rural construction goes
into production.

1996

The first 100,000 tpa billet
making plant is
commissioned in the country.

1987

The first ASTM 615 Grade 60
concrete reinforcing bars are
introduced in the country.

1984

The first high strength
cold twisted steel bars
for the construction
industry is launched.

1952

The BSRM saga begins with
the first steel re-rolling mill
in Chittagong, Bangladesh.

www.bsrm.com

60 YEARS
OF BUILDING THE NATION