



ANNUAL REPORT 2012





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BSRM VISION

We at BSRM Group aspire to...

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

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

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

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

Support the society through Corporate Social Responsibility initiatives.



BSRM VALUES

Sustainable Growth

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

Quality

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

Reliability

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

Trust

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

Leadership

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

Social responsibility

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

Customer Satisfaction

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

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.

BSRM GROUP OVER THE YEARS

- 1952 | The BSRM saga began with the first steel re-rolling mills to emerge in the then East Bengal.
- **1984** I Introduced high strength cold twisted steel bars to the construction industry.
- 1987 | Introduced ASTM 615 Grade 60 reinforcing 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".

Entrance in the capital Market

- 2009 Shares of BSRM Steels Limited, the flagship company of BSRM Group was listed with the country's premier bourses Dhaka Stock Exchange (DSE) Ltd. and Chittagong Stock Exchange (CSE) Ltd. as on 18 January 2009 .Market Capitalization as on 31 December 2012 is 6 times higher than face value.
 - The public shareholding including institutional investors is 29.13%.
- **2010** BSRM Iron and Steel Co. Ltd. largest billet making plant in the country started commercial production on June 01, 2010.
- **2012** Production capacity of BSRM Steels Limited enhanced to 6,00,000 MT per year.





















AWARDS AND RECOGNITIONS

Best Enterprise of the year 2010

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

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.

Best Brand of Bangladesh in Steel Category in 2011

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

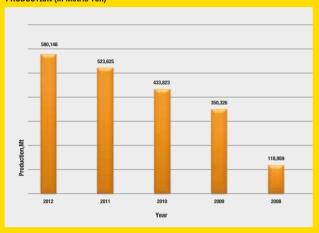
After extensive research across the nation conducted by Nielsen on 5000 samples to identify the winning Brands, BSRM was voted as the best known brand.

Pride of Chittagong (Chattagramer Ahonkar)

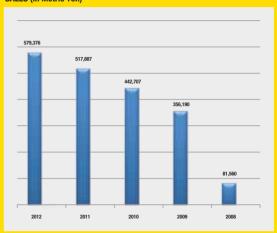
Mr.Alihussain Akberali FCA, CIP — Chairman of BSRM Group has been recognized as one of the persons who worked and contributed to the growth of Chittagong by The Daily Purbokone & Grameen Phone for his outstanding contribution to the development of Chittagong through Industrialization.

HIGHLIGHTS OF 2012

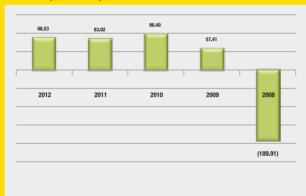
PRODUCTION (in Metric Ton)



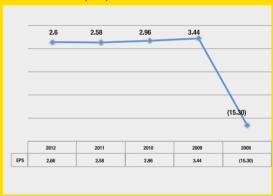
SALES (in Metric Ton)



NET PROFIT (in Crore Taka)



EARNINGS PER SHARE (TAKA)



Highlights of 2012

PRODUCTION:							
 Capacity 600,000 MT per year Production qty (MT) Production was increased by 11% from 2011 	<u>2012</u> 5, 80,148	<u>2011</u> 523,624					
SALES:							
 Sales Qty (MT) Sales was increased by 11.87% from 2011 	<u>2012</u> 579,376	<u>2011</u> 517,887					
FINANCIAL PERFORMANCE:							
	<u>2012</u>	<u>2011</u>	<u>Change</u>				
Turnover (in crore taka)	3,825.34	3,123.47	22.47%				
• Gross Profit (%)	4.96%	6.13%	-1.17%				
 Post tax profit (%) 	2.26%	2.69%	-0.43%				
• EPS (Tk)	2.66	2.58	80.0				
FINANCIAL POSITION:							
	<u>2012</u>	2011	<u>Change</u>				
Net Asset Value (in Crore Taka)	<u>==-=</u> 554.06	<u>==</u> 297.41	256.65				
Net Asset Value Per Share (Tk)	17.02	9.14	7.88				
Total Paid—up Capital (in Crore Taka)	325.50	325.50					
· · · · · · · · · · · · · · · · · · ·							
CAPITAL MARKET PERFORMANCE:							
<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>			
• Face Value Per Share (TK) 10	10	100	100	100			
• Dividend% 10% Cash & 5% (Recommen		sh 20% Stock	15% Stock	-			

VALUE ADDED STATEMENT

Val	IIO.	Λd	Ы	0	١.
v a	uc	Au	u	G	۸.

Revenue

Other Income

Less: Paid to suppliers for materials and services

Distributed as follows:

EMPLOYEES:

Wages, Salaries, bonus, commssions, other benefits

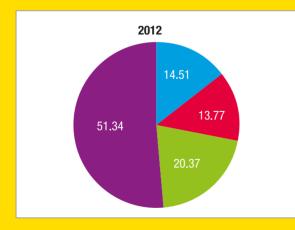
PROVIDERS OF FINANCE

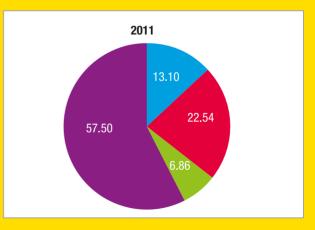
GOVERNMENT

RETAINED FOR REINVESTMENT & FUTURE GROWTH

Depreciation Retained Profit

2012 TK.	%	2011 TK.	%
38,253,464,657		31,234,710,327	
498,483,879		47,548,930	
38,751,948,536		31,282,259,257	
36,633,840,046		29,490,673,220	
2,118,108,490	100	1,791,586,037	100
307,432,211	14.52	234,717,051	13.10
291,675,539	13.77	403,745,379	22.54
431,478,774	20.37	122,915,685	6.86
1,030,586,524	48.66	761,378,115	42.50
222,190,929	10.49	191,002,872	10.66
865,331,037	40.85	839,205,050	46.84
1,087,521,966	51.34	1,030,207,922	57.50
2,118,108,490	100	1,791,586,037	100





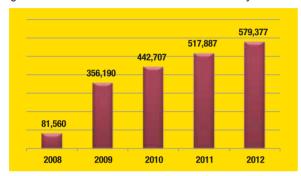
	2012 (%)	2011 (%)
EMPLOYEES	14.52	13.10
PROVIDERS OF FINANCE	13.77	22.54
GOVERNMENT	20.37	6.86
DEPRECIATION & RETAINED PROFITS	51.34	

PRODUCTS AND MARKETS

BSRM is the largest steel manufacturing company in the country. Its Steel manufacturing business consists of high strength concrete reinforcing bars.

Market performance

On the basis of data available, BSRM is the market leader in the steel industry. Net sales for 2012 was 5, 79,377 MT with value in Taka 3,825.36 crore. The Chart shows sales growth of BSRM Steels Limited for the last Five years.



Product- wise performance

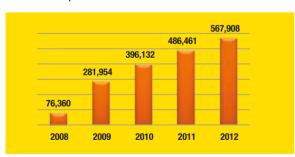
A. Xtreme500W

The Journey of Xtreme

Five years ago BSRM embarked upon a mighty journey. The journey was intended to change the construction landscape of the country by introducing a new concrete reinforcing steel bar to the country. The Grade 500 steel, named Xtreme500W, demonstrated superior yield strength and ductility compared to the traditional Grade 60 rebar available in the market. This reduced the quantity of steel consumed in any building by 15%.

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

Following Graph shows the last 5 years' performance of our branded product Xtreme500W:



Landmark Infrastructure where Xtreme500W was used:

As the premier reinforcing steel bar of the country, Xtreme500W has put its indelible stamp on the infrastructure projects of the country. It has emerged as the

rebar of choice among international contractors in high value projects where the reliability and quality of construction materials are of paramount importance. BSRM is proud to be associated with some of the largest and most visible projects of the country. These are:

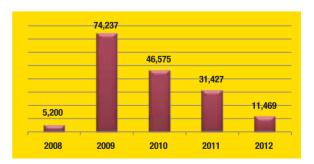
- The Country's first cable- stayed bridge (Shah Amanat Bridge) over the river Karnafully in Chittagong put its trust in BSRM Xrteme500W.
- The pride of Dhaka, the 9.6 kilometer Gulistan-Jatrabari fly-over (Mayor Mohammad Hanif Flyover), also preferred Xtreme500W.
- Saidabad Water Treatment Plant Phase-II also using Xtreme500W.

Unique Feature of Xtreme500W

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

B. Other Products

BSRM also manufactures the traditional Grade 60 and Grade 40 bars for customers who are comfortable in using the older steel grades. Sales performance of these products in last 5 years are as follows:



LETTER OF TRANSMITTAL

Date: April 10, 2013

All Shareholders
Bangladesh 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, 2012.

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, 2012 for your information and records.

Yours sincerely,

Shekhar Ranjan Kar FCA

Group CFO & Company Secretary

NOTICE OF AGM

Notice is hereby given that the 11th Annual General Meeting of shareholders of BSRM Steels Limited will be held on April 30, 2013 at 11.00 am. at the Banquet Hall, Chittagong Club Limited, Empress Road, Chittagong, for the following purposes:

- To receive, consider and adopt the Audited Financial Statements along with Consolidated Audited Financial Statements of the Company for the year ended 31st December 2012 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 confirm the appointment of Independent Director.
- 4. To confirm the appointment/reappointment of Managing Director.
- 5. To appoint Auditors for the year 2013 & fix their remuneration.
- 6. To declare Dividend for the year ended 31st December 2012.

By Order of the Board

Chittagong. 29 March, 2013

Shekhar Ranjan Kar FCAGroup CFO & Company Secretary

Notes

- · Record Date was 12 March 2013,
- Shareholders whose name appear 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.



CORPORATE AND CONTACT INFORMATION

COMPANY NAME

BSRM STEELS LIMITED

DATE OF INCORPORATION

20th July, 2002

DATE OF COMMERCIAL OPERATION

1st April., 2008

SHARE CAPITAL

Authorized capital

BD Tk. 500.00 crore

Paid Up Capital

BD Tk. 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. Mono Ranjan Dey FCA, Independent Director

AUDIT COMMITTEE

Mr. Mono Ranjan Dey FCA, Chairman

Mr. Alihussain Akberali, FCA, Member

Mr. Zohair Taherali, Member

Mrs. Sabeen Aameir, Member

Mr. Shekhar Ranjan Kar FCA, Secretary

COMPANY SECRETARY

Mr. Shekhar Ranjan Kar FCA

MANAGEMENT COMMITTEE

Mr. Tapan Sengupta, Executive Director

Mr. Kazi Anwar Ahmed, Head of Dhaka Corporate Office

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

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

Mr. S. K. Das, Head of Operations

Mr. Mohammed Reazul Kabir FCA, Head of Finance & Accounts

Mohd. Imtiaz Uddin Chowdhury, Head of SCM.

AUDITOR

Syful Shamsul Alam & Co. Chartered Accountants. Bashar Square (5th Floor) 108, Agrabad C/A Chittagong.

LOCATIONS:

PLANT

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

CORPORATE OFFICE

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

DHAKA 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

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

BOARD OF DIRECTORS



Mr. Alihussain Akberali FCA, Chairman

Mr. Alihussain Akberali FCA, Chairman of the company was born in 1949. His father late Akberali Africawala was a renowned businessman in steel sector. Mr. Alihussain Akberali graduated in Commerce form University of Karachi, Pakistan. He is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of Bangladesh. He is one of the most experienced industrialists in steel sector and a seasoned business entrepreneur and always eager to harness any untapped opportunity in the industry.

He has been recognized as CIP from large scale industry sector. He is also engaged in various social activities like Rotary Club, Ma O Shishu Hospital, Chirayata Shanti Society, Patient Welfare Committee of Chittagong Medical College and Hospital and founder of a School at Nasirabad, Chittagong which imparts free education to more than 350 underprivileged students. He is also Director of Chittagong Stock Exchange Ltd. and Vice Chairman of Chittagong Metropolitan Chamber of Commerce and Industry.

He is playing the role of chairman of Board of Directors in the company and under his dynamic and sincere leadership, company has come to its present status. He is also a member of the Audit Committee of the company.



Mr. Aameir Alihussain, Managing Director

Mr. Aameir Alihussain, Son of Mr. Alihussian Akberali was born in 1975. He did his Graduation in Economics from McGill University, Canada and did MBA from LUMS University in Pakistan. He joined the family business in 2001 and aims to set high industry standards for the performance of the company. He is active in the day to day operation of the company as the Managing Director. He is introducing modern management concepts in the company and instilling a team spirit to excel in the industry. Ensuring quality and focusing on customer satisfaction are his top priorities.



Mr. Zohair Taherali, Director

Mr. Zohair Taherali, Director of the company was born in 1963. He is commerce graduate from University of Karachi in Pakistan.

He is responsible for the management of the financial, and administratative aspects of the company. He is involved for last 20 years in the steel business as a Director of the company. He is actively involved in various social activities. He is also a member of the Audit Committee of the company.



Mrs. Tehseen Zohair Taherali, Director

Mrs. Tehseen Zohair Taherali, Director of the company was born in 1970. She graduated from University of Chittagong. She is involved with many charitable organizations and is a highly regarded personality in the society. She guides and directs the company regularly in strategic policy making decision.



Mrs. Sabeen Aameir, Director

Mrs. Sabeen Aameir, Director of the company was born in 1977. She did her MBA from LUMS University, Pakistan. She looks after the Corporate Social Responsibility (CSR) activities of the company. As a member of the Board of Directors, she is applying her prudent thoughts to resolve the matters in the board and also she is concentrating on the development of the Human Resource Management of the company. She is also a member of the Audit Committee of the company.



Mr. Mono Ranjan Dey FCA, Independent Director

Mr. Mono Ranjan Dey was born in 1954. He is a qualified Chartered Accountant and Fellow Member of the Institute of Chartered Accountants of Bangladesh. Currently he is Managing Partner of a reputed Chartered Accountancy firm namely MRH Dey & Co.

He has 24 years experience in internal and external audit and assurance, developing internal control system, company related matters and taxation and VAT matters.

Names of companies in which directors hold the directorship and the membership of committees of the board						
	Name of the Directors					
Name of Companies	Mr. Alihussain Akberali FCA	Mr. Aameir Alihussain	Mr. Zohair Taherali	Mrs. Tehseen Zohair Taherali	Mrs. Sabeen Aameir	
Bangladesh Steel Re-Rolling Mills Ltd	Managing Director & Chairman	Director	Director	Director	Director	
BSRM Wires Limited	Managing Director	Director	Chairman	Director	-	
BSRM Recycling Industries Limited	Managing Director	Director	Chairman	Director	-	
BSRM Iron & Steel Co Limited	Managing Director & Chairman	Director	Director	Director	Director	
Chittagong Power Company Limited	Managing Director & Chairman	Director	Director	-	-	
Bangladesh Steels Limited	Director	Managing Director	Chairman	Director	-	
East Bengal Trading & Industrial Corporation Limited	Director	Managing Director	Chairman	Director	-	
BSRM Ispat Limited	Managing Director	Director	Chairman	Director	-	
BSRM Steel Mills Limited	Chairman	Managing Director	Director	Director	-	
BSRM Logistics Limited	Chairman	Director	Managing Director	-	-	
BSRM Real Estates Limited	Chairman	Managing Director	Director	Director	-	
BSRM Metals Limited	Chairman	Managing Director	Director	Director	-	
H. Akberali & Co.Ltd.	Managing Director & Chairman	Director	Director	Director	-	
Karnafully Engineering Works Ltd.	Chairman	Director	Managing Director	Director	-	
Section Steel Industries Ltd.	Managing Director	Chairman	-	-	-	



KEY MANAGEMENT

Tapan Sengupta, Executive Director

Kazi Anwar Ahmed, Head of Dhaka Corporate

M. Firoze, Head of Marketing & 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

Abdul Gaffar, Head of HR Operation

Mohammed Reazul Kabir FCA, Head of Finance & Accounts

M. Harunur Rashid, Lead ERP

Mohd. Imtiaz Uddin Chowdhury, Head of Supply Chain

Biplob Kanti Banik ACA, Chief Financial Officer

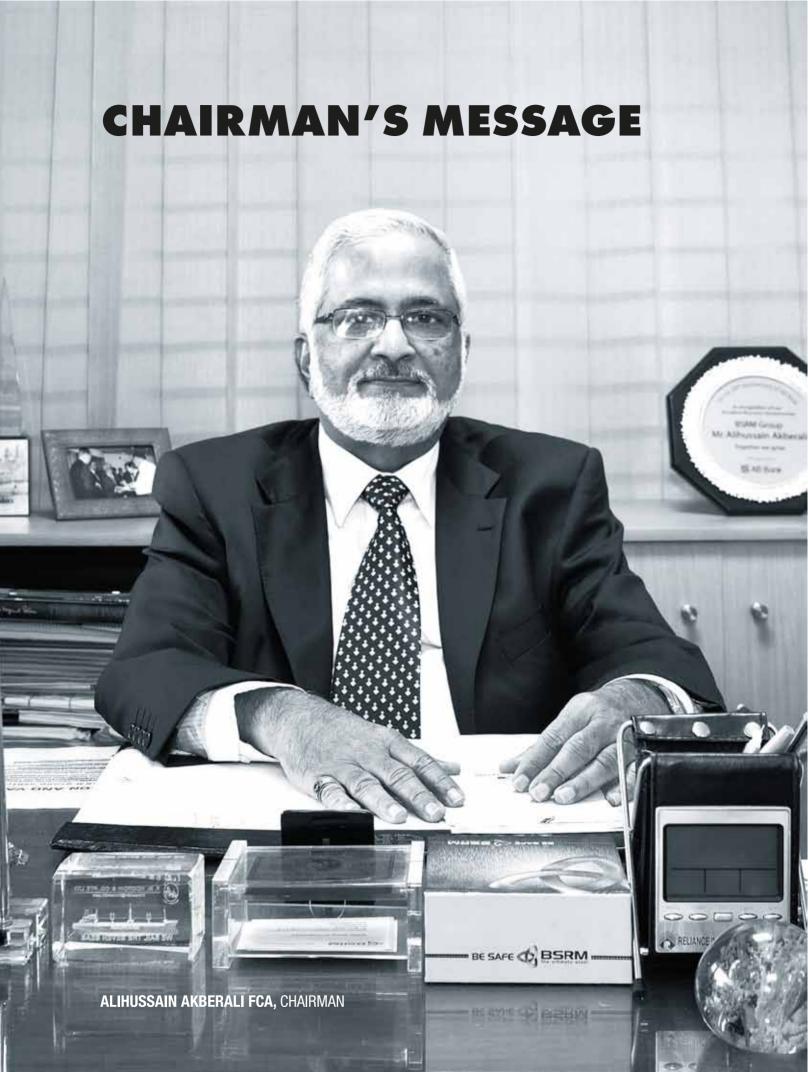
Abdur Rahim, Head of Internal Audit

Mohammed Tamim Wahid Al-Helal, Head of IT

ADVISERS

Moize Hussain, Group Adviser

Tapan K. Poddar FCA, FCMA, Financial Consultant



Dear Shareholders

Good Morning. On behalf of myself and the Board of Directors, I welcome you all to this 11th Annual General Meeting of your Company.

By now you have received copies of the Annual Report for 2012. I assume you have gone through the report and consider it as read.

Your Company is a premier supplier of quality M.S. Products. The Company's leading technology and innovation, manufacturing expertise, as well as marketing and distribution, deliver superior products and brands with quality excellence at a competitive price.

Your Company is focused on its sustainable and profitable growth strategy, creating value and satisfaction for its customers, shareholders and employees.

Performance of 2012

Despite a very competitive and challenging environment, the overall performance of the Company is promising. With appropriate strategies and their effective implementation, your Company is well on course to improve its performance.

Let me now take you through the highlights of our financial performance. Your Company reported a turnover of Tk. 38,253.46 million for the year 2012 as against Tk 31,234.71 Million in the previous year, registering an overall increase of 22.47 %. During the year under review, the Company made a Net Profit after Tax of Tk 865.33 million as against the Net Profit after Tax of Tk.839.20 million in the last year.

Your Company has been continuously focusing on all round cost reduction in different areas of operations to achieve savings and gains.

Continued focus on providing the high quality, world class products, flexibility and agility are the management tools of your Company to win in a competitive environment.

Your company has extensively invested in additional building and equipments whereby the production figure has gradually been rising from 2008 to 2012 as mentioned in the Annual report.

Outlook

For the last several years, we are expanding rapidly to make ourselves self-reliant in terms of Raw Materials and other basic utility facilities. We have already made substantial capital expenditure to meet growing demand of steel at home and abroad. The steel industry environment is changing rapidly and more drastically than ever. In facing this challenge, we are working with our core corporate value of sustainable growth. To this end, we expect your continued support.

You know by this time BSRM group has taken an initiative to set up a state -of -the art melt shop to produce 8,60,000 MT MS Billet, the basic raw material of your company and we hope to be able to commence commercial operations in 2014. Your company has already declared to invest a substantial amount as equity in the new project. After successful commissioning, your company will be no more dependent on imported raw materials.

My dear shareholders, the Management of your Company and I continue to be bullish on our future growth and on the expansion of your company's business and I can confidently state that we will spare no efforts to realize our objectives and goals.

In Conclusion

I would like to express my sincere thanks to our shareholders, bankers and financial institutions, DSE, CSE, BSEC, RJSC and other stakeholders for their continued support throughout these challenging times.

Finally, my gratitude goes out to our loyal staffs and each and every member of our management team for their efforts despite adverse external factors, to sustain high service levels and support the Company with their hard work, dedication and loyalty.

With kindest regards,

Mymad

Sincerely yours,

Alihussain Akberali FCA

Chairman

চেয়ারম্যানের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

শুভ সকাল, কোম্পানীর পরিচালকমন্ডলী এবং আমার পক্ষ থেকে আপনাদেরকে কোম্পানীর ১১তম বার্ষিক সাধারণ সভায় স্থাগত।

ইতোমধ্যে আপনারা ২০১২ সালের বার্ষিক প্রতিবেদন পেয়েছেন এবং আশা করছি আপনারা সবাই প্রতিবেদন সম্মন্ধে অবগত হয়েছেন।

আপনাদের কোম্পানী উন্নতমানের এম.এস. রডের প্রধান সরবরাহকারী। কোম্পানীর উন্নত প্রযুক্তি, নতুন নতুন বাজারজাতকরণের কৌশল এবং বন্টন ব্যবস্থার ফলে আপনাদের কোম্পানী প্রতিযোগীতামূলক দামে মানসম্মত দ্রব্য উৎপাদন ও সরবরাহ করছে।

থাহক, শেয়ারহোল্ডার এবং কর্মকর্তা-কর্মচারীদের সন্তুষ্টির লক্ষ্যে কোম্পানী দীর্ঘমেয়াদী উনুয়নের উদ্দেশ্যে পরিচালিত হচ্ছে।

২০১২ সালের ফলাফল পর্যালোচনাঃ

প্রতিযোগিতামূলক পরিবেশের মধ্যেও আপনাদের কোম্পানীর সার্বিক অর্জন সন্তোষজনক। যথাযথ কৌশলের প্রয়োগ এবং বাস্তবায়নের ফলে আপনাদের কোম্পানীর ফলাফল ভাল।

এখন আমি ২০১২ সালের কিছু অর্জন ও প্রবৃদ্ধির চিত্র তুলে ধরছি।

২০১২ সালে কোম্পানীর মোট বিক্রয় ছিল ৩৮,২৫৩.৪৬ মিলিয়ন টাকা যা ২০১১ সালে ছিল ৩১,২৩৪.৭১ মিলিয়ন টাকা এবং বিক্রয় প্রবৃদ্ধি হয়েছে ২২.৪৭%। কোম্পানীর ২০১২ সালের নীট মুনাফা দাঁড়ায় ৮৬৫.৩৩ মিলিয়ন টাকা যা ২০১১ সালে ছিল ৮৩৯.২০ মিলিয়ন টাকা।

আপনাদের কোম্পানী প্রতিনিয়ত সকল ক্ষেত্রে ব্যয় নিয়ন্ত্রের উপর জোর প্রচেষ্টা গ্রহণ করেছে।

প্রতিযোগীতামূলক পরিবেশে টিকে থাকার জন্য উনুত ও বিশ্বমানের পণ্য সরবরাহ করাই আপনাদের কোম্পানীর ব্যবস্থাপনার প্রধান লক্ষ্য।

অবকাঠামো উনুয়নে ব্যাপক বিনিয়োগের কারণে ২০০৮ সাল থেকে ২০১২ সাল পর্যন্ত আপনাদের কোম্পানীর উৎপাদন ক্রমাগত বৃদ্ধি পেয়েছে।

ভবিষ্যৎ উনুয়নঃ

বিগত বৎসরগুলোতে কাঁচামাল এবং অন্যান্য উপযোগী সেবার ক্ষেত্রে স্বনির্ভরতা অর্জনে আমরা দ্রুত সম্প্রসারণ করেছি। দেশে এবং বিদেশের চাহিদা মেটাতে আমরা ব্যাপক বিনিয়োগ করছি।

স্টীল শিল্পের ব্যবসায়িক পরিবেশ দ্রুত পরিবর্তন হচ্ছে। এই পরিবর্তনের চ্যালেঞ্জ মোকাবেলায় আমরা আপনাদের সহযোগিতা কামনা করছি। আপনারা অবগত আছেন যে, ইতোমধ্যে BSRM Group একটি আধুনিক প্রযুক্তি সম্পন্ন দেশের তথা বিশ্বের বৃহত্তম M.S. Rod এর কাঁচামাল (Billet) প্রস্তুতের কারখানা স্থাপন করতে যাচ্ছে। যেখানে প্রতি বৎসর ৮,৬০,০০০ মেট্রিক টন Billet প্রস্তুত করা হবে। ২০১৪ সাল নাগাদ এই কারখানায় উৎপাদন শুরু করা যাবে বলে আমাদের বিশ্বাস। এই কারখানা স্থাপিত হলে আপানাদের কোম্পানীকে আর বিদেশ হতে কাঁচামাল আমদানী করতে হবে না।

প্রিয় শেয়ারহোল্ডারবৃন্দ, কোম্পানীর ব্যবস্থাপনাদল এবং আমি সবসময় কোম্পানীর ভবিষ্যৎ প্রবৃদ্ধি এবং সম্প্রসারণের

উপর আশাবাদী। আমি দৃঢ়তার সাথে বলছি যে, ব্যবসায়িক উদ্দেশ্য সাধনে আমরা সম্ভাব্য সকল প্রচেষ্টা চালিয়ে যাব।

শেষের কথাঃ

বিগত বৎসরের চ্যালেঞ্জিং সময়ে সহযোগীতার জন্য আমি আমাদের শেয়ারহোল্ডার, ব্যাংক, আর্থিক প্রতিষ্ঠান, ঢাকা স্টক এক্তঞ্জে, চউগ্রাম স্টক একচেঞ্জ, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন ও কোম্পানীর নিবন্ধকারকে ধন্যবাদ জানাচ্ছি।

অবশেষে আমি কোম্পানীর সকল কর্মকর্তা-কর্মচারী, ব্যবস্থাপনাদলের সকল সদস্যকে কোম্পানীর প্রতিকুল অবস্থার মধ্যেও নিরলস কাজ করে যাওয়ার জন্য ধন্যবাদ জানাচ্ছি।

আপনাদেরই বিশ্বস্ত

আলীহোসাইন আকবরআলী এফসিএ

সভাপতি





Dear Fellow Shareholders

I am delighted to welcome all our fellow shareholders this morning to the 11th Annual General Meeting of your Company.

At the outset, let me express my gratitude and thanks to all of you for your sincere trust and support to the Company. Let me have the opportunity to give you a snapshot of performance of your company in 2012.

Year 2012

Although trend of overall economic indicators at home and abroad were not as expected, I am pleased to report that your company could achieve a competitive edge and stable performance in 2012.

Our core experience in steel industry and our commitment to maintain quality enabled us to hold our market leadership. Rationing of Gas & Power supply in the steel industries in Chittagong, volatile foreign exchange market, sluggish capital market were the main challenges in 2012.

However, in 2012 we achieved highest production record of 5,80,148 MT, which is 11% higher than that of 2011. Our sales stood at 579,376 MT in 2012. Your Company registered 22.47% higher gross revenue growth in terms of value. Net assets value per share of your company as on the closing of business was Tk. 17.02 which was higher by Tk 7.89 per share than 2011.

Besides operational and financial performance, your company also received the best Brand Award in the steel category in Bangladesh.

2013 and onward outlook

Our ultimate target is to increase our market share through providing highest quality product to our customers; to build a strong and stable market channel and to continue with policies which promote sustainable growth. To this end, we continue to expand and be more and more efficient in our operations. We believe we will have our target fulfilled and 2013 will give us better result.

Above all else, BSRM will continue with its strategies and core values to maintain the level of the trust it enjoys in the society.

In Conclusion

I would like to take this opportunity to express our sincere gratitude to our valued customers and our esteemed shareholders for their continued patronage and faith in our company. My sincere thanks also go to our Corporate Bankers & Non-Banking financial Institutions, BSEC, DSE, CSE RJSC, Income Tax and Custom authority and our dedicated employees.

Thank you.

Yours Sincerely, **Aameir Alihussain** Managing Director.

ব্যবস্থাপনা পরিচালকের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আজকের এই শুভ সকালে কোম্পানীর ১১তম বার্ষিক সাধারণ সভায় আপনাদেরকে স্বাগত জানাতে পেরে আমি আনন্দিত।

কোম্পানীর প্রতি আপনাদের বিশ্বাস এবং সহযোগিতার জন্য আপনাদেরকে প্রথমেই কৃতজ্ঞতা এবং ধন্যবাদ জানাচ্ছি।

২০১২ সালের পর্যালোচনাঃ

দেশে এবং বিদেশে অর্থনীতির সার্বিক প্রবৃদ্ধি প্রত্যাশিত না হলেও আমি আনন্দের সাথে জানাচ্ছি যে আপনাদের কোম্পানী ২০১২ সালেও প্রতিযোগীতায় নেতৃত্ব স্থান ধরে রেখেছে এবং একটি ভাল ফলাফল অর্জনে সক্ষম হয়েছে।

স্টীল শিল্পে আমাদের অভিজ্ঞতা এবং মানসম্মত দ্রব্যের প্রতি আমাদের প্রতিশ্রুতিবদ্ধতা আমাদেরকে বাজারে নেতৃত্বস্থান ধরে রাখতে সক্ষম করেছে।

চউগ্রাম অঞ্চলের স্টীল মিলগুলোতে জ্বালানীর রেশনিং, অস্থিতিশীল বৈদেশিক মুদ্রার বিনিময় হার, শেয়ার বাজারের মন্দা ২০১২ সালে আমাদের জন্য প্রধান চ্যালেঞ্জ ছিল।

অধিকন্তু ২০১২ সালে আমরা ৫,৮০,১৪৮ মে:টন রড উৎপাদন করে সর্বোচ্চ উৎপাদনের রেকর্ড গড়েছি। গত বছরের তুলনায় মোট উৎপাদনের বৃদ্ধির হার ১১%। ২০১২ সালে আমাদের মোট বিক্রয়ের পরিমান ৫,৭৯,৩৭৭ মে:টন। গত বছরের তুলনায় মোট বিক্রয়ের পরিমান টাকায় ২২.৪৭% বৃদ্ধি পেয়েছে। নীট সম্পত্তির মূল্য প্রতি শেয়ার ১৭.০২ টাকা যা গত বছরের তুলনায় শেয়ার প্রতি ৭.৮৯ টাকা বৃদ্ধি পেয়েছে।

উৎপাদন এবং আর্থিক প্রবৃদ্ধির পাশাপাশি আপনাদের কোম্পানী বাংলাদেশে স্টাল শিল্পে 'BEST ROD BRAND-2011'- এ পুরস্কারে ভূষিত হয়েছে।

২০১৩ এবং আগামীর পরিকল্পনাঃ

আমাদের উদ্দেশ্য হচ্ছে মানসম্মত পণ্য সরবরাহের মাধ্যমে বাজার অংশীদারিত্ব বৃদ্ধি, একটি স্থায়ী এবং মানসম্মত পণ্য বাজারজাতকরণ উপায় গঠন এবং নতুন নতুন নীতি গ্রহণ যা কোম্পানীর উনুয়নকে বেগবান করবে।

এই লক্ষ্যে আমরা আরো সম্প্রসারণের মাধ্যমে উৎপাদনে আরো দক্ষতা অর্জনের প্রয়াস চালাচ্ছি।

আমাদের বিশ্বাস ২০১৩ সালে আমরা আমাদের প্রত্যাশিত ফলাফল অর্জন করতে পারব।

সর্বোপরি BSRM সমাজে তাঁর বিশ্বাসের ধারা অব্যাহত রাখবে।

পরিশেষেঃ

আমি আমাদের গ্রাহক, ক্রেতা এবং শেয়ারহোল্ডারকে তাঁদের প্রতিনিয়ত পৃষ্ঠপোষকতা এবং বিশ্বাসের জন্য আন্তরিক কৃতজ্ঞতা জানাচ্ছি। আমি আন্তরিক সহযোগীতার জন্য ধন্যবাদ জানাচ্ছি আমাদের আর্থিক সহযোগী প্রতিষ্ঠান, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, চট্টগ্রাম স্টক এক্সচেঞ্জ, আয়কর ও শুল্ক কর্তৃপক্ষকে।

ধন্যবাদান্তে,

আমীর আলীহোসাইন

ব্যবস্থাপনা পরিচালক

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 11th 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 2012 and Auditors' Report thereon before you for your consideration and approval.

Review of year 2012

Economic scenario

In developing economics, urbanization and development of manufacturing base are the key drivers to boost steel demand. Due to high inflation, high interest rate, liquidity crisis, non-availability of new utility and power connection, the steel industries in the country did not grow as expected.

Entrepreneurs and Individuals were struggling for required liquidity due to non-availability of finance from Banks and also for sluggishness in the capital market.

Middle income group, most of whom are living in the urban areas were quite unable to invest in housing which caused a downtrend in sales of real estate sector.

Reduction in the inflow of Foreign Investment, Aid and Grants both in Public and Private sectors also contributed to the poor development of industrial project and implementation of ADP.

Rationing of GAS and Electricity supply to the steel rolling mills by the Government were main challenges for us.

Operational and Financial Review

Amid the adverse economic scenario as stated above, your company made a quite satisfactory and stable growth in the year 2012.

Following are the financial short snaps for the year 2012

(Amount in Crore Tk)

Year	2012	2011
Sales	3,825.34	3,123.47
Profit before interest, taxes & WPPF	165.67	141.65
Less :Interest & WPPF	35.99	45.44
Profit before tax	129.68	96.21
Less : Tax Expenses & Provision for Taxation	43.14	12.29
Profit after tax	86.54	83.92

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	2012	2011
Sales	800.49	650.76
Gross Profit	59.85	60.40
Profit before interest, taxes & WPPF	59.05	57.29
Less : Interest & WPPF	38.25	42.29
Less: Income Tax	6.07	1.30
Net Profit	14.73	13.70

Net profit after tax was increased by 7.51%

Steel Industry Outlook and Possible Future Development

Steel is our everyday product as it is found everywhere we live, work due to its different form, usefulness and potency.

Any kind of attempts that are undertaken for the development of the country, be it in urbanization, transport, real estate and industrialization, need steel.

Steel industry is indicative of overall infrastructural development of the country.

Country like Bangladesh is still at nascent stage of development. Houses, buildings, sky-scrapers and bridges are to be built at large scale where steel finds their strength to grow.

Bangladesh has been identified as one of the "next 11 emerging economics" of the world in a Global Economic Outlook report by Goldman Sachs in 2005. To materialize such dream of becoming next 11, Bangladesh needs to chalk out a huge comprehensive development plan in which building infrastructure needs to be given highest priority.

Though world steel consumption was somewhat slowed in developed economy due to Euro Debt crisis and hurricane Sandy in U.S.A but Asia has been the key driver of steel industry growth.

Global steel demand has maintained relatively stable recovery momentum so far despite uncertainties and volatilities in the global economy

Being a developing and emerging economy, steel consumption, in Bangladesh will grow at double digit rates, to build its infrastructure and urban centers across the country. Prime connectivity links between port city and capital city is under construction and government also has to build more bridges to ensure rapid movement across the country on the major rivers of the country.

On the above backdrop, being market leader and provider of innovative and quality products in the steel industry, your company is expanding its wings by investing in upstream manufacturing capabilities.

Your company has already announced its investment plan of Taka 1.00 billion by phases in a largest billet making plant undertaken by BSRM group. On completion of this plant, your company would be able to ensure the supply of entire billets from in-house source and be free from volatile price risks and also to save foreign currency of the country.

The Board of Directors thinks that your company as usual will be in the forefront of steel production which the country needs for infrastructure and industrial development in the country.

CUSTOMERS AND MARKETS

It has been 4 years since we launched Xtrem500W in Bangladesh. Now in Bangladesh, MS product means Grade 500. With pride, we inform you that your company bagged the first best brand of Bangladesh in Steel Category. Bangladesh Brand Forum has awarded BSRM as the "BEST ROD BRAND 2011" in Bangladesh. After extensive research across the nation conducted by Nielsen on 5000 samples to identify the winning brands, BSRM was voted as the best known brand in the steel category.

Customer satisfaction is our main focus. We try to understand customers' untold needs and try to adapt to customers' demand & desire. In the year 2012, your company had chalked out various educative campaigns to inform customers on choosing quality steel. Advertisements, such as, "a typical 12 to 14 storey building requires only 5 kg steel rebar per square feet" and "Think of the Steel under the roof where you live." Through these campaigns we tried to break the wide misconception that the cost of steel is a major cost element in a building. These communications will play a vital & effective role in educating homebuilders and homebuyers on the steel requirement and usage.

Your company also regularly arranges various Workshops, Seminars & Conferences with different stakeholders to bring new concepts on steel product, and need for building safety. In 2012, your company arranged a national seminar on "Tall Buildings" which is first of its kind in the country.

We put customer needs first.

SEGMENT /PRODUCT WISE PERFORMANCE

Company has one location of producing products which vary in sizes. Detailed product wise performances are as follows:

Products	Production (In MT)		Sales (In MT)
	2012	2011	2012	2011
Xtreme500W	573,139	495,882	567,908	486,461
Others	7,008	27,743	11,469	31,426
Total	580,148	523,625	579,377	517,887

Risks and Concerns

The Board has established a risk and control structure designed to manage the achievement of business objectives. The Board reviews those significant risks which might adversely impact the achievement of corporate objectives. Mitigating measures and controls, together with any necessary actions, are identified and implemented.

A summary of the most significant risks and the way of managing risks adopted by your company is included in annexure-2.

MANAGEMENT DISCUSSION

Board of Directors periodically discusses on the increase/decrease of Cost of Goods Sold, Gross and Net Profit Margin and takes immediate management measures on the analysis as required. A detailed report on discussion is included in annexure-1.

CREDIT RATING

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

Long Term	Short Term
AA	ST-2

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 success is dependent on the competencies and abilities of our employees. Thus Personnel development and focus on the future is our overall HR objectives. We regularly inspire our employees to take adequate training by assessing respective employee's needs. We also adopt new and contemporary HR and performance evaluation systems for our employees.

Corporate Social Responsibilities

Over the last years, your company's commitment to Corporate Social Responsibility (CSR) activities is part and parcel of the Company's business model. Your company has been contributing to the welfare of the community, research & development and protection of environment. Few initiatives of your company are mentioned below:

- Contributing to the ease of traffic by providing Road Divider to the Traffic Control Authority.
- Continuing Donation to the Educational Institutes.
- Running a School named "Burhani BSRM School at Nasirabad, Chittagong to impart education for the underprivileged student.
- Launching a Tree Plantation program in patronizing a green environment.
- Company also contributed for the construction of the School Building of "Proyash"-a school to impart education for Autistic Children at Chittagong Cantonment.

AWARD AND RECOGNITION

Award and recognition inspire us to march ahead. Your company has been awarded "BEST ROD BRAND 2011" in the country. Mr. Alihussain Akberali, Chairman of your company has been recognized as one of the "Unsung Heroes of Chittagong" for his outstanding contribution and entrepreneurship in the development of Chittagong through industrialization. On behalf of the Board and on shareholders and employees' behalf we congratulate our Chairman.

INTERNAL CONTROL

We have already developed a **Standard Operating Procedures (SOP)** for operating and managing the company following a standard internal control system. Various sub-committees are in place to guide, review and devise policy as and when required. A full-fledged internal audit cell is established with experienced professional to ensure and monitor the compliance of internal control system. The Company has a well-defined organizational structure with appropriate segregation of responsibilities.

INFORMATION TECHNOLOGY (IT)

Expected growth could not be achieved without adopting proper and contemporary Information Technology (IT). We have already advanced one step ahead for the adoption of real time integration in our business through ERP software. ERP Software and ERP implementation partners have already been selected. A dedicated team is working to this end. On implementation of ERP, we would be able to operate and manage our business and to connect our customers faster.

Reporting and Compliance of Corporate Governance

Status of compliance with the requirements/conditions of Bangladesh Securities and Exchange Commission (BSEC) Notification no BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 on corporate governance has been included in the report. In addition to this, a separate report is available with this annual report certifying by professional practicing Chartered Accountant stating the adherence of your company to the Corporate Governance principles in business dealings.

DIVIDEND

Your directors pleased to recommend 10% cash and 5% stock dividend on equity shares for the year ended 31st December 2012 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 THE NATIONAL EXCHEQUER

BSRM is paying and facilitating collection of Govt's revenue. In 2012, 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 2012, BSRM Steels Limited contributed to the government exchequer about a sum of Taka 2,028 Million.

Auditors

Present auditor **Syful Samsul Alam & Co.,** Chartered Accountants, (A member firm of UHY) will retire in 11th AGM and being eligible to audit for the year 2013 as per order of Bangladesh Securities and Exchange Commission (BSEC) No. BSEC/CMRRCD/2009-193/104/Admin dated July 27, 2011 they have conveyed their willingness to accept for reappointment.

RE-APIONTMENT OF MANAGING DIRECTOR

As per provision of Companies Act 1994, Mr. Aameir Alihussain had been appointed as Managing Director of the Company for a period of 5 years which will expire on May 08, 2013. The Board has reappointed him as Managing Director of the Company for another 5 years subject to the approval of shareholders in the 11th Annual General Meeting.

DIRECTORS

Mr. Aameir Alihussain & Mr. Zohair Taherali will retire by rotation at the conclusion of this AGM as per Section 97 & 98 of the Articles of Association of the company and being eligible they offer themselves for reappointment.

APPOINTMENT OF INDEPENDENT DIRECTOR

As per Bangladesh Securities and Exchange Commission (BSEC) Notification no BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 on corporate governance, the Board nominated Mr. Mono Ranjan Dey FCA, Partner of MRH Dey & Co. Chartered Accountants as Independent Director of the company for one term of 3 years considering his qualification and expertise in compliance with BSEC's notification subject to the approval of shareholders in the 11th Annual General Meeting.

Directors' Remuneration

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

Disclosure of information in case of the Appointment/Re- Appointment of the Directors.

- a) Brief resume of the directors has been disclosed in Board of Director segment
- Nature of the expertise of the Directors are also included in brief
- Names of companies in which directors hold the directorship and membership of the committees of the board are also reported.

Discussion on Continuity of Extra-Ordinary Gain & Loss.

There was no extra-ordinary gain / (loss) in the year 2012.

Related Party Transaction

Basis of the related party transactions with the company has been elaborated in the audited financial statements in note 32 in accordance with relevant Bangladesh Accounting Standards (BAS).

Utilization of IPO Proceeds and Financial Results After IPO

Company had no unutilized IPO fund since 2009 and after going for IPO, company is maintaining a stable financial performance.

SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL PERFORMANCE

There were no significant difference between quarterly performance and overall annual performance. Throughout the year, company was able to maintain a judicious performance both in operational and financial perspective.

SUBSEQUENT EVENTS

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

- a) The financial statements prepared by the management of BSRM Steels Limited fairly presents 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)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no doubts upon the Company's ability to continue as a going concern and the annual accounts have been prepared on 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 last five years is disclosed in Annexure -4
- i) The number of Board Meetings held during the year and attendance by each director is disclosed in Annexure-5.
- j) The pattern of shareholding is disclosed in Annexure-6.
- k) A compliance status report with requirements of corporate governance as required by BSEC is disclosed in corporate Governance Report and its annexure.
- Directors' profile and their directorship and business interest in other organizations have been disclosed in Board of Directors segment.

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, BSEC, DSE, CSE, CDBL, RJSC and various government authorities, trade bodies for their extended cooperation.

On behalf of the Board

Alihussain Akberali FCA

Chairman

28 February 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

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

FINANCIAL PERFORMANCE

Particulars	2012	2011
	BDT	BDT
Cost of Goods Sold	36,354,262,821	29,320,135,356
Gross Profit Margin	1,899,201,836	1,914,574,971
Net Profit Margin	865,331,037	839,205,050

COST OF GOODS SOLD (COGS)

Cost of goods sold (cost of sales) is the cost of Products sold during the year. COGS include all the costs directly related to getting inventory ready for sale such as: Raw Material (including duties and taxes), Handling, and other cost of converting materials into finished goods.

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

Cost of Goods Sold in 2012 has been increased by 23.99 % than 2011 due to increase of raw materials cost and other direct costs like power and alternative fuels. Out of total increase in COGS ,Raw materials cost was increased by 17.85 % due to price volatility and currency fluctuation and Power and Fuel cost was increased by 95.90% due to usage of alternatives fuels as well as price escalation by the Government.

GROSS PROFIT MARGIN RATIO

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

Gross profit = sales - cost of goods sold

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

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

During the year 2012, Gross Profit Margin was decreased by 19% due to increase in the cost of goods sold.

NET PROFIT MARGIN RATIO

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

Net Profit = Gross Profit - Expenses with Tax & WPPF

Net Profit of the company in the year 2012 has been increased by Taka 26,125,987 than 2011.

RISK FACTORS AND CONCERNS

Business Risks

Risks associated with sourcing of Raw Materials.

We are exposed to business risks arising in sourcing of Raw Materials. As you know, our prime raw material is Billet which is manufactured from recycled steel. As there is no large domestic Billet manufacturing factory in the country, we have to depend on imported raw material (Billet). To reduce our risk exposure arising from souring of raw materials from abroad, we established an in-house Billet manufacturing plant namely BSRM Iron and Steel Co. Ltd. (BISCO) (a subsidiary of BSRM Steels Ltd.) The Group has another Billet manufacturing facility as the Steel Melting Works (SMW) under Bangladesh Steel Re-Rolling Mills Ltd formerly known as Meghna Engineering Works Limited (MEW).

With the production of BISCO and SMW, we have minimized our dependency on imported raw materials to some extent. We are also contemplating to make your company free from the dependency of imported raw materials by adopting vertical integration.

Risks associated with Power Supply.

As you know, presently the main constraint of economic development of Bangladesh is acute shortage of power for which thousands of new industrial investment proposal from home and aboard have failed to materialize. Steel making is a power intensive industry and we are actively trying to set up a captive power plant.

2. Market Risks

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

- Interest Rate.
- Currency Rate (foreign exchange rates),
- Competition,
- economic conditions

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

Interest Rates

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

The businesses of BSRM Steels Ltd. requires huge working capital. Although the company closely monitors and manages requirement of capital investment, the actual capital requirement may deviate from the projected one due to factors beyond its control, thus potentially affecting the borrowing costs.

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

Foreign Exchange Fluctuations

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

We are hugely involved with Foreign Trade i.e. Import & Export and thus we are also exposed to Foreign Currency Risks. Exchange rate gains or losses related to foreign currency transactions are recognized as transaction gains and losses in our income statement as incurred. We also maintain foreign currency account in which local export collection in foreign currency are directly deposited to meet foreign exchange payment requirement. In the Year 2012 company has not been affected significantly by the normal trend of foreign currency fluctuation.

Competition and Economic conditions

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

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

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

Operational Risks

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

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

Annexure -3

REMUNERATION PAID TO DIRECTORS IN 2012

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

Name	Position	Attendance Fees	Remuneration	Total Paid
Mr. Alihussain Akberali FCA	Chairman	11,764	9,600,000	9,611,764
Mr. Aameir Alihussain	Managing Director	11,764	10,800,000	10,811,764
Mr. Zohair Taherali	Director	11,764	6,000,000	6,011,764
Mrs. Tehseen Zohair Taherali	Director	11,764	3,600,000	3,611,764
Mrs. Sabeen Aameir	Director	11,764	600,000	611,764
Mr. Qazi Sarwar E-Alam	Independent Director	31,766	-	31,766
	Total (Taka)	90,586	30,600,000	30,690,586

Annexure-4

KEY OPERATING AND FINANCIAL DATA OF PRECEDING 5 YEARS

		2012	2011	2010	2009	2008
Operations and Market :						
Production (Qty)	MT	580,148	523,625	433,823	350,326	118,959
% of Production Growth	%	10.79%	20.70%	23.83%	194.49%	-
Sales (Qty)	MT	579,376	517,887	442,707	356,190	81,560
% of Sales Growth (Qty)	%	11.87%	16.98%	24.29%	336.72%	-
Financial Results :						
Turnover	TK	38,253,464,657	31,234,710,327	22,007,682,247	15,843,586,337	5,483,534,721
Gross Profit	TK	1,899,201,836	1,914,574,972	1,929,718,476	1,581,634,316	(1,311,367,578)
Gross Profit %	%	4.96%	6.13%	8.77%	9.98%	(23.91%)
Earnings before interest, Tax and WPPF	TK	1,160,385,362	1,369,695,830	1,551,537,999	1,367,048,990	(1,426,969,844)
	%	3.03%	4.39%	7.05%	8.62%	(26.02%)
Net Profit after tax	TK	865,331,037	839,205,050	964,885,985	574,084,231	(1,899,094,620)
	%	2.26%	2.69%	4.38%	3.62%	(34.63%)
Earnings Per Share (EPS)	TK	2.66	2.58	2.96	3.44	(15.30)
Financial Position :						
Current Ratio (Times)		0.92	0.93	0.83	0.77	0.72
Net Asset Value	TK	5,540,653,744	2,974,080,646	2,134,875,596	124,989,611	(449,094,620)
Net Asset Value Per Share	TK	17.02	9.14	7.87	0.86	(3.10)
Net operating Cash Flow Per Share	TK	(2.24)	(14.38)	6.67	(9.21)	(36.74)
Paid -up Capital (In Crore) TK		325.50	325.50	271.25	145.00	145.00

NUMBER OF BOARD MEETINGS

The Board met 18 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	18	13
Mr. Aameir Alihussain	Managing Director	18	18
Mr. Zohair Taherali	Director	18	16
Mrs. Tehseen Zohair Taherali	Director	18	16
Mrs. Sabeen Aameir	Director	18	16
Mr. Qazi Sarwar E-Alam	Independent Director	18	2

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

Annexure-6

THE PATTERN OF SHAREHOLDING AS ON 31 DECEMBER 2012

a) Parent/Subsidiary/Associated companies and other related

Name	Relation	No. of Shares Held
Bangladesh Steel Re-Rolling Mills Ltd.	Associated Company	101,518,260
H.Akberali & Co.Ltd.	Associated Company	73,204,400
	Total	174,722,660

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

Name	Relation	No. of Shares Held
Mr. Alihussain Akberali FCA	Chairman	33,321,900
Mr. Aameir Alihussain	Managing Director	6,510,000
Mr. Zohair Taherali	Director	8,507,600
Mrs.Tehseen Zohair Taherali	Director	6,510,000
Mrs. Sabeen Aameir	Director	6,900
Mrs. Bilkis Alihussain	Wife of Mr.Alihussain Akberali	1,112,640
Mr. Shekhar Ranjan Kar FCA	Group CFO & CS	25,980

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

Name	Relation	No. of Shares Held
M. Firoze	Head of Marketing & Product Development	Nil
A. F. M. Mizanur Rahman	Plant Head	Nil
Jasim Uddin Ahmed	Head Technical Projects	3,400
Shobhon Mahbub Shahabuddin	Head of National Sales	Nil
M. Harunur Rashid	Lead ERP	Nil

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

Name	Relation	No. of Shares Held
Mr. Alihussain Akberali FCA	Chairman	33,321,900
Bangladesh Steel Re-Rolling Mills Ltd.	Affiliated Company	101,518,260
H. Akberali & Co.Ltd.	Affiliated Company	73,204,400

Annexure-A

REPORT OF THE STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by the Commission's Notification No SEC/CMRRCD/2006-158/129/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition No: 7)

Condition	Title		ance Status opropriate column)	Remarks
No		Complied	Complied Not Complied	(if any)
1	BOARD OF DIRECTORS:			
1.1	Board Size	Complied		
1.2	Independent Directors			
1.2 (i)	Number of Independent Director	Complied		
1.2 (ii) a)	Shareholding by Independent Director	Complied		
1.2 (ii) b)	Family Relationship with Independent Director	Complied		
1.2 (ii) c)	Other relationship with Independent Director	Complied		
1.2 (ii) d)	Membership of Independent Director with Stock Exchanges	Complied		
1.2 (ii) e)	Shareholding, Directorship or employment of Independent Director with any Stock Exchanges or Capital Market Intermediaries	Complied		
1.2 (ii) f)	Association of Independent Director with audit firm (currently or preceding 3 years)	Complied		
1.2 (ii) g)	Independent Director holding same position in more than 3 listed companies	Complied		
1.2 (ii) h)	Bankruptcy of Independent Director	Complied		
1.2 (ii) i)	Criminal Offence involving moral turpitude of Independent Director	Complied		
1.2 (iii)	Appointment and Approval of Independent Director by BOD and AGM	Complied		
1.2 (iv)	Vacancy of post of Independent Director for not more than 90 Days	N/A		
1.2 (v)	The Board shall lay down a Code of Conduct of all Board Members and Annual compliance of the code to be recorded	Complied		
1.2 (vi	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	Complied		
1.3	Qualification of Independent Director			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	Complied		
1.3 (ii)	Academic Background and Experiences of Independent Director	Complied		
1.3 (iii)	Exemption of requirement of qualification and experiences Independent Director by the commission	N/A		
1.4	The positions of the Chairman of the Board and Chief Executive Officer of the company shall be filled by different individuals.	Complied		
1.5	The Directors' Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry.	Complied		

Condition	Title		iance Status opropriate column)	Remarks
No	Higo	Complied	Not Complied	(if any)
1.5 (ii)	Segment-wise or product-wise performance	Complied		
1.5 (iii)	Risks and concerns.	Complied		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Complied		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	Complied		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	N/A		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	N/A		
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	N/A		
1.5 (x)	Remuneration to directors including independent directors	Complied		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	Complied		
1.5 (xii)	Proper books of account of the issuer company have been maintained	Complied		
1.5 (xiii)	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.	Complied		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed	Complied		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Complied		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	Complied		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	N/A		
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed	Complied		
1.5 (xxi) a)	Share held by Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied		

Condition	Title		iance Status opropriate column)	Remarks
No	Time	Complied	Complied Not Complied	(if any)
1.5 (xxi) b)	Share held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied		
1.5 (xxi) c)	Share held by executives; (Top 5 salaried)	Complied		
1.5 (xxi) d)	Share held by shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	Complied		
1.5 (xxii) a)	A brief resume of the director;	Complied		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas	Complied		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the Membership of committees of the board.	Complied		
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT			
	AND COMPANY SECRETARY (CS)			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS	Complied		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters	Complied		
3	AUDIT COMMITTEE			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	Complied		
3 (ii)	The Audit Committee shall assist 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	Complied		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied		
3.1	Constitution of the Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	Complied		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director	Complied		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	Complied		
3.1 (iv)	The Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee	N/A		
3.1 (v)	The company secretary shall act as the secretary of the Committee.	Complied		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	Complied		

Condition	Title	Compliance Status (Put in the appropriate column)	Remarks	
No	THO	Complied	Not Complied	(if any)
3.2	Chairman of the Audit Committee			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director	Complied		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process.	Complied		
3.3 (ii)	Monitor choice of accounting policies and principles.	Complied		
3.3 (iii)	Monitor Internal Control Risk management process	Complied		
3.3 (iv)	Oversee hiring and performance of external auditors	Complied		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied		
3.3 (vii)	Review the adequacy of internal audit function.	Complied		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	Complied		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	N/A		
3.3 (x)	Disclosure by the company to the audit committee on the utilization of fund raised through IPO/RIPO quarterly/annually	N/A		
3.4	Reporting of the Audit Committee			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	Complied		
3.4.1 (ii) a)	Report on conflicts of interests	N/A		
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	N/A		
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	N/A		
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	N/A		
3.4.2	Reporting to the Authorities If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier	N/A		
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	Complied		

Condition	Title		iance Status opropriate column)	Remarks
No	THE	Complied	Not Complied	(if any)
4	EXTERNAL/STATUTORY AUDITORS:			
4 (i)	Appraisal or valuation services or fairness opinions.	Complied		
4 (ii)	Financial information systems design and implementation	Complied		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	Complied		
4 (iv)	Broker-dealer services.	Complied		
4 (v)	Actuarial services	Complied		
4 (vi)	Internal audit services.	Complied		
4 (vii)	Any other service that the Audit Committee determines.	Complied		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	Complied		
	SUBSIDIARY COMPANY:			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Complied		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Complied		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Complied		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Complied		
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Complied		
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) (The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief			
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied		
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	Complied		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	Complied		
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7 (i)	The company shall obtain a certificate from a Professional Accountant/Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	Complied		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	Complied		



প্রিয় শেয়ারহোল্ডার বৃন্দ,

কোম্পানীর পরিচালকবৃন্দ এবং আমার পক্ষ থেকে আপনাদেরকে কোম্পানীর ১১তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি। পরিচালকবৃন্দ আপনাদের কোম্পানীর ২০১২ সালের প্রতিবেদন, বার্ষিক নিরীক্ষিত আর্থিক প্রতিবেদন এবং নিরীক্ষকের প্রতিবেদন আপনাদের

বিবেচনার জন্য উপস্থাপন করছে।

২০১২ সালের কার্যক্রম পর্যালোচনাঃ

অর্থনৈতিক পরিস্থিতিঃ

উন্নয়নশীল অর্থনীতিতে নগরায়ন এবং উৎপাদন ভিত্তির উন্নয়নই হচ্ছে ষ্টীল ব্যবহারের প্রধান সূচক। মুদ্রাস্ফীতি, উচ্চ সুদের হার, তারল্য সংকট এবং অপর্যাপ্ত জ্বালানীর কারণে বাংলাদেশে ষ্টীল শিল্পের প্রত্যাশিত বিকাশ হচ্ছে না।

ব্যাংকিং এবং মূলধন বাজারের তারল্য সংকটের কারণে প্রয়োজনীয় আর্থিক যোগান পাওয়া যাচ্ছে না। মধ্য আয়ের মানুষ, যাদের অধিকাংশ শহরে বসবাস করে তারা আবাসনের জন্য বিনিয়োগ করতে পারছেনা, যা আবাসন খাতের মন্দার কারণ। বৈদেশিক আর্থিক যোগানের অভাবে দেশে বার্ষিক অবকাঠামো উনুয়ন সাধিত হয়নি। বিদ্যুৎ এবং গ্যাসের রেশনিং ছিল আমাদের জন্য বড় প্রতিবন্ধকতা।

উৎপাদন ও আর্থিক পর্যালোচনাঃ

প্রতিকূল অবস্থার মধ্যেও আপনাদের কোম্পানী ২০১২ সালে আশানুরূপ ফলাফল অর্জন করেছে।

২০১২ সালের কোম্পানীর আর্থিক ফলাফল নিমুরূপঃ

কোটি টাকায়

	২০১২	২০১১
বিক্রয়	৩,৮২৫.৩৪	৩,১২৩.৪৭
সুদ, আয়কর ও শ্রমিক তহবিলের অনুদান পূর্ব লাভ	১৬৫.৬৭	১৪১.৬৫
বাদ: সুদ ও শ্রমিক তহবিলের অনুদান	৩৫.৯৯	86.88
	১২৯.৬৮	৯৬.২১
বাদ: আয়কর এবং আয়কর সঞ্চিতি	80.38	১২.২৯
আয়কর পরবর্তী মুনাফা	৮৬.৫৪	৮৩.৯২

অধীনস্থ কোম্পানীর আর্থিক পর্যালোচনাঃ

আপনারা অবগত আছেন যে, আপনাদের কোম্পানী ২০১০ সালে বিএসআরএম গ্রুপের অন্য একটি কোম্পানী বিএসআরএম আয়রন এন্ড ষ্টীল কোঃ লিঃ-কে অধিগ্রহণ করেছিল।

২০১২ সালের অধীনস্থ কোম্পানীর আর্থিক ফলাফল নিমুরূপঃ

কোটি টাকায়

	২০১২	২০১১
বিক্রয়	৮০০.৪৯	৬৫০.৭৬
মোট মুনাফা	৫৯.৮৫	৬০.৪০
সুদ, আয়কর ও শ্রমিক তহবিলের অনুদান পূর্ব লাভ	৫৯.০৫	৫৭.২৯
বাদ: সুদ ও শ্রমিক তহবিলের অনুদান	৩৮.২৫	8২.২৯
বাদ: আয়কর	৬.০৭	٥٠.٤
নীট মুনাফা	১৪.৭৩	১৩.৭০

নীট মুনাফা ৭.৫১% বৃদ্ধি পেয়েছে।

ষ্টীল শিল্পের ভবিষ্যৎ এবং সম্ভাবনাঃ

আমাদের জীবনধারণের প্রতিটি পর্যায়ে ষ্টীলের ব্যবহার রয়েছে। দেশের প্রতিটি উন্নয়ন কার্যক্রমে যেমন নগরায়ন, যোগাযোগ, আবাসন বা শিল্পায়নে ষ্টীলের ব্যবহার রয়েছে। ষ্টীল শিল্পের উন্নয়ন দেশের সামগ্রিক অবকাঠামো উন্নয়নের সূচক। বাংলাদেশ এখনো উন্নয়নের প্রাথমিক ধাপে রয়েছে। এদেশে এখনো অনেক আবাসন, উচ্চ ইমারত এবং সেতু সংযোগ তৈরী করতে হবে যেখানে ষ্টীলের ব্যবহার বৃদ্ধি পাবে। গোল্ডম্যান শেখ-এর "বিশ্ব অর্থনৈতিক ভবিষ্যুৎ প্রতিবেদন-২০০৫"-এ পরবর্তী অর্থনৈতিক বিকাশমান-১১ দেশের মধ্যে বাংলাদেশকেও অন্ত র্ভুক্ত করা হয়েছে। এই বিকাশমান অর্থনৈতিক দেশ হিসেবে প্রতিষ্ঠা লাভ করতে হলে বাংলাদেশকে ব্যাপক অবকাঠামোর উন্নয়ন করতে হবে। যুক্তরাষ্ট্র এবং ইউরোপে ষ্টীলের চাহিদার মন্দা সত্ত্বেও এশিয়াতে ষ্টীলের চাহিদা বৃদ্ধি পেয়েছে। বিশ্ব অর্থনৈতিক অনিশ্চয়তা এবং মন্দা সত্ত্বেও বিশ্বে স্টীলের চাহিদা অপেক্ষাকৃত এই পর্যন্ত স্থিতিশীল বলা যায়। উন্নয়শীল দেশ হিসেবে বাংলাদেশে নগরায়ন, প্রধান প্রধান সংযোগ সড়কে সেতু নির্মাণ এবং অবকাঠামো উন্নয়ন করতে হবে, যেখানে ষ্টীলের চাহিদা ব্যাপক বৃদ্ধি পাবে। এই সম্প্রসারিত বাজারে ষ্টীল শিল্পের প্রধান প্রতিযোগী কোম্পানী হিসেবে আপনাদের কোম্পানী ভবিষ্যুৎ চাহিদা পূরণে উত্তরোত্তর সম্প্রসারণে বিনিয়োগ অব্যাহত রাখবে। আপনাদের কোম্পানী ইতোমধ্যে বিএসআরএম গ্রুপের উদ্যোগে দেশের তথা বিশ্বের সর্ববৃহৎ Billet Making প্রকল্পে ১০০ কোটি টাকা বিনিয়োগ করার ঘোষনা দিয়েছে। এই প্রকল্প বাস্তবায়ন হলে আপনাদের কোম্পানীকে আর বিদেশ হতে কাঁচামাল আমদানী করতে হবে না যা বৈদিশিক বাজারের কাঁচামালের দর ঝুঁকি, বৈদেশিক বিনিয়া হারের ঝুঁকি থেকে রক্ষা করবে এবং বৈদেশিক মুদ্রার সাশ্রয় হবে। পরিচালকবৃন্দ বিশ্বাস করে যে, আপানাদের সহযোগিতায় কোম্পানী ভবিষ্যতেও অগ্রগামী ভূমিকা পালন করবে।

গ্রাহক ও বাজারঃ

আমরা বাংলাদেশে Xtreme 500W ষ্টাল দ্রব্য বাজারজাতকরণের ৪র্থ বৎসর অতিক্রম করছি।এখন বাংলাদেশে MS Rod মানে গ্রেড ৫০০। আপনরা জেনে আনন্দিত হবেন যে, আপনাদের কোম্পানী ২০১১ সালে বাংলাদেশে ষ্টালখাতে BEST ROD BRAND 2011 খ্যাতি অর্জন করেছে। Nielson জরিপ সংস্থা কর্তৃক ৫০০০ নমুনা বিশ্লেষণে আপনাদের কোম্পানীকে বেছে নেওয়া হয়েছে। গ্রাহকের সন্তুষ্টি আমাদের প্রধান উদ্দেশ্য। আমরা গ্রাহকের অব্যাহত চাহিদা ও আকাজ্জার কথা বুঝতে চেষ্টা করি এবং ২০১২ সালে আমরা গ্রাহকের অবগতি এবং সচেতনতার জন্য বিভিন্ন প্রচারণামূলক কর্মসূচি গ্রহণ করেছি। গ্রাহকের সচেতনতা এবং অবগতির জন্য এবং বাড়ী নির্মাণে ষ্টালের প্রকৃত ব্যয়্ম সম্পর্কে ধারণার জন্য প্রতি বর্গফুটে সর্বোচ্চ ৫ কেজি রডের প্রয়োজনীয়তার অনুমান আমরা প্রচারণা করি যা থেকে একজন গ্রাহক তার মোট রডের ব্যয়ের হিসাব করতে পারবেন। তাছাড়া যে ইমারতের উপর আমাদের বসবাস তার ভিত্তি নির্মাণে কি ধরনের গুণগত মানের রড আমরা ব্যবহার করব তার উপরও আমরা প্রচারণা করিছি। এই ধরণের প্রচারণা আবাসন নির্মাণকারী এবং ক্রেতা উভয়ের জন্য সচেতনতার সৃষ্টি করবে। এছাড়াও সারা বৎসর আপনাদের কোম্পানী গ্রাহক এবং সংশ্লিষ্ট সবার জন্য বিভিন্ন রকম সচেতনতা এবং গবেষণামূলক সভা, কর্মশালা এবং কনফারেস আয়োজন করে। ২০১২ সালে কোম্পানী প্রথমবারের মত উচ্চ ভবনের উপর একটি কনফারেস আয়োজন করে।

গ্রাহকদের প্রয়োজনীয়তা আমাদের প্রথম বিবেচনা।

পণ্যভিত্তিক অর্জন ও ফলাফলঃ

আপনাদের কোম্পানী একটিমাত্র কারখানা থেকে বিভিন্ন মাপের ও গ্রেডের পণ্য উৎপাদন করে থাকে। বিভিন্ন গ্রেডের পণ্যের উৎপাদন ও বিক্রয়ের অর্জন নিম্নে উল্লেখ করা হল:

পণ্যসমূহ:	উৎপাদ	উৎপাদন (মে:টন)		(ম: টন)
المراورين	२०১२	२०১১	২০১২	২০১১
Xtreme 500W	৫,৭৩,১৩৯	8,৯৫,৮৮২	৫,৬৭,৯০৮	৪,৮৬,৪৬১
অন্যান্য	9,006	২৭,৭৪৩	১১,৪৬৯	৩১,৪২৬
মোট	¢,৮0, \ 89	৫,২৩,৬২৫	৫,৭৯,৩৭	৫,১৭,৮৮৭

ঝুঁকি ব্যবস্থাপনাঃ

ব্যবসায়িক উদ্দেশ্য অর্জনের লক্ষ্যে পরিচালনা পর্যদ ব্যবসায়িক ঝুঁকি নিয়ন্ত্রণের জন্য বিভিন্ন কৌশলের প্রয়োগ করে থাকে। যে সমস্ত ঝুঁকির কারণে ব্যবসায়িক লক্ষ্য অর্জনে বিরূপ প্রভাব ঘটবে বলে আশঙ্কা করা হয় সে সমস্ত ঝুঁকি পরিচালনা পর্যদ নিয়মিত পর্যালোচনা করে থাকেন। ঝুঁকি নিয়ন্ত্রণ এবং হ্রাসে প্রয়োজনীয় ব্যবস্থা গ্রহণ এবং বাস্তবায়ন করা হয়। গুরুত্বপূর্ণ ঝুঁকি এবং এদের ব্যবস্থাপনা সংক্রান্ত প্রতিবেদন, এই প্রতিবেদনের সাথে সংযুক্তি-২ তে বর্ণনা করা হল।

ব্যবস্থাপনার আলোচনা ও পর্যালোচনাঃ

কোম্পনীর ব্যবস্থাপনা কর্তৃপক্ষ নিয়মিত কোম্পানীর বিক্রয় ব্যয়, মোট মুনাফা এবং নীট মুনাফার বৃদ্ধি এবং হ্রাসের পর্যালোচনাপূর্বক আলোচনা

করেন এবং প্রয়োজানীয় ব্যবস্থা গ্রহণ করেন। ২০১২ সালের বিক্রয় ব্যয়, মোট মুনাফা এবং নীট মুনাফা হ্রাস বা বৃদ্ধির পর্যালোচনামূলক আলোচনা এ প্রতিবেদনের সাথে সংযুক্তি ১-এ বর্ণনা করা হয়েছে।

ক্রেডিট রেটিংঃ

ঋণ গ্রহণ এবং পরিশোধের মান মূল্যায়নের নিরীখে আপনাদের কোম্পানীর মূল্যায়ন টেকসই। আপনাদের কোম্পানীকে দীর্ঘ মেয়াদী ঋণ পরিশোধের ক্ষেত্রে AA রেটিং-এ মূল্যায়ন করা হয়েছে। স্বল্প মেয়াদ ঋণের মূল্যায়নের ক্ষেত্রেও আপনাদের কোম্পানীর অবস্থা স্থিতিশীল। সর্বোপরি আপনাদের কোম্পানী ঋণের কার্যক্রমের মূল্যায়নের ক্ষেত্রে একটি স্থিতিশীল এবং ঋণ পরিশোধে সক্ষম কোম্পানী হিসেবে মূল্যায়তে হয়েছে।

মানবসম্পদ ব্যবস্থাপনাঃ

আমরা বিশ্বাস করি যে ব্যবসায়ের সাফল্য প্রতিষ্ঠানের কর্মীদের দক্ষতা এবং যোগ্যতার উপর নির্ভরশীল। তাই মানবসম্পদ উনুয়ন আমাদের প্রধান লক্ষ্য। নিয়মিত প্রশিক্ষণের মাধ্যমে আমরা আমাদের কর্মী সাধারণের দক্ষতা বৃদ্ধির কাজ করে যাচ্ছি। আমরা কাজের যোগ্যতা ও অর্জন মূল্যায়ন করার জন্য নতুন নতুন পদ্ধতি গ্রহণ করে থাকি।

সামাজিক দায়বদ্ধতা এবং কার্যক্রমঃ

বিগত বৎসরগুলোর ন্যায় আপনাদের কোম্পানী সামাজিক দায়বদ্ধতাকে ব্যবসায়ের অবিচ্ছেদ্য অংশ হিসেবে বিবেচনা করে আসছে। আপনাদের কোম্পানী সামাজিক কল্যাণ, গবেষণা, উনুয়ন ও পরিবেশ রক্ষায় অনুদান প্রদান করে আসছে।

উল্লেখযোগ্য কয়েকটি সামাজিক কর্মসূচি নিমুরূপ

- ট্রাফিক ব্যবস্থা সহজ করার জন্য ট্রাফিক নিয়ন্ত্রণ কর্তৃপক্ষকে সড়ক বিভাজন সরবরাহ।
- শিক্ষা প্রতিষ্ঠানে অনুদান।
- সুবিধাবঞ্চিত শিশুদের শিক্ষার জন্য 'বোরহানী বিএসআরএম স্কুল' নামে চউগ্রামের নাসিরাবাদ এলাকায় একটি স্কুল পরিচালনা।
- পরিবেশ রক্ষায় বৃক্ষরোপন কর্মসূচি গ্রহণ।
- অটিষ্টিক শিশুদের শিক্ষার জন্য স্কুল 'প্রয়াস'-এ অনুদান ইত্যাদি উল্লেখযোগ্য।

অর্জন ও স্বীকৃতিঃ

অর্জন ও স্বীকৃতি আমাদের চলার পথকে উৎসাহিত করে। আপনাদের কোম্পানী বাংলাদেশে 'BEST ROD BRAND-2011'-এর স্বীকৃতি অর্জন করেছে। তাছাড়া আপনাদের কোম্পানীর পরিচালনা পর্ষদের সভাপতি জনাব আলীহোসাইন আকবরআলীকে চট্টগ্রামের অহংকার হিসেবে শিল্পবাণিজ্যে অবদানের জন্য স্বীকৃতি প্রদান করা হয়েছে। কোম্পানীর পরিচালনা পর্ষদ, শেয়ার হোল্ডার এবং কর্মকর্তা-কর্মচারীদের পক্ষ থেকে তাঁকে অভিনন্দন।

অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থাঃ

আপনাদের কোম্পানী অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা সুদৃঢ় করার জন্য ইতোমধ্যে একটি Standard Operating Procedure-SOP -এর কার্যক্রম গ্রহণ করেছে। তাছাড়া কোম্পানীর পরিচালনায় বিভিন্ন ক্ষেত্রে আভ্যন্তরীণ নিয়ন্ত্রণ প্রতিষ্ঠার জন্য পরিচালনা পর্যদের পাশাপাশি বিভিন্ন উপকমিটির মাধ্যমে তদারকি করা হচ্ছে। কোম্পানীর প্রত্যেক বিভাগের সুনির্দিষ্ট দায়িত্ব বন্টন করা হয়েছে যা নিয়মিত নিরীক্ষা করা হয়।

তথ্য প্রযুক্তিঃ

যথোপযুক্ত এবং সমসাময়িক তথ্য প্রযুক্তির ব্যবহার ছাড়া ব্যবসায়ে প্রত্যাশিত ফলাফল অর্জন সম্ভব নয়। এই লক্ষ্যে আপনাদের কোম্পানী আরও একধাপ এগিয়ে ব্যবসা পরিচালনায় কম্পিউটার প্রযুক্তি যথা ERP নামক একটি Software ব্যবহারের উদ্যোগ গ্রহণ করেছে। একটি দক্ষ কর্মী দল এই লক্ষ্যে কাজ করছে। এই প্রযুক্তি বাস্তবায়নের লক্ষ্যে আপনাদের কোম্পানী আরও সময়োপযোগী তথ্য ও সেবা প্রদান করতে পারবে এবং সিদ্ধান্ত গ্রহণ আরও দ্রুত ও কার্যকরী হবে।

কর্পোরেট সুশাসন প্রতিপালনঃ

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক নির্দেশিত কর্পোরেট সুশাসনের শর্তগুলো আপনাদের কোম্পানী যথাযথভাবে ব্যবসায় পালন করছে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের ইস্যুকৃত Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012-এর শর্তসমূহ প্রতিপালনের প্রতিবেদন সংক্রান্ত একটি তালিকা এই বার্ষিক প্রতিবেদনের সাথে সংযুক্তি করা হল। তাছাড়া কর্পোরেট সুশাসন সংক্রান্ত একটি প্রতিবেদনও আলাদাভাবে সংযুক্তি করা হল।

লভ্যাংশঃ

পরিচালকমন্ডলী ৩১ ডিসেম্বর, ২০১২ এ সমাপ্ত বছরের জন্য ১০% নগদ এবং ৫% স্টক লভ্যাংশ প্রদানের সুপারিশ করেছে। বার্ষিক সাধারণ সভায় শেয়ারহোল্ডারগণ কর্তৃক অনুমোদন সাপেক্ষে কোম্পানীর নির্ধারিত শেয়ার লেনদেনের রেকর্ড তারিখ-এ থাকা শেয়ারহোল্ডারগণের মধ্যে এই লভ্যাংশ বিতরণ করা হবে।

রাষ্ট্রীয় কোষাগারে অবদানঃ

সরকারী রাজস্ব আদায়ে বিএসআরএম প্রত্যক্ষ-পরোক্ষভাবে সহযোগীতা ও অবদান রেখে যাচ্ছে। কোম্পানী ২০১২ সালে প্রযোজ্য সব ধরনের আয়কর, মৃসক ও শুল্ক আদায় এবং প্রদান করছে। ২০১২ সালে বিএসআরএম স্টীলস লিমিটেড রাষ্ট্রীয় কোষাগারে প্রত্যক্ষ বা পরোক্ষভাবে ২.০২৮ মিলিয়ন টাকা রাজস্ব প্রদান করেছে।

নিরীক্ষকঃ

২১তম বার্ষিক সাধারণ সভায় কোম্পানীর বর্তমান বিধিবদ্ধ নিরীক্ষক সাইফুল সামশুল আলম এন্ড কোং, চাটার্ড একাউন্ট্যান্টস পদত্যাগ করবে এবং বাংলাদেশ সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশনের নির্দেশানুযায়ী সাইফুল সামশুল আলম এন্ড কোং, চাটার্ড একাউন্ট্যান্টস আগামী বছরের জন্য নিরীক্ষাকার্য সম্পাদনের যোগ্য হওয়ায় তাঁরা পুনরায় নিয়োগের ইচ্ছা প্রকাশ করেছেন যা পরিচালক পর্যদের সভায় অনুমোদিত হয়েছে।

ব্যবস্থাপনা পরিচালকের পুন:নিয়োগঃ

কোম্পানী আইন ১৯৯৪ অনুসারে কোম্পানীর বর্তমান ব্যবস্থাপনা পরিচালক জনাব আমীর আলীহোসাইন আগামী ৭মে ২০১৩ তারিখে পাঁচ বৎসর অতিক্রম করবেন। পরিচালনা পর্ষদ তাদের সভায় জনাব আমীর আলীহোসাইনকে পুনরায় আগামী পাঁচ বৎসরের জন্য ব্যবস্থাপনা পরিচালক হিসেবে নিয়োগের জন্য অনুমোদন করেছেন, যা বার্ষিক সাধারণ সভায় অনুমোদনক্রমে আগামী ৮মে ২০১৩ তারিখ হতে কার্যকর হবে।

পরিচালক নিয়োগঃ

জনাব আমীর আলীহোসাইন ও জনাব জোহাইর তাহেরআলী কোম্পানীর পরিমেল নিয়মাবলীর বিধি ৯৭ ও ৯৮ অনুযায়ী ১১তম বার্ষিক সভায় অবসর গ্রহন করবেন এবং যোগ্য বিধায় পুন:নিয়োগের জন্য আগ্রহ প্রকাশ করেছেন। জনাব জোহাইর তাহেরআলী ও জনাব আমীর আলীহোসাইনকে পুনরায় কোম্পানীর পরিচালক নিয়োগের জন্য বিবেচনা করা হল।

স্বাধীন পরিচালক নিয়োগঃ

বাংলাদেশ সিকিউরিটিজ এন্ত এক্সচেঞ্জ কমিশনের Notification No. BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012- অনুযায়ী পরিচালনা পর্যদ কোম্পানীর স্বাধীন পরিচালক হিসেবে বাংলাদেশ সিকিউরিটিজ এন্ত এক্সচেঞ্জ কমিশনের শর্ত মোতাবেক যোগ্য বিবেচনা করে জনাব মনোরঞ্জন দে এফসিএ-কে কোম্পানীর স্বাধীন পরিচালক হিসেবে আগামী ৩ বছরের জন্য নিয়োগের সুপারিশ করে যা এই বার্ষিক সাধারণ সভায় অনুমোদনের জন্য উপস্থাপন করা হল।

পরিচালকের সম্মানী ভাতাঃ

পরিচালক পর্যদের সিদ্ধান্ত মোতাবেক কোম্পানীর পরিচালকবৃন্দ কোম্পানী হতে নিয়মিত ভাতা ও সন্মানী পেয়ে থাকেন যা এই প্রতিবেদনের সাথে সংযুক্তি-৩ এ উল্লেখ করা হয়েছে।

পরিচালক পর্ষদের জীবন বৃত্তান্ত ও অন্যান্য ব্যবসায়ে তাঁদের সংশ্লিষ্টতাঃ

কোম্পানীর পরিচালনা পর্ষদের দক্ষতা এবং কোম্পানীতে তাঁদের কাজের পরিধি এবং বিএসআরএম গ্রুপের অন্যান্য ব্যবসা প্রতিষ্ঠানের সাথে তাঁদের মালিকানা এবং অন্যান্য ব্যাবসায়িক সংগঠনে তাঁদের সংস্পৃক্ততা এই রিপোর্টের পরিচালনা পর্ষদের বিবরণে উল্লেখ করা হল।

ব্যবসায় অতিরিক্ত লাভ/ লোকসানঃ

২০১২ সালে কোম্পানীর ব্যবসার বাহিরে অতিরিক্ত কোন লাভ/লোকসান ছিল না।

সম্পর্কযুক্ত অন্যান্য কোম্পানীর সাথে লেনদেনঃ

আপনাদের কোম্পানীর বিএসআরএম-এর অন্যান্য কোম্পানীর সাথে ব্যবসায়িক লেনদেনের ভিত্তি এবং টাকার পরিমান কোম্পানীর নিরীক্ষিত হিসাব বিবরণীর ৩২ নং নোটে উল্লেখ করা হল।

প্রাথমিক গণ প্রস্তাব (IPO)-এর অর্থের ব্যবহার এবং প্রাথমিক গণ প্রস্তাব (IPO)-এর পরবর্তী ফলাফলঃ

২০০৯ এর পর থেকে কোম্পানীর প্রাথমিক গণ প্রস্তাবের মাধ্যমে সংগ্রহকৃত কোন অর্থ অব্যবহৃত নেই এবং প্রাথমিক গণ প্রস্তাবের পর থেকে কোম্পানীর আর্থিক ফলাফল ক্রমশ উনুতির দিকে যাচ্ছে।

ত্রৈমাসিক ও বার্ষিক ফলাফলের উল্লেখযোগ্য ব্যবধানঃ

কোম্পানীর ত্রৈমাসিক ও বার্ষিক ফলাফলের মধ্যে উল্লেখযোগ্য কোন ব্যবধান হয় নাই। ২০১২ সালে কোম্পানীর বার্ষিক ফলাফল ভাল ছিল।

স্থিতিপত্রের তারিখ পরবর্তী ঘটনাঃ

আর্থিক প্রতিবেদনের স্বার্থসংশ্লিষ্ট কারো বিবেচনার জন্য কোম্পানীর স্থিতিপত্রের তথা ২০১২ সালের ৩১ ডিসেম্বর পরবর্তী এবং এই প্রতিবেদনের তারিখ পর্যন্ত প্রকাশিতব্য কোন ঘটনা নেই যা আর্থিক বিশ্লেষণে বিচ্যুতি ঘটাতে পারে।

আর্থিক বিবরনীর ব্যাপারে পরিচালক মন্ডলীর দায়িত্বঃ

বাংলাদেশ সিকিউরিটিজ এভ এক্সচেঞ্জ কমিশনের No. SEC. CMRRCD/2006-158/134/Admin/44 dated 07 August 2012- অনুযায়ী পরিচালকমভলী নিশ্চিত করেছেন যে–

- ক) কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরনীতে-এর কর্মকান্ড, কার্যক্রমের ফলাফল, নগদ প্রবাহ ও ইকুইটির পরিবর্তন সম্পর্কে যথার্থ চিত্র উপস্থাপিত হয়েছে।
- খ) কোম্পানীর হিসাবের বই 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 বিবরনীসমূহ প্রস্তুত করার সময় আন্তর্জাতিক ও বাংলাদেশে গৃহীত হিসাব মানদন্ত অনুসরণ করা হয়েছে এবং তা থেকে যেকোন ব্যত্যয় পর্যাপ্তভাবে প্রকাশ করা হয়েছে।
- ঙ) অভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি ছিল বলিষ্ঠ এবং তা কার্যকরভাবে বাস্তবায়ন ও মনিটরিং করা হয়েছে।
- চ) চালু প্রতিষ্ঠান হিসেবে কার্যক্রম অব্যাহত রাখায় কোম্পানীর সামর্থ্যের ব্যাপারে তেমন কোন দ্বিধা নেই।
- ছ) কোম্পানীর কার্যক্রম ফলাফলের ক্ষেত্রে গত বছরের তুলনায় উল্লেখযোগ্য যেসব ব্যত্যয় রয়েছে সেগুলো বর্ণনা করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে।
- জ) কার্যক্রম ও আর্থিক বিষয়ে পাঁচ বৎসরের উপাত্ত সংযোজন করা হয়েছে।
- ঝ) কোম্পানীর পরিচালনা পর্যদের ২০১২ সালের সভার সংখ্যা এবং উপস্থিতি সংযুক্তি-৫ এ বর্ণনা করা হয়েছে।
- ঞ) কোম্পানীর শেয়ার ধারণ সংক্রান্ত একটি প্রতিবেদন সংযুক্তি ৬-এ প্রদান করা হয়েছে।
- ট) বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন-এর কর্পোরেট সুশাসন সংক্রান্ত শর্তের প্রতিপালন বিবরণ সংযুক্তি করা হল।
- ঠ) পরিচালনা পর্ষদের ব্যবসায়িক স্বার্থ এবং সংশ্লিষ্টতা এই প্রতিবেদনের সাথে সংযুক্তি করা হল।

কৃতজ্ঞতা স্বীকারঃ

পরিচালকমন্ডলী সকল শেয়ারহোন্ডার, ডিলার ও ক্রেতাদেরকে তাঁদের সহযোগিতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছে। পরিচালকমন্ডলী নিয়ন্ত্রণ সংস্থা বিএসইসি, ডিএসই, সিএই, ব্যাংক, বীমা ও সরকারি প্রতিষ্ঠান সমূহকে আন্তরিক সহযোগিতার জন্য ধন্যবাদ জ্ঞাপন করছে।

পরিচালকমন্ডলীর পক্ষে

Melliman

আলীহোসাইন আকবরআলী এফসিএ

সভাপতি

২৮ ফব্রুয়ারী ২০১৩

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 the representative and trustee of the shareholders of the company. The Board of directors of BSRM Steels Limited comprises of five members including Chairman, Managing Director and the board also has one independent director in compliance with the corporate Governance Guidelines of BSEC. 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. This committee is assisting the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. This committee is responsible to the Board of Directors and its duties and responsibilities are clearly set forth in writing. Audit Committee is reconstituted as per the guidelines of BSEC.

Audit Committee holds regular meetings on the following major issues:

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

A separate report of the audit committee is included.

Chairman of the Board and Managing Director

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

Directors' report to Shareholders

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

Chief Financial Officer, Company Secretary and Head of Internal Audit.

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

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

Internal Audit and Control

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

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

External Auditors

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

Subsidiary Company

Board of the Directors of BSRM Iron & Steel Co. Ltd. - Subsidiary Company of BSRM Steels Limited is also constituted in line with the guidelines of BSEC as per Corporate Governance Notification. Independent Director of holding company is also director of subsidiary company. Minutes of the Board of directors' meeting of subsidiary company are reviewed by the Board of holding company. The Audit Committee of the holding company also reviews the financial statements of the subsidiary company.

Key Management Committee

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

Certification on the Compliance of Corporate Governance Guidelines of BSEC

A certificate regarding compliance of conditions of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission is included in the annual report.

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE GUIDELINES

To the members of the BSRM Steels Limited

We have examined the conditions of Corporate Governance complied by BSRM Steels Limited ("the Company") for the year ended on 31st December 2012, as per requirement of Bangladesh Securities & Exchange Commission's Notification No: BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

Accordingly we do hereby certify that the Company has complied with all the conditions of Corporate Governance as required in the BSEC's notification no: BSEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

Syful Shamsul Alam & Co. Chartered Accountants

Syfrahaldansh

28th February 2013

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. The Committee has been reconstituted in line with Bangladesh Securities and Exchange Compassion's notification on Corporate Governance as follows:

Mr. Mono Ranjan Dey FCA, Independent Director - Chairman of the committee

Mr. Alihussain Akberali FCA - Member

Mr. Zohair Taherali-Member

Mrs. Sabeen Aameir – Member

Mr. Shekhar Ranian Kar FCA. Company Secretary is acting as the secretary of the Audit Committee.

Main activities of the audit committee are summarized below:

1. Overseeing and monitoring of financial reporting process, adoption of reporting standards and control risk management process

Audit Committee is assisting in the oversight of the financial reporting process, including monitoring the adoption of reporting standards and internal control risks management process to ensure that appropriate financial reporting process and standards used and adequate activities/measures control to high risk areas are periodically evaluated and tested.

2. Review of Periodic Financial Statements.

During the year, Audit Committee reviewed all periodical 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.

3. 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.

4. Review 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.

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Mono Ranjan Dey FCA

Independent Director and Chairman of Audit Committee

February 28, 2013

STATEMENT OF CEO AND CFO ON FINANCIAL STATEMENTS

The Board of Directors
BSRM Steels Limited

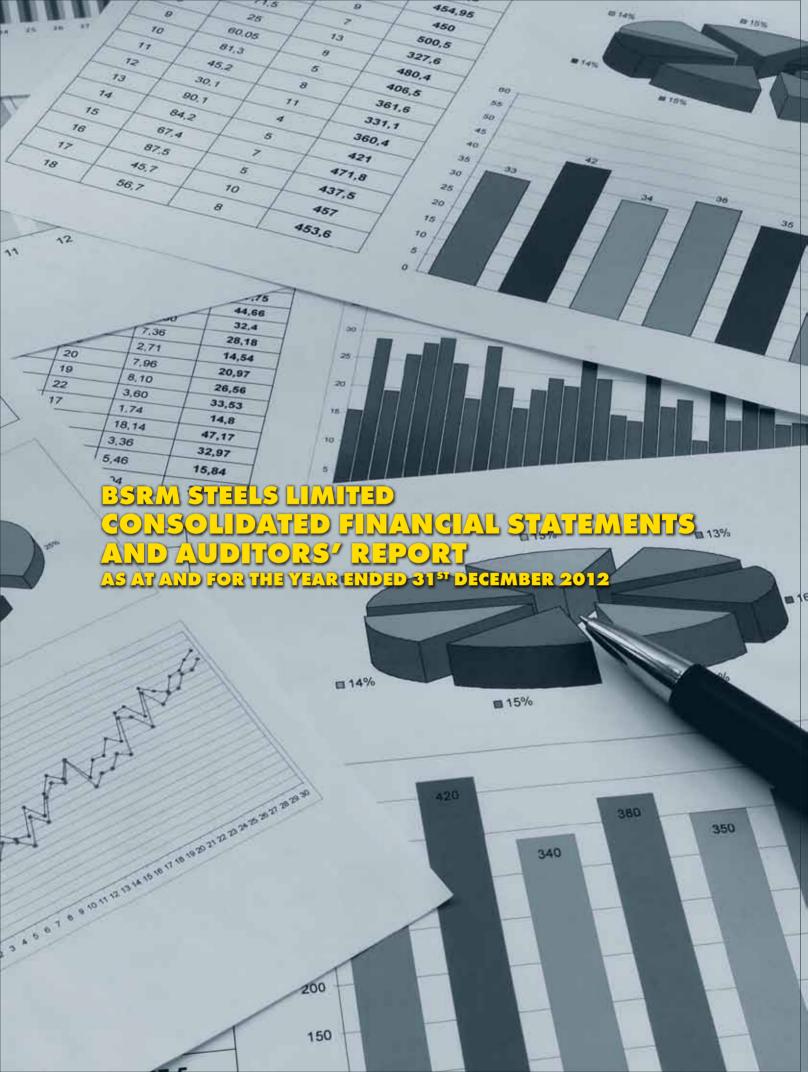
We certify that:-

- (i) We have reviewed financial statements for the year ended December 31, 2012 and that to the best of our knowledge and belief:
 - these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Aameir Alihussain Managing Director **Biplob Kanti Banik ACA** Chief Financial Officer



AUDITORS' REPORT & FINANCIALS 2012



AUDITORS' REPORT

TO THE SHAREHOLDERS OF BSRM Steels Limited

We have audited the accompanying consolidated financial statements of BSRM Steels Limited (BSRMS) and its subsidiaries, (the "Group") as well as the financial statements of BSRM Steels Limited which comprises the Consolidated Statement of Financial Position as at 31 December, 2012, Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information. The financial statements for the year ended 31 December 2011 were audited by Rahman Rahman Hug. Chartered Accountants and who expressed an ungualified opinion on those financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations. This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 whether these financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

The financial statements of the company's subsidiary namely, BSRM Iron & Steel Co. Ltd (BISCO) were audited by Basu Banerjee Nath & Co., Chartered Accountants and they 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 solely on the reports of subsidiaries auditors as mentioned above.

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 consolidated financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the company's affairs and its subsidiary as at 31 December 2012 and the results of its operations and its cash flows for the period then ended and comply with the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

Further to our opinion in the above paragraph, we also report that:

- (i) 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:
- (ii) in our opinion, proper books of account as required by law have been kept by BSRM Steels Limited so far as it appeared from our examination of those books;
- (iii) the company's Statements of Financial Position, Statements of Comprehensive Income and its Statements of Cash Flows dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the company's business.

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BSRM Steels Limited and its subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER, 2012

	Notes	2012 Taka	2011 Taka
Assets			
Non-current assets			
Property, plant and equipment	4.a	9,372,527,737	5,945,808,143
Capital work-in-progress	5.a	249,003,334	630,082,245
Intangible assets	6.a	151,596	16,547
Investment	7 . a	13,500,000	-
Total non-current assets		9,635,182,667	6,575,906,935
Current assets			
Inventories	8.a	9,803,259,163	7,104,640,694
Accounts receivable	9.a	3,736,982,445	3,444,712,592
Loan to related companies	10.a	1,193,645,518	3,332,478,154
Advances, deposits and prepayments	11.a	1,325,299,435	3,037,853,592
Cash and cash equivalents	12.a	1,112,214,098	574,726,904
Total current assets	1214	17,171,400,659	17,494,411,936
Total Assets		26,806,583,326	24,070,318,871
iotal Addition			24,070,010,071
Equity and Liabilities			
Shareholders equity			
Share capital	13	3,255,000,000	3,255,000,000
Retained earnings	10	432,208,879	(95,098,603)
Revaluation reserve		2,669,085,851	(50,050,000)
Equity attributable to owners of the company		6,356,294,730	3,159,901,397
Non- controlling interest		91,295,226	61,043,629
Total equity		6,447,589,956	3,220,945,026
iotal equity		0,447,309,930	3,220,343,020
Liabilities			
Non-current liabilities			
Long term borrowings	14.a	977,061,308	2,185,412,687
Deferred tax liability	16.a	559,709,677	
Total non-current liabilities		1,536,770,985	2,185,412,687
Current liabilities			
Accounts payable	17.a	- 1	17,974,752
Short term borrowings	18.a	18,020,251,973	17,276,296,656
Loan from related companies	19.a		864,295,484
Liabilities for expenses	20.a	421,467,564	160,815,925
Provision for income tax	15.a	72,043,712	12,872,260
Provision for WPPF and Welfare Fund	21.a	78,799,729	58,116,952
Other liabilities	22.a	229,659,408	273,589,129
Total current liabilities		18,822,222,385	18,663,961,158
Total liabilities		20,358,993,370	20,849,373,845
Total Equity and Liabilities		26,806,583,326	24,070,318,871
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The annexed notes 1 to 39 form an integral part of these financial statements.

Managing Director

As per our annexed report of same date.

Syful Shamsul Alam & Co. Chartered Accountants

Company Secretary

Chittagong, 28 February, 2013

BSRM Steels Limited and its subsidiaries CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2012

	Notes	2012 Taka	2011 Taka
Revenue	23.a	38,262,395,136	31,242,602,953
Cost of sales	24.a	(35,776,095,957)	(28,777,927,344)
Gross profit		2,486,299,179	2,464,675,609
Selling and distribution costs	25.a	(503,612,367)	(356,778,132)
Administrative costs	26.a	(281,054,798)	(230,829,257)
		1,701,632,014	1,877,068,220
Other operating income	27.a	9,756,743	8,333,217
Profit from operating activities		1,711,388,757	1,885,401,437
Finance costs	28.a	(663,619,886)	(819,525,284)
Finance income	29.a	524,464,195	50,163,052
Profit before WPPF and Welfare Fund		1,572,233,066	1,116,039,205
Contribution to WPPF and welfare fund		(78,799,729)	(57,823,712)
Profit before income tax		1,493,433,337	1,058,215,493
Provision for income tax:			
-Current tax	15.a	(72,043,712)	(135,927,331)
-Deferred tax		(420,182,548)	<u>-</u>
Profit after tax for the year		1,001,207,077	922,288,162
Other comprehensive income			
Revaluation surplus of property, plant and equipment		2,853,214,982	-
Deferred tax on revaluation surplus of assets		(139,527,129)	-
Total comprehensive income for the year		3,714,894,931	922,288,162
Profit attributable to:			
Owners of the company		997,165,270	921,683,596
Non-controlling interest		4,041,808	604,566
-		1,001,207,077	922,288,162
Total comprehensive income attributable to:			
Owners of the company		3,684,643,333	918,191,383
Non-controlling interest		30,251,597	4,096,779
		3,714,894,931	922,288,162
Earnings per share			
Basic earnings per share	31.a	3.06	2.83

The annexed notes 1 to 39 form an integral part of these financial statements.

Managing Director

Director

As per our annexed report of same date.

Company Secretary

Syful Shamsul Alam & Co. **Chartered Accountants**

BSRM Steels Limited and its subsidiaries consolidated statement of changes in equity for the year ended 31 december, 2012

						Amount in Taka
	Share Capital	Revaluation Reserve	Retained Earnings	Total	Non-controlling interest	Total Equity
Balance as on 1 January 2011	2,712,500,000	ı	(474,282,199)	2,238,217,801	60,439,063	2,298,656,864
Profit after tax for the year 2011 (restated)	ı	ı	921,683,596	921,683,596	604,566	922,288,162
Other comprehensive income-Revaluation surplus	ı	1	ı	1	ı	ı
Bonus share issued for the year 2010	542,500,000	ı	(542,500,000)	1	ı	ı
Balance as at 31 December 2011 (restated)	3,255,000,000	1	(95,098,603)	3,159,901,397	61,043,629	3,220,945,026
Balance as on 1 January 2012	3,255,000,000	1	(95,098,603)	3,159,901,397	61,043,629	3,220,945,026
Profit after tax for the year 2012	ı	ı	997,165,270	997,165,270	4,041,808	1,001,207,077
Other comprehensive income-Revaluation surplus	ı	2,853,214,982	1	2,853,214,982	1	2,853,214,982
Adjustment for non-controlling interest on revaluation reserve	ı	(26,209,790)	ı	(26,209,790)	26,209,790	ı
Cash dividend paid for the year 2011	ı	ı	(488,250,000)	(488,250,000)	ı	(488,250,000)
Adjustment of deferred tax on revaluation of assets	ı	(139,527,129)	ı	(139,527,129)	ı	(139,527,129)
Depreciation on revalued assets	ı	(18,392,213)	18,392,213	1	ı	1
Balance as at 31 December 2012	3,255,000,000	2,669,085,851	432,208,879	6,356,294,730	91,295,226	6,447,589,957

Revaluation surplus amounting to Tk. 18,392,213 has been transferred to retained earnings for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost. The amount has been netted off for tax.

BSRM Steels Limited and its subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2012

		2012 Taka	2011 Taka
a.	Cash flows from operating activities		
	Cash receipts from customers	37,970,125,282	28,715,989,792
	Cash payments to suppliers and employees	(37,023,602,584)	(33,612,517,874)
	Interest Paid	(139,155,691)	(915,519,376)
	Net cash (used in)/generated by operating activities	807,367,007	(5,762,800,279)
b.	Cash flows from investing activities		
	Acquisition of fixed assets	(961,705,366)	(506,730,646)
	Disposal of fixed assets	2,355,553	16,953,677
	Increase in Investment	(13,500,000)	-
	Capital work-in-progress	381,078,911	(619,871,444)
	Net cash (used in)/generated by investing activities	(591,770,902)	(1,109,648,413)
C.	Cash flows from financing activities		
	(Repayments)/Receipts of Syndicated Term Loan	(1,137,979,778)	(174,859,160)
	(Repayments)/Receipts of Term Loan-BMRE	(70,371,601)	258,094,904
	Dividend Paid	(488,250,000)	-
	Loan to/from related companies	1,274,537,152	49,247,179
	Short term borrowing	743,955,316	7,176,765,652
	Net cash provided by /(used in) financing activities	321,891,089	7,309,248,575
d.	Net increase in cash and cash equivalent (a+b+c)	537,487,194	387,552,704
e.	Opening cash and cash equivalent	574,726,904	187,174,200
f.	Closing cash and cash equivalent (d+e)	1,112,214,098	574,726,904

BSRM STEELS LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER, 2012

	Notes	2012 Taka	2011 Taka
Assets			
Non-current assets			
Property, plant and equipment	4	6,225,464,247	3,833,303,250
Capital work-in-progress	5	239,163,054	179,256,651
Intangible assets	6	151,596	16,547
Investment	7	1,058,500,000	1,045,000,000
Total non-current assets		7,523,278,897	5,057,576,448
Current assets			
Inventories	8	7,862,203,863	6,452,929,267
Accounts receivables	9	3,736,798,698	3,438,356,670
Loan to related companies	10	1,193,645,518	3,298,025,756
Advances, deposits and prepayments	11	1,041,308,610	2,823,948,039
Cash and cash equivalents	12	1,059,843,984	539,260,326
Total current assets		14,893,800,673	16,552,520,058
Total Assets		22,417,079,570	21,610,096,506
Equity and Liabilities			
Share capital	13	3,255,000,000	3,255,000,000
Retained earnings		114,553,896	(280,919,354)
Revaluation reserve		2,171,099,848	-
Equity attributable to owners of the company		5,540,653,744	2,974,080,646
Liabilities			
Non-current liabilities			
Long term borrowings	14	218,866,089	872,704,943
Deferred tax liability	16	498,962,191	, , , <u>-</u>
Total non-current liabilities		717,828,280	872,704,943
Current liabilities			
Accounts payable	17	241,702,059	2,634,260,710
Short term borrowings	18	15,321,160,171	14,598,426,207
Loan from related companies	19	, , , , , <u>-</u>	77,854,393
Liabilities for expenses	20	237,625,039	125,085,018
Provision for income tax	15	72,043,712	12,872,260
Provision for WPPF and Welfare Fund	21	68,253,148	50,637,933
Other liabilities	22	217,813,418	264,174,396
Total current liabilities		16,158,597,546	17,763,310,917
Total liabilities		16,876,425,826	18,636,015,860
Total Equity and Liabilities		22,417,079,570	21,610,096,506

The annexed notes 1 to 39 form an integral part of these financial statements.

Managing Director

Director

As per our annexed report of same date.

Company Secretary

to per our armoned report of came date.

Syful Shamsul Alam & Co. Chartered Accountants

Chittagong, 28 February, 2013

BSRM STEELS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER, 2012

	Notes	2012 Taka	2011 Taka
Revenue	23	38,253,464,657	31,234,710,327
Cost of sales	24	(36,354,262,821)	(29,320,135,356)
Gross profit		1,899,201,836	1,914,574,971
Selling and distribution costs	25	(503,612,367)	(356,778,132)
Administrative costs	26	(237,334,850)	(188,841,722)
		1,158,254,619	1,368,955,117
Other operating income	27	2,130,743	740,712
Profit from operating activities		1,160,385,362	1,369,695,829
Finance costs	28	(291,675,539)	(403,745,379)
Finance income	29	496,353,136	46,808,218
Profit before WPPF and Welfare Fund		1,365,062,959	1,012,758,668
Contribution to WPPF and welfare fund		(68,253,148)	(50,637,933)
Profit before income tax		1,296,809,811	962,120,735
Provision for income tax :			
-Current tax	15	(72,043,712)	(122,915,685)
-Deferred tax		(359,435,062)	-
Profit after tax for the year		865,331,037	839,205,050
Other comprehensive income			
Revaluation surplus of property, plant and equipment		2,329,019,189	-
Deferred tax on revaluation surplus of assets		(139,527,129)	-
Total comprehensive income for the year		3,054,823,098	839,205,050
Earnings per share			
Basic earnings per share	31	2.66	2.58

The annexed notes 1 to 39 form an integral part of these financial statements.

Managing Director

Director

Company Secretary

As per our annexed report of same date.

Syful Shamsul Alam & Co. Chartered Accountants

BSRM STEELS LIMITED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2012

Amount in Taka

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 1 January 2011	2,712,500,000	-	(577,624,404)	2,134,875,596
Profit after tax for the year 2011	-	-	839,205,050	839,205,050
Other comprehensive income-Revaluation surplus	-	-	-	-
Bonus share issued for the year 2010	542,500,000	-	(542,500,000)	-
Balance as at 31 December 2011	3,255,000,000		(280,919,354)	2,974,080,646
Balance as on 1 January 2012	3,255,000,000	-	(280,919,354)	2,974,080,646
Profit after tax for the year 2012	-		865,331,037	865,331,037
Other comprehensive income-Revaluation surplus	-	2,329,019,189	-	2,329,019,189
Cash dividend paid for the year 2011	-	-	(488,250,000)	(488,250,000)
Adjustment of deferred tax on revaluation of assets	-	(139,527,129)	-	(139,527,129)
Depreciation on revalued assets	-	(18,392,213)	18,392,213	-
Balance as at 31 December 2012	3,255,000,000	2,171,099,848	114,553,896	5,540,653,744

Revaluation surplus amounting to Tk. 18,392,213 has been transferred to retained earnings for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost. The amount has been netted off for tax.

BSRM STEELS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2012

		2012 Taka	2011 Taka
a.	Cash flows from operating activities		
	Cash receipts from customers	37,955,022,628	28,556,659,642
	Cash payments to suppliers and employees	(38,887,398,919)	(32,803,613,306)
	Interest Paid	204,677,597	(356,937,161)
	Net cash (used in)/generated by operating activities	(727,698,694)	(4,603,890,825)
b.	Cash flows from investing activities		
	Acquisition of fixed assets	(287,837,753)	(213,905,995)
	Disposal of fixed assets	2,355,553	2,570,000
	Increase in Investment	(13,500,000)	-
	Capital work-in-progress	(59,906,403)	(169,045,850)
	Net cash (used in)/generated by investing activities	(358,888,603)	(380,381,845)
C.	Cash flows from financing activities		
	(Repayments)/Receipts of Syndicated Term Loan	(583,467,253)	(454,370,663)
	(Repayments)/Receipts of Term Loan-BMRE	(70,371,601)	258,094,904
	Dividend Paid	(488,250,000)	-
	Loan to/from related companies	2,026,525,845	(1,440,750,405)
	Short term borrowing	722,733,964	6,981,929,932
	Net cash provided by /(used in) financing activities	1,607,170,955	5,344,903,769
d.	Net increase in cash and cash equivalent (a+b+c)	520,583,658	360,631,099
e.	Opening cash and cash equivalent	539,260,326	178,629,227
f.	Closing cash and cash equivalent (d+e)	1,059,843,984	539,260,326

BSRM STEELS LIMITED

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER. 2012

1.00 LEGAL FORM OF ENTERPRISE

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

1.01 Nature of the business

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

1.02 BSRM Iron & Steel Co. Limited- Subsidiary Company

BSRM Steels Limited has acquired 95% equity interest in BSRM Iron & Steel Co. Limited 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.

The company was incorporated on 13 April, 2005 as a private limited company. The company was converted to a public limited company on 15 March, 2011. The principal activity of the company is to manufacture and sales of M.S. Billets. The company commenced commercial production from 1 June, 2010. The financial statements of this subsidiary company is included in the consolidated financial statements according to BAS-27.

2.00 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS

2.01 Statement of compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs).

The consolidated and separate financial statements have been authorized for issue by the board of directors on 28 February 2013.

2.02 Other regulatory compliances

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

The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax Act, 1991
The Value Added Tax Rules, 1991
The Customs Act, 1969
Bangladesh Labour Law, 2006

2.03 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention except for some classes of property, plant and equipment which are measured at revalued amount.

2.04 Functional and presentation currency

These financial statements are prepared in Bangladesh Taka, which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest integer.

2.05 Going concern

The group entities have adequate resources to continue its operation in foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current revenue generations and resources of the group provide sufficient fund to meet the present requirements of its existing business and operation.

2.06 Applicable accounting standards

The following BASs are applicable for preparation and reporting of the financial statements for the period under review:

- BAS 1 Presentation of Financial Statements
- BAS 2 Inventories
- BAS 7 Statement of Cash Flows
- BAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- BAS 10 Events after the reporting period
- BAS 12 Income Taxes
- BAS 16 Property, Plant and Equipment
- BAS 17 Leases
- BAS 18 Revenue
- BAS 19 Employee Benefits
- BAS 21 The Effects of Changes in Foreign Exchange Rates
- BAS 23 Borrowing Costs
- BAS 24 Related Party Disclosures
- BAS 27 Consolidated and Separate Financial Statements
- BAS 28 Investment in Associates
- BAS 33 Earnings Per Share
- BAS 36 Impairment of Assets
- BAS 37 Provisions, Contingent Liabilities and Contingent Assets
- BAS 38 Intangible assets
- BAS 39 Financial Instruments: Recognition and Measurement

2.07 Use of estimates and judgments

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

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

Note: 4 Property, plant and equipment

Note: 8 Inventories

Note: 9	Accounts receivable
Note: 15	Provision for taxation
Note: 16	Deferred tax liability
Note: 22	Provision for gratuity
Note: 34	Contingent liabilities

2.08 Reporting period

The financial statements of the group cover one year from 1 January to 31 December and is followed consistently.

2,09 Basis of consolidation

Subsidiary is the entity controlled by the group. Control exists when the group has the power to govern the financial and operating policies of an entity, so as to obtain economic benefits from its activities.

The consolidated financial statements incorporate the financial statements of BSRM Steels Limited and the financial statements of subsidiary company from the date that control commences until the date that control ceases. The financial statements of such subsidiary company is incorporated on a line by line basis and the investments held by the parent is eliminated against the corresponding share capital of subsidiary in the consolidated financial statements. The accounting policies of subsidiary has been changed when it is necessary to align them with the policies adopted by BSRM Steels Limited (parent entity).

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there are no evidence of impairment.

3.00 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The specific accounting policies selected and applied by the Group's management for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

3.01 Consistency

The accounting policies and methods of computation used in preparation of financial statements for the period ended 31 December 2012 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 31 December 2011.

3.02 Property, plant and equipment

3.02.01 Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation except Land & land development and Factory building which are carried at revalued amount, being fair values at the date of revaluation less subsequent accumulated depreciation and subsequent impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self constructed /installed assets includes the cost of materials and direct labour, 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.

3,02,02 Subsequent costs

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

3.02.03 Depreciation

Land is held on a freehold basis and is not depreciated considering the unlimited life. In respect of all other fixed assets, depreciation is recognized 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/addition and no depreciation is charged in the year of disposal. The depreciation method used reflects the pattern in which the asset's economic benefits are consumed by the entity. The depreciation charge for each period should be recognized as an expense unless it is included in the carrying amount of another asset. The principal annual rates are as follows:

Category of Assets	Rate of depreciation (%)
Plant and Machinery	5%
Motor Vehicle	20%
Furniture and Fixtures	10%
Office Equipments	10%
Factory Buildings	5%
Roads and Pavements	5%

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

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to profit and loss account.

3,03 Capital work-in-progress

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.04 Intangible assets

3.04.01 **Recognition and measurement**

Intangible assets that are acquired by the group entities and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per BAS 38: Intangible assets are met. The cost of an intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

3.04.02 Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

3.04.03 Amortization

Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives and rate of amortization are as follows:

Category of Assets	Rate of amortization	<u>Useful lives</u>
Software	33.33%	3 years
Trade Marks	5%	20 years

3.05 Inventories

Nature of inventories

Inventories comprise raw materials (Billets and Melting Scrap), packing materials, consumable stores, fuel and lubricants & finished goods (MS Rods/Billets) etc.

Valuation of the inventories

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

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

Weighted average cost method has been used to determine the cost of finished goods and raw materials.

3.06 Transactions in foreign currencies

Foreign currency transactions are recorded at the applicable rates of exchange ruling on the date of transactions. Exchange difference on borrowings denominated in foreign currencies to finance the imported plant & machinery is included in the carrying amount of related plant and/or machinery. Other monetary assets & liabilities, if any, denominated in foreign currencies at the Balance Sheet date are translated at the applicable rates of exchange ruling at that date and the related exchange differences are recognized as finance income or cost in the statement of comprehensive income respectively.

3.07 Financial assets

The group initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets are recognized initially on the trade date, which is the date the group becomes a party to the contractual provisions of the instrument.

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

Financial assets include, trade and other receivable, advances, deposits and prepayments, loan to related companies and cash and bank balances etc.

3.07.01 Trade and other receivables

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

3.07.02 Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

3.07.03 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits and other short/ fixed term deposits with banks and non-banking financial institutions.

3.08 Financial liabilities

The group recognizes all financial liabilities on the trade date which is the date the group becomes a party to the contractual provisions of the instrument. The group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise trade creditors and other financial obligations.

3.08.01 Trade and other payables

The group recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

3.09 Impairment

3.09.01 Financial assets

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

3.09.02 Non financial assets

The carrying amount of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment, if any and 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.

3.10 Investment in associate

Investment in associate is initially recognized at cost and the carrying amount is increased or decreased to recognize BSRMS's share of the profit or loss of the investee after the date of acquisition. BSRMS's share of the profit or loss of the investee is recognized in the statement of comprehensive income.

3.11 Provisions, contingent liabilities and contingent assets

A provision is recognized in the statement of financial position when the group has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized.

3.12 Borrowing costs

Interest and other costs incurred by the group in connection with the borrowing of funds are recognized as expense in the period in which they are incurred, unless such borrowing cost relates to acquisition / construction of assets in progress that are capitalized as per BAS 23 "Borrowing Costs".

3.13 Taxation

3.13.01 Current tax

The group has been maintaining provision for taxation using rates enacted at the reporting date as per Income Tax Ordinance, 1984. The applicable rates are: 27.5% for BSRM Steels Limited and for BSRM Iron & Steel Co. Limited at reduced rate as per SRO 172/2009 dated 30 June, 2009.

3.13.02 Deferred tax

Deferred tax liabilities are the amount of income taxes payable in the future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact of changes on the account in the deferred tax assets and liabilities has also been recognized in the profit and loss account as per BAS-12 "Income Taxes".

Deferred tax on revaluation surplus of land and land development has not been recognized in the financial statements on the ground that income tax payable at source on capital gain during registration of sale of land is generally borned by the buyer. Hence possibility of having income tax implication on land is very remote.

3.14 Share capital

Paid up capital represents total amount contributed by the shareholders and bonus shares issued by the company to the ordinary shareholders. Incremental costs directly attributable to the issue of ordinary shares are recognized as expenses as and when incurred. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders. Creditors are fully entitled to any proceeds of liquidation before all share holders.

3.15 Non-controlling interest

Non-controlling interest is that portion of the profit or loss and net assets of the subsidiary (BSRM Iron & Steel Co. Limited) attributable to equity interests that are not owned, directly or indirectly through subsidiary by the parent (BSRM Steels Limited)

3.16 Employee benefits

The group maintains both defined contribution plan and defined benefit plan for its eligible permanent employees.

3.16.01 Defined contribution plan

The group maintains a recognized provident fund @ 10% of basic pay (Equally contributed by employee & employer) for all eligible permanent employees from 1st day of January 2010. The said fund is managed by the board of trustees.

3.16.02 Defined benefit plan

The group maintains an unfunded gratuity scheme and provision in respect of which is made annually for the employees. Gratuity payable at the end of each year are determined on the basis of following rules and regulations of the company.

Service length Payment basis

Less than Five (5) years Nil

For Five (5) years and more Two (2) times of last month basic salary multiplied by year of services

3.16.03 Workers' Profit Participation and Welfare funds

The company also recognizes a provision for Workers' Profit Participation and Welfare funds @ 5% of net profit before tax as per Bangladesh Labour Law, 2006.

3.17 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. Sales revenue is recognized when the goods are delivered.

3.18 Finance income and costs

3.18.01 Finance income

Interest income from bank deposits and loan to related companies have been recognized on accrual basis following specific rate of interest in agreement with banks and related companies.

3.18.02 Finance cost

Interest expenses except related to acquisition/construction of assets, incurred during the year have been charged to statement of comprehensive income.

3.19 Other operating income

Other operating income includes interest income on delayed receipts from customers, gain/(loss) on sale of fixed assets and miscellaneous receipts. Other operating income is recognized as revenue income as and when realized.

3,20 Earnings Per Share (EPS)

The company calculates its earning per share in accordance with Bangladesh Accounting Standard BAS-33 which has been reported on the face of Statement of Comprehensive Income.

Basic Earnings per share

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered fully attributable to the ordinary shareholders.

Diluted Earnings per share

Diluted earnings per share is required to be calculated for the year when there is scope for dilution exists.

3.21 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.22 Comparative information

Comparative information has been disclosed in respect of the year 2011 in accordance with BAS-1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

3.23 General

Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.

4.00 Property, plant and equipment - at revalued model

								Amount in Taka
	Land & Land Development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Office Equipment	Roads and Pavements	Total
Property, plant and equipment at cost Balance as on 1 January 2011	379,148,445	3,058,044,048	25,521,037	799,511,850	15,474,011	29,873,324	7,426,085	4,314,998,800
Addition 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)	Ĩ	1	Ī	1	(2,900,515)
Balance at 31 December, 2011	388,020,036	3,210,862,637	50,210,416	800,486,308	26,586,692	39,395,012	10,443,179	4,526,004,280
Balance as on 01 January 2012	388,020,036	3,210,862,637	50,210,416	800,486,308	26,586,692	39,395,012	10,443,179	4,526,004,280
Additions/revaluation during 2012	1,822,237,939	251,581,747	15,666,590	513,720,023	4,193,273	9,254,571		2,616,654,143
Disposal during 2012	ı	1	(5,061,283)	1	ı	(46,500)	i	(5,107,783)
Adjustment for revaluation, 2012	•		1	(151,061,368)				(151,061,368)
Balance as at 31 December,2012	2,210,257,975	3,462,444,384	60,815,723	1,163,144,963	30,779,965	48,603,083	10,443,179	6,986,489,272
Accumulated depreciation								
Balance as on 1 January 2011	ı	381,509,475	7,767,711	103,134,402	3,328,561	5,907,011	371,304	502,018,464
Charged for the year 2011	1	141,467,658	8,488,541	34,867,595	2,325,813	3,348,800	503,594	191,002,001
Adjustment for Disposal during 2011	1		(319,435)	1	1	•	1	(319,435)
At 31 December, 2011	1	522,977,133	15,936,817	138,001,997	5,654,374	9,255,811	874,898	692,701,030
Balance as on 01 January 2012	ı	522,977,133	15,936,817	138,001,997	5,654,374	9,255,811	874,898	692,701,030
Depreciation Rate		0.05	0.20	0.05	0.10	0.10	0.05	
Charged for the year 2012	1	146,973,363	9,413,014	58,810,217	2,511,528	3,936,642	478,414	222,123,178
Adjustment for disposal during 2012	1	•	(2,728,980)	İ	1	(8,835)	1	(2,737,815)
Adjustment for revaluation, 2012	1	1	1	(151,061,368)	1	1	1	(151,061,368)
Balance as at 31 December,2012	•	669,950,496	22,620,851	45,750,846	8,165,902	13,183,618	1,353,312	761,025,025
Garrying amount								
As at 31 December, 2011	388,020,036	2,687,885,504	34,273,599	662,484,311	20,932,318	30,139,201	9,568,281	3,833,303,250
As at 31 December, 2012	2,210,257,975	2,792,493,888	38,194,872	1,117,394,117	22,614,063	35,419,465	9,089,867	6,225,464,247

Depreciation allocated to:	20
	Ia
Cost of sales (Note-24.01)	205,7
Administrative costs (Note-26.00)	16,3
	222 1

176,335,253 14,666,748 191,002,001

339,598 83,580 23,178

2011 Taka

ka

Note: Land and Factory Buildings have been revalued at 31 May, 2012 by an independent valuer

Name of valuer: Rahman Rahman Hud, Chartered Accountants (Representative of KPMG in Bangladesh)

Naluation method: Market value approach for land and depreciated replacement cost approach for factory building.

Naluation method: Market value approach for land and depreciated replacement cost approach for factory building.

No Date of Capitalization: Revaluation surplus capitalized on 31 December, 2012.

No Date of Copitalization: Revaluation surplus capitalized on 31 December 2012.

No Date of Total Land 58.76 decimals located at Fouzdarhat, 35 decimals located at Boalkhali ,18.67 decimals located at Rumira and 289 decimals land purchased from Modern Karilin Silk Mills Ltd were registered in the name of the company but mutation yet to be completed. These lands were not considered for revaluation.

Property, plant and equipment - at cost model 4.i

-								Amount in Taka
	Land & Land Development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Office Equipment	Roads and Pavements	Total
Property, plant and equipment at cost Balance as on 1 January 2011 Addition during 2011 Disposal during 2011	379,148,445 11,071,591 (2,200,000)	3,058,044,048 152,818,589	25,521,037 25,389,894 (700,515)	799,511,850 974,458	15,474,011 11,112,681 -	29,873,324 9,521,688 -	7,426,085 3,017,094 -	4,314,998,800 213,905,995 (2,900,515)
Adjustment For Revaluation,2011 Balance at 31 December,2011	388,020,036	3,210,862,637	50,210,416	800,486,308	26,586,692	39,395,012	10,443,179	4,526,004,280
Balance as on 01 January 2012 Additions/revaluation during 2012 Disposal during 2012 Adiustment for Revaluation.2012	388,020,036 590,129	3,210,862,637 251,581,747 -	50,210,416 15,666,590 (5,061,283)	800,486,308 6,348,643	26,586,692 4,193,273	39,395,012 9,254,571 (46,500)	10,443,179	4,526,004,280 287,634,953 (5,107,783)
Balance as at 31 December, 2012	388,610,165	3,462,444,384	60,815,723	806,834,951	30,779,965	48,603,083	10,443,179	4,808,531,450
Accumulated depreciation Balance as on 1 January 2011	ı	381,509,475	7,767,711	103,134,402	3,328,561	5,907,011	371,304	502,018,464
Charged for the year 2011 Adjustment for Disposal during 2011 Adjustment for Develuation 2011	1 1	141,467,658	8,488,541 (319,435)	34,867,595	2,325,813	3,348,800	503,594	191,002,001 (319,435)
At 31 December, 2011	• • • • • • • • • • • • • • • • • • •	522,977,133	15,936,817	138,001,997	5,654,374	9,255,811	874,898	692,701,030
Balance as on 01 January 2012	ı	522,977,133	15,936,817	138,001,997	5,654,374	9,255,811	874,898	692,701,030
Depreciation have Charged for the year 2012 Adjustment for Disposal during 2012	1 1	0.03 146,973,363 -	9,413,014 (2,728,980)	33,441,648 -	2,511,528	3,936,642 (8,835)	478,414 -	196,754,609 (2,737,815)
Adjustifiert for Revaluation, 2012 Balance as at 31 December, 2012	1 1	669,950,496	22,620,851	171,443,645	8,165,902	13,183,618	1,353,312	886,717,824
<u>Carrying amount</u> As at 31 December, 2011 As at 31 December, 2012	388,020,036 388,610,165	2,687,885,504	34,273,599 38,194,872	662,484,311 635,391,306	20,932,318 22,614,063	30,139,201 35,419,465	9,568,281	3,833,303,250 3,921,813,626

2012 Taka	180,415,011	16,339,598	196,754,609
Depreciation allocated to:	Cost of sales (Note-24.01)	Administrative costs (Note-26.00)	

ZU11 Taka	176,335,253	14,666,748	191,002,001	
2012 Taka	180,415,011	16,339,598	196,754,609	

Consolidated property, plant and equipment - at revalued model **4**.a

									Amount in Taka
	Land & Land Development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Office Equipment	Roads and Pavements	IT Equipment	Total
Property, plant and equipment at cost Balance as on 01 January 2012	595,036,276	4,876,736,875	73,599,698	1,221,745,774	35,590,202	55,296,367	10,443,179	4,215,977	6,872,664,348
Additions/revaluation during 2012 Disposal during 2012	2,356,001,764	769,283,966	30,482,197 (5,061,283)	640,995,516	5,447,614	11,467,592 (46,500)	1 1	1,038,900	3,814,717,549 (5,107,783)
Adjustment for Revaluation, 2012	ı	İ	. 1	(151,061,368)	İ			İ	(151,061,368)
Balance as at 31 December, 2012	2,951,038,040	5,646,020,841	99,020,612	1,711,679,922	41,037,816	66,717,459	10,443,179	5,254,877	10,531,212,746
Accumulated depreciation									
Balance as on 01 January 2012	ı	711,168,650	22,797,673	170,725,878	6,752,910	13,449,554	874,898	1,086,642	926,856,205
Depreciation Rate		0.05	0.20	0.02	0.10	0.10	0.05	ı	ı
Charged for the year 2012	1	274,070,024	15,681,821	84,600,771	3,427,459	6,535,851	478,414	833,647	385,627,987
Adjustment for Disposal during 2012	1	1	(2,728,980)	ı	ı	(8,835)	1	ı	(2,737,815)
Adjustment for Revaluation, 2012	ı	1	I	(151,061,368)	ı	ı	ı	ı	(151,061,368)
Balance as at 31 December, 2012	1	985,238,674	35,750,514	104,265,281	10,180,369	19,976,570	1,353,312	1,920,289	1,158,685,009
Carrying amount									
As at 31 December, 2011	595,036,276	4,165,568,225	50,802,025	1,051,019,896	28,837,292	41,846,813	9,568,281	3,129,335	5,945,808,143
As at 31 December, 2012	2,951,038,040	4,660,782,167	63,270,098	1,607,414,641	30,857,447	46,740,889	9,089,867	3,334,588	9,372,527,737

Note: Land and Factory Buildings have been revalued at 31 May, 2012 by an independent valuer

Name of valuer: Rahman Rahman Huq, Chartered Accountants (Representative of KPMG in Bangladesh)

Valuation method: Market value approach for land and depreciated replacement cost approach for factory building.

Valuation method: Market value approach for land and depreciated replacement cost approach for factory building.

Date of Capitalization: Revaluation surplus capitalized on 31 December, 2012.

Not of Total Land 58.76 decimals located at Fouzdarhat, 35 decimals located at Boalkhali, 18.67 decimals located at Kumira and 289 decimals land purchased from Modern Karilin Silk Mills Ltd were registered in the name of the company but mutation yet to be completed. These lands were not considered for revaluation.

4.a.i Consolidated property, plant and equipment - at cost model

									Amount in Taka
	Land & Land Development	Plant and Machinery	Motor Vehicles	Factory Building	Furniture and Fixtures	Office Equipment	Roads and Pavements	IT Equipment	Total
Property, plant and equipment at cost Balance as on 01 January 2012 Additions/revaluation during 2012 Disposal during 2012 Adjustment for Revaluation. 2012	595,036,276 10,158,161 -	4,876,736,875 769,283,966 -	73,599,698 30,482,197 (5,061,283)	1,221,745,774 133,624,136 -	35,590,202 5,447,614 -	55,296,367 11,467,592 (46,500)	10,443,179	4,215,977 1,038,900 -	6,872,664,348 961,502,566 (5,107,783)
Balance as at 31 December, 2012	605,194,437	5,646,020,841	99,020,612	1,355,369,910	41,037,816	66,717,459	10,443,179	5,254,877	7,829,059,131
<u>Accumulated depreciation</u> Balance as on 01 January 2012	1	711,168.650	22,797,673	170.725,878	6,752,910	13,449,554	874,898	1,086,642	926,856,205
Depreciation Rate		0.02	0.20	0.02	0.10	0.10	0.02		
Charged for the year 2012	1	274,070,024	15,681,821	59,232,202	3,427,459	6,535,851	478,414	833,647	360,259,418
Adjustment for Disposal during 2012	ı	ı	(2,728,980)	I	1	(8,835)	I	ı	(2,737,815)
Adjustriferr for nevaruation, 2012 Balance as at 31 December, 2012	1 1	985,238,674	35,750,514	229,958,080	10,180,369	19,976,570	1,353,312	1,920,289	1,284,377,808
Carrying amount									
As at 31 December, 2011	595,036,276	4,165,568,225	50,802,025	1,051,019,896	28,837,292	41,846,813	9,568,281	3,129,335	5,945,808,143
As at 31 December, 2012	605,194,437	4,660,782,167	63,270,098	1,125,411,830	30,857,447	46,740,889	9,089,867	3,334,588	6,544,681,323

2012 2011 Taka Taka

4.01 The following motor vehicles were added to property, plant and equipment during the year 2012:

Registration N	<u>0.</u>	<u>Total Cost</u>	
Motor Car			
Chatta Metro C	ar 6792	1,980,989	
Chatta Metro C	ar 6793	1,980,989	
Chatta Metro C	ar 6845	2,071,355	
Chatta Metro C	ar 6998	2,051,355	
Chatta Metro C	ar 6551	2,000,357	
Chatta Metro C	ar 7350	2,240,529	
Chatta Metro C	ar 7533	2,279,146	
Total		14,604,720	
Motor Cycle			
Chatta Metro H	A 5718	125,300	
Chatta Metro H		125,300	
Chatta Metro H		127,295	
Chatta Metro H	A 6057	159,795	
Chatta Metro H		127,295	
Chatta Metro H	A 7151	132,295	
Chatta Metro H	A 7152	132,295	
Chatta Metro H	A 7248	132,295	
Total		1,061,870	
Grand Total		15,666,590	
5.00 Cap	ital work-in -progress		
	ning balance	179,256,651	10,210,801
•	: Addition during the year	273,248,960	170,496,735
Auu	Tradition daining the four	452,505,611	180,707,536
		. ,,	, -,

5.01 Details of Capital Work-in-progress

Less: Transferred to fixed asset during the year (note- 5.01)

Particulars	Balance at 01.01.2012	Expenditure incurred during the year	Transferred to Fixed Assets	Balance at 31.12.2012
Civil Construction	172,977,529	53,646,143	5,935,289	220,688,383
Plant & Machinery	439,122	201,128,146	201,567,268	-
Motors Vehicles	5,840,000	-	5,840,000	-
ERP Project	-	18,474,671	-	18,474,671
Total	179,256,651	273,248,960	213,342,557	239,163,054

5.a Consolidated capital work inprogress

BSRM Steels Limited (note-5.00) BSRM Iron & Steel Co. Limited

179,256,651
450,825,594
630,082,245

(1,450,885)

179,256,651

(213,342,557)

239,163,054

			2012 Taka	2011 Taka
6.00 Intangible assets				
-	Trade Mark	Software		
Cost				
Opening balance	19,300	-	19,300	19,300
Add: Addition during the year Less: Disposal during the year	-	202,800	202,800	-
Closing balance	19,300	202,800	222,100	19,300
•				
Accumulated amortization	0.750		0.750	4 000
Opening balance	2,753 827	-	2,753	1,882 871
Add: Amortized during the year Less: Adjustment for disposal during the year	021	66,924 -	67,751	0/1
Closing balance	3,580	66,924	70,504	2,753
Carrying amount	15,720	135,876	151,596	16,547
6.a Consolidated intangible assets				
BSRM Steels Limited (note-6.00)			151,596	16,547
BSRM Iron & Steel Co. Limited			,	-
Less: Inter-company elimination			-	-
			151,596	16,547
7.00 Investment				
In subsidiary company-BSRM Iron &	Steel Co. Limited (note-7.01)	1,045,000,000	1,045,000,000
In associate company-BSRM Steel N	li ll s Limited (note-7	7.02)	13,500,000	<u>-</u>
			1,058,500,000	1,045,000,000

7.01 Investment in subsidiary company- BSRM Iron & Steel Co. Ltd

BSRM Steels Limited has acquired 95% equity interest in BSRM Iron and Steel Co. Limited (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 BSRM Iron & Steel Co. Limited have been operating under common control.

7.02 Investment in associate company- BSRM Steel Mills Limited

BSRM Steels Limited has acquired 13.50% in equity interest in BSRM Steel Mills Limited (13,50,000 Ordinary Shares of Tk. 10 each)on 10 December 2012. This investment has been shown as investment in associates as equity-accounted investee and recognized initially at cost as per BAS 28. BSRM Steels Limited and BSRM Steel Mills Limited have been operating under common control. Profit or loss has not been recognized using equity method of accounting since BSRM Steel Mills Limited has not started its commercial operation.

7.a Consolidated investment

BSRM Steels Limited (note-7.00)
BSRM Iron & Steel Co. Limited
Less: Investment in subsidiary-BSRM Iron & Steel Co. Limited

1,058,500,000	1,045,000,000
-	-
(1,045,000,000)	(1,045,000,000)
13,500,000	-

		20	12	2011	
		Quantity	Amount	Amount	
8.00	Inventories	(Metric Ton)	Taka	Taka	
	Raw Material				
	Billets	71,252	3,797,786,784	2,319,539,974	
	Finished Goods				
	Finished Goods-Own production	57,865	3,443,317,865	3,553,083,080	
	Finished Goods-Procured	205	15,067,236	41,280,970	
	01		3,458,385,101	3,594,364,050	
	Stores and Spares Mechanical stores		400.044.074	275 264 270	
	MS Roll		422,044,874 32,331,771	375,364,379 32,829,945	
	Electrical stores		131,046,838	108,517,638	
	General stores		7,186,083	3,893,390	
	deliciai stores		592,609,566	520,605,352	
	Packing Material		2,911,987		
	Fuel and Lubricants		10,510,425	18,419,891	
	I dol and Edditounto		7,862,203,863	6,452,929,267	
			2012	2011	
8.a	Consolidated inventories		Taka	Taka	
o.a	BSRM Steels Limited (note-8.00)		7,862,203,863	6,452,929,267	
	BSRM Iron & Steel Co. Limited		2,007,482,704	706,751,313	
	Less: Provision for unrealized profit		(66,427,404)	(55,039,886)	
	2000. I Tovidion for unrounzed prone		9,803,259,163	7,104,640,694	
9.00	Accounts receivables		3,736,798,698	3,438,356,670	
	The directors estimate that above receivables are good				
		cured by bank guarantee and post dated cheques obtained from customers.			
9.01	Ageing of accounts receivables are as follows	-			
	Less than 3 months		3,718,091,312	2,382,605,012	
	Over 3 months but less than 6 months		6,794,796	1,021,287,118	
	Over 6 months		11,912,590	34,464,540	
			3,736,798,698	3,438,356,670	
9.a	Consolidated accounts receivables				
	BSRM Steels Limited		3,736,798,698	3,438,356,670	
	BSRM Iron & Steel Co. Limited		241,885,806	2,622,641,879	
	Less: Inter-company receivables		(241,702,059)	(2,616,285,957)	
			3,736,982,445	3,444,712,592	
10.00	Loan to related companies				
	Bangladesh Steel Re-Rolling Mills Limited		362,970,206	2,471,446,839	
	Chittagong Power Company Limited		71,859,550	4,191,250	
	BSRM Wires Limited		66,492,947		
	BSRM Recycling industries Limited		3,327,500	-	
	BSRM Logistics Limited		85,845,391	37,189,000	
	BSRM Steels Mills Limited		459,993,424	674,635,167	
	BSRM Ispat Limited BSRM Metals Limited		143,156,500	110,543,500	
	DOLLIN INICIAIS LIIIIIICU		1,193,645,518	20,000	
			1,193,045,518	3,298,025,756	

		2012 Taka	2011 Taka
	All transactions among the related companies have been made through	laka	Така
	account payee cheques or bank transfers and interests were charged on all related companies loan balances.		
10.a	Consolidated loan to related companies		
	BSRM Steels Limited (note-10.00)	1,193,645,518	3,298,025,756
	BSRM Iron & Steel Co. Limited	<u>-</u>	34,452,398
	Less: Inter-company elimination	-	-
		1,193,645,518	3,332,478,154
11.00	Advances, deposits and prepayments		
	a) Advances		
	Staff loan	903,956	1,551,820
	Advance Income tax-corporate	244,211,397	94,215,662
	Against expenses	227,685,177	352,959,612
	Bank guarantee margin	2,920,898	2,008,772
	Advance against L/C	30,024,076	1,902,044,633
	Trade VAT account (Godown)	7,010	43,278
	VAT chargeable account (Godown) VAT current account	1,409,251 9,854,322	581,327 5,179,109
	Others	13,504,687	5,179,109
	Othors	530,520,774	2,358,584,213
	b) Deposits		2,000,004,210
	Ansar/VDP	1,260,752	911,038
	T & T	21,000	21,000
	City Cell	15,000	15,000
	L/C margin	494,258,153	449,555,217
	Power Development Board	3,606,700	3,606,700
	RanksTe ll	10,000	10,000
	Karnaphuli Gas distribution Co. Limited	9,179,192	9,179,192
	Kolkata office premises	37,750	37,750
	Central Depository Bangladesh Limited	500,000	500,000
	PDB-Jungal Project	96,320	-
	Others	365,000	297,000
	A. I	509,349,867	464,132,897
	c) Insurance premium	1,437,969	1,230,929
	T-4-1 (- 1)	1,437,969	1,230,929
	Total (a+b+c) The directors consider that all the above advances, deposits and	1,041,308,610	2,823,948,039
	prepayments are either adjustable or recoverable in kind or in cash and that no provision against them are required at this stage.		
11.a	Consolidated advances, deposits and prepayments		
	BSRM Steels Limited (note-11.00)	1,041,308,610	2,823,948,039
	BSRM Iron & Steel Co. Limited	283,990,825	213,905,553
	Less: Inter-company elimination		
		1,325,299,435	3,037,853,592
12.00	Cash and cash equivalents	1,020,200,100	<u> </u>
	Cash in hand (note-12.01)	1,871,219	2,808,750
	Cash at banks(note-12.02)	636,925,568	268,186,729
	Fixed deposit (note-12.04)	421,047,197	268,264,847
	, ,	1,059,843,984	539,260,326
		.,,	

		2012 Taka	2011 Taka
12.01	Cash In hand		
	Head office	68,036	67,549
	Factory office	1,500,000	2,352,000
	Dhaka office	6,798	71,200
	Sylhet office	23,979	4,873
	Comilla office	65,000	35,000
	Khulna office	150,000	100,000
	Kolkata office	-	93,492
	Bogra office	37,406	58,220
	Moulavi Bazar office	-	26,416
	Barishal office	20,000	-
		1,871,219	2,808,750
12.02	Cash at Banks		
	Agrani Bank Limited		
	-Laldighi East BrCD A/c	51,293,581	3,480,791
	-Laldighi East Br., Escrow account	41,867	43,137
	-Colonel Hat Br. CtgCD A/c	3,669	1,235,934
	-Tomson Bridge Br. Comilla -CD A/C	732,943	17,227
	AB Bank Limited., Agrabad Br.Ctg CD A/c	(13,038,168)	10,453,778
	Al - Arafa Islami Bank Limited	16,862,068	1,661,310
	Bank Asia Limited -Agrabad Br. Ctg. CD A/c	3,627,483	3,696
	BRAC Bank Limited., Agrabad Br.CtgCD A/c	(37,628,461)	63,694
	Bank Alfalah Limited, Agrabad Br.CD A/c	563,627	11,165,842
	Basic Bank Limited	260,717	29,493
	Commercial Bank of Ceylon, Agrabad Br. Ctg CD A/c	8,254,652	2,891,313
	Dhaka Bank Limited., Jubilee Road Br.CtgCD A/c	11,728	11,022,440
	Dutch Bangla Bank Limited :		
	-Agrabad Branch,Ctg	2,197,278	(70,173)
	-Jubilee Road Branch,Ctg	7,656,665	7,867,479
	Eastern Bank Limited, Agrabad Br,Ctg	352,031,409	3,677,121
	Habib Bank Limited, Laldighi East BrCD A/c	39,803,173	14,326,556
	HSBC Bank		
	-STD A/C	4,621	-
	-Agrabad Branch-Current Account	(2,463,270)	(25,723,588)
	-Ekdalia Road Br. Kolkata,India-CD A/c	4	62,073
	-USD Exporters FCY A/C	2,112,007	46,650
	-MDA Currency USD A/C, Agrabad Br	14,246,458	6,384,520
	IFIC Bank Limited, Agrabad Br. CtgCD A/c	16,752,060	1,710,801
	Islami Bank Bangladesh Limited, Jubliee Road Branch, Ctg	24,248,518	5,171,198
	Jumana Bank Limited, Khatungonj Branch, Ctg.	4,187,101	3,294,903
	Mercantile Bank Limited, Jubilee Road Br. CtgCD A/c	6,611,522	70,230
	National Bank Limited, Jubilee Road Br-CD A/c	10,926,423	6,120,320
	National Credit and Commerce Bank Limited, Agrabad Br. Ctg. CD A/c	6,152,154	60,827
	One Bank Limited, Agrabad Branch, Ctg	33,974	7,612,821
	Primier Bank-Agrabad	8,583	-
	Prime Bank Limited, O.R Nizam Road Branch, Ctg	45,801,395	12,403,514
	Shajalal Islami Bank Limited, Jubilee Road Branch, Ctg	9,508,909	22,792,326
	Social Islami Bank Limited	1,305,995	43,952

	2012 Taka	2011 Taka
Sonali Bank Limited		
-Kalibari Br. CtgCD A/c	2,932,142	22,648,378
-Cable Shilpa Branch, Khulna	1,404,144	212,233
Southeast Bank Limited, Pahartali Branch, Chittagong	11,928,437	14,118,682
Standard Chartered Bank		
-Agrabad Branch, Ctg., CD A/c	16,149,331	1,270,863
-Dhaka, CD A/c	5,941	7,491
State Bank of India, Agrabad Branch, Chittagong	2,703	15,435,301
The City Bank Limited		
-Agrabad Br. CtgCD A/c	892,176	28,855,390
-Dhaka, CD A/c	11,056,425	165,996
The Trust Bank Limited, CDA Avenue Branch, Chittagong.	2,604,836	55,152,500
United Commercial Bank Limited, Jubilee Road Br.Ctg.	13,432,330	19,015,183
Uttara Bank Limited, Agrabad Br.CtgCD A/c	1,839,979	2,071,469
	634,359,128	266,873,671
HSBC Bank (note-12.03)		
-STD A/c , Agrabad Branch	433,052	434,503
-EURO Account, Agrabad Branch	28,422	28,519
-GBP Current Account, Agrabad Branch	759	759
-USD Current Account, Agrabad Branch	49,425	176,211
-Dividend/Bonus Fraction A/C,Agrabad Branch	2,054,781	673,066
	2,566,440	1,313,058
	636,925,568	268,186,729

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

12.04 Fixed Deposit

i ixou Dopooit				
Name of the banks	Purpose	Rate of Interest		
AB Bank Limited	L/C Margin	12.50%	31,171,044	13,116,484
Bank Asia Limited	L/C Margin	12.50%	17,000,000	-
Bank Alfalah Limited	L/C Margin	12.50%	27,500,000	35,000,000
Dhaka Bank Limited	Term Deposit	12.50%	8,971,000	8,000,000
Dutch Bangla Bank Limited	L/C Margin	12.50%	30,600,000	28,650,000
Mercantile Bank Limited	L/C Margin	12.50%	1,655,441	1,275,071
Pubali Bank Limited	L/C Margin	12.50%	35,851,461	30,975,400
Standard Chartered Bank	L/C Margin	10.00%	154,806,701	82,373,700
The City Bank Limited	L/C Margin	12.50%	36,921,550	20,600,000
Trust Bank Limited	L/C Margin	12.50%	18,540,000	18,274,192
Jamuna Bank Limited	L/C Margin	12.50%	11,895,000	-
Uttara Bank Limited	L/C Margin	12.50%	16,135,000	-
International Leasing	Security Deposit	16%	30,000,000	-
State Bank of India	L/C Margin	12%	-	30,000,000
			421,047,197	268,264,847

Term deposit with Dhaka Bank Limited was made against Share Application Money (IPO).

12.a Consolidated cash and cash equivalents

BSRM Steels Limited (note-12.00) BSRM Iron & Steel Co. Limited

1,059,843,984	539,260,326
52,370,114	35,466,578

				2012 Taka		2011 Taka
13.00	Share capital					
	Authorized capital					
	47,5000,000 Ordinary Shares of Tk. 10 each		4,7	50,000,000		4,750,000,000
	2,5000,000 Preference Shares of Tk. 10 each			50,000,000		250,000,000
						5,000,000,000
	Denomination of ordinary shares and preference shares of TK 1 been changed to Tk 10 each in terms of the resolution in the E General Meeting of BSRM Steels limited held on 14th Novemb	xtra ordinary				
	Issued, Subscribed and Paid-up capital					
	14,5000,000 Ordinary Shares of Tk.10 each		1,4	50,000,000		1,450,000,000
	10,4500,000 Ordinary Shares of Tk.10each					
	fully paid-up for consideration other than cash		1,0	45,000,000		1,045,000,000
	0.1750.000 Oudinary Chausa of Tl. 10 and					
	2,1750,000 Ordinary Shares of Tk.10 each fully paid-up as Bonus Shares(For the Year 2009)		2	17 500 000		217 500 000
	rully paid-up as bolius strates(rot the real 2009)		2	17,500,000		217,500,000
	54,250,000 Ordinary Shares of Tk. 10 each					
	fully paid up as Bonus Shares(For the year 2010)		5	42,500,000		542,500,000
			3,2	255,000,000		3,255,000,000
40.04						
13.01	Classification of shares by holding Class by number of shares	No. of H	oldore	No. of Shar	00	Holding(%)
	Less than 500	<u> 110. 01 110</u>	2,482	409,0		0.13
	From 500 to 5,000	1	1,701	16,321,2		5.01
	From 5,001 to 10,000	'	742 5,410,7			1.66
	From 10,001 to 20,000			5,232,8		1.61
	From 20,001 to 30,000		370 145	3,622,5		1.11
	From 30,001 to 40,000		53 1,866,4			0.57
	From 40,001 to 50,000		38 1,731,6			0.53
	From 50,001 to 100,000		90 6,375,8		20	1.96
	From 100,001 to 1,000,000		100 29,320,5		30	9.01
	From 1,000,000 to above		21 255,209,1		62_	78.41
	Total	1	15,742 325,500,0		00	100.00
13.02	Composition of Shareholders at 31 December 2012 Name of shareholders	No. of H	oldore	No. of Shar	00	Holding(%)
	Sponsor Shareholders	<u> </u>	7	157,487,3		48.38
	Foreign Shareholders		7 137,467,3			0.41
	Other Shareholders	1	5,728	166,677,8		51.21
	Total	1	15,742	325,500,0	00	100.00
14.00	Laura danna hannassinna					
14.00	Long term borrowings Syndicated term loan (note-14.01)			53,376,163		636,843,416
	Term loan for BMRE (note- 14.03)			65,489,926		235,861,527
	TOTAL TOTAL (HOLE 14.00)			18,866,089		872,704,943
14.01	Syndicated Term loan					
	Due within one (1) year			93,312,263		518,943,625
	Due after more than one (1) year			53,376,163		636,843,416
			6	46,688,426		1,155,787,041

	2012 Taka	2011 Taka
Lender-wise details of Syndicated Term Loanare as follows:		
Syndicated Term Loan		
AB Bank Ltd.	38,403,144	68,635,614
Agrani Bank Ltd.	30,476,983	54,469,666
Bank Al Falah Ltd.	25,490,552	45,557,720
Bank Asia Ltd.	38,456,043	68,730,155
BRAC Bank Ltd.	25,490,552	45,557,720
Commercial Bank of Ceylon	25,490,552	45,557,720
Dhaka Bank Ltd.	12,745,288	22,778,881
Eastern Bank Ltd.	38,454,267	68,726,981
IFIC Bank Ltd.	25,490,552	45,557,720
Mercantile Bank Ltd.	12,745,288	22,778,881
National Credit and Commerce Bank Ltd.	38,454,267	68,726,981
Prime Bank Ltd	31,972,410	57,142,350
Pubali Bank Ltd.	38,454,267	68,726,981
SABINCO Ltd.	44,340,791	79,247,609
Standard Bank Ltd.	25,490,552	45,557,720
The City Bank Ltd.	33,355,993	59,615,145
The Trust Bank Ltd.	33,268,781	59,459,278
United Commercial Bank Ltd.	76,908,560	137,454,009
Uttara Bank Ltd.	51,199,581_	91,505,910
	646,688,426	1,155,787,041

14.02 Terms of syndicated loan

i) First syndicated term loan

Lenders

The company has entered into a syndicated loan agreement on 30.06.2006 with Agrani Bank Limited, the lead arranger, IDLC Finance Limited, 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%. In the year 2012 interest rate was 13.00% for January 2012, 15.25% for February 2012 to July 2012 and 15.50% for August 2012 to December 2012.

Disbursement

The first disbursement was made on 18.01.2007

Repayments

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

Installments due within 31 December, 2012 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 automatic steel re-rolling mill with a capacity of 375,000 Metric tons per year.

ii) Second syndicated term loan

Lenders

The company has entered into a second syndicated loan agreement on 26.11.2007 with Agrani Bank Ltd., the lead arranger, IDLC Finance Limited, 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%. In the year 2012 interest rate was 13.00% for January 2012, 15.25% for February 2012 to July 2012 and 15.50% for August 2012 to December 2012.

Disbursement

The first disbursement was made on 06.03.2008.

Repayments

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

Installments due within 31 December, 2012 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.

14.03 Term loan for BMRE

Due within one (1) year

Due after more than one (1) year

79,440,333 165,489,926 **244,930,259**

78,457,377 235,861,527 **314,318,904**

Terms of BMRE loan

Lenders

Agrani Bank Ltd. has sanctioned an amount of Tk. 32 crore as term loan against BMRE.

Total loan facilities: Tk. 32 crores.

Interest rate

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

Disbursement

The first disbursement was made on 26.09.2010.

Repayments

Above term loan will be re-paid by 48 monthly installments starting from October, 2011. Installment due within 31 December, 2012 were dully paid.

Securities

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

Purpose

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

		2012 Taka	2011 Taka
14.a	Consolidated long term borrowings		
	BSRM Steels Limited (note-14.00)	218,866,089	872,704,943
	BSRM Iron & Steel Co. Limited	758,195,219	1,312,707,744
	Less: Inter-company elimination	-	-
		977,061,308	2,185,412,687
15.00	Provision for income tax		
	Opening balance as on 01 January	12,872,260	-
	Add: Provided during the year	72,043,712	122,915,685
		84,915,972	122,915,685
	Adjusted during the year	(12,872,260)	(110,043,425)
	Closing balance as on 31 December	72,043,712	12,872,260

Year wise income taxes assessment status is as follows:

Accounting year	Assessment year Tk.	Opening balance Tk.	Provided during the year Tk.	Adjusted during the year Tk.	Balance Tk.	Remarks
Prior to 2010		-	-	-	-	Assessment completed
2010	2011-2012	-	110,043,425	-	110,043,425	Assessment completed
2011	2012-2013	-	12,872,260	(110,043,425)	12,872,260	Assessment completed
2012	2013-2014		72,043,712	(12,872,260)	72,043,712	Return due by 15 th July 2013.
			194,959,397	(122,915,685)	72,043,712	

15.01 The company, following decision of the Board of Directors in its Meeting held on 7 March, 2012 filed a Writ Petition on 22 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 the accounts.

15.a Consolidated provision for income tax

BSRM Steels Limited (note-15) BSRM Iron & Steel Co. Limited Less: Inter-company elimination

72,043,712	12,872,260
-	-
-	-
72,043,712	12,872,260

16.00 Deferred tax liability

Deferred tax liability has been calculated below at the applicable tax rate on the difference between the carrying value of fixed assets as per accounts and tax written down value; balance sheet liability method for gratuity obligation.

Opening balance	-	-
Add: Provided / (adjusted) for the year	498,962,191	-
Closing balance	498,962,191	

		2012 Taka	2011 Taka
Reconciliation of Deferred tax liabilities/(assets) are as fo ll ows-		
	Carrying amount on the da statement of financial pos		Taxable/ (Deductible) temporary difference
	Taka	Taka	Taka
Property, plant and equipment	4,015,357,868	2,183,328,381	1,832,029,487
Provision for gratuity	(17,621,520)	=	(17,621,520)
Net taxable temporary difference			1,814,407,967
Applicable tax rate			27.50%
Deferred tax liability			498,962,191
Deferred tax recognition:			
To statement of comprehensive income			359,435,062
Adjusted with revaluation surplus			139,527,129
b) As at 31 December 2011			498,962,191

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

16.a	Consolidated deferred tax liability		
	BSRM Steels Limited (note-16.00)	498,962,191	-
	BSRM Iron & Steel Co. Limited	60,747,486	-
		559,709,677	-
17.00	Accounts payable		
	BSRM Iron and Steel co. Limited	241,702,059	2,616,285,958
	BSRM Wires Limited	-	17,974,752
		241,702,059	2,634,260,710
	This represents amounts payable against supply of raw materials.		
17.a	Consolidated accounts payable		
	BSRM Steels Limited (note-17.00)	241,702,059	2,634,260,710
	BSRM Iron & Steel Co. Limited	-	-
	Less: Inter-company elimination	(241,702,059)	(2,616,285,958)
		<u> </u>	17,974,752
18.00	Short term borrowings		
	Short term borrowings (note-18.01)	14,648,407,575	14,001,025,205
	Long term borrowings-current portion (note-18.07)	672,752,596	597,401,002
		<u>15,321,160,171</u>	14,598,426,207
18.01	Short term borrowings		
	Loan against Trust Receipt (LTR) [note-18.02]	1,315,753,474	1,942,552,113
	Time loan (note-18.03)	13,364,211	219,514,208
	Demand Loan (note-18.04)	778,278,848	226,116,687
	Loan against purchase order -Bank Al-Falah	60,962,795	-
	Bank overdraft and cash credit (note-18.05)	369,062,105	45,866,494
	Factoring Loan-United Leasing Co. Limited	84,871,863	(8,039,466)
	Inward Foreign Documentary Bills for Collection-IFDBC (note-18.06)	12,026,114,279	11,575,015,169
		14,648,407,575	14,001,025,205

		2012 Taka	2011 Taka
18.02	Loan against Trust Receipt (LTR)		
	Bank Asia Limited	103,127,791	415,007,668
	Dutch Bangla Bank Limited	171,715,508	-
	IFIC Bank Limited	210,233,924	125,105,151
	National Credit and Commerce Bank Limited	-	381,558,507
	Pubali Bank Limited	340,959,895	467,556,564
	Shajalal Islami Bank Limited	435,559,216	515,032,242
	Trust Bank Limited	9,569,154	7,928,286
	United Commercial Bank Limited	1,412,324	1,236,452
	Uttara Bank Limited	43,175,662	25,252,990
	Commercial Bank of Ceylon	4 045 750 474	3,874,253
10.02	Time Loan	1,315,753,474	1,942,552,113
18.03	AB Bank Limited	12.264.211	
	Dutch Bangla Bank Limited	13,364,211	146,586,167
	Prime Bank		41,552,208
	Commercial Bank of Ceylon		31,375,833
	Commission Bunk of Coylon	1,336,4211	219,514,208
18.04	Demand Loan	1,000,1211	210,014,200
	Eastern Bank Limited	_	2,300,894
	The City Bank Limited	579,126,830	
	Trust Bank	50,053,056	133,142,367
	Bank Asia Limited	30,974,891	8,339,172
	IFIC Bank Limited	118,124,071	82,334,254
		778,278,848	226,116,687
18.05	Bank overdraft and cash credit		
	Dhaka Bank Limited	12,964,697	(1,928,850)
	Dutch Bangla BankLimited	30,352,015	9,361,198
	Pubali Bank Limited	34,047,644	29,034,361
	Uttara Bank Limited	50,802,995	6,114,341
	National Credit and Commerce Bank Limited	240,894,754	3,285,444
		369,062,105	45,866,494
40.00	Date the of the control for the decrease the bills for a like the difference of the bills of the		
18.06	Details of inward foreign documentary bills for collection (IFDBC)	407.074.451	004 707 007
	AB Bank Limited Bank Al Falah Limited	467,974,451	934,727,827
	Bank Asia Limited	208,136,102	186,102,175 691,560,857
	Brac Bank Limited	600,374,909	399,329,282
	Commercial Bank of Ceylon	251,877,448	345,207,787
	Dhaka Bank Limited	221,327,912	558,245,468
	Dutch Bangla Bank Limited	360,278,488	648,203,358
	Eastern Bank Limited	1,123,662,615	578,989,707
	HSBC Bank	527,639,259	449,458,381
	IFIC Bank Limited	460,100,662	233,193,851
	Islami Bank Limited	768,956,141	1,224,789,877

		2012 Taka	2011 Taka
	Mercantile Bank Limited	1,022,438,917	806,575,352
	National Bank Limited	275,119,482	-
	National Credit and Commerce Bank Ltd	1,391,220,128	895,253,667
	One Bank Limited	-	402,150,112
	Prime Bank Limited	588,976,571	532,450,676
	Pubali Bank Limited	461,041,463	683,798,998
	Shajalal Islami Bank Limited	567,322,791	535,362,662
	Standard Chartered Bank Limited	1,113,590,210	472,966,327
	State Bank of India	-	176,386,377
	The City Bank Limited	650,133,025	244,839,288
	Trust Bank Limited	360,638,712	404,217,390
	United Commercial Bank Limited	283,303,285	171,205,750
	Uttara Bank	322,001,708	
18.07	Long term borrowings-current portion	12,026,114,279	11,575,015,169
10.07	This represent current portion of long term loans from financial institu-		
	tions which are repayable within next twelve months from January, 2013		
	and consist of as follows:		
	Syndicated term loan (note-14.01)	593,312,263	518,943,625
	Term loan for BMRE (note-14.03)	79,440,333	78,457,377
		672,752,596	597,401,002
18.a	Consolidated short term borrowings		
	BSRM Steels Limited (note-18.00)	15,321,160,171	14,598,426,207
	BSRM Iron & Steel Co. Limited	2,699,091,802	2,677,870,449
	Less: Inter-company elimination	<u> </u>	
10.00	Loop from valeted communica	18,020,251,973	17,276,296,656
19.00	Loan from related companies		E1 E70 000
	BSRM Recycling Industries Limited	-	51,570,000
	Bangladesh Steel Limited	-	180,000
	H.Akber Ali & co.		26,104,393 77,854,393
19.a	Consolidated loan from related companies		
	BSRM Steels Limited (note-19.00)	-	77,854,393
	BSRM Iron & Steel Co. Limited	-	786,441,091
	Less: Inter-company elimination	-	-
		-	864,295,484
20.00	Liabilities for expenses		
	Audit Fees	460,000	460,000
	Printing and stationeries	10,625	-
	Oxygen cylinder	-	41,374
	Brokerage and commission	25,342,468	22,376,739
	Bank Guarantee	15,961,554	-
	C & F Bill Payable	959,526	4,069,747
	Advertisement expense	12,633,814	11,687,517
	Godown rent	19,000	57,000
	Imprest cash settlement	154,758	193,716
	Insurance Payable	705,634	5,916,378

		2012 Taka	2011 Taka
	Liability against supply of goods	3,273,264	13,355,573
	Carriage on purchase	12,074,202	9,151,779
	Car rent	399,518	17,944
	Cleaning expense	50,459	-
	Gas bill payable	6,795,985	7,583,271
	Carriage on sales	60,755,124	37,527,825
	Pixel Studio	4,207	
	Salary & Allowances	12,232,055	2,681,814
	Telephone expenses	-	22,724
	Travelling Bill	145,370	-
	Carrying expenses	1,074,771	99,467
	Office rent, Dhaka	-	386,887
	Electrical supplies	12,960	12,960
	Concord Ready Mix & Concrete Products Ltd	79,524	79,524
	Electricity Charges	33,114	29,938
	Generator rent	29,750	-
	Consultancy fees	531,000	-
	Fee/Agency Fee	-	3,357,630
	Security expense	56,878	-
	Domiciliary expenses	556,639	39,421
	Utilities expenses	439,024	6,751
	Conference expense	182,998	
	Store and spares	-	628,874
	Inspection expense	30,141	10,098
	Sales promotion expense	265,286	-
	Others	82,355,391	5,290,067
		237,625,039	125,085,018
20.a	Consolidated liabilities for expenses		
	BSRM Steels Limited (note-20.00)	237,625,039	125,085,018
	BSRM Iron & Steel Co. Limited	183,842,525	35,730,907
	Less: Inter-company elimination	<u> </u>	<u> </u>
		421,467,564	160,815,925
21.00	Provision for WPPF and Welfare Fund		
	Opening balance	50,637,933	50,930,202
	Add: Provided during the year	68,253,148	50,637,933
	Less: Paid during the year	(50,637,933)	(50,930,202)
	Closing balance	68,253,148	50,637,933
21.a	Consolidated provision for WPPF and Welfare Fund		
	BSRM Steels Limited (note-21.00)	68,253,148	50,637,933
	BSRM Iron & Steel Co. Limited	10,546,581	7,479,019
00.00	A	78,799,729	<u>58,116,952</u>
22.00	Other liabilities		
	Advance against sales	146,081,700	225,388,457
	Income Tax deducted at source from salary	20,581	63,894
	Security Deposit	7,786,648	6,566,308
	Income Tax deducted at source-others	3,037,429	1,721,441
	VAT deducted at source	973,684	2,659,034

		2012 Taka	2011 Taka
	Earnest/Retention Money	4,682,726	18,700,381
	Liability against fractional bonus share	1,164,469	1,173,066
	Dividend payable	1,458,955	-
	Liability against share application money	7,601,814	7,901,815
	Interest payable	25,975,994	-
	Provision for bad debts	841,361	-
	Gratuity fund	17,621,521	-
	Provident fund	566,536	<u> </u>
		217,813,418	264,174,396
	Income Tax and VAT deducted at source above have subsequently been paid to the Govt. Exchequer.		
22.a	Consolidated other liabilities		
	BSRM Steels Limited (note-22.00)	217,813,418	264,174,396
	BSRM Iron & Steel Co. Limited	11,845,990	9,414,733
	Less: Inter-company elimination	<u> </u>	-
23.00	Revenue	229,659,408	273,589,129
	Xtreme-500W	37,026,645,368	28,863,940,179
	D-Bar Grade-60	15,954,105	91,923,197
	D-Bar GR300	4,326,999	113,766,248
	D-Bar GR 400	607,462,980	1,544,305,454
	D-Bar Grade-40	-	11,143,691
	D-Bar Grade-75	139,985,033	98,337,954
	Miss Rolls	459,090,172	502,302,059
	Melting Scrap	<u> </u>	8,991,545
		38,253,464,657	31,234,710,327
23.a	Consolidated revenue		
	BSRM Steels Limited (note-23.00)	38,253,464,657	31,234,710,327
	BSRM Iron & Steel Co. Limited	8,004,947,641	6,507,636,317
	Less: Inter-company sales by subsidiary	(7,996,017,162)	(6,499,743,691
		38,262,395,136	31,242,602,953
24.00	Cost of sales		
	Cost of sales- own production (note-24.01)	36,201,320,900	29,127,547,676
	Cost of sales- finished goods procured (note-24.02)	152,941,921	192,587,680
		36,354,262,821	29,320,135,356
24.01	Cost of sales-own production		
	Opening stock of raw materials	2,319,539,974	1,019,754,208
	Add: Purchase during the year	36,212,061,670	30,772,737,280
		38,531,601,644	31,792,491,488
	Less: Closing stock of raw materials	3,797,786,784	2,319,539,974
	Raw materials consumed	34,733,814,860	29,472,951,514

		2012 Taka	2011 Taka
	Add: Manufacturing expenses		
	Salary and wages	95,938,386	88,226,099
	Overtime	1,743,189	1,787,403
	Casual wages	3,153,978	1,373,430
	Factory overhead (note-24.04)	169,509,911	183,297,745
	Packaging cost	95,016,269	53,136,089
	Power	260,845,353	133,547,382
	Gas	103,979,278	97,129,865
	Management fees	99,159,222	76,159,065
	Fuel and Jubricants consumption	32,763,947	23,465,222
	Furnace oil consumption	131,154,974	22,498,124
	Mechanical store consumption	92,044,997	93,631,998
	MS Roll consumption	25,723,200	32,968,012
	Electrical store consumption	13,839,925	13,011,463
	General store consumed	6,122,266	6,481,103
	Godown rent	1,077,648	1,676,018
	Depreciation (Note- 4.00)	205,783,579	176,335,253
		1,337,856,122	1,004,724,271
	Cost of Goods Manufactured	36,071,670,982	30,477,675,785
	Add: Opening stock of Finished Goods	3,553,083,080	2,202,954,971
		39,624,754,062	32,680,630,756
	Add: Stock adjustment	19,884,703	<u> </u>
		39,644,638,765	32,680,630,756
	Less: Closing stock of Finished Goods	3,443,317,865	3,553,083,080
	Cost of sales	36,201,320,900	29,127,547,676
24.02	Cost of sales-finished goods procured and sold		
	Opening stock of finished goods	41,280,970	35,892,740
	Add: Finished goods purchased from outside	146,612,890	197,975,910
		187,893,860	233,868,650
	Less: Stock adjustment	19,884,703	<u>-</u> _
		168,009,157	233,868,650
	Less: Closing stock of finished goods	15,067,236	41,280,970
	Cost of sales	<u>152,941,921</u>	192,587,680
24.03	Quantitative movement of inventories		
	Raw Materials	M.Ton	M.Ton
	Opening stock	37,584	22,011
	Add: Imported during the year	488,413	409,038
	Add: Purchased from Sister concern	143,345	146,354
		669,342	577,403
	Less: Consumed /Sold during the year	598,090	539,819
	Closing stock	71,252	<u>37,584</u>

		2012 Taka	2011 Taka
	Finished Goods	M.Ton	M.Ton
	Opening stock	55,289	46,368
	Add: Produced during the year	580,147	523,624
	Add: Purchased from Sister Concern	1,978	3,149
	Add: Stock adjustment	33	35
	Stock available for sale	637,447	573,176
	Less: Sold during the year	_	-
	From own production	577,275	514,680
	From procured sources	2,102	3,207
		579,377	517,887
	Closing stock	58,070	55,289
24.04	Factory overhead		
	Bonus	3,397,913	4,741,712
	Carrying charges-raw materials	94,515,903	108,835,550
	Computer expenses	19,050	-
	Carrying charges-finished goods	21,065,455	10,298,371
	Finish goods handling charge	21,328,888	42,748,789
	Conveyance expenses	221,693	193,869
	Ex-Gratia allowance	2,986,850	-
	Electric expenses	244,954	-
	Entertainment	2,866,239	2,903,117
	Factory office expenses	111,525	35,650
	General expenses	-	99,996
	Generator expenses	530,202	1,513,656
	Guest house expenses	552,462	631,301
	Guest house rent	1,525,944	-
	Insurance expenses	4,104,138	4,585,602
	Leave assistance	125,000	-
	Gratuity	8,045,424	-
	Medical expenses	90,816	153,564
	Paper and periodical	5,578	6,272
	Postage and telegram	22,862	28,599
	Printing	4,130	2,400
	Stationery	1,203	24,795
	Repairs and maintenance	7,620,283	5,830,452
	Testing charges	55,117	663,000
	Uniform expenses	68,282	1,050
		169,509,911	<u>183,297,745</u>
24.a	Consolidated cost of sales		
	BSRM Steels Limited (note-24.00)	36,354,262,821	29,320,135,356
	BSRM Iron & Steel Co. Limited	7,406,462,780	5,903,643,328
	Less: Inter-company sales by subsidiary to BSRM Steels Limited	(7,996,017,162)	(6,499,743,691)
	Less: Adjustment for unrealized profit on opening inventory	(55,039,886)	(1,147,535)
	Add: Provision for unrealized profit on closing inventory	66,427,404	55,039,886
		35,776,095,957	28,777,927,344

25.00 Selling and distribution costs			2012 Taka	2011 Taka
Advertisement 129,354,415 177,651,703 Brokerage and commission 100,755,900 95,244,220 Carriage on sales 1143,349,651 85,269,959 Discount allowed - 741,307 Export charges 2,368,655 1,655,904 Electricity expenses-depot 1,045,165 605,177 Entotralimment 12,674,409 - 1,655,904 1,045,165 605,177 Entotralimment 12,674,409 - 1,655,904 1,045,165 605,177 Entotralimment 12,674,409 - 1,655,904 1,045,165 605,177 Entotralimment 1717,1590 - 1,655,904 1,045,165 605,177 Entotralimment 1717,1590 - 1,655,904 1,045,165 605,177 6,045,173 6,0	25 00	Salling and distribution costs	Tuku	luku
Brokerage and commission	25.00	_	129 354 415	117 661 703
Carriage on sales 143,349,651 85,269,959 Discount allowed 741,307 741,307 Export charges 2,368,655 1,655,504 Electricity expenses-depot 1,045,165 605,177 Entertainment 12,674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 1,2674,409 - 2,224,990 - 2,2674,5074 - 2,224,990 - 2,2674,5074 - 2,224,990 - 2,2674,5074 - 2,224,990 - 2,2674,5074 - 2,224,990 - 2,2674,5074 - 2,224,990 - 2,2674,5074 - 2,2674,50				
Discount allowed - 741,307 Export charges 2,368,655 1,655,904		•		
Export charges 2,368,655 1,655,904 Electricity expenses-depot 1,045,165 605,177 Enterlainment 1,674,409 - 1 Internet expenses 198,890 1 Debtors written off 171,590 - 1 Provision for bad debts 811,361 26,328,695 Promotional offer for dealers 30,313,461 26,328,695 Promotional offer for dealers 30,313,461 26,328,695 Godown rent 2,106,247 2,224,990 SSRM Iron & Steel Co. Limited - - SSRM Iron & Steel Co. Limited - - Directors' remuneration (note-26,01) 30,600,000 Salaries and allowances 83,378,174 55,365,006 Gratuly payment 9,836,577 454,424 Fees and renewals 5,977,658 12,126,066 Audit fees 5,977,658 12,126,066 Audit fees 4,837,183 5,419,236 Consulting fee 4,837,183 5,419,236 Conveyance expenses 1,912,000 Borus 3,985,422 1,995,488 Consulting fee 4,837,183 5,419,236 Conveyance expenses 1,912,000 Borus 3,985,424 1,985,488 Conveyance expenses 1,912,000 Internet expenses 4,379,140 9,939,161 Internet expenses 1,920,000 Motor car repairs 4,988,800 503,922 Generator expenses 1,722,342 Generator expenses 1,722,342 Generator expenses 1,722,342 Generator expenses 1,844,610 Generator expenses 1,844,600 Motor car expenses (Hired) 6,745,245 Generator expenses 1,844,600 Motor car expenses (Hired) 6,745,245 Generator expenses 1,82,407 Generator expenses (Hired) 6,745,245 Generator expenses 634,413 Generator expenses 678,866 G		-	140,040,001	
Electricity expenses-depot			2 368 655	
Entertainment 12,674,409		•		
Internet expenses				000,177
Debtors written off				-
Provision for bad debts Sales promotion expenses 30,313,461 26,328,699 Promotional offer for dealers 80,432,623 27,046,173 60down rent 2,106,247 2,224,990 503,612,367 356,778,132 85RM Steels Limited (note-25.00) 503,612,367 356,778,132 85RM Iron & Steel Co. Limited 503,612,367 366,778,132 367,786 367,786 367,786 367,786 367,786 367,786 367,786 367,786 367,786 367,786 367,786 367,786 36		·		-
Sales promotion expenses 30,313,461 26,328,699 Promotional offer for dealers 80,432,623 27,046,173 Godown rent 2,106,247 356,778,132 25.a Consolidated selling and distribution cost 503,612,367 356,778,132 BSRM Iron & Steel Co. Limited 503,612,367 356,778,132 26.00 Administrative costs 503,612,367 356,778,132 Directors' remuneration (note-26.01) 30,600,000 30,600,000 30,600,000 Salaries and allowances 83,378,174 55,365,006 Gratuity payment 9,836,557 454,424 Fees and renewals 5,977,658 12,126,066 Audit fees 549,700 460,000 Bonus 3,085,442 1,985,468 1,912,080 1,151,741 Conveyance expenses 1,912,080 1,151,741 1,151,741 Donation and subscriptions 9,077,284 5,182,457 Entertainment 3,993,227 6,341,840 Internet expenses 4,379,140 9,939,916 Motor car expenses 4,379,140 9,939,916				-
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25.a Consolidated selling and distribution cost BSRM Steels Limited (note-25.00) 503,612,367 356,778,132 26.00 Administrative costs 503,612,367 356,778,132 Directors' remuneration (note-26.01) 30,600,000 30,600,000 Salaries and allowances 83,378,174 55,385,006 Gratuity payment 9,836,557 454,424 Fees and renewals 5,977,658 12,126,066 Adulit fees 549,700 460,000 Bonus 3,085,442 1,985,468 Consulting fee 4,337,183 5,419,236 Conveyance expenses 1,912,080 1,151,741 Donation and subscriptions 9,077,284 5,182,457 Entertainment 3,398,327 6,341,840 Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,939,916 Motor car expenses 588,690 503,922 Motor cycle expenses 588,690 503,922 Motor cycle repairs 492,880 294,112 Car allowan		Godown rent	2,106,247	
BSRM Iron & Steel Co, Limited 503,612,367 356,778,132 BSRM Iron & Steel Co, Limited - - 26,000 Administrative costs - Directors' remuneration (note-26,01) 30,600,000 30,600,000 Salaries and allowances 83,378,174 55,365,006 Gratuity payment 9,836,557 454,424 Fees and renewals 5,977,658 12,126,066 Audit fees 549,700 460,000 Bonus 3,085,442 1,985,468 Consulting fee 4,837,183 5,419,236 Conveyance expenses 1,912,080 1,151,741 Donation and subscriptions 9,077,284 5,182,457 Entertainment 3,998,327 6,341,840 Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,393,916 Motor cycle expenses 588,690 503,922 Motor cycle repairs 4,986,841 2,148,699 Motor cycle repairs 4,986,841 2,148,699 Motor car expenses (Hired) 6,745,245			503,612,367	356,778,132
BSRM Iron & Steel Co, Limited 503,612,367 356,778,132 26.00 Administrative costs 503,612,367 356,778,132 26.00 Administrative costs 30,600,000 30,600,000 Salaries and allowances 83,378,174 55,365,006 Gratuity payment 9,836,557 454,424 Fees and renewals 5,977,658 12,126,066 Audit fees 549,700 460,000 80 nus 3,085,442 1,985,468 2,983,634 2,198,5468 2,192,606 4,837,183 5,419,236 5,977,658 12,126,066 Audit fees 5,977,658 12,126,066 Audit fees 4,837,183 5,419,236 5,977,658 12,126,066 Audit fees 4,837,183 5,419,236 5,977,658 12,126,066 Audit fees 4,837,183 5,419,236 5,000 6,000 8000 8000 8000 8000 8000 8000 8000 8000 8000 8000 1,151,741 9,007,284 5,182,457 1,224,450 9,007,284 5,182,457 1,224,450 1,224,450 9,007,284 1,182,457 1,224,450 1,2	25 a	Consolidated selling and distribution cost		
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26.00 Administrative costs Directors' reuneration (note-26.01) 30,600,000 30,600,000 Salaries and allowances 83,378,174 55,365,006 Gratuity payment 9,836,557 454,424 Fees and renewals 5,977,658 12,126,066 Audit fees 549,700 460,000 Bonus 3,085,442 1,985,468 Consulting fee 4,837,183 5,419,236 Conveyance expenses 1,912,080 1,151,741 Donation and subscriptions 9,077,284 5,182,457 Entertainment 3,998,327 6,341,840 Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,939,916 Motor car expenses 5,869 503,922 Motor cycle expenses 58,690 503,922 Motor cycle repairs 492,880 294,412 Car allowance 4,096,841 2,148,690 Motor car expenses (Hired) 6,745,245 - General expenses 1,523,946 380,540 Guest ho		,	503,612,367	330,778,132
26.00 Administrative costs Directors' remuneration (note-26.01) 30,600,000 30,600,000 Salaries and allowances 83,378,174 55,365,006 Gratuity payment 9,836,557 454,424 Fees and renewals 5,977,658 12,126,066 Audit fees 549,700 460,000 Bonus 3,085,442 1,985,468 Consulting fee 4,837,183 5,419,236 Conveyance expenses 1,912,080 1,151,741 Donation and subscriptions 9,077,284 5,182,457 Entertainment 3,998,327 6,341,840 Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,939,916 Motor car expenses 4,379,140 9,939,916 Motor cycle expenses 588,690 503,922 Motor cycle expenses 588,690 503,922 Motor cycle expenses 588,690 503,922 Motor cycle expenses 1,229,195 1,844,769 Motor cycle expenses 588,690 503,922		BSRIVI ITOH & Steel Co. Lillilled	503.612.367	356.778.132
Directors' remuneration (note-26.01) 30,600,000 30,600,000 Salaries and allowances 83,378,174 55,365,006 Gratuity payment 9,836,557 454,424 Fees and renewals 5,977,658 12,126,066 Audit fees 549,700 460,000 Bonus 3,085,442 1,985,468 Consulting fee 4,837,183 5,419,236 Conveyance expenses 1,912,080 1,151,741 Donation and subscriptions 9,077,284 5,182,457 Entertainment 3,998,327 6,341,840 Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,939,916 Motor car expenses 1,209,195 1,844,769 Motor cycle expenses 588,690 503,922 Motor cycle expenses 588,690 503,922 Motor cycle expenses 4,996,841 2,148,690 Motor expenses (Hired) 6,745,245 - Generator expenses 1,523,946 380,540 Guest house rent - 1,810,969 </td <td>26.00</td> <td>Administrative costs</td> <td></td> <td></td>	26.00	Administrative costs		
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Gratuity payment 9,836,557 454,424 Fees and renewals 5,977,658 12,126,066 Audit fees 549,700 460,000 Bonus 3,085,442 1,985,468 Consulting fee 4,837,183 5,419,236 Conveyance expenses 1,912,080 1,151,741 Donation and subscriptions 9,077,284 5,182,457 Entertainment 3,998,327 6,341,840 Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,939,916 Motor car repair 1,209,195 1,844,769 Motor cycle expenses 588,690 503,922 Motor cycle expenses 492,880 294,412 Car allowance 4,096,841 2,148,690 Motor car expenses (Hired) 6,745,245 - Generate expenses 1,722,342 - Generate expenses 1,723,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses				
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Bonus 3,085,442 1,985,468 Consulting fee 4,837,183 5,419,236 Conveyance expenses 1,912,080 1,151,741 Donation and subscriptions 9,077,284 5,182,457 Entertainment 3,998,327 6,341,840 Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,939,916 Motor cycle expenses 588,690 503,922 Motor cycle repairs 492,880 294,412 Car allowance 4,096,841 2,148,690 Motor car expenses (Hired) 6,745,245 - Generator expenses 1,722,342 - General expenses 1,523,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 1,844,900 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,7				
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Donation and subscriptions 9,077,284 5,182,457 Entertainment 3,998,327 6,341,840 Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,939,916 Motor car repair 1,209,195 1,844,769 Motor cycle expenses 588,690 503,922 Motor cycle repairs 492,880 294,412 Car allowance 4,096,841 2,148,690 Motor car expenses (Hired) 6,745,245 - Generator expenses 1,722,342 - General expenses 1,722,342 - Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,60		Consulting fee	4,837,183	5,419,236
Entertainment 3,998,327 6,341,840 Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,939,916 Motor car repair 1,209,195 1,844,769 Motor cycle expenses 588,690 503,922 Motor cycle repairs 492,880 294,412 Car allowance 4,096,841 2,148,690 Motor car expenses (Hired) 6,745,245 - Generator expenses 1,722,342 - General expenses 1,523,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 2,651,690 2,561,374 Training expenses 1,074,695		Conveyance expenses	1,912,080	1,151,741
Internet expenses 332,043 1,207,150 Motor car expenses 4,379,140 9,939,916 Motor cycle expenses 588,690 503,922 Motor cycle repairs 492,880 294,412 Car allowance 4,968,841 2,148,690 Motor car expenses (Hired) 6,745,245 - Generator expenses 1,722,342 - General expenses 1,523,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00)		Donation and subscriptions	9,077,284	5,182,457
Motor car expenses 4,379,140 9,939,916 Motor car repair 1,209,195 1,844,769 Motor cycle expenses 588,690 503,922 Motor cycle repairs 492,880 294,412 Car allowance 4,096,841 2,148,690 Motor car expenses (Hired) 6,745,245 - Generator expenses 1,722,342 - General expenses 1,523,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,40		Entertainment		6,341,840
Motor car repair 1,209,195 1,844,769 Motor cycle expenses 588,690 503,922 Motor cycle repairs 492,880 294,412 Car allowance 4,096,841 2,148,690 Motor car expenses (Hired) 6,745,245 - Generator expenses 1,722,342 - General expenses 1,523,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619		Internet expenses		
Motor cycle expenses 588,690 503,922 Motor cycle repairs 492,880 294,412 Car allowance 4,096,841 2,148,690 Motor car expenses (Hired) 6,745,245 - Generator expenses 1,722,342 - General expenses 1,523,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619				
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Car allowance 4,096,841 2,148,690 Motor car expenses (Hired) 6,745,245 - Generator expenses 1,722,342 - General expenses 1,523,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619		· ·		
Motor car expenses (Hired) 6,745,245 - Generator expenses 1,722,342 - General expenses 1,523,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619				
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General expenses 1,523,946 380,540 Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619				-
Guest house rent - 1,810,969 Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Traveling expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619				200 540
Repair and maintenance 1,464,161 - Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Traveling expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619		·	1,323,940	
Legal expenses 678,866 828,216 Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619			1 /6/ 161	1,010,909
Land revenue 184,490 271,459 Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619		·		828 216
Office rent 5,820,732 5,637,956 Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619				
Postage expenses 634,413 480,502 Printing 9,114,767 7,173,234 Stationery 2,648,270 1,529,827 Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619				
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Paper and periodicals 278,605 54,074 Telephone expenses 2,651,690 2,561,374 Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619		· ·		
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Training expenses 1,074,695 713,043 Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619				
Traveling expenses 12,736,547 12,924,351 Depreciation (note-4.00) 16,407,350 14,667,619				
Depreciation (note-4.00) 16,407,350 14,667,619				
000,111		Electricity expenses	806,610	980,774

178,899
164,654
51,080
82,161
-
-
325,893
41,722
_

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. No amount is lying as receivable from the directors.

26.a	Consolidated administrative cost		
	BSRM Steels Limited (note-26.00)	237,334,850	188,841,722
	BSRM Iron & Steel Co. Limited	43,719,948	41,987,535
		281,054,798	230,829,257
27.00	Other operating income		
	Miscellaneous income	2,145,158	751,792
	Loss on sale of fixed assets	(14,415)	(11,080)
		2,130,743	740,712
27.a	Consolidated other operating income		
	BSRM Steels Limited (note-27.00)	2,130,743	740,712
	BSRM Iron & Steel Co. Limited	7,626,000	7,592,505
		9,756,743	8,333,217
28.00	Finance costs		
	Interest on cash credit	20,701,942	9,911,897
	Interest on LTR	326,763,578	168,205,595
	Interest on demand and time loan	78,303,026	36,085,553
	Interest on syndicated term loan	137,795,456	176,969,476
	Interest on BMRE term loan	31,725,355	25,562,954
	Mortgage fees	556,500	-
	Agency fees	-	9,099,004
	Arrangers' commission	2,581,138	-
	Bill collection charge	10,199,368	6,782,474
	Bank charges	4,649,691	5,389,442
	Foreign currency exchange losses (note-30.00)	-	225,456,774

		2012 Taka	2011 Taka
	Interest income from loan to related companies	(321,788,764)	(259,994,751)
	Bank guarantee commission	188,249_	276,961
		<u>291,675,539</u>	403,745,379
28.a	Consolidated finance cost		
	BSRM Steels Limited (note-28.00)	291,675,539	403,745,379
	BSRM Iron & Steel Co. Limited	371,944,347	415,779,905
		663,619,886	819,525,284
29.00	Finance income		
	Interest on IPO deposit	5,056	44,616
	Interest income from FDR	45,991,098	46,739,815
	Interest on STD	4,621	23,787
	Foreign currency exchange gain (note-30.00)	446,024,745	-
	Interest on trade debtors	4,327,616	-
		496,353,136	46,808,218
29.a	Consolidated finance income		
	BSRM Steels Limited (note-29.00)	496,353,136	46,808,218
	BSRM Iron & Steel Co. Limited	28,111,059	3,354,834
		524,464,195	50,163,052
30.00	Foreign currency exchange gain/(loss)		
	Realized foreign currency transaction gain/ (loss) (note-30.01)	145,160,132	(46,276,135)
	Unrealized foreign currency translation gain/ (loss) (note-30.02)	300,864,613	(179,180,639)
		446,024,745	(225,456,774)
30 O1	Foreign currency transaction gain/ loss		

30.01 Foreign currency transaction gain/ loss

This represents net gain/(loss) on transaction in foreign currency during the year

30.02 Foreign currency translation gain/loss

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

31.00 Earnings per share (EPS)

Earnings per share (EPS) has been computed by dividing the net profit after tax (NPAT) by the weighted average number of ordinary shares outstanding as on 31 December 2012 as per BAS-33" Earnings Per Share". Diluted earnings per share was not required to calculate as there were no dilution during the year.

	Net profit after tax	865,331,037	839,205,050
	Weighted Average number of ordinary shares outstanding during the year	325,500,000	325,500,000
	Basic earnings per share (EPS) Diluted earnings per share	2.66 Nil	2.58 Nil
31.a	Consolidated earnings per share (CEPS) Net profit after tax	997,165,270	921,683,596
	Weighted average number of ordinary shares outstanding during the year Consolidated earnings per share (CEPS) as per share-attributable to	325,500,000	325,500,000
	equity holders of the parent	3.06	2.83

32.00 **Related Party Transactions**

Name	Relationship	Nature of Transactions	Outstanding as on 31.12.2012 (Debit balances)	Compensation
Bangladesh Steel Re-Rolling Mills Limited	Shareholder	Material supply/ Short term Loan /Sale of Rod	362,970,206	Market price
BSRM Wires Limited	Affiliated Company	Material supply/Loan	66,492,947	Market price
BSRM Iron and Steel Co. Limited	-D0-	Loan	3,327,500	Market rate
BSRM Ispat Limited	-D0-	-DO-	143,156,500	Market rate
BSRM Steels Mills Limited	-D0-	-D0-	459,993,424	Market rate
BSRM Logistics Limited	-DO-	-D0-	85,845,391	Market rate
BSRM Recycling Industries Limited	-D0-	-DO-	3,327,500	Market rate
Chittagong Power Company Limited	-DO-	Godown hire	71,859,550	Market price

33.00 The company has been maintaining a liaison office at Kolkata, India since 2007. During the year the company incurred equivalent BDT 2,420,936 as office expenses under different heads of accounts.

34.00	Contingent liabilities Contingent liabilities at the balance sheet date are as follows:	2012 Taka	2011 Taka
34.01	Bank guarantee		
	IFIC Bank Limited	23,464,163	12,916,566
	Trust Bank Limited	912,431	821,187
	Mercantile Bank Limited- Jubliee Road Branch	10,912,500	11,289,500
		35,289,094	25,027,253
34.02	L/C liabilities		
	Agrani Bank Limited	2,998,000	12,218,000
	Al Arafah Islami Bank Limited	332,927,000	-
	Bank Asia Limited, Agrabad Branch	332,112,375	140,333,104
	Bank Al Falah Limited, Agrabad Branch	453,172,000	127,037,658
	BRAC Bank Limited	-	148,998,120
	HSBC Bank	8,536,468	-
	Mercantile Bank Limited, Jubilee Road Branch.	283,386,427	-
	IFIC Bank Limited	10,275,453	-
	Commercial Bank of Ceylon	19,611,916	-
	One Bank Limited	322,768,431	165,585,686
	Pubali Bank Limited, Agrabad Branch	219,246,483	-
	Shahjalal Islami Bank Limited, Jubilee Road Branch	298,582,000	143,919,338
	United Commercial Bank Limited, Jubilee Road Branch	901,000	-
	Islami Bank Bangladesh Limited	277,031,500	-
	Dutch Bangla Bank Limited, Jubilee Road Branch	234,060,000	-
	Standard Chartered Bank	250,706,115	202,948,528
	Uttara Bank Limited	21,154,000	8,490,600
	Jamuna Bank Limited	236,377,000	<u> </u>
		3,303,846,168	949,531,034
34.03	Minimum tax liability under section 16 CCC of ITO,1984 (note-15.01)		
		278,127,327	143,539,036

2012	2011	
Taka	Taka	

35.00 Capital commitment

The company is contractually liable to pay USD 250,000 for availing the services from PWC, Pakistan for ERP implementation. Other than this the company has no capital commitment at the balance sheet date.

36.00 **Production capacity**

Installed Capacity (In M.Ton) yearly
Production (In M.Ton)
Capacity utilized (%)

37.00 **Employees**

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

550,000	550,000
580,147	523,624
105	95
-	-
523	472
523	472

38.00 **Event after the reporting period**

The Board of Directors in their meeting held on 28 February, 2013 recommended 10 % cash and 5% stock dividend for the vear 2012.

39.00 Financial risk management

International Financial Reporting Standard IFRS 7 - Financial Instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Group's policies for controlling risks and exposures.

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

- a) Credit risk
- Liquidity risk b)
- Market risk

39.01 Credit risk

Credit risk is the risk of a financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from distributors, institutional and export customers etc.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of steels (MS Rod and allied products).

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

a) Exposure to credit risk

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

	Amount in Taka 31-Dec-12	Amount in Taka 31-Dec-11
Trade receivable-Local customer	3,736,798,698	3,438,356,670
Advance, deposit and prepayments	1,041,308,610	2,823,948,039
Bank balances	1,057,972,765	536,451,576
	5,836,080,073	6,798,756,285
b) Ageing of receivables		
Dues within 3 months	3,718,091,312	2,382,605,012
Dues over 3 months but less than 6 months	6,794,796	1,021,287,118
Dues over 6 months	11,912,590	34,464,540
	3,736,798,698	3,438,356,670
	Amount in Taka	Amount in Taka
c) Impairment losses	841,361_	
Total impairment loss at the balance sheet date	<u>841,361</u>	NIL

d) Credit exposure by credit rating	As on 31 December 2012			
	Credit rating	Amount	(%)	
Trade receivable	NR	3,736,798,698	64.03%	
Advance, deposit and prepayments	NR	1,041,308,610	17.84%	
Cash and bank balances				
Cash in hand		1,871,219	0.03%	
Cash at bank		1,057,972,765		
Agrani Bank Limited	AAA	52,072,060	0.89%	
AB Bank Limited	AA3	18,132,876	0.31%	
Al - Arafa Islami Bank Limited	AA3	16,862,068	0.29%	
Bank Asia Limited	AA2	20,627,483	0.35%	
BRAC Bank Limited	AA3	(37,628,461)	-0.64%	
Bank Alfalah Limited	AA	28,063,627	0.48%	
Basic Bank Limited	AA2	260,717	0.00%	
Commercial Bank of Ceylon	AAA	8,254,652	0.14%	
Dhaka Bank Limited	AA3	8,982,728	0.15%	
Dutch Bangla Bank Limited	AA1	40,453,943	0.69%	
Eastern Bank Limited	AA	352,031,409	6.03%	
Habib Bank Limited	AA+	39,803,173	0.68%	
HSBC Bank	AAA	16,466,261	0.28%	
IFIC Bank Limited	AA2	16,752,060	0.29%	
Islami Bank Bangladesh Limited	AA+	24,248,518	0.42%	
International Leasing	AA2	30,000,000	0.51%	
Jumana Bank Limited	AA3	16,082,101	0.28%	
Mercantile Bank Limited	AA-	8,266,963	0.14%	
National Bank Limited	AA2	10,926,423	0.19%	
National Credit and Commerce Bank Limited	AA3	6,152,154	0.11%	
One Bank Limited, Agrabad Branch	AA3	33,974	0.00%	
Primier Bank	Α	8,583	0.00%	
Prime Bank Limited	AA+	45,801,395	0.78%	
Pubali Bank Limited	AA3	35,851,461	0.61%	

		2012 Taka	2011 Taka
Shajalal Islami Bank Limited	AA	9,508,909	0.16%
Social Islami Bank Limited	A+	1,305,995	0.02%
Sonali Bank Limited	A1	4,336,286	0.07%
Southeast Bank Limited	AA-	11,928,437	0.20%
Standard Chartered Bank	AAA	170,961,973	2.93%
State Bank of India	AA3	2,703	0.00%
The City Bank Limited	AA3	48,870,151	0.84%
The Trust Bank Limited	AA-	21,144,836	0.36%
United Commercial Bank Limited	A+	13,432,330	0.23%
Uttara Bank Limited	AA3	17,974,979	0.31%

39.02 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity (cash and cash equivalents) 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 group's reputation. Typically, the group ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the group seeks to maintain short term lines of credit with scheduled commercial banks (Note 18) to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly. In extreme stressed conditions, the group may get support from the subsidiary and associate company in the form of inter-company loan.

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying amount As on 31 December 2012 Taka	Maturity period (estimated)	Nominal Interest rate	Contractual cash flows Taka	Within 6 months or less Taka	Within 6-12 months Taka
Expenses and other liabilities	455,438,457	Mar-13	N/A	455,438,457	455,438,457	-
Short term bank loan	14,648,407,575	Jun-13	11.5%~14.5%	14,648,407,575	14,648,407,575	13,341,867,753
Current portion of long term loan	672,752,596	Dec-13	12%~16%	672,752,596	336,376,298	336,376,298

39.03 Market risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the group's income or the value of its holdings of financial instruments

a) Currency risk

The group is exposed to currency risk on certain purchase such as import of raw material. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of rawmaterials from abroad.

	31-Dec-12 (BDT equivalent)	31-Dec-11 (BDT equivalent)
i) Exposure to currency risk		
Foreign currency monetary assets and liabilities		
Assets		
Trade receivables	Nil	Nil
Cash at bank	16,437,071	6,636,659
	16,437,071	6,636,659
Liabilities		
Bank borrowing	12,026,114,279	11,575,015,169
Net exposure	12,009,677,207	11,568,378,510
The following significant exchange rates are applied at the balance sheet date:		
Exchange rate of US Dollar	79.80	81.99

(ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening or weakening of the Taka, as indicated below, against the USD at 31 December 2012 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

Sensitivity for foreign currency expenditures	FC Strengthening profit/(loss)	FC Weakening profit/(loss)	
	Taka	Taka	
At 31 December 2012 USD (3 percent)	(59,193,810)	662,373,046	

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Short term bank borrowings are, however, not significantly affected by fluctuations in interest rates. The group has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

(i) Profile

As at 31 December, the interest rate risk profile of the group's interest bearing financial instruments was:

Type of instruments	Carrying amount (BDT)		
	31-Dec-12		
Fixed rate instrument			
Financial asset	421,047,197		
Financial liability	13,709,376,023		
Variable rate instrument			
Financial asset	Nil		
Financial liability	NiI		

(ii) Cash flow sensitivity analysis for variable rate instruments

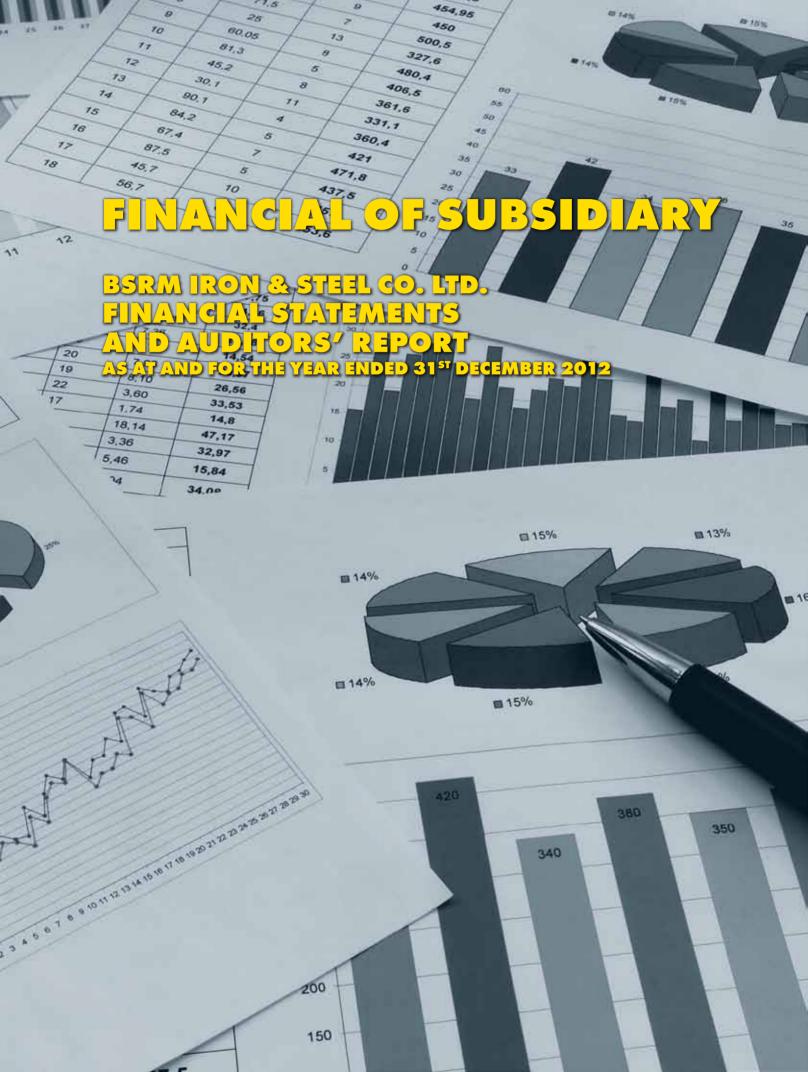
There being no variable rate instruments, sensitivity analysis has not presented.

39.04 Accounting classification and fair value

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	Carrying amount (Taka)	Fair value (Taka)
Assets carried at fair value through profit and loss	Nil	Nil
Held to maturity assets		
FDR with banks	421,047,197	421,047,197
Receivables and other assets		
Accounts and other receivable	3,736,798,698	3,736,798,698
Security deposit	509,349,867	509,349,867
Current account with associate	1,193,645,518	1,193,645,518
Cash and bank balances	1,059,843,984	1,059,843,984
Available for sale financial assets	Nil	Nil
Liabilities carried at fair value through profit and loss	Nil	Nil
Liabilities carried at amortized cost		
Accounts and other payables	Nil	Nil
Short term bank borrowing	14,648,407,575	*N/A
Current portion of long term borrowing	672,752,596	*N/A

^{*} Determination of fair value is not required as per the requirements of IFRS/BFRS 7 : Financial Instruments: Disclosures (ref: Para 29). However, fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.



BSRM Iron & Steel Co. Ltd. (BISCO)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2012

Dear Shareholders.

We have passed another operational year of BSRM Iron & Steel Co. Ltd. engaged in the manufacturing of Billets. Year 2012 was the third 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 2012 before you for your review, approval and adoption.

Review of Operation

In the year 2012, the company's production was increased by 14.01% while sales were also increased by 12.67%. In 2012, your company produced 1, 38,725 MT.

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	2012	2011
Sales	800.49	650.76
Gross Profit	59.85	60.40
Profit before interst taxes & WPPF	59.05	57.29
Less: Interest & WPPF	38.25	42.29
Less: Income Tax	6.07	1.30
Net Profit	14.73	13.70
EPS	1.34	1.25
Net Assets Value	201.84	134.69
Net Assets Value Per Share	18.35	12.24

Directors

In accordance with the provision of the Article of Association of the company Mr. Alihussain Akberali FCA and Mrs. Sabeen Aameir, the two directors of the company, representing one third of the number of existing directors retire by rotation in the Annual General Meeting and being eligible Mr. Alihussain Akberali FCA and Mrs. Sabeen Aameir offer themselves for re- appointment.

Dividend

Directors didn't recommend any dividend for the year ended December 31, 2012 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 re-appointment. Your Directors recommend their appointment for the ensuing year.

Outlook for 2013

Management of your company will continue its efforts to achieving sustainable growth of the company by adopting and investing in the state-of-the-art technology and management practices.

Post Balance Sheet Events

There is no 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.

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 FCA

Chairman

16 February, 2013

INDEPENDENT AUDITORS' 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, 2012 and the related Statement of comprehensive income for the year ended December 31, 2012. 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.

Oninion:

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, 2012 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

Chittagong, 16th February, 2013

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2012

	Notes	2012 Taka	2011 Taka
Assets			
Non-Current assets:			
Property, Plant and Equipment	04	3,544,723,474	2,346,660,068
Less:Accumulated Depreciation		(397,659,984)	(234,155,175)
		3,147,063,490	2,112,504,893
Capital work in progress	05	9,840,280	450,825,594
Total non-current assets		3,156,903,770	2,563,330,487
Current assets:			
Inventories	06	2,007,482,704	706,751,313
Trade Receivables	07	241,885,806	2,622,641,879
Due from affiliated companies	08	-	34,452,398
Advance, Deposits & Prepayments	09	283,990,825	213,905,553
Cash and Cash Equivalents	10	52,370,114	35,466,578
Total current assets		2,585,729,449	3,613,217,721
Total assets		5,742,633,219	6,176,548,208
Equity:			
Share Capital	11	1,100,000,000	1,100,000,000
Retained Earnings		394,167,823	246,904,265
Revaluation Reserve	12	524,195,793	-
Total equity attributable to equity holders of the compar	ту	2,018,363,616	1,346,904,265
Liabilities:			
Non-current liabilities			
Non-current portion of Long term loan	13	758,195,219	1,312,707,744
Deferred Tax	24	60,747,486	
Total non-current liabilities		818,942,705	1,312,707,744
Current liabilities:			
Short term liabilities	14	2,224,255,497	2,349,881,361
Liabilities for Expenses	15	183,842,525	35,730,907
Advance against sales		1,576,905	344,530
Current portion of Long term loan	13.01	474,836,305	327,989,088
Due to Affiliated Companies	16	10,000,005	786,441,091
Other Liabilities	17	10,269,085	9,070,203
Provision for WPPF & Welfare fund	23	10,546,581	7,479,019
Total current liabilities		2,905,326,898	3,516,936,199
Total liabilities		3,724,269,603	4,829,643,943
Total equity and liabilities		5,742,633,219	6,176,548,208
Net Asset Value (NAV) Per Share		18.35	12.24

Note: The annexed notes 01 to 27 form an integral part of these financial statements.

Managing Director

Director
Signed in items of our annexed report of even date.

Company Secretary

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area, Chittagong-4100
Date - Chittagong, 16th February, 2013

BASU BANERJEE NATH & CO. Chartered Accountants

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2012

	Notes	2012 Taka	2011 Taka
Revenue		8,004,947,641	6,507,636,317
Cost of goods sold	18	(7,406,462,780)	(5,903,643,328)
Gross Profit		598,484,861	603,992,989
General & Administrative Cost	19	(43,719,948)	(41,987,535)
		554,764,913	562,005,454
Other Income	20	7,626,000	7,592,505
Net Operating Profit		562,390,913	569,597,959
Financial Expenses	21	(371,944,347)	(415,779,905
Financial Income	22	28,111,059	3,354,834
		(343,833,288)	(412,425,071)
Net Profit before tax and WPPF and Welfare fund Less:Contribution to workers Profit Participation		218,557,625	157,172,888
Fund (WPPF) & Workers Welfare Fund	23	(10,546,581)	(7,185,779)
Net Profit Before Tax Income Tax Expenses:		208,011,044	149,987,109
Current Tax		-	(13,011,646)
Deferred Tax	24	(60,747,486)	-
		(60,747,486)	(13,011,646)
Net Profit after Tax for the year		147,263,558	136,975,463
Other Comprehensive Income:			
Revaluation of Property, Plant & Equipment	12	524,195,793	_
1 2 1 1 2		671,459,351	136,975,463
Earnings Per Shares (EPS)	25	1.34	1.25

Note: The annexed notes 01 to 27 form an integral part of these financial statements.

Managing Director

Director Signed in items of our annexed report of even date. Company Secretary

Taher Chamber (Ground Floor) 10, Agrabad Commercial Area, Chittagong-4100 Date - Chittagong, 16th February, 2013

BASU BANERJEE NATH & CO.

Chartered Accountants

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2012

Particulars	Share Capital Taka	Share Money Deposit Taka	Retained Earning Taka	Revaluation Reserve Taka	Total Taka
Balance as on January 01, 2011	1,100,000,000	-	109,928,802	-	1,209,928,802
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		1,346,904,265
Balance as on January 01, 2012	1,100,000,000	-	246,904,265		1,346,904,265
Net Profit/(Loss) after tax for the year	· _	-	147,263,558	-	147,263,558
Revaluation Reserve	-	-	-	524,195,793	524,195,793
Balance as on December 31, 2012	1,100,000,000		394,167,823	524,195,793	2,018,363,616

Mulmard Managing Director

Director

Signed in items of our annexed report of even date.

Company Secretary

BASU BANERJEE NATH & CO. Chartered Accountants

Taher Chamber (Ground Floor) 10, Agrabad Commercial Area, Chittagong-4100 Date - Chittagong, 16th February, 2013

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 Taka	2011 Taka
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash collection from customers	10,421,440,773	4,933,722,027
Cash payment for cost and expenses	_(8,851,922,675)	_(5,479,784,648)
Net cash provided by / (Used in) Operating Activities	1,569,518,098	(546,062,621)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Property, Plant & Equipment	(223,042,019)	(292,824,651)
Disposal of Property, Plant & Equipment	-	4,383,677
Capital work in progress	(9,840,280)	(450,825,594)
Net cash provided by / (Used in) Investing Activities	(232,882,299)	(729,266,568)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Affiliated Company's Transaction	(786,441,091)	628,063,841
Received of Short Term Loan	21,221,353	366,827,457
Repayment of Syndicated Term Loan	(554,512,525)	279,511,502
Net cash provided by / (Used in) Financing Activities	(1,319,732,263)	1,274,402,800
Net Cash Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	16,903,536	(926,389)
Cash and Cash Equivalents at the Beginning of the Year	35,466,578	36,392,967
Cash and Cash Equivalents at the End of the Year	52,370,114	35,466,578
	16,903,536	(926,389)
Net Operating Cash Flow per Share	14.27	(4.96)

Managing Director

Director

Signed in items of our annexed report of even date.

Company Secretary

Taher Chamber (Ground Floor)
10, Agrabad Commercial Area, Chittagong-4100
Date - Chittagong, 16th February, 2013

BASU BANERJEE NATH & CO. Chartered Accountants

NOTES TO THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2012

1.00 Legal form of Enterprise

The company was incorporated as a private Limited Company on 13th April, 2005, vide certificate No. CH-5415 of 2005 under the Companies Act, (No-XVIII), 1994. The Company was converted into a public limited company on March 15, 2011. The Company,s Registered and Corporate Office is situated at Ali Mansion, Sadarghat Road, Chittagong. It is a subsidiary company of BSRM Steels Limited.

1.01 Nature of the business

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

2.00 Basis of Preparation

2.01 Application of Standards

The following BFRSs and BASs are applicable for the financial statements of the company for the year under audit:

- BAS 1 Presentation of Financial Statements
- **BAS 2 Inventories**
- BAS 7 Statement of Cash Flow
- BAS 8 Accounting policies, Changes in Accounting Estimates and Errors
- BAS 10 Events after the Reporting Period
- BAS 12 Income Taxes
- BAS 16 Property, Plant and Equipment
- BAS 17 Leases
- BAS 18 Revenue
- BAS 19 Employee Benefits
- BAS 21 The Effects of Changes in Foreign Exchange Rates
- **BAS 23 Borrowing Costs**
- BAS 24 Related Party Disclosures
- BAS 33 Earning Per Share
- BAS 37 Provisions, Contingent Liabilities and Assets
- BAS 38 Intangible Assets

2.02 Statement of compliance

The financial statements have been prepared in compliance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS).

2.03 Basis of measurement

These financial statements have been prepared on a going concern basis under historical cost convention.

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 cover 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 Foreign currency

Transactions in foreign currency are translated 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 statement of comprehensive income by being absorbed in the respective date of income & expenditure.

3.02 Property, Plant & Equipment

3.02.01 Recognition and measurement

Property, Plant & Equipment except land & land development 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 and 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 & Equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant & Equipment.

KPMG Bangladesh (Rahman Rahman Huq, Chartered Accountants), 102 Agrabad C/A, Chittagong, has been engaged by the company to estimate fair market value of the land at different locations in Bangladesh as at 31st May 2012. Rahman Rahman Huq also engaged qualified surveyors Asian surveyors Ltd, 28 Dilkhusha C/A, Dhaka 1000, for veryfing the land and it's market price.

The valuation had been conducted using the market value method as this is the most commonly used and appropriate for valuation of lands under prevailing circumstances. In the process of valuation, Information from the Land brokers and other related sources, price factors of similar land in the locality, published mouza rates, recent transfer of land in this area have been considered.

As per valuation report the net revaluation gain stood TK. 524,195,793 (Note No 12.00). This Revaluation gain has been recognized in these Financial Statements.

3.02.02 Subsequent costs

The cost of replacing parts 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 the statement of comprehensive income as expenses.

3.02.03 Depreciation

Depreciation is recognised in the statement of comprehensive income on diminishing balance method over the estimated useful lives of property, plant and equipment. Full year's depreciation is charged on addition irrespective of the date of acquisition except Shearing Machine, which is charged for three months. The principal annual rates are as follows.

Name of the Assets	Rates (%)
Plant & Machinery	7.50-20%
Motor Vehicles	20%
Furniture & Fixture	10%
Office Equipment	10%
Factory Building	5%
IT Equipment	20%

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

3.02.04 Capital work in progress

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is complete and measured at cost.

3.03 Inventories

Inventories are valued at the lower of cost and estimated net realizable value (NRV). The cost of inventories is valued at weighted average method and includes expenditures for acquiring the inventories and bringing them to their existing location and condition in accordance with BAS-2. Net realizable value (NRV) is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. When inventories are used, the carrying amount of those inventories is recognized in the period in which the related revenue is recognized. Inventories comprise Raw Materials (Heavy Melting steel scarp, Shredded scarp & Sponge Iron) Store items, Finished goods etc.

3.04 Trade receivables

Trade & other receivables are recognized at cost which is the fair value of the consideration given.

3.05 Advance, deposits & prepayments

Advance are initially measured at cost. After initial recognition, advance 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 statement of comprehensive income.

3.06 Cash & Cash Equivalents

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

3.07 Impairment

Financial Assets

Financial Assets are impaired if objective evidence indicates that a loss event has occured 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 13.04.2011. The provident Fund starts its operation from 1st July, 2011. Both employees & 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-25 of 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 expense

Interest income has been recognised on Cash basis. Interest expenses incurred during the year has been charged to the Statement of Comprehensive Income.

3.12 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.

3.13 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 06 August 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 financial statements.

Deferred tax:

The Company has adopted deferred tax accounting policy as required in BAS-12/IAS-12 (Income taxes). Accordingly deferred tax assets/ liabilities is accounted for on all temporary timing differences arising from the tax base of the assets and liabilities and their carrying value for financial reporting purpose.

3.14 Comparative Information and Rearrangement thereof

In accordance with the provisions of BAS-34, Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Figures for the year 2011 have been rearranged wherever considered necessary to ensure comparability with the current year and amounts in the financial statements have been rounded off to the nearest taka. ."

3.15 Revenue Recognition

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net off returns and allowances, Value Added Tax etc.

3.16 Financial instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash, bank balances & FDR.

Advance from customers

Advance from customers are recognised at fair value at 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 expired.

Trade receivables

Trade debtors are recognised at fair value.

Share capital

Ordinary share are classified as equity.

Property, Plant and Equipment: 4.00

At Revalued Model:

		Œ	Revaluation				Depreciation		
Assets Category	Opening balance as on January 01, 2012	Addition	Adjust/ Disposal	Revaluation adjustment for gain on revaluation	Closing blance as on December 31, 2012	Opening blance as on January 01, 2012	Changed during the year	Closing blance as on December 31, 2012	Carrying amount as on December 31, 2012
	TK	X	TK	TK	TK	ΤK	TK	ΤΚ	TK
Land & Land Development	207,016,240	9,568,032		524,195,793	740,780,065	1	1	1	740,780,065
Plant & Machinery	1,665,874,238	517,702,219	ı	ı	2,183,576,457	188,191,517	127,096,661	315,288,178	1,868,288,279
Motor Vehicles	23,389,282	14,815,607	ı	ı	38,204,889	6,860,856	6,268,807	13,129,663	25,075,226
Factory Building	421,259,466	127,275,493	I	ı	548,534,959	32,723,881	25,790,554	58,514,435	490,020,524
Furniture & Fixture	9,003,510	1,254,341	ı	ı	10,257,851	1,098,536	915,931	2,014,467	8,243,384
Office Equipment	15,901,355	2,213,021	ı	ı	18,114,376	4,193,743	2,599,209	6,792,952	11,321,424
IT Equipment	4,215,977	1,038,900	ı	ı	5,254,877	1,086,642	833,647	1,920,289	3,334,588
BALANCE AS AT DECEMBER 31,2012	2,346,660,068	673,867,613		524,195,793	3,544,723,474	234,155,175	163,504,809	397,659,984	3,147,063,490
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

At Cost Model:

			Cost				Depreciation		
Assets Category	Opening balance as on January 01, 2012	Addition	Adjust/ Disposal	Revaluation adjustment for gain on revaluation	Closing blance as on December 31, 2012	Opening blance as on January 01, 2012	Changed during the year	Closing blance as on December 31, 2012	Carrying amount as on December 31, 2012
	TK	TK	TK	TK	TK	TK	TK	TK	TK
Land & Land Development	207,016,240	9,568,032		1	216,584,272	ı	1	ı	216,584,272
Plant & Machinery	1,665,874,238	517,702,219	1	1	2,183,576,457	188,191,517	127,096,661	315,288,178	1,868,288,279
Motor Vehicles	23,389,282	14,815,607	1	1	38,204,889	6,860,856	6,268,807	13,129,663	25,075,226
Factory Building	421,259,466	127,275,493	1	1	548,534,959	32,723,881	25,790,554	58,514,435	490,020,524
Furniture & Fixture	9,003,510	1,254,341	1	1	10,257,851	1,098,536	915,931	2,014,467	8,243,384
Office Equipment	15,901,355	2,213,021	ı	ı	18,114,376	4,193,743	2,599,209	6,792,952	11,321,424
IT Equipment	4,215,977	1,038,900	1	1	5,254,877	1,086,642	833,647	1,920,289	3,334,588
BALANCE AS AT DECEMBER 31,2012	2,346,660,068	673,867,613	Ī	1	3,020,527,681	234,155,175	163,504,809	397,659,984	2,622,867,697
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

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Manufacturing expenses(NO. 18.00) General & Administrative Cost(NO. 19.00)

2011 TAKA	145,008,265	8,571,234	153,579,499
2012 TAKA	152,887,215	10,617,594	163,504,808

		2012 Taka	2011 Taka
5.00	Capital Work in Progress:		
	Civil Construction	9,840,280	40,462,766
	Store Yard (CPCL)	-	28,591,594
	Shearing Machine for Baroawlia Site	-	373,731,956
	Slug Crushing Machine for Bhatiary site		8,039,278
		9,840,280	450,825,594
6.00	Inventories:		
	Raw Materials	1,691,324,272	454,409,525
	Finished Goods	95,379,864	48,158,060
	Consumable Stores Stock (Note No.6.03)	220,778,568	204,183,728
		2,007,482,704	706,751,313
6.01	Raw Materials (In Quantity):	MT	MT
	Opening Stock of Raw Materials	11,362.39	17,116.43
	Add: Purchase during the year: Local Purchase	101,183.65	57,715.87
	Import-Scrap	56,621.80	47,888.55
	Import Sorap Import- Sponge Iron	19,797.57	16,964.76
	Raw Material Available for Manufacture	188,965.41	139,685.61
	Less: Sale of Raw Material	120.31	239.81
	Less: Closing Stock of Raw Materials	42,818.34	11,362.39
	Consumption	146,026.76	128,083.41
6.02	Finished Goods (In Quantity):	MT	MT
	Opening Stock of Finished Goods	999.15	1,753.33
	Add: Manufactured	138,725.42	121,679.24
	Goods Available for Sales	139,724.57	123,432.57
	Less: Sales	137,946.71	122,433.42
	Closing Stock of Finished Goods	1,777.86	999.15
6.03	Consumable Store Stock:		
	Mechanical Store	23,746,144	15,222,920
	Electrical Store	12,903,655	10,433,280
	General Store	14,161,525	11,078,776
	Fuel & Lubricants Store	8,676,416	4,761,999
	Ferro silicon	7,151,756	7,132,320
	Consumable Store(others)	154,139,072 220,778,568	155,554,433 204,183,728
7.00	Trade Receivables:		
- 100	BSRM Steels Limited.	241,702,059	2,616,285,957
	Bangladesh Steel Re-Rolling Mills Limited	-	6,031,286
	Others	183,747	324,636
		241,885,806	2,622,641,879

		2012 Taka	2011 Taka
8.00	Due From Affiliated Companies:		
	BSRM Wires Ltd.	-	9,200,108
	Chittagong Power Co. Ltd.	-	109,400
	H. Akber Ali & Co. Ltd.		25,142,890
	AL . AU =		34,452,398
	Note: All Transaction among the affiliated companies have been made through		
	A/C Payee cheque/Bank Transfer & interest were charged accordingly.		
9.00	Advance, Deposits & Prepayments:		
	For Expenses (Note No.9.01)	77,450,993	38,871,202
	Security Deposit (Note No.9.02)	23,918,541	22,674,649
	Guarantee Margin (Note No.9.03)	10,373,808	10,035,808
	Advance against LC	16,658,438	22,790,433
	Staff Loan	643,893	1,298,707
	LC Margin	66,461,229	66,277,064
	Advance Income Tax	42,154,456	12,110,963
	VAT Current Account	142,814	73,055
	Advance For Scrap	46,186,653 283,990,825	39,773,672 213,905,553
9.01	Advance for Expenses:		213,303,333
0.01	Bangladesh Power Development Board (12KM Power Line Construction)	45,380,204	_
	Heidelberg Cement Ltd.(Cement Supply)	2,238,553	3,284,997
	Hujaternessa (MRS)- Takurdighi(Land Purpose)	30,000	30,000
	Ideal Engineering & Construction(Civil Construction)	12,981,921	2,674,934
	Ilias (MD) - Takurdighi(Land Purpose)	100,000	100,000
	Intertek BD.Ltd(Raw Material Supply)	-	1,250
	Jakir Hossain(Takurdighi)(Land Purpose)	50,000	50,000
	Jamuna Oil Co.Ltd.(Lubricant Supply)	118,220	44,808
	Junayed Hossain(Foreigner Visa Renewal)	8,000	65,840
	Korban Ali Dev. Corporation(Construction Work)	9,955,561	2,500,000
	Main Uddin - Takurdighi)(Land Purpose)	25,000	25,000
	Shahinur Akter - Takurdighi(Land Purpose) Shekh Tajul Islam - Takurdighi(Land Purpose)	50,000 50,000	50,000 50,000
	Vortex Investments Ltd.	616,950	616,950
	Receivable against interest	1,967,516	18,968,686
	City General Insurance Co. Ltd.	19,786	-
	Crystal Insurance Co. Ltd.	198,819	-
	Continental Insurance Co. Limited	8,748	-
	Federal Insurance Co. Ltd.	117,080	-
	Insurance Prepaid	386,920	-
	Kamrul Hasan	13,000	-
	Mercantile Insurance Co. Ltd.	3,377	-
	Padma Oil Co. Ltd.	546,300	-
	Pimpol Chy.	15,000	-
	Republic Insurance Co. Ltd.	418,614	-
	Reliance Insurance Co. Ltd	123,069	-
	Technic & Engineering Union Insurance Co. Ltd.	322,641	-
	Zakir Hossain (Site Engineer)	204,238 2,849	-
	Others	1,498,627	10,408,737
		77,450,993	38,871,202

			2012 Taka	2011 Taka
9.02	Security Deposits:		Turtu	Tuttu
0.02	Power Development Board,Ctg(33kv)		18,600,000	18,600,000
	T & T Department Chittagong		2,000	2,000
	Mr.Nuruddin (Guest House Rent)		_, <u>-</u>	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	se Rent)	60,000	60,000
	Sharif Alam(Guest House Rent)	,	48,000	96,000
	Bakhrabad Gas Systems Ltd.		1,347,588	1,347,588
	Brothers Prokaushali Workshop(Gas Cylinda	ır)	400,000	400,000
	Humayun Kabir(Guest House Rent)		-	12,000
	Premier LP GAS Ltd.(Gas Cylindar)		46,000	46,000
	Zilla Commandant Anser & VDP		270,511	270,511
	Bangladesh Oxygen Corporation Limited		448,000	448,000
	Power Development Board, (Barawlia)		1,800,000	600,000
	Mohammadia Trading.(Gas Cylindar)		151,800	151,800
	Nurul Alam (Guest House)		14,000	-
	Continental Traders (BD) Limited		40,000	-
	Linde Bangladesh Limited		120,000	-
	Hanjin Shipping (BD) Limited		532,892	
			23,918,541	22,674,649
0.00	Overventes Manning			
9.03	Guarantee Margin:		400,000	400,000
	BG # 13/09 (Trust) against L/C		460,303	460,303
	BG # 03/10 (AAIBL) against L/C		26,275	26,275
	BG # 77515 (UCBL) against L/C		9,068,430	9,068,430
	BG # 28/12 (MBL) against L/C		122,000	-
	BG # 30/12 (MBL) against L/C		104,000	-
	BG # 32/12 (MBL) against L/C		40,000	-
	BG # 34/12 (MBL) against L/C		72,000 480,800	400 000
	Bakhrabad Gas System Ltd.		10,373,808	480,800 10,035,808
10.00	Cash & Cash Equivalents:			
	Cash in Hand	(No. 10.01)	380,344	450,636
	Cash at Bank	(No. 10.02)	1,189,937	4,158,718
	FDR Account	(No. 10.03)	50,799,833	30,857,224
			52,370,114	35,466,578
10.01	Cash in Hand:			
	Head Office		135,142	60,552
	Factory Office		233,174	368,253
	Imprest Cash (Medical assistant)		12,028	21,831
40.00			380,344	450,636
10.02	Cash at Bank:		(54.000)	405 707
	Agrani Bank Limited		(54,099)	185,707
	(Laldighi corporate Branch, Chittagong.)		07 751	101.00
	City Bank Limited		67,520	164,001
	(Agrabad Branch, Chittagong.)		0.12	00.500
	Trust Bank Limited		249	93,533

	2012 Taka	2011 Taka
(O.R.Nizam Road,Branch, Chittagong.)		
United Commercial Bank Limited (UCBL)	2,738	168,443
(Jubilee Road Branch, Chittagong.)		
Islami Bank Bangladesh Limited	1,938	1,282,859
(Jubilee Road Branch, Chittagong.)		
Sonali Bank Limited	24,383	9,082
(Kalibari Branch.)		
Hongkong Shanghai Banking Corporation Limited	(1,347,595)	(460,312)
(Chittagong Branch.)		
Mutual Trust Bank Limited	4,987	19,434
(Chittagong Branch.)		
United Commercial Bank Limited (ESCROW A/C)	17,810	718
(Jubilee Road Branch, Chittagong)		
One Bank Limited	-	1,640,921
(Agrabad Branch, Chittagong.)	400	00.000
Dhaka Bank Limited	166	86,638
(Jubilee Road Branch, Chittagong.)	4 005 070	
Habib Bank Limited	1,625,379	-
(Chittagong Branch.)	4.075	0.740
Janata Bank Limited	4,075	6,710
(Laldighi Br. Ctg.)	114.550	17 41 4
Al-Arafah Islami Bank Limited	114,552	17,414
(Agrabad Branch, Chittagong.)	0.001	4.477
Standard Branch Chitterana	2,981	4,477
(Agrabad Branch, Chittagong.)	7.000	10.670
Shahjalal Islami Bank Limited	7,266	10,679
(Jubilee Road Branch, Chittagong.) Prime Bank Limited	62,442	17 /60
(O.R.Nizam Road,Branch, Chittagong.)	02,442	17,468
Mercantile Bank Limited		7,538
(Jubilee Road Branch, Chittagong.)		7,550
Social Islami Bank Limited	86,072	649
(Jubilee Road Branch, Chittagong.)	00,072	043
Dutch Bangla Bank Limited	(2,701,880)	36,788
(Jubilee Road Branch, Chittagong.)	(2,701,000)	00,700
National Bank Limited	4,077	209,939
(Jubilee Road Branch, Chittagong.)	1,017	200,000
Dhaka Bank Limited	9,216	31,474
(Jubilee Road Branch, Chittagong.)	-,-:-	- 1, 11
BANK AL-FALAH Limited	37,681	9,135
(Agrabad Branch, Chittagong.)	,	,,,,,
Eastern Bank Limited	2,507,586	-
(Agrabad Branch, Chittagong.)	, ,	
State Bank Of India Limited	28,743	68,360
(Agrabad Branch, Chittagong.)		
IFIC Bank Limited	622,898	547,063
(Agrabad Branch, Chittagong.)		
National Credit & Commerce Bank Limited	19,949	_
(Agrabad Branch, Chittagong.)		

NOTES TO THE FINANCIAL STATEMENTS

	2012 Taka	2011 Taka
Bank Asia	32,871	-
(Agrabad Branch, Chittagong.)		
Sonali Bank Limited	7,932	-
(Laldighi Br. Ctg.)	1,189,937	4,158,718

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:

FDR No.	Opening Balance	During The Year	Net Interest	Encashment	2012 Taka	2011 Taka	Maturity Date
UCBL(41200003451)	30,805,546	-	3,484,883	-	34,290,429	30,805,546	17.06.2013
UCBL(41200024131)	33,382	-	3,287	-	36,669	33,382	02.12.2013
UCBL(41200024584)	18,296	-	459	_	18,755	18,296	29.03.2013
CITY(410113040001)	-	8,200,000	76,874	8,276,874	-	-	-
CITY(410113040002)	-	2,620,000	149,446	2,769,446	-	-	-
CITY(410113040003)	-	8,200,000	230,625	8,430,625	-	-	-
CITY(410113040004)	-	345,000	9,703	-	354,703	-	20.03.2013
CITY(410113040005)	-	1,828,000	51,412	-	1,879,412	-	20.03.2013
CITY(410113040006)	-	1,832,000	51,525	-	1,883,525	-	20.03.2013
CITY(410113040007)	-	437,000	12,290	-	449,290	=	25.03.2013
CITY(410113040008)	-	3,664,000	103,050	-	3,767,050	-	25.03.2013
CITY(410113040009)	-	1,681,000	-	-	1,681,000	-	23.01.2013
CITY(410113040010)	-	300,000	=	-	300,000	=	31.01.2013
Trust (0330009866)	-	3,573,000	-	-	3,573,000	-	10.06.2013
Trust (0330009884)	-	1,666,000	-	-	1,666,000	-	24.06.2013
DBL (183100000698)	-	5,000,000	98,867	5,098,867	-	-	-
DBBL (14250301821)	-	900,000	-	-	900,000	-	12.01.2013
DBBL (14250301704)		1,900,000	109,688	2,009,688	-	-	_
TOTAL	30,857,224	42,146,000	4,382,109	26,585,500	50,799,833	30,857,224	

11.00 Share Capital:

Authorised Capital:

300,000,000 Ordinary shares of Tk.10.00 each 3,000,000,000 3,000,000,000

Issued, Subscribed & Paid up Capital:

1,100,000,000 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	2012 Taka	2011 Taka
Mr. Alihussain Akberali FCA	1,258,250	12,582,500	12,582,500
Mr.Aameir Alihussain	59,250	592,500	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

NOTES TO THE FINANCIAL STATEMENTS

12.00 Revaluation Reserve:

Location of the Lands	Area in Decimals	Mutated at Decimals	Per Decimal Price	Book Value TK.	Revalued Amount TK.	Gain on Revaluation as 31.12.2012	Gain on Revaluation as at 31.12.2011
i) Nasirabad I/A Baizid Bostami Road Chitt- agong on the side of Baizid Bostami Road.	221.25	221.25	2,500,000	168,860,441	553,125,000	384,264,559	-
ii) Baroawilia in Sitakunda Police Station.	35.50	35.50	1,000,000	2,102,550	35,500,000	33,397,450	-
iii) West Gomdandi, Boalkhali, Chittagong.	747.04	696.54	175,000	15,360,716	121,894,500	106,533,784	+
Total:	1,003.79	953.29		186,323,707	710,519,500	524,195,793	_

		2012 Taka	2011 Taka
13.00	Non-current Portion of Long Term Loan:		
13.00	Syndicate Term Loan(Note NO.13.02)	564,237,063	857,372,102
	Lease Liability(DBL)	139,451,531	329,762,067
	IPDC Term Loan A/C	32,462,136	86,672,401
	ULC Term Loan A/C	22,044,489	38,901,174
	ozo isim zoanivo	758,195,219	1,312,707,744
13.01	Current Portion of Long Term Loan:		
	Syndicate Term Loan(Note NO.13.02)	295,656,942	263,409,983
	IPDC Term Loan A/C	53,499,201	46,050,470
	ULC Term Loan A/C	17,313,670	15,286,221
	Lease Liability(DBL)	108,366,492	3,242,414
		474,836,305	327,989,088
13.02	Syndicate Term Loan:		
	Due within one year	295,656,942	263,409,983
	Due after more than one year	564,237,063	857,372,102
		859,894,005	1,120,782,085
	Lender wise details of syndication term loan are as follows:		
	Bangladesh Development Bank Limited (Former BSRS)	38,253,236	49,860,240
	Bank Asia Limited	30,868,186	40,234,378
	City Bank Limited	61,720,223	80,447,706
	Eastern Bank Limited	61,730,774	80,461,459
	Industrial & Infrastucture Development Finance Company (IIDFC) Limited	33,401,776	43,514,876
	Janata Bank Limited	92,527,778	120,599,948
	Mutual Trust Bank Limited	61,687,132	80,404,574
	One Bank Limited	51,165,979	66,691,037
	Rupali Bank Limited	61,637,187	80,335,926
	Sonali Bank Limited	120,092,426	156,531,518
	Standard Bank Limited	92,604,559	120,703,135
	Trust Bank Limited	30,868,186	40,234,378
	United Commercial Bank Limited	92,521,135	120,597,298
	Dhaka Bank Limited	30,815,428	40,165,612
		859,894,005	1,120,782,085

NOTES TO THE FINANCIAL STATEMENTS

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%, During the year 2011 it was 13% but subsequently the rate has been increased to 15.50% 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.

			2012 Taka	2011 Taka
14.00	Short Term Liabilities:			
	Loan Against Trust Receipt(LTR)	(Note No. 14.01)	1,192,520,165	1,368,524,292
	Inland Foreign Documentary Bills for collection (IFDBC)	(Note No. 14.02)	773,335,90	793,210,412
	Cash Credit (C.C) & Overdraft	Note No. 14.03)	258,399,431	188,146,657
			2,224,255,497	2,349,881,361
14.01	Loan Against Trust Receipt(LTR)			
	IFIC Bank Limited.		4,113,041	43,839,637
	Islami Bank Limited.		431,328,306	452,185,168
	Mercantile Bank Limited.		78,400,140	304,570,218
	Al-Arafah Bank Limited.		6,897,760	18,666,461
	United Commercial Bank Limited.		21,464,978	45,069,907
	Shahjalal Islami Bank Limited.		5,839,907	139,567,431
	One Bank Limited.		23,083,963	93,885,849
	City Bank Limited.		287,634,835	37,742,174
	Eastern Bank Limited.		19,694,561	44,733,112
	AB Bank Limited.		-	104,546,687
	Social Islami Bank Limited.		-	74,019,139
	Dhaka Bank Limited.		-	9,698,509
	Dutch Bangla Bank Limited		32,535,600	-
	Bank Al-Falah Limited		130,813,133	-
	Prime Bank Limited		150,713,941_	
			1,192,520,165	1,368,524,292

		2012 Taka	2011 Taka
14.02	Inland Foreign Documentary Bills for Collection (IFDBC):		
	IFIC Bank Limited.	_	17,900,354
	Islami Bank Limited.	81,638,322	52,760,796
	Mercantile Bank Limited.	39,205,285	92,984,491
	National Bank Limited.	17,646,914	40,463,812
	UCBL Bank Limited.	70,814,880	84,590,309
	Prime Bank Limited.	37,194,779	94,621,939
	One Bank Limited.	65,429,591	104,852,965
	AB Bank Limited	47,154,143	151,529,946
	Eastern Bank Limited.	135,054,694	153,505,800
	Shahajalal Islami Bank Limited	63,642,603	-
	Dutch Bangla Bank Ltd.	22,552,323	-
	City Bank Limited	193,002,367	-
	•	773,335,901	793,210,412
14.03	Cash Credit (CC) & Overdraft:		
	Mutual Trust Bank Limited. (SOD)	197,263,359	132,005,416
	Janata Bank Limited.(CC HYPO)	33,673,598	53,713,294
	AB Bank Limited.	190,048	27,481
	City Bank Limited.(CC HYPO)	47,560	294,258
	One Bank Limited.	10,449,118	
	Mercantile Bank Limited	16,775,748	-
	Habib Bank Limited.	-	1,014,207
	Eastern Bank Limited.	-	1,092,001
		258,399,431	188,146,657
15.00	Liabilities for Expenses:		
10100	For expenses(Note No.15.01)	87,080,970	9,872,211
	Liabilities for Scrap Purchase (Note No.15.02)	58,061,555	23,186,040
	Liabilities for L/C	38,700,000	2,672,656
		183,842,525	35,730,907
15.01	For Expenses:		
	Salary & Allowances	2,679,611	1,482,697
	Gratuity	5,931,119	-
	Godown Rent (Ruby Investment)	57,000	134,820
	Basu Benerjee Nath & Co.	50,000	40,000
	C & F Expenses	1,289,221	1,147,299
	Carrying Expenses	6,941,952	2,891,573
	Insurance Expenses	12,486	937,260
	Local Purchase Electricity Expenses	3,654,363 1,414,911	2,487,167
	Telephone Expenses	736	_
	Domicillary Expenses	115,528	-
	Casual wages	612,195	_
	Tiffin Allowance F.O.	181,850	-
	Power	62,675,752	-
	Maternity Benefit Scheme	68,362	-
	Leave Salary	173,770	-

		2012 Taka	2011 Taka
	Production Incentive	740,747	-
	Medical Expenses	19,140	-
	Others	462,227	751,395
		87,080,970	9,872,211
15.02	Liabilities for Scrap Purchase :		
	F.B. Steel	5,958,158	3,133,200
	Feroz Enterprise	476,649	220,416
	J.N. Enterprise	856,074	298,596
	Monsur & Brothers	8,499,016	16,076,352
	Muradpur iron mart	13,348,948	1,452,064
	S.M.Enterprise	682,217	153,946
	Shapla Enterprise	1,004,765	1,851,466
	Bismillah Enterprise	4,168,028	-
	New Soudia Loha Bitan	3,037,866	-
	Nizam Enterprise	8,455,381	-
	Rahamina Steel	5,356,343	-
	S.S.Enterprise	2,437,254	-
	Pacific Traders	3,780,856	
		<u>58,061,555</u>	23,186,040
16.00	Due To Affiliated Companies:		
	Bangladesh Steel Re-Rolling Mills Ltd.	-	626,400,839
	East Bengal Trading & Industrial Corporation Ltd.	-	158,377,250
	BSRM Logistics Ltd.	-	31,342
	BSRM Steel Mills Limited.	-	1,631,660
		-	786,441,091
	Note: All Transaction among the affiliated companies have been made through		
	A/C Payee cheque/Bank Transfer & interest were charged accordingly.		
17.00	Other Liabilities:		
	Retention Money	8,272,727	8,134,521
	Staff Income Tax	· ·	
		· ·	
	VAT Deduction at Source	· ·	
	Provident Fund		173,766
		10,269,085	9,070,203
	Exchequer subsequently.		
18.00	Cost of Goods Sold:		
	Opening Stock of Raw Materials	454,409,525	557,162,952
	Add: Purchase during the year (Note No. 18.01)	7,229,426,598	4,719,698,156
	Raw material available for consumption.	7,683,836,123	5,276,861,108
	Less: Sales of Scrap		9,159,492
	Less: Closing Stock of Raw Materials	1,691,324,272	454,409,525
	-	1,698,719,427	463,569,017
	Other Liabilities: Retention Money Staff Income Tax TAX deduction at source VAT Deduction at Source Provident Fund NOTE: VAT & TAX deduction at source have been deposited to Govt. Exchequer subsequently. Cost of Goods Sold: Opening Stock of Raw Materials Add: Purchase during the year (Note No. 18.01) Raw material available for consumption. Less: Sales of Scrap	699,581 554,206 506,591 235,980 10,269,085 454,409,525 7,229,426,598 7,683,836,123 7,395,155 1,691,324,272	56,467 337,294 368,155 173,766 9,070,203 557,162,952 4,719,698,156 5,276,861,108 9,159,492 454,409,525

		2012 Taka	2011 Taka
	Raw Material Consumed	5,985,116,696	4,813,292,091
	Add: Production/Manufacturing Overhead	2,222,112,222	1,010,001
	•		
	Salaries & Wages	100,049,294	77,368,594
	Casual wages	14,350,125	13,233,252
	Factory Overhead (Note No. 18.02)	89,928,239	48,339,667
	Power Consumed	582,707,438	305,484,709
	Fuel & Lubricants Consumed	23,382,638	19,658,780
	Mechanical store	19,744,453	10,870,529
	Electrical store	13,641,483	9,063,744
	General Store	4,090,644	4,851,151
	Godown Rent	4,648,940	2,442,020
	Consumable Store Consumed (Note No. 18.03)	463,137,419	434,146,995
	Depreciation (Note No. 04)	152,887,215	145,008,265
		1,468,567,888	1,070,467,706
	Cost of Goods Manufactured	7,453,684,584	5,883,759,797
	Add: Opening Stock of Finished Goods	48,158,060	68,041,591
	Local Object of Fit the LOcal	7,501,842,644	5,951,801,388
	Less: Closing Stock of Finished Goods	95,379,864	48,158,060
	Cost of Sales	7,406,462,780	5,903,643,328
18,01	Raw Materials Purchase:		
10.01	Local Scrap	3,964,844,299	2,134,187,010
	Import-Shredded Scrap	2,421,006,713	1,905,478,354
	Import-Sponge Iron	843,575,586	680,032,792
		7,229,426,598	4,719,698,156
18.02	Factory Overhead:		
	Factory Office Expenses	273,971	60,235
	Repairs & Maintenance	7,696,365	4,174,018
	Wasa	2,939	4,168
	Printing Exp.	252,037	176,482
	Bonus (Festival)	3,795,994	2,478,985
	Bonus (Production)	901,215	-
	Gratuity	5,793,895	-
	Generator Expenses	984,502	1,076,624
	Medical Expenses	444,670	378,083
	Postage & Telegram	16,259	12,775
	Electric Expenses	5,285,716	
	Erectors A/C	-	1,286,429
	Conveyance	4,927,715	3,827,880
	Entertainment.	3,550,395	2,073,606
	Stationery Count House Port	131,257	84,393
	Guest House Rent	1,692,746	1,379,182
	Carrying Charge	48,213,158	27,810,342
	Computer Exp.	49,138	50,756
	Paper & Periodical	6,270	6,983
	Miscellaneous Expenses	304,880	968,539
	Fire Insurance	1,934,602	2,473,255

		2012 Taka	2011 Taka
	Insurance (Others)	16,604	16,932
	Guest House Expenses	3,653,911	<u> </u>
		89,928,239	48,339,667
18.03	Consumable Store Consumed:		
	Lining Materials	49,863,710	45,081,851
	Tundish consumable store	20,196,510	19,346,485
	Consumable Store Consumed	163,670,814	144,179,280
	Ferro Silicon	33,571,459	33,808,554
	Ferro Manganese	10,941,867	11,714,325
	Silico Manganese	176,964,754	172,256,668
	Welding Gas Consumed	7,928,305	7,759,832
		463,137,419	434,146,995
19.00	General & Administrative Cost:		
	Directors Remuneration (Note No. 19.01)	12,000,000	12,000,000
	Depreciation Expenses (Note NO. 04)	10,617,594	8,571,234
	Consulting Fees	5,056,647	5,465,215
	Motor Car Expenses	4,574,370	2,739,409
	Travelling Expenses	3,864,230	2,720,944
	Salary	2,065,911	849,055
	Gratuity	137,224	-
	Office Rent	1,644,876	1,638,156
	Bonus (Festival)	38,900	270,020
	Advertisement Expenses	69,852	92,821
	Office Expenses	129,483	162,739
	Professional Fees	80,653	-
	Rent & Taxes	100,000	200,000
	Conveyance Expenses	26,520	49,252
	Stationery	25,526	72,265
	Postage & Telegram	34,611	2,788
	Mobile & Telephone Expenses	614,394	556,764
	Audit Fee	62,500	46,538
	Entertainment Expenses	661,436	411,334
	Legal Expenses	432,190	303,150
	Training Expenses	57,600	114,797
	Fees & Renewals	828,260	769,395
	Computer Expenses	8,122	297,357
	Land Taxes	55,690	54,119
	Electricity Expenses[H.O.]	316,840	296,356
	Printing Expenses	25,971	54,674
	Subscription	160,000	186,105
	Medical Expenses	30,548	-
	Guest House Expenses	-	4,063,048
		43,719,948	41,987,535

NOTES TO THE FINANCIAL STATEMENTS

19.01 Directors Remuneration:

Name	Designation	Gross Remuneration	Income Tax Deducted	Net Paid
Mr. Alihussain Akberali FCA	Managing Director	300,000	3,600,000	3,600,000
Mr. Zohair Taherali	Director	300,000	3,600,000	3,600,000
Mrs.Tehseen Zohair Taherali	Director	200,000	2,400,000	2,400,000
Mr.Aameir Alihussain	Director	200,000	2,400,000	2,400,000
		1,000,000	12,000,000	12,000,000
		1,000,000	12,000,000	12,000,00

		2012 Taka	2011 Taka
20.00	Other Income:		
	Truck/Trailor Rent Received	7,560,000	6,899,505
	Miscellaneous Income	66,000	693,000
		7,626,000	7,592,505
21.00	Financial Expenses:		
	Bank Charges	3,033,405	937,938
	Interest on Loan Against Trust Receipts	142,139,195	200,599,442
	Interest on Term Loan	173,539,679	178,014,770
	Interest on Cash Credit & Overdraft	17,897,152	21,414,986
	Foreign Currency Loss (Note No-22.01)	-	33,781,455
	Interest Expenses on Sister Concern	35,334,916	(18,968,686)
		371,944,347	415,779,905
22.00	Financial Income:		
	Interest on FDR (Gross)	4,877,717	3,354,834
	Foreign Currency Gain (Note No-22.01)	23,233,342_	
		28,111,059	3,354,834
22.01	Foreign Currency Gain/ (Loss) :		
	Foreign Currency Gain/ (Loss) Transaction	4,279,668	-
	Foreign Currency Gain/ (Loss) Translation	18,953,674	(33,781,455)
		23,233,342	(33,781,455)
23.00	Provision For WPPF & Welfare Fund:		
	Opening balance as on January 01, 2012	7,479,019	5,961,258
	Provided during the year	10,546,581	7,185,779
		18,025,600	13,147,037
	Paid during the year	(7,479,019)	(5,668,018)
	Closing Balance as on December 31, 2012	10,546,581	7,479,019
	,		
24.00	Deferred Tax:		
	Opening balance as on January 01, 2012	<u>-</u>	-
	Due to temporary difference	60,747,486	-
	Closing Balance as on December 31, 2012	60,747,486	
	oldaning balance at an becompored if 2012		
25.00	Earnings Per Share (EPS):		
	The computation of EPS is given below:		
	a) Profit attributable to the Ordinary Shareholders (Net Profit After	Tax) 147,263,558	136,975,463
	b) No. of Shares Outstanding for the year (1,100,000,000/10)	110,000,000	110,000,000
		1.34	1.25
		-	

		2012	2011
26.00	Capacity Utilization:		
26.01	Production Capacity:	MT	MT
	Installed Capacity (In M.Ton) yearly	170,000.00	150,000.00
	Actual Production (In M.Ton)	138,725.42	121,679.24
	% of capacity utilization	82%	81%
27.00	Number of Employees:		
		Persons	Persons
	Number of employees more than Tax limit	59	48
	Number of employees below than Tax limit	249	269
	Total No. of Employee:	308	317

SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING (AGM)

No. of AGM : 11^{th} AGM Date : 30^{th} April, 2013

Venue : Banquet Hall, Chittagong Club Limited, Empress Road, Chittagong.

Time : 11.00 AM

FINANCIAL CALENDAR

Financial Year: 01st January to 31st December.

During the year 2012 operational results of the company were announced on:

29 April 2012 : First Quarter report
22 July 2012 : Half Yearly report
23 October 2012 : Third Quarter report
28 February 2013 : Annual Financial result.

RECORD DATE

The record date will be on 12th March 2013.

DIVIDEND

10% cash dividend and 5% stock dividend recommended on 28th February 2013 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.

FACE VALUE PER SHARE TK.10

CLOSING PRICE OF PER SHARE

Closing Price of per share of your company was about 6 times higher i.e. Taka 67.90 than face value per share.

DIVIDEND

Year	Rate of Dividend	Form of Dividend
2012	10% Cash and 5% Stock (Recommended)	
2011	15%	Cash
2010	20 %	Stock (Bonus)
2009	15%	Stock (Bonus)
2008	None	-

EPS

Year	Taka	Growth %
2012	2.66	3.13
2011	2.58	-13.03
2010	2.96	-25.12
2009	3.96	125.88
2008	(15.30)	-

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



EVENTS AND IMAGES



Flag Raising Ceremony



10th Annual General Meeting



10th Annual General Meeting



Tall Buildings Seminar

EVENTS AND IMAGES



Dealers' Night 2013



Tree Plantation Program



BSRM Vision & Values Program



BSRM Vision & Values Program

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						
Mr. /Ms	` ,					
of	(Address)					
as my /our proxy, to attend on my/our behalf at the 11th Annual Ger April 30, 2013 and at any adjournment thereof or any poll that may be behalf as he /she thinks appropriate on all resolutions.	neral Meeting (AGM) of the Company to be held on taken in consequence thereof and to vote on my /our					
Dated this	day of2013.					
Signature of the Shareholder Folio /BO ID No:	Signature of the Proxy Folio/BD ID No :					
Dated	Dated					
Signature of the witness						
•	at the Devictored Office of the Company Ali Mansier					
Note: The Proxy Form, dully filled in and stamped, must be deposited a 1207/1099 Sadarghat Road, Chittagong not later than 48 hours before						
	Signature Verified					
	oignatare vormed					
	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 11th Annual General Meeting of BSRM Steels Limited on 30th April 2013.						
Name						
BO ID						
Signature	Signature Verified					
	Authorized Signature BSRM Steels Limited					
Note: Please complete this Attendance Slip and deposit at the registra	ition counter on the day of the meeting.					

